

UNOFFICIAL TRANSLATION



“APPROVED”

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(Protocol on October 8, 2024)**

**REGULATIONS ON THE DIVIDEND POLICY
of Joint - Stock Company
«UZBEK COMMODITY EXCHANGE»
(new edition)**

Tashkent – 2024

REGULATIONS ON THE DIVIDEND POLICY of JSC UZEX

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This Regulation on the dividend policy of JSC UZEX (hereinafter referred to as the Regulation) has been developed in accordance with the Law of the Republic of Uzbekistan dated 26.04.1996 N 223-1 "On joint stock companies and protection of shareholders' rights" (New edition approved by the Law of the Republic of Uzbekistan dated 06.05. 2014 N 3PY-370) and the current legislation of the Republic of Uzbekistan, the Charter and other local acts of JSC UZEX.

I. GENERAL PROVISIONS

1.1. The main purpose of the adoption of this Regulation is to establish a transparent and understandable mechanism for the shareholders for determining the amount of dividends and their payment, as well as determining the approach of the Supervisory Board of JSC UZEX when making recommendations to the General Meeting of Shareholders.

1.2. Dividend policy of JSC UZEX is based on the balance of interests of JSC UZEX and its shareholders in determining the size of dividend payments, on increasing the investment attractiveness of JSC UZEX and its capitalization, on respect and strict observance of the rights of shareholders provided for by the current legislation of the Republic of Uzbekistan, the Charter JSC UZEX and local acts.

1.3. The decision (declaration) making on the payment of dividends on placed shares is the right of JSC UZEX. The general meeting of shareholders has the right to decide on the payment or non-payment of dividends on shares.

1.4. Payment of the declared dividends is the responsibility of JSC UZEX.

II. BASIC CONDITIONS FOR THE PAYMENT OF DIVIDENDS TO SHAREHOLDERS

2.1. JSC UZEX strives, along with the growth of capitalization, to increase the amount of dividends paid to shareholders, based on the amount of net profit for the year and the needs of the development of production and investment activities.

2.2. The conditions for the payment of dividends to the shareholders of JSC UZEX are:

2.2.1. availability of the JSC UZEX net profit for the year, determined in accordance with clause 2.3. of these Regulations;

2.2.2. no restrictions on the payment of dividends, quality articles 54 of the Law of the Republic of Uzbekistan dated April 26, 1996, No. 223-1 "On joint stock companies and protection of shareholders' rights" (New edition).

2.2.3. recommendation of the Supervisory Board of JSC UZEX on the amount of dividends;

2.2.4. the decision of the general meeting of shareholders of JSC UZEX on the payment of dividends, the amount of the dividend and the procedure for its payment on shares of each type.

2.3. JSC UZEX has the right to pay dividends at the end of the financial year based on the financial statements confirmed by the auditor's report, and also to pay interim dividends based on the results of the 1st quarter, half-year and/or 9 months. In this case, dividends are recognized as any income received by a shareholder from the distribution of profits of JSC UZEX on shares owned by the shareholder, as well as the shareholder's income received in the form of the cost of additional shares (increase in the par value of a share) in the event of an increase in the authorized capital (authorized capital) at the expense of the equity capital (property) of JSC UZEX.

II. DETERMINING THE SIZE OF DIVIDENDS

3.1. In accordance with the requirements of the legislation of the Republic of Uzbekistan, dividends are paid to shareholders of JSC UZEX from the net profit remaining at the disposal of the company and (or) retained earnings of previous years.

3.2. When assessing the amount of dividends recommended to the general meeting of shareholders (per share) and the total profit of JSC UZEX, allocated for dividend payments, the Supervisory Board of JSC UZEX proceeds from the assumption that the amount of funds allocated for dividend payments should not be less than 50% of net profit recorded on the basis of financial statements confirmed by an auditor's report.

3.3. The amount of the recommended dividends (per share) of JSC UZEX is determined based on the amount of funds allocated for dividend payments, and is numerically equal to the sum of the share of net profit for the year, calculated in accordance with paragraph 2.3 of this Regulation, divided by the number of shares of the JSC UZEX, placed and in circulation as of the date of drawing up the register of shareholders entitled to receive dividends.

3.4. The dividend yield, calculated as the ratio of the total amount of dividends to the par value of shares, cannot exceed the yield (profitability) of equity capital of JSC UZEX, calculated as the ratio of net profit to equity.

IV. THE PROCEDURE FOR MAKING A DECISION ON THE PAYMENT OF DIVIDENDS

4.1. The issue of the possibility of paying dividends following on the results for the next year is preliminary considered by the Supervisory Board of JSC UZEX, based on the received financial results and the available proposals of the Board of JSC UZEX on the distribution of the profit.

4.2. The Supervisory Board of JSC UZEX, on the basis of the proposal of the Management Board, considers the main directions of distribution of profits and determines the share of profits, which is advisable to use for dividend payments. When making its decision, the Supervisory Board is guided by clause 2.3 of these Regulations.

4.3. When determining the amount of dividends recommended to the general meeting of shareholders, the Supervisory Board of JSC UZEX takes into account the following factors:

4.3.1. the amount of net profit according to the financial statements, the reliability of which is confirmed by the auditor's report.

4.3.2. financial and economic plans of JSC UZEX for the next reporting period;

4.3.3. structure of working capital of JSC UZEX at the end of the reporting period;

4.3.4. dividend history of JSC UZEX;

4.3.5. debt load of JSC UZEX at the end of the reporting period;

4.3.6. the impact of dividend payments on capitalization growth.

4.4. When the Supervisory Board of JSC UZEX considers the issue on the recommendation to the general meeting of shareholders of the amount of dividends, the quorum for making a decision must be at least 75% of the number of elected members of the supervisory board of JSC UZEX.

