

“APPROVED”  
By General Shareholders meeting of  
JSC “UzRCSE”  
Minutes dd.on 20.06.2014  
sealed

**REGULATIONS**  
**about Board of**  
**JSC “UzRCSE”**  
(New edition)

Tashkent – 2014.

## I. General provisions

1.1. The present Regulation defines a formation order, status and competence of executive body of JSC UZRCSE (hereinafter referred to as - Exchange or Society), regulates its activity, establishes rights, duties and responsibility of Chairman and members of executive body.

1.2. Regulation is drafted according to law of the Republic of Uzbekistan "On joint stock companies and protection of shareholders rights", other normative legal acts and Articles of Society.

### 2. Order on formation of executive body

2.1. Executive body of JSC UZRCSE is a collegiate executive body - Board consisting of 5 people.

2.2. A chairman of board and board members of Exchange are elected (are appointed) by General meeting of shareholders of Exchange, according to recommendation of Supervisory board.

2.3. By consideration and approval of candidacies in board members decisions are made by General meeting of shareholders of Exchange by a simple majority of votes.

2.4. Presenting this or that candidacy to structure of executive body. Chairman of Supervisory board informs on conditions of contract conclusion, remuneration amount for administrative activity and consent of candidate for conclusion of contract confirmed with personal statement of the candidate.

2.5. Candidates for board members of Exchange may attend a meeting of Supervisory board by consideration of candidates.

2.6. After election (appointment) by General meeting of shareholders, with candidacies, recommended to structure of Board and a chairman of the board and each board member of the Exchange there is concluded a contract for fulfillment of duties. The contract is concluded for a period of one year annually with making a decision on possibility of its extension or termination. The contract is signed by chairman of Supervisory board on behalf of Exchange or person, being authorized by Supervisory board.

In case of early termination of powers of person being a part of executive body, appointed by General shareholder meeting, there is allowed a temporary execution of his/her duties, defined by decision of Supervisory board of society.

2.7. For violation of Articles of Exchange, and also terms of the contract a member of board of Exchange can be withdrawn from a post with simultaneous cancellation of contract. A decision on withdrawal of board member of Exchange and cancellation of contract with him/her is made by Supervisory board on majority votes basis. Supervisory board has a right of early termination of contract with a Chairman of Board of the Exchange in case of commitment of gross violations or failure of performance of approved parameters in annual business plan of society by them.

### 3. Competence and structure of Board of the Exchange

3.1. Competence of Board includes all questions of management over the current activity of the Exchange, except for questions referred to competence of General shareholder meeting and competence of Supervisory board.

3.2. A quantitative board of the Exchange is defined proceeding from principles of the greatest possible execution of administrative functions (5 people).

3.3. The followings may enter into Board of the Exchange:

- vice chairman of board of the Exchange, chief accountant;
- managing directors - heads of core operating divisions;
- other experts providing the most important activities of the Exchange.

3.4. Board members of the Exchange act within competence, determined by job description, provisions of work contract concluded with them, decisions of General shareholder meeting, Supervisory board of society, Board and instructions of Chairman of the board.

Material stimulation of board members of the Exchange is carried out depending on efficiency of activity of the Exchange.

3.5. A chairman of board of the Exchange according to the present Regulation has a right to make offers on additional candidates for board of the Exchange in connection with changes in activity of the Exchange and other circumstances.

#### 4. Chairman of the board of the Exchange

4.1. Chairman of board of the Exchange independently resolves all issues of activity of the Exchange, except for matters referred to exclusive competence of General meeting and Supervisory board.

4.2. The chairman of board of the Exchange may:

- act on behalf the Exchange, to represent its interests in relationship with other organizations and bodies without power of attorney;
- dispose of property and money in limits stipulated by Articles or other document of the Exchange
- write off property of the Exchange;
- make decisions on the questions connected with the organization and holding the exchange auction;
- sign contracts and contracts, including labor;
- issue powers of attorney;
- open settlement and other accounts in banks;
- issue orders and instructions obligatory for all subordinate workers;
- approve staff, to conduct its completion.

