

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

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

Tashkent – 2014.

I. General provisions

1.1. The present Regulation defines the status and competence of Supervisory board of JSC UZRCSE (hereinafter referred to as - Exchange or Society) regulates an order of elections of its members and Chairman, and also their right and a duty.

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 the Exchange.

1.3. Supervisory board provides implementation of resolutions of General shareholder meeting, defines strategy and plans of main directions of development and activity of society and works within the competence determined by resolutions of General shareholder meeting, Articles of society and the present Regulation.

1.4. Members of Supervisory board are elected by General shareholder meeting annually by carrying cumulative vote in order provided by legislation and the Articles of society in number of seven members.

1.5. A shareholder may give votes on shares held by him completely for one candidate or to distribute them between several candidates for members of Supervisory board.

Candidates gathering the greatest poll are considered as elected to structure of Supervisory board.

2. Competence of the Supervisory board.

2.1. Competence of Supervisory board includes the followings:

definition of priority activities of Exchange;

convocation of annual and extraordinary General shareholder meetings, except for cases provided by the eleventh part of art. 65 of the Law of the Republic of Uzbekistan "On joint stock companies and protection of shareholders rights";

preparation of agenda for General shareholder meeting;

definition of date, time and venue for General shareholder meeting;

definition of formation date of shareholders register of society for notification about holding General shareholder meeting;

introduction on decision of General meeting of shareholders the questions provided by the second paragraph of the first part of art.59 of the Law of the Republic of Uzbekistan "On joint stock companies and protection of shareholders rights" in cases when questions are referred to competence of General shareholder meeting;

organization of establishment of market value for property;

pre-schedule termination of powers of Chairman and board members, and also appointment of acting as Chairman and board members;

appointment of corporate consultant and adoption of regulation defining an order of its activity;

approval of annual business plan of the Exchange;

creation of service of internal audit and appointment of its workers, and also quarterly hearing of its reports;

determination of number for personnel of the Exchange;

access to any documents concerning activity of executive body of Exchange and receiving them from executive body for execution of duties assigned to Supervisory board. Received documents can be applied by supervisory board of society and its members only in office purposes;
decision making on carrying out audit inspection, on definition of audit organization and limit amount of payment for its services;
making recommendations about amount of remunerations and compensations paid to members of audit commission (auditor) of society;
making recommendations about dividend size, form and order of its payment;
use reserve and other funds of the Exchange;
creation of branches and opening representative offices of society;
decision making on transactions in cases provided by chapters 8 and 9 of Law of the Republic of Uzbekistan "On joint stock companies and protection of shareholders rights";
conclusion of transactions related to participation of society in commercial and non-profit organizations, in order established by legislation;
increase in authorized capital by increase in par value of shares, and also making corresponding amendments and additions into Articles in connection with such increase in authorized capital of Exchange;
approval of decision on issue of securities and prospectus of issue;
determination of placement price (exposure to exchange and organized off-exchange securities market) of stocks according to article 34 of Law of the Republic of Uzbekistan "On joint stock companies and protection of shareholders rights";
establishment of amount for remunerations and compensations paid to executive body of society.

2.2. Questions referred to competence of Supervisory board cannot be transferred for resolution of Board of the Exchange.

3. Election, appointment of members of Supervisory board

- 3.1. Election of members of Supervisory board of Exchange is made by general shareholder meeting in order provided by law and Articles of society for a period of one year.
- 3.2. Persons elected in members list of Supervisory board of the Exchange can be re-elected in unlimited manner.
- 3.3. A representative of state may be appointed to the structure of Supervisory board on the basis of decision of authorized public authority. The representative of state on his/her position is a member of Supervisory board of the Exchange, and is not subject to election (re-election) by General shareholder meeting.
- 3.4. Early termination of powers:
of elected member of supervisory board is carried out on resolution of general shareholder meeting;
of appointed representative of state - by decision of authorized public authority.
- 3.5. Trustee (when a legal entity - its representative) of state assets is a member of supervisory board of the Exchange, he/she is not subject to election (re-election) by general shareholder meeting.
- 3.6. Board members cannot be elected in Supervisory board. Combination of activity of members in Supervisory board of society with their activities on employment contract (agreement) at the Exchange is not permitted.

Persons not being shareholders of Exchange may be elected to Supervisory board, in order provided by the law.

3.7. Requirements imposed to candidates for election to structure of Supervisory board of society are established by Articles or resolution of general shareholder meeting.

3.8. The shareholder is entitled to vote on shares held by him completely for one candidate or to distribute them between several candidates for members of Supervisory board of the Exchange.

3.9. Candidates gathering the greatest poll are considered as elected to structure of the Supervisory board.

3.10. Elections of members to Supervisory board of society are carried out by cumulative vote.

3.11. During cumulative vote, number of votes, belonging to each shareholder, is multiplied by number of persons being elected in Supervisory board of society, and shareholder may give votes received in such manner, in complete order for one candidate or to distribute them between two and more candidates.