4.5. The recommendation of the Supervisory Board of JSC UZEX on the amount of dividends is presented to shareholders, in accordance with the current legislation, for their making a final decision at the shareholders' meeting.

4.6. The decision on the payment of dividends and their amount are made by the general meeting of shareholders. The amount of dividends cannot be more than the one recommended by the Supervisory Board of JSC UZEX. The general meeting of shareholders has the right to decide on non-payment of dividends on shares of a certain type.

4.7. Dividends are declared net of withholding taxes from shareholders.

V. DIVIDEND PAYMENT TIMING AND TERMS

5.1. The Supervisory Board of JSC UZEX determines the date of drawing up the register of shareholders entitled to participate in the general meeting of shareholders, at which a decision should be made on the payment of dividends to shareholders.

5.2. The list of persons entitled to receive dividends is compiled as of the date of closing the register of shareholders formed by the Central Securities Depository of the Republic of Uzbekistan for holding a general meeting of shareholders, at which a decision should be made on the payment of dividends to shareholders.

5.3. Dividends are paid to shareholders within the terms established by the current legislation and the relevant decision of the general meeting of shareholders, and cannot be later than sixty days from the date of such a decision.

5.4. JSC UZEX and its executive body ensure timely and full payment of dividends to shareholders.

5.5. When paying dividends, none of the shareholders has an advantage in terms of payment terms.

5.6. Dividends are paid in cash or other legal means of payment or in the company's securities.

Accrued dividends in the manner prescribed by law can be used to increase the authorized capital of JSC UZEX.

5.7. Declared dividends are paid in the national currency of the Republic of Uzbekistan, or at the written request of a non-resident shareholder of the Republic of Uzbekistan, JSC UZEX is obliged to convert the dividends accrued to it into freely convertible currency.

5.8. The payment of dividends for legal entities is considered to be the transfer of the corresponding sums of money from the bank account of JSC UZEX to the bank account specified in the register of shareholders of JSC UZEX, drawn up as of the date for the general meeting of shareholders, at which a decision should be made on the payment of dividends to shareholders.

5.9. The shareholder is obliged to promptly inform the investment intermediary and/or the Central Securities Depository providing services for the registration of rights on his shares, about changes in his data.

5.10. Payment of dividends for individuals is considered to be the transfer of the corresponding sums of money from the bank account of JSC UZEX to bank deposit accounts of individuals or plastic card accounts, according to a written statement of the shareholder and the corresponding agreement with the bank.

5.11. The process of payment of dividends is carried out through the accounting department of JSC UZEX.

5.12. Taxation of paid dividends is carried out in accordance with tax legislation and benefits may be established under it.

5.13. The term for the payment of dividends is established by the decision of the general meeting of shareholders of JSC UZEX, but cannot exceed 60 days from the date of the decision on payment of dividends by the general meeting of shareholders.

5.14. If the owners of securities of JSC UZEX were unable to receive the accrued dividends within the terms established by the general meeting of shareholders, JSC UZEX continues to pay such (unclaimed) dividends.

5.15. JSC UZEX has the right to pay dividends through the Central Depository and (or) investment intermediaries in accordance with the concluded agreement.

5.16. A dividend that has not been claimed by the owner or his legal successor or heir for three years, by the decision of the general meeting of shareholders, remains at the disposal of the company.

VI. INFORMING SHAREHOLDERS ABOUT THE DIVIDEND POLICY

6.1. JSC UZEX publishes this Regulation on the dividend policy of JSC UZEX and amendments to it on the corporate website of JSC UZEX on the Internet at www.uzex.uz.

6.2. The materials submitted to shareholders for making decisions at the general meeting of shareholders must contain all the necessary information indicating the presence or absence of conditions necessary for the payment of dividends.

6.3. When the general meeting of shareholders makes a decision on the payment of dividends, JSC UZEX discloses information in the form of messages on material facts within the time limits established by the legislation. Which unambiguously and clearly gives the shareholders an idea on the issue of dividend payment. JSC UZEX announces the size of dividends excluding taxes from them.

6.4. Information on the procedure (time, place, size, method, etc.) of dividend payment is also posted on the corporate website of JSC UZEX on the Internet at www.uzex.uz.

VII. LIABILITY FOR INCOMPLETE OR LATE PAYMENT OF DIVIDENDS TO SHAREHOLDERS

7.1. JSC UZEX is obliged to pay the declared dividends on shares of each type.

7.2. The executive body - the Management Board of JSC UZEX is responsible for the full and timely payment of dividends to the shareholders of JSC UZEX. Control over the actions of the executive body in terms of full and timely payment of dividends to shareholders is carried out by the audit commission of JSC UZEX and the internal audit service of JSC UZEX.

7.3. In case of incomplete and untimely payment of dividends to shareholders who timely informed the Central Securities Depository, performing the functions of the central registrar, their bank details, postal addresses and other details and changes in them, officials directly guilty of this are liable in accordance with applicable law.

VIII. FINAL PROVISIONS

8.1. This Regulation, as well as changes and additions to it, are approved by the decision of the general meeting of shareholders.

8.2. Changes and additions to this Regulation are made at the suggestion of the members of the Supervisory Board, the Audit Commission, the Internal Audit Service, the head of the executive body of JSC UZEX.

8.3. If individual articles of this Regulation conflict with the current legislation of the Republic of Uzbekistan and/or the Charter of JSC UZEX, these articles become invalid and in terms of the issues regulated by these articles, one should be guided by the norms of the current legislation of the Republic of Uzbekistan and/or the Charter of JSC UZEX until the moment making appropriate changes to this Regulation.