

«APPROVED»
by the decision of annual
general shareholders' meeting of
«KOKAND BIOCHEMICAL»
June 20, 2020 year

H.A.Omonov _____

Chairman of the meeting signature

JOINT-STOCK COMPANY

«KOKAND BIOCHEMICAL»

REGULATION
ON THE DIVIDEND POLICY

2020 year

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I. GENERAL PROVISIONS

1. This Regulation «On the dividend policy of JSC «KOKAND BIOCHEMICAL» (hereinafter referred as - the Regulation) was developed in accordance with the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders' Rights” (hereinafter - the Law), Recommendations of the Corporate Governance Code (approved by the minutes of the meeting of the Commission on increasing efficiency of activity and improvement of corporate governance system in joint-stock companies, No. 9 dated 31.12.2015), the charter of JSC «KOKAND BIOCHEMICAL» (hereinafter – the Company).

2. This Regulation is developed for the purpose of determining the amount of dividends on the Company's shares and transparency of the mechanism of their payment, as well as informing shareholders and other stakeholders about the Company's dividend policy.

3. This Regulation sets the goals, principles and key components of the Company's dividend policy, rules and approaches to the development of recommendations for dividend payment by the Company's Supervisory Board, dividend payment procedure, dividend payment as well as the Company's responsibility for information disclosure and compliance with the dividend policy.

4. Members of the Supervisory Board, members of the Executive Body, as well as structural divisions of the Company, related to the calculation and payment of dividends, complies with the requirements of this Regulation.

II. THE PURPOSE, PRINCIPLES AND MAIN RULES OF THE COMPANY'S DIVIDEND POLICY

5. The Company's dividend policy - a set of actions to determine the quantitative parameters of distribution the Company's net profit by between payment dividends to its shareholders and leaving at the disposal of the Company (by transferring to the reserve fund, accumulating and/or compensating for losses in previous years), as well as the procedure and timing of dividends payment and a system of relationships and principles for determining the Company's liability for non-payment of dividends.

6. The purpose of the Company's dividend policy is to improve the shareholders' well-being and growth of the Company's capitalization.

7. The Company's dividend policy is based on the following basic principles:

- the principle of transparency determines and discloses information on the obligations and responsibilities of the parties involved in the implementation of the dividend policy, including the procedure for and the terms and conditions for adopting decisions on the payment of dividends;

- the principle of relevance means establishing temporary limits on the payment of dividends;

- the principle of validity means that the decision on the size and payment of dividends can be made only if the Company has a positive financial result, taking into account the Company's development plans and investment programs;

- the principle of the equality means ensuring equality of shareholders in obtaining information on the decisions on the payment of dividends, the amount of dividends and the order of their payment;

- the principle of sequence implies strict adherence to the principles and procedures of the dividend policy;

- the principle of development means continuous improvement of the dividend policy in the framework of improvement of corporate governance procedures and revision of its status as a result of changes in the Company's strategic goals;

- the principle of sustainability means the Company's commitment to maintain a stable level of dividend payments.

Main rules of Dividend Policy

8. The dividend policy of the Company is based on strict observance of the rights of shareholders established by the current legislation of the Republic of Uzbekistan, the Charter and internal documents of the Company and aimed at increasing the investment attractiveness of the Company.

9. The Company's shareholders have the following dividend rights:

- to receive dividends on the Company's net profit;

- freely dispose of received dividends.

The people registered in the register of shareholders of the Company, formed to hold the general meeting of shareholders, in which the decision on payment of dividends to shareholders is adopted, are entitled to receive dividends on shares.

Restrictions on transfer of shares do not deprive the shareholder - the owner of these shares of the right to participate in the management of the Company and receive dividends in accordance with the procedure established by law.

10. The shares repurchased by the Company for the purpose of reduction or subsequent resale of the total number of outstanding shares are transferred to the Company.

Dividends on shares held by the Company are not paid.

The shares repurchased by the Company for other purposes prescribed by the Law are transferred to the Company's disposal. Dividends on these shares are not accrued.

11. Shareholders must be provided with equal and fair opportunity to participate in the Company's benefit by receiving dividends.