4. Election of chairman and secretary of Supervisory board

4.1. A chairman of Supervisory board of society is elected by members of Supervisory board from its structure by simple majority of votes from total number of elected members of the Supervisory board.

4.2. The chairman of Supervisory board of society will organize its work, convenes meetings of Supervisory board and presides over them, also he organizes maintaining the minutes at meetings and is responsible for its reliability, presides over General shareholder meeting.

4.3. The chairman of Supervisory board or person authorized by Supervisory board signs employment contracts with Chairman of the board and board members on behalf of the Exchange.

4.4. In case of Chairman's absence of the Supervisory board of society his/her functions are fulfilled by one of members of the Supervisory board.

4.5. Supervisory board elects secretary of board who prepares documents and necessary information for meetings of Supervisory board, keeps minutes of meetings of Supervisory board. In case of chairman's absence of the Supervisory board of society or secretary, their functions are fulfilled by one of members of Supervisory board.

5. An order for a meeting of Supervisory board

5.1. A meeting of Supervisory board of society is convened by Chairman of Supervisory board on his/her own initiative, upon demand from a member of Supervisory board, audit commission, Board, and also from other persons determined by Articles of society.

Information on convocation of a meeting is sent to members of Supervisory board no later than three working days before date of a meeting.

5.2. Quorum for holding a meeting of Supervisory board is defined in number of not less than 75% of number of the elected members of the Supervisory board.

When the number of members of Supervisory board is less than 75%, then Supervisory board is obliged to convene extraordinary General shareholder meeting for election of new structure for Supervisory board. Remained members of Supervisory board are entitled to make decision on convocation of extraordinary general shareholder meeting, and also in case of pre-schedule

termination of powers, assigned to a head of executive body to appoint a person, temporarily fulfilling its duties.

5.3. Decisions at a meeting of Supervisory board of society are made by a majority vote of attendees if Law "On Joint Stock Companies and Protection of Shareholders Rights" and Articles of Exchange do not provide otherwise.

On resolution of questions at a meeting of Supervisory board of society each member of board has one vote, at equality of votes - Chairman of Supervisory board has a decisive vote.

5.4. Vote transfer by one member of Supervisory board of society to other member of board, and also representation for a member of Supervisory board by other person is not allowed.

5.5. There is kept minutes at a meeting of Supervisory board of society. The minutes of Supervisory board are formed no later than 10 days from the date of its holding.

5.6. It is specified in the minutes:

- date, time and venue for its holding;
- persons being present at a meeting;
- agenda of a meeting;
- questions raised on vote, vote results on them;
- made decisions.

5.7. Minutes of Supervisory board of society are signed by members of supervisory board of society participating in a meeting bearing responsibility for correctness of minutes and secretary of board.

6. Rights and duties of members of supervisory board

6.1. The member of Supervisory board has a right:

- to take personal participation in a meeting of Supervisory board, to submit questions for consideration of board, to act on questions discussed at a meeting and to vote at decision-making;
- according to decision of Supervisory board receive full and reliable production and financial information about activity of society for a certain period of time, about plans of its development;
- to earn remuneration and/or compensation of expenses connected with execution of functions of member of Supervisory board.

6.2. Distribution of functions between members of Supervisory board is carried out by Chairman of Supervisory board specifically for each member of board. Amount of remuneration for each member of Supervisory board is defined by general shareholder meeting depending on efficiency of activity.

6.3. A member of Supervisory board having an interest in commission of transaction by society is obliged to report about such interest to Supervisory board until conclusion of transaction, and a decision on transaction is made by Supervisory board or, in cases provided by law, general shareholder meeting by a majority vote according to members of Supervisory board or shareholders not having such interest.

Interest of a member of supervisory board in commission of transaction by society is set by acting legislation of the Republic of Uzbekistan.

6.4. Members of Supervisory board have no right directly or indirectly to earn remuneration for rendering influence for adoption of these or those decisions by supervisory board.

6.5. Members of supervisory board have no right to use possibilities of joint stock company (property or non-property rights, opportunities in sphere of economic activity, information on activity and plans of joint stock company) for personal enrichment.

6.6. Members of supervisory board are obliged to carry out their functions honestly, and also in such way which they consider the best in the interests of joint stock company, according to requirements of acting legislation of the Republic of Uzbekistan.

7. Responsibility of members of Supervisory board

7.1. Members of Supervisory board of society bear responsibility before joint stock company for damage caused to society by default actions (inaction) according to legislation.

At the same time, members of Supervisory board not taking part in voting or voting against decision, entailing incur of loss to society are exempted from liability.

In case according to provisions of the present clause, responsibility is born by several persons, their social responsibility shall be joint.

7.2. Society or shareholder (shareholders), holding in total not less than one percent of placed common shares of society may appeal to the court with a claim against the member of Supervisory board for indemnification caused to society.