

APPROVED  
by the decision of the meeting of the  
Supervisory Board of  
“QO’QON BIOKIMYO”  
No. 11 dated June 4, 2022

A.I.Ruziyev\_\_\_\_\_

Chairman of the Meeting\_\_\_\_\_signature

*JOINT-STOCK COMPANY*  
*«KOKAND BIOCHEMICAL»*

**REGULATION ON THE**  
**APPOINTMENT AND**  
**REMUNERATION COMMITTEE IN**  
**THE PRESENCE OF THE**  
**SUPERVISORY BOARD**

*2022 year*

## **I. General provisions**

1.1. This Regulation (hereinafter referred to as the Regulation) is based on the Law of the Republic of Uzbekistan "On the protection of the rights of Joint Stock Companies and Shareholders", the Resolution of the President of the Republic of Uzbekistan "On further reform, improving the business environment and creating conditions for sustainable economic growth through the development of the private sector" 2022. to Decree No. PF-101 of April 8, 2021, approved by Annex 1 of Decree of the Cabinet of Ministers No. 166 of March 29, 2021 "On approval of the management and reform strategy for state enterprises for 2021-2025" was developed in accordance with the management and reform strategy , the charter of the joint-stock company "QO'QON BOKIMYO" (hereinafter - the Company), the Regulations on the Supervisory Board and other regulatory legal acts, as well as the Appointment and Remuneration Committee under the Supervisory Board of the Company (hereinafter - the Committee), the law determines the legal status, composition, powers and procedure his activities.

1.2. The Committee is created on the basis of a decision of the Supervisory Board of the Company to consider the most important issues and prepare recommendations to the Supervisory Board of the Company in the field of personnel and remuneration. The Committee is a permanent working body of the Supervisory Board of the Company. The Committee is not authorized to act on behalf of the Supervisory Board. The committee is not considered the governing body of the society.

1.3. The Committee carries out its activities in accordance with the current legislation, the Charter of the Company, the Regulations on the Supervisory Board and these Regulations.

## **II. Composition of the Appointment and Remuneration Committee**

2.1. The Committee is formed only from members of the Supervisory Board of the Company in the amount of 3 (three) people. The committee must include at least one independent member of the Supervisory Board.

2.2. Members of the committee are elected by a majority vote of the members of the Supervisory Board for their term of office on the recommendation of the Chairman of the Supervisory Board of the Company. The Chairman of the Committee is approved by the Supervisory Board of the Company from among the

members of the Committee. The Chairman of the Supervisory Board of the Company cannot be the Chairman of the Committee.

2.3. Members of the Supervisory Board elected to the committee may be re-elected indefinitely.

2.4. The selection of committee members should take into account their education, professional skills, experience in the committee's field of activity and other special knowledge so that they can fully use their powers.

2.5. The chairman of the committee directs and organizes the activities of the committee. In case of temporary absence of the chairman of the committee, one of the members may be appointed chairman.

2.6. The distribution of functions between the members of the Committee is carried out by the Chairman of the Committee.

### **III. Key Responsibilities of the Appointment and Remuneration Committee**

3.1. The main tasks of the committee are as follows:

Control over the execution of decisions of the Supervisory Board and the personnel policy and organizational development of the Company, as well as internal documents;

Formation of recommendations to the Supervisory Board on candidates for the positions of the head and members of the executive body of the company;

Formation of recommendations on candidates for election to the Supervisory Board of the Company;

Election of the head and members of the executive body of the company, consideration of issues of early termination of their powers, including early termination of the employment contract with them;

Analysis of the professional qualifications and independence of persons nominated to the Supervisory Board of the Company, based on all information known to the Committee;

Development of recommendations for improving the work procedures of the Supervisory Board and its committees;

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Formation of recommendations to the Supervisory Board on candidates for the position of the company's corporate adviser;

Conduct an annual formalized procedure for self-assessment or external assessment of members of the Supervisory Board and committees of the Supervisory Board, prepare a report on the results of self-assessment or external assessment for inclusion in the annual report of the Company;

formation of training and advanced training programs for individual members of the board, taking into account the personal needs of the members of the supervisory board and control over the implementation of these programs;

Development of a remuneration policy for members of the Supervisory Board, the head and members of the executive body, other officials, if necessary, its revision and amendment;

Formation of proposals (recommendations) on rewarding the head and members of the executive body of the company, members of the Supervisory Board and other officials;

Analysis and evaluation of the activities of the head and members of the executive body of the company and other officials;

Preparation and inclusion of issues on the agenda of the General Meeting of Shareholders of the Company for making a decision on the payment of remuneration and (or) compensation to members of the Supervisory Board of the Company;

Preliminary consideration and preparation of proposals for approval of the organizational structure of the company;

preliminary assessment of the activities of the executive body and other management staff of the Company based on the results of the year based on the criteria provided for by the remuneration policy;

Preliminary assessment of the activities of a corporate consultant based on the results of the year and development of proposals to encourage a corporate consultant;

Control over the timely disclosure of information on the awarding of members of the Supervisory Board of the Company, the head and members of the executive body and other officials;

Prepare and submit a report on the results of the Committee's activities for inclusion in the annual report and other documents of the Company;

Fulfillment of other tasks set by the Supervisory Board.