The General Meeting of Shareholders approves the dividend policy to be followed by the Supervisory Board and the Company's Executive Body.

Dividend policy is set for the medium and long term. Changes in the dividend policy should be made to shareholders with a full explanation of the reasons and conditions for such changes. A dividend

policy that is not based on the Company development needs or economic conditions in general, for example, in corporate governance in the Company, cannot be considered a proper corporate practice.

12. The Company develops and implement a transparent and clear mechanism for determining the amount of dividends and its payment.

In order to determine the amount of dividends and to provide a transparent mechanism for their payment, the Company's dividend policy defines the procedure for determining the portion of net profits directed to the payment of dividends, the terms of their announcement, the procedure for calculating the amount of dividends on shares, rules regulating the amount of cash.

13. It is not recommended to the Company to make a decision to pay dividends if such a decision does not formally violate the statutory restrictions, but is not economically justified, and may lead to the formation of false perceptions of the Company's activities.

Such decisions include, for example, the Company's lack of funds for the reporting year, insufficient cash flow, or failure to implement the investment program, or the announcement of dividends on ordinary and (or) preferential preference shares in the Company's financial and economic plan (budget).

14. The Company must not allow the deterioration of existing shareholders' dividend rights.

In practice, the methods and tools to safeguard the dividend rights of shareholders are not always sufficient.

Therefore, the Company and its controllers must strive to ensure that the existing shareholders' rights and interests in the conduct of corporate actions are maintained (including by providing effective and non-discriminatory mechanisms for the retention of dividend rights and shares to existing shareholders).

Shares, splits or exchanges of shares for the purpose of ensuring that the Company's rights are not infringed on shareholders, including redistribution (or redistribution) of corporate control, as well as worsening shareholders' dividend rights or reducing their share in the Company's charter capital).

15. The Company should strive to eliminate the use of shareholders' dividends and other ways of earning money at the expense of the Company, in addition to the liquidation value of the stock.

According to corporate governance practice, a shareholder can earn profits (income) at the expense of the Company only by receiving dividends and liquidation value of the stock. The Company's controlling bodies (large shareholders) should not receive profits (incomes) at the expenses of the Company, such as internal loans for dividend substitutes or artificially inflated prices, as well as by other similar means and it's recommended the Company's controlling bodies it is recommended that the controller take all necessary measures to eliminate non reasonable services.

16. The Company considers the increase of capitalization as the main way to satisfy the property interests of the shareholders in order to receive profits from the Company's shares.

Dividend policy is to optimize the ratio between the used and capitalized portion of the Company's profits to increase the market value of the shares.

17. The Company strives to increase the amount of dividends paid to shareholders based on the net profit received during the financial reporting period and the need to develop production and investment activities of the Company.

18. Decision (announcement) on payment of dividends on shares of the Company is the right of the Company. The General Meeting of Shareholders has the right to decide whether to pay dividends on shares.

19. Payment of declared dividends is the Company's responsibility.

20. Dividend payment (including tax calculation and withholding, dividend calculation, postal costs, bank expenses and other expenses) may not be imposed on the shareholder receiving the dividend

by the decision of the governing bodies. The Company is liable to shareholders for non-performance of this obligation in accordance with the current legislation of the Republic of Uzbekistan.

21. The Company makes obligatory transfers to the reserve fund of net profit up to the amount established by the Charter of the Company and other obligatory transfers in accordance with the Charter and internal documents of the Company.

22. In order to prevent the deterioration of the Company's financial and economic activity due to timely payment of dividends and withdrawal of funds from circulation for payment of dividends, the Company creates a provision for bad debts from to the Company's income.

23. If any issues related to the payment of dividends to the Company's shareholders are not regulated by the Laws, other legislative acts of the Republic of Uzbekistan, the Company's Charter and the present Charter, they shall be solved based on the need to protect the rights and interests of shareholders.

24. The Company's dividend policy is developed for a certain period of time, taking into account the Company's medium-term and long-term strategy approved by the General Meeting of Shareholders, with a specific timetable based on the Company's main activities and goals.