4.3. Duties of the Chairman of the board:

- implementation within the competence of management over the current activity of the Exchange, except for questions referred to competence of General shareholder meeting and Supervisory board, ensuring its effective and stable functioning;
- organizing execution of decisions of General shareholder meeting and Supervisory board of the Exchange:
- ensuring effective interaction of structural divisions of the Exchange;
- ensuring implementation of contractual obligations of the Exchange;
- ensuring receiving arrived in sizes necessary for development of production and social sphere;
- leadership in development of programs and business plans of development of the Exchange, organization and control over their execution;
- ensuring compliance with legislation in activity of the Exchange;

- providing organization, appropriate state and reliability of accounting and reporting, timely submission of annual report and other financial statements in appropriate authorities, and also data on activity of the Exchange sent to shareholders, creditors and other recipients of data. Chairman of the board quarterly reports to Supervisory board on course of implementing the annual business plan;
  - free provision with documents on financial economic activity of the Exchange on demand of Supervisory board, audit commission of the Exchange or auditor of the Exchange;
  - ensuring completeness and timeliness of providing the state statistical reporting in appropriate authorities;
  - preserving information being a trade secret of the Exchange if a circle of his/her duties does not include transfer of such information to the third parties. A list of data being a trade secret of the Exchange is defined by Supervisory board.
  - ensuring preservation of information being an office or trade secret for employees of the Exchange;
  - organization of holding board meetings of the Exchange, under writing of documents on behalf of the Exchange and protocols of board meetings of the Exchange;
  - Approval of Rules for Exchange trade and other domestic regulations for the Exchange;
  - undertake measures to providing the Exchange with qualified personnel, the best use of knowledge, qualifications, experience and abilities of employees of the Exchange;
  - maintenance of labor and technological discipline;
  - ensuring compliance with social guarantees and labor protection of employees of the Exchange;
  - ensuring participation of representatives of Board in collective negotiations. At conclusion of collective agreements and contracts performance as an employer. Implementation of obligations under the collective agreement;
  - granting the General shareholder meeting and Supervisory board of the Exchange - reports on state of affairs which are within its competence in scheduled time;
  - respect for all rights of shareholders on obtaining information provided by acting legislation by them, to participation in General shareholder meetings, charge and payment of dividends:
  - observance of internal documents, acting legislation and other regulations.
- 4.4. Concrete rights and duties of Chairman of the board are provided in the contract with him/her.

## 5. Conflict of interests

- 5.1. When one of board members of society is interested in transaction, one of the parties of which is - joint stock company, he/she is obliged to report about such interest until decision-making, and this member's participation in discussion of specified question in vote of Board is not accepted.
- 5.2. Board members should not use rights granted to them by official position for and in interests of legal entities and individuals with which they have labor relations or have interest of property character.
- 5.3. Board members should not allow actions for extraction of personal benefits from disposal of property of the Exchange
- 5.4. Board members during their work in this position have no right to establish or take part in establishment of enterprises competing with the Exchange in implementation of similar activity,

and if by the time of election, they already participate, then they are obliged to inform on it the Supervisory board of the Exchange.

## 6. Operating procedure of Board of the Exchange

6.1. Meetings of Board of the Exchanges are held in cases of need, but at least once a month. Questions, taken out by Board of the Exchange on decision of Supervisory board or General shareholder meeting are discussed previously in a board meeting of the Exchange in obligatory manner. A point of view of Board on Supervisory board and General shareholder meeting is reported and defended by Chairman of board or board member authorized by him/her.

6.2. Board meetings of the Exchange are held by Chairman of board or one of his/her deputies for accessory of matters in point. A board is competent to resolve issues with not less than 3 people. Decisions of Board are made by simple majority of votes of board members being present at a meeting. Results of a meeting are accepted in form of decisions and are signed by all board members participating in a meeting.

6.3. Secretary of Board of the Exchange organizes maintaining minutes of meetings. Extracts from minutes of meetings are given:

to head of Supervisory board and head of audit commission without fail;

at request of other public officials and the auditor only on permission of Chairman of the board;

to other persons and bodies (including state) in cases provided by acting legislation .

## 7. Responsibility of members Board

7.1. Board members bear responsibility before joint stock company for losses caused to it as a result of default execution or inadequate execution of functions by them, in full on compensation of damage caused to the Exchange according to acting legislation and Articles of the Exchange. At the same time the board members failing to take part in vote or voting against a decision entailing to incur losses to society do not bear responsibility.

In case, when according to provisions of the present point responsibility is born by several persons, their responsibility before the Exchange shall be joint.

7.2. The exchange or shareholder (shareholders), in total holding one percent of placed common stocks of the Exchange may appeal to the court with a claim to board members of board of Exchange and to its certain member about compensation of incurred losses caused to the Exchange.

7.3. Board members should not allow actions on extraction of personal benefits from disposal of property of a joint stock company.

7.4. For violation of requirements of legislation, Articles of the Exchange, decisions of General meetings, Supervisory board, this Regulation, and also conditions of contracts concluded with them, contracts with guilty board members can be terminated ahead of schedule, and Board is re-elected in ahead of schedule order.

7.5. Questions, not settled by Articles of the Exchange, this Regulation, and also other internal local acts regulating activity of executive body are resolved in compliance with acting legislation.