#### **IV. Procedure for organizing and holding meetings of the Appointment and Remuneration Committee**

4.1. The meeting of the Committee is convened by the Chairman of the Committee on his own initiative, at the request of the members of the Committee, as well as at the written request of the head of the executive body of the Company.

4.2. The committee meets at the end of each quarter, monthly if necessary, with the personal participation of committee members or using other means of communication. The Committee has the right to invite the executive body of the Company and other persons to participate in the meetings of the Committee, and, if necessary, request information from them.

4.3. Members of the Committee have the right to demand the convening of an urgent meeting of the Committee in case of detection of violations that require immediate resolution of a specific issue.

4.4. The Committee holds its meetings before meetings of the Supervisory Board of the Company.

4.5. The chairman of the committee creates opportunities for all participants in the committee meeting to properly prepare for it and actively participate in the discussion of the issues raised at it. Members of the Committee should allocate sufficient time to prepare for and participate in Committee meetings.

4.6. If at least 2/3 of its members participate in the meeting of the committee, the meeting is considered competent, and the chairman of the committee must participate in it.

4.7. Decisions at a meeting of the commission are made by a majority vote of those present at the meeting.

4.8. When resolving issues at a meeting of the Committee, each member of the Committee has one vote. In case of equality of votes, the vote of the Chairman of the Committee shall be decisive. A member of the Committee who does not agree with the decision of the Committee has the right to record his dissenting opinion, which must be attached to the minutes of the meeting, and bring it to the attention of the Supervisory Board.

4.9. The decision of the Committee is documented in the minutes of the meeting of the Committee. This report is kept by the Secretary of the Committee and signed by the members of the Committee who took part in the voting.

4.10. **The secretary of the committee meetings is carried out by the head of the personnel service of the Company.**

4.11. **Chairman of the Committee:**

- organizes the work of the commission;
- convenes and presides over meetings of the commission;
- keeps minutes of committee meetings;

The Company implements internal regulatory documents and other actions provided for by these Regulations.

4.12. **Committee Secretary:**

- maintains and draws up minutes of committee meetings;
- prepares and submits materials on agenda items for consideration by the Committee;
- brings the decisions, conclusions and reports of the commission to the addressees.

4.13. All decisions made within the competence of the Committee are obligatory for the executive body and other officials of the Company from the date of their adoption. The officials indicated in these decisions are personally responsible for the timely and proper execution of the decision. Control over the implementation of the decisions of the Committee is carried out by the Chairman of the Committee.

## **V. Rights and obligations of members of the Appointment and Remuneration Committee**

5.1. A committee member has the following rights:

- Require members of the executive body of the Company and other officials of the Company to provide all documents and materials necessary for their activities;
- Demand the convening of a meeting of the executive body in case of detection of violations that have caused or may cause major material damage to the Company;
- Request comments on the issues under consideration from employees of the structural divisions of the company, including their leaders;
- Submit questions about disciplinary, property and other types of liability of guilty employees for consideration by management;
- Use of primary accounting, financial and other documents of the company;
- Periodically or regularly invite the managers of the Company, other members of the Supervisory Board of the Company by decision of the Chairman of the Committee, in cases where it is necessary to fulfill the decisions and tasks within the competence of the Committee, to participate in the meetings of the Committee;
- If, in the opinion of the Committee, an in-depth study of the issue is necessary, request, on its own initiative, the opinion of other committees of the Supervisory Board of the Company on an issue related to the powers of the Committee;
- Speak on the issue discussed at the meeting of the Committee, within the time limits allotted by the regulations, demand that his dissenting opinion on the issues on the agenda, decisions taken be entered in the minutes of the meeting of the Committee;
- Submission of proposals for amendments and additions to these Regulations for approval by the Supervisory Board of the Company;
- On the basis of the submitted documents, develop appropriate conclusions and proposals and submit them for discussion by the Supervisory Board of the Company;
- Propose issues for inclusion in the agenda of the meeting of the commission.

#### 5.2. Responsibilities of committee members:

- Submitting the remuneration policy for approval by the Supervisory Board and monitoring its implementation;



- Fulfill the duties assigned to him on the basis of the laws of the Republic of Uzbekistan, the Charter, the Charter of the enterprise and internal documents and conscientiously carry out their activities;
- Act on the principles of protecting the rights, interests and interests of the shareholders of the company;
- Non-disclosure of commercial and official secrets of the Company and compliance with confidentiality requirements.

5.3. Members of the Committee are required to personally attend the meeting of the Committee. In case of impossibility to participate in the meeting, a member of the Committee informs the Committee about it, indicating the reasons.

## **VI. Responsibilities of members of the Appointment and Remuneration Committee**

6.1. Members of the committee must act in the interests of the Company in exercising their rights and performing their duties and bear responsibility in accordance with the established procedure.

6.2. Members of the Committee who did not take part in the voting on the decision that caused damage to the company, or who voted against this decision, are not liable.

## **VII. Final provisions**

7.1. These Regulations come into force from the moment of its approval by the Supervisory Board of the Company.

7.2. These Regulations, as well as amendments and additions thereto, are approved by the Supervisory Board of the Company. Proposals for amendments and additions to the Articles of Association may be made by the Chairman of the Supervisory Board of the Company and members of the Committee.

7.3. If, as a result of changes in the legislation of the Republic of Uzbekistan, certain clauses of this Regulation contradict it or become invalid, they shall operate in accordance with the current legislation of the Republic of Uzbekistan until amendments are made to the Regulation.