25. This dividend policy of the Company is designed for the medium term period, 2020-2025.

26. Dividend is a part of the Company's net income distributed among shareholders.

Every year, the Company directs no more than 20.5% of net profit to pay dividends.

III. THE PROCEDURE FOR DEVELOPMENT OF RECOMMENDATIONS FOR THE PAYMENT OF DIVIDENDS BY THE COMPANY'S SUPERVISORY BOARD

27. The competence of the Supervisory Board of the Company according to the Law includes provision of the dividend amount, form and recommendations on its payment to the general meeting of shareholders.

28. The members of the Company's Supervisory Board determines the recommended amount of dividends on the Company's shares based on the financial results obtained, observing the balance of interests of the Company and shareholders. At the same time, the Company's Supervisory Board should strive to maintain a positive dynamics of the value of dividend payments to shareholders every year under other equal conditions.

29. In accordance with the recommendations of the Corporate Governance Code and the Charter of the Company, shareholders holding at least 1% of the Company's common shares have the right to submit proposals for the distribution of the Company's profits, including dividends.

30. The head of the executive body of the Company has the right to submit to the Supervisory Board of the Company proposals for distribution of net profit of the Company, in particular, the payment of dividends.

31. The Minority Shareholder Committee also has the right to submit proposals for the distribution of the Company's profits, including the payment of dividends.

32. The Supervisory Board's strategy committee initially reviews the financial statements of the Company, the proposals submitted, and prepare a relevant opinion on the distribution of net profits and the payment of dividends.

33. In preparing the relevant conclusion on the payment of dividends, the Supervisory Board follows:

- Current legislation;
- Charter of the Company;
- this Regulation;

- Supervisory Board's Strategy Committee;
- Internal Audit Service Report;
- Conclusion of the Auditing Committee;
- Conclusion of the Company's external auditor;
- Instructions of the Ministry of Finance of the Republic of Uzbekistan (if the Company has a state share in the Charter capital);
- Proposals of shareholders owning at least 1% of the Company's common shares;
- Recommendations of the head of the executive body of the Company;

34. The Supervisory Board follows the following approaches when developing recommendations for the payment of dividends to the general meeting of shareholders:

- there are no restrictions on dividend payment prescribed by legislation in the Company;
- the existence of the Company's net profit for the financial period (net profit of the Company), and / or net profit for the past year, which was not decided by the general meeting of shareholders, according to its financial statements;
- accuracy of financial reporting should be confirmed by the Company's external auditor;
- obligatory transfers from the net profit in accordance with the requirements of the law, the Charter and internal documents of the Company;
- availability of funds to meet the Company's short-term obligations and to pay dividends within the terms established by the Law and the Company's Charter;
- availability of sufficient amount of net assets in the Company (the value of net assets of the Company covers the amount of its charter capital and reserve fund);

35. In determining the size of the recommended dividend, the Supervisory Board takes into account the Company's financial and economic plans for the next period, the current and future status of the Company's and future working capital.

36. Payment of dividends recommended by the Supervisory Board to the General Meeting of Shareholders of the Company does not entail additional debt financing by the Company or other expenses not envisaged in the financial and economic plans for the subsequent periods.

37. In making a decision to pay annual dividends from the net profit for the financial year, the Company is provided with mandatory contributions to the Company in accordance with the current legislation of the Republic of Uzbekistan, the Charter and internal documents of the Company.

38. In the decision to pay annual dividends based on the financial year results, the previously paid dividends based on the results of the first, first half, and nine months of the financial year are taken into account.

39. The amount of interim dividends recommended by the Supervisory Board (dividends announced before the end of the fiscal year, first quarter, half-year and nine months of the financial year) is determined under the following conditions:

- dividends from net profit for the current year, approved (adopted) by the Supervisory Board, does not exceed the planned amount of the dividends following the business plan of the Company (It's established in accordance with the current legislation of the Republic of Uzbekistan, the Charter and internal documents of the Company including the mandatory transfers from profit of the Company's to Reserve Fund and other funds);
- the amount of dividends from previous years should not exceed the amount of debt owed by the Company for the past year (according to the latest accounting data) unless the decision of the general meeting of shareholders on its distribution has been made.

40. The amount of dividends paid for one ordinary share is established in accordance with the current legislation of the Republic of Uzbekistan, the Charter and internal documents of the Company.

41. The amount of dividends to be declared includes taxes on shareholders.

42. The recommendation of the Supervisory Board to the General Meeting of Shareholders on the payment of dividends should specify:

- the amount of the net profit for the payment of dividends;

- justification of the distribution of the proposed net profit, the amount of the dividend, the assessment of their compliance with the Company's dividend policy, and, if necessary, the explanation and economic justification of a portion of the net profit for the development needs of the Company;

- types of shares for which the dividend is declared;

- amount of dividend per one type of share;

- payment period (period);

- form of payment;

- payment procedure.

43. Meetings of the Company's Supervisory Board should be held openly, with recommendations to the General Meeting of Shareholders on dividend payments.

The decision to pay dividends and make recommendations on the amount of the dividend should be unanimously approved by the Supervisory Board.

44. According to the Law and the Charter, the Company has the right to make a decision on the payment of dividends on the shares placed for the first quarter, half-year, 9 months and (or) financial year.

45. The decision to pay dividends based on the results of the first quarter, half and nine months of the fiscal year can be made within 3 (three) months after the end of the relevant period.

The decision to pay dividends at the end of the fiscal year is made by the general meeting of shareholders by July 1 of the current year following the end of the relevant fiscal year.

46. The decision on the payment of dividends, the amount of dividends, the form and the payment of each type of shares is made by the General Meeting of Shareholders based on the recommendation of the Supervisory Board of the Company and financial statements, if there is an audit conclusion on its accuracy.

47. The decision to pay dividends based on the results of the fiscal year is made by the Annual General Meeting of Shareholders as part of the issue of the Company's profit distribution following the fiscal year.

48. The decision on payment of dividends based on the results of the first quarter, half and nine months of the financial year is adopted by the General Meeting of Shareholders as a separate issue on the agenda of the General Meeting of Shareholders.

49. The amount of dividend payable on the shares is determined by the General Meeting of Shareholders on the recommendation of the Supervisory Board and may not exceed the amount recommended by the Company's Supervisory Board.

50. The decision to pay dividends (annual, interim) is within the competence of the General Meeting of Shareholders.

The decision to pay dividends is made by a simple majority of votes of shareholders attending the general meeting of shareholders.

51. The decision of the General Meeting of Shareholders to pay dividends specifies:

- amount of net profit directed to payment of dividends;
- justification of the distribution of the proposed net profit, the size of the dividend, the assessment of their compliance with the Company's dividend policy, and, if necessary, the explanation and economic justification of the size of the net profit directed to the Company's development;
- types of shares on which dividends are declared;
- amount of dividend per one type of share;
- payment period (period);
- form of payment;
- payment procedure.

52. The decision to pay dividends must enable the shareholder to obtain detailed information on the size of the dividend per each type of shares.

53. The General Meeting of Shareholders has the right to make a decision not to pay dividends on certain types of shares, as well as to pay dividends on privileged shares, the size of which is determined by the Charter of the Company.

54. The decision to pay or not pay dividends may not be used as a means to redistribute corporate control.

55. According to the legislation the Company is not allowed to adopt decision to pay dividends in the following cases:

- until the charter capital of the Company is fully paid at the time of its establishment;
- if there are signs of bankruptcy in the Company at the time the dividends are paid, or such signs appear in the Company as a result of the payment of dividends;
- if the value of the Company's net assets is less than the amount of its charter capital and reserve fund.

Upon termination of the foregoing, the Company must pay the accrued dividends to the shareholders.

56. In cases when it is impossible to pay dividends on ordinary shares within the timeframe established by the legislation, the Company has no right to make a decision on accrual (payment) of dividends.

V. THE PROCEDURE FOR DIVIDENDS CALCULATION AND PAYMENT

57. The people registered in the register of shareholders of the Company, formed for general meeting of shareholders, on which the decision on payment of dividends to shareholders is adopted, are entitled to receive dividends on shares.

58. The list of persons entitled to receive dividends on shares is formed by the Company's Corporate Relations Service (Divison).

59. The following persons are entitled to receive dividends on shares:

- shareholders as of the date recorded in the register of shareholders;
- others (mortgagee, trust managers, etc.) on shares listed in the shareholder register as of the date of creating the list, unless otherwise provided by the agreement between such person and the shareholder.

60. If the share is in the common ownership of more than one person, the joint stock holders are included in the list of persons entitled to receive dividends.

61. Information on receipt of dividends the shareholder of the Central Securities Depository or investment intermediary is on the form of a depo account. The shareholder is responsible for providing reliable information to make relevant changes to the depo account form.

62. When making changes in the register of shareholders, formed by the Central Securities Depository, the Company request information акция the Central Securities Depository on the reasons for such changes in the register of shareholders and make changes to the list of persons entitled to receive dividends.

63. Any shareholder has the right to apply to the Company with a request for information on inclusion (non-inclusion) in the list of persons entitled to receive dividends.

64. The Company within 10 (ten) working days from the date of receipt of the request replys to the shareholder by mail, unless otherwise specified in the request.

65. Dividend is a part of the Company's net income distributed among shareholders.

66. Calculation of dividends is carried out by the Company's accounting and / or Corporate Relations Service (Division).

67. The dividend amount is calculated as follows:

- Dividends directed by the General Meeting of Shareholders for the payment of dividends are divided by the total number of outstanding common shares and the amount of dividend per one ordinary share of the Company.

68. Dividend is distributed among shareholders, taking into account the amount of dividend per share, depending on the number and type of shares held by them.

69. Taxation of dividends is carried out in accordance with the tax legislation, where tax preferences can be established.

70. Dividends:

- on unplaced shares;

- on shares repurchased by the Company;

- from the moment of supervision, when instituting a bankruptcy case;

And in other cases stipulated by the legislation of the Republic of Uzbekistan is not paid and accrued.

71. The Company declares the amount of the dividends, excluding their taxes. The Company publishes information on the amount of dividends to be paid on the official websites of the authorized state body on regulation of the securities market and within the timeframe established by the legislation.

VI. THE ORDER OF DIVIDENDS PAYMENT

72. The Company pays the declared dividends on each type of shares.

The order of payment of dividends should support the rights of shareholders to receive them.

Payment sources

73. Dividends are paid out of the net profit of the Company at the disposal of the Company and (or) retained earnings of previous years.

Terms of payment

74. Terms and order of payment of dividends are established by the Charter of the Company or by the decision of the General Meeting of Shareholders. The date of payment of dividends should not exceed 60 (sixty) days from the date such decision is made.

75. If the deadline for payment of dividends falls on non-working days, the expiration date is the day proceeding the business day.

76. The company is obliged to pay the declared dividends by the deadline.

77. The Company has the right to pay dividends on any day within the established deadline.

78. The Company does not set the deadline for dividend payment and does not end the payment of dividends (unclaimed) on shareholders who have not received accrued dividends within a specified period and continues to pay within 3 (three) years.

Form of payment

79. By the decision of the General Meeting of Shareholders, dividends may be paid in cash (by transferring to legal entities, cash to individuals or by plastic card), or by other legal tender or by the Company's securities.

It is recommended to pay dividends only in cash (legal entities by transferring to an account, cash to individuals or by transferring to a plastic card), because if they are paid with other property, it may be difficult to assess the actual dividends and it may impose additional obligations and costs on shareholders.

80. If dividends are paid in cash, declared dividends are paid in the national currency of the Republic of Uzbekistan.

The Company upon the written request of a non-resident shareholder of the Republic of Uzbekistan, converts its accrued dividends into freely convertible currency and transfer funds to a bank account represented by a non-resident shareholder.

The basis for the exchange is the extract from the register of shareholders of the Company, approved by the Company, and reference on the amount of dividends accrued by the relevant division of the Company and the date on which they are calculated.

81. If dividends are paid by other legal tender, the declared dividends are paid in the manner prescribed by the legislation of the Republic of Uzbekistan.

Taxation

82. Taxation of paid dividends is carried out in the order established by the current legislation of the Republic of Uzbekistan.

83. The Company is a tax agent in paying dividends to shareholders. The Company carries out the calculation, withholding and transfer of tax to the budget from dividends in the order and terms stipulated by the current legislation.

Dividends are paid to shareholders with deduction of withheld tax amounts.

84. A shareholder who does not apply the established rates of taxation must submit to the Company the supporting documents established by the current legislation of the Republic of Uzbekistan.

Order of payment

85. Corporate Relations Service (Division) of the Company together with the Company's accounting (financial department) prepares, coordinate and conduct all activities of the Company on the organization of payment of dividends stipulated by the present Regulation.

86. Payment of dividends calculated by the Company on ordinary shares is made subject to the equity of shareholders to receive dividends.

When paying dividends, no shareholder are entitled to have privileges on terms of dividends payment.

At the same time, the Company has no right to pay dividends to the large shareholder, if it does not pay dividends to minority shareholders as a result.

87. Transfer of the appropriate amount of cash from the Company's account to the bank account of the Company's shareholders' register or transfer of other property to the shareholder at the expense of payment of dividends, if such payment is established by the charter and / or the General Meeting of Shareholders.

88. When the General Meeting of Shareholders includes in the agenda the issue of paying interim dividends or distributing net profits for the fiscal year the Company notifies obligations to provide information on changes of banking account and mailing addresses to the Central Securities Depository or Investment Intermediary.

89. A shareholder must timely inform the investment intermediary and / or the Central Securities Depository of any changes in its data, which provide accounting services for its shares. If a shareholder fails to provide information about changes in its data, the Central Depository and / or Investment intermediary providing services to its shareholder is not liable for any damage to the shareholder.

The Company is not be liable for any losses incurred by the shareholder if the shareholder incorrectly provided his/her bank details or address for the payment of dividends, or did not notify the Company about these details or in due time. After the return of the amount of dividends incorrectly transferred to the Company due to the reasons specified in this paragraph their transfer to the shareholder on the identified details is deducted from the reimbursement of expenses on their return. In order to receive dividends as a result of succession, the heir must submit a notarized certificate of title to the heir at the place of receipt of the dividend.

90. The Company itself has the right to pay dividends on its own or to involve another organization - the payment agent - to organize and carry out dividend payments on a contractual basis. The Company's involvement in the payment agent does not relieve the Company of its obligation to pay its dividends to shareholders. The Company has the right to inform its shareholders about the attraction, replacement and termination of the payment agent.

91. Expenses on payment of dividends are covered by the Company.

92. Dividends are penalties based on refinancing rates established by the Central Bank of the Republic of Uzbekistan on unpaid (unpaid) dividends in case of non-payment (non-receipt) of the Company's fault within the terms established by the General Meeting of Shareholders. The amount of penalties accrued on unpaid (unpaid) dividends may not exceed 50% of the amount of unpaid (unpaid) dividends.

93. In case of non-payment of dividends to shareholders of the Company, the authorized state body on regulation of the securities market has the right to sue the Company on the obligation of the Company to pay dividends to its shareholders at the request of the shareholder or minority shareholders committee. The procedure for filing and considering such claims is established by the legislation.

94. The shareholder has the right to demand payment by the Company of dividends and penalties accrued. In case of non-payment by the Company of the shareholder's claims by the court, the Company applies the procedure of liquidation of its insolvency or bankruptcy in the order established by the legislation.

95. Dividends not received by the owner or legal successor or heir within three years remain at the disposal of the Company by the decision of the General Meeting of Shareholders.

96. The Company:

if there are signs of bankruptcy in the Company at the time of payment of dividends, or such signs have occurred as a result of payment of dividends;

if the value of the Company's net assets is less than the amount of its charter capital and reserve fund, it is not entitled to pay dividends on shares.

Upon termination of the foregoing, the Company pays the accrued dividends to the shareholders.

97. At liquidation of the Company the payment of dividends accrued but not paid on the preference shares and liquidation value established by the Charter of the Company is made.

If the Company's property is insufficient to pay all but unpaid dividends and liquidation value established by the Charter of the Company to all shareholders who own the Preferred Shares, the property is distributed among the holders of privileged shares in proportion to the number of shares owned by them.

VII. THE ORDER OF INFORMATION DISCLOSURE

98. According to the requirements of regulatory and legal documents, the Company publishes the following information on its corporate website:

- information in the form of essential facts on the payment (announcement) of dividends, on the decision of the General Meeting of Shareholders on the size, timing, form and procedure of payment of interim dividends;

- information in the form of essential facts on the payment (announcement) of annual dividends, on the decision of the General Meeting of Shareholders on the size, timing, form and procedure of payment of the annual dividends.

At the same time, the Company notifies shareholders of the payment of dividends by email.

In light of the fact that the Company fulfills its obligations to pay dividends, the Company discloses the relevant information in a timely manner as provided by the legislation.

99. In accordance with the recommendations of the Corporate Governance Code, the Company additionally discloses the following:

- justification of the distribution of the proposed net profit, the amount of the dividend, the assessment of their compliance with the Company's dividend policy, and, if necessary, the explanation and economic justification of a portion of the net profit for the development needs of the Company;

- transparent mechanism for calculating the amount of dividends;

- dividend payment dynamics for the last 3 years.

100. The annual report of the Company contains information on the distribution of the Company's net profit and its compliance with the Company's dividend policy.

101. In addition to the compulsory materials prescribed by the law to be adopted by the General Meeting of Shareholders and the materials provided to shareholders in preparation for the general meeting of shareholders, the following materials are provided to shareholders:

- information on the availability or absence of the necessary conditions for the payment of dividends, auditor's report on the net profit, the recommendations of the Supervisory Board on this issue;

- justification of the distribution of net profit, dividends, its dividend policy adopted by the Company, and the assessment of compliance with the Company's individual needs, with economic justifications and explanations for directing a portion of its net profit to the Company's development needs;

- information on corporate actions that have led to the deterioration of shareholders' dividend rights and the reduction of their shares, as well as court rulings, in which the facts of shareholders' use of dividends and other liquidation methods, other than liquidation, are recognized.

VIII. THE COMPANY'S RESPONSIBILITY FOR PAYMENT OF THE DECLARED DIVIDENDS

102. The Company pays dividends declared in the amount and terms specified by the Charter of the Company and the decision of the General Meeting of Shareholders.

103. The executive body of the Company is responsible for the full and timely payment of dividends to the Company's shareholders. The Supervisory Board of the Company together with the Auditing Committee of the Company oversees the activities of the executive body.

104. The Supervisory Board considers the progress of the payment of dividends at its meetings to ensure the payment of accrued dividends. In the event that the dividend is not fully or timely paid for by the Company's executive body, the Supervisory Board imposes sanctions on those responsible and initiate or impose appropriate sanctions.

105. Shareholders have the right to demand by court the payment of declared dividends on each type of shares in case of non-fulfillment of obligations by the Company.

106. The Company is liable for non-performance or improper fulfillment of the duties of a tax agent for the deduction and transfer of tax amounts from dividends paid to the Company in accordance with the legislation of the Republic of Uzbekistan.

IX. FINAL PROVISIONS

107. This Regulation comes into force upon the approval of the General Meeting of Shareholders.

The decision of the General Meeting of Shareholders to approve this Regulation is adopted by a simple majority of votes of shareholders presenting at the General Meeting.

108. Changes and (or) additions can be made to this Regulation in connection with the change of legislation, changes and (or) additions to the Charter of the Company, internal documents of the Company and in other cases.

Changes and additions to the present Regulation is made at the suggestion of members of the Company's Supervisory Board, the Auditing Committee of the Company, the Internal Audit Service of the Company, the Head of the Company's Executive Body, the Minority Shareholder Committee.

Changes and / or amendments to this Regulation comes into force upon approval by the decision of the General Meeting of Shareholders.

The decision of the General Meeting of Shareholders to approve amendments and / or amendments to this Regulation is adopted by a simple majority of votes of shareholders participating in the General Meeting of Shareholders.

109. If certain items of the present Regulation conflicts with the current legislation of the Republic of Uzbekistan and / or the Charter of the Company, these paragraphs cease to be valid and until the relevant amendments are made to this Regulation and The Companies Charter paragraphs is applied.