

«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 MINORITY
SHAREHOLDERS' COMMITTEE

2020 year

- I.** General provisions.
- II.** Election of members of the Committee.
- III.** Competence of the Committee.
- IV.** Meetings and decisions of the Committee.
- V.** Rights and obligations of members of the Committee.
- VI.** Responsibility of members of the Committee.
- VII.** Final provisions.

I. GENERAL PROVISIONS

1. Current Regulation was developed in accordance with the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Shareholders' Rights”, the Regulation on the Center for the Coordination and Development of the Securities Market under the State Committee on Competition of the Republic of Uzbekistan, approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, dated March 30, 1996 No. 126, other legislative acts and the charter of the Joint stock company “KOKAND BIOCHEMICAL” (hereinafter - the Company).

2. Current Regulation determines the status, competence and procedure for organizing the activities of the Company’s Minority Shareholders’ Committee (hereinafter - the Committee).

3. Decisions of the Committee are not obligatory for execution by the Company's management and control bodies, with the exception of decisions on the provision of relevant documents to the Committee, in the manner prescribed for by current Regulation.

4. Interference into the activity of the Minority Shareholders’ Committee on part of the Supervisory Board or the Executive Body of a Company is not allowed.

5. The Minority Shareholders’ Committee annually reports on the adopted decisions at the General Shareholders’ Meeting.

II. ELECTION OF MEMBERS OF THE COMMITTEE

6. The quantitative composition of the Committee is 5 people.

7. Shareholders (shareholder) no later than thirty days after the end of the fiscal year, if the Company's charter does not set a later date, have the right to make proposals candidates to the Committee on the agenda of the annual general shareholders’ meeting.

8. Shareholders (shareholder) shall be entitled to make changes to the list of candidates nominated by them to the Committee not later than three working days

from the date of publication of the notice of conduct the annual general shareholders' meeting.

9. The decision to elect members of the Committee is adopted by the general shareholders' meeting for a period of one year.

10. Persons elected to the Committee may be re-elected indefinitely.

11. In election of members of the Minority Shareholders' Committee shall participate the shareholders having been present at the General Shareholders' Meeting, who have not nominated their candidates to membership in the Supervisory Board or their nominees have not been elected to membership in the Supervisory Board at a conducted General Shareholders' Meeting.

12. The Director, members of the Management Board of a Company, as well as persons elected to membership in the Supervisory Board and the Auditing Committee (an auditor) of a Company, shall not be entered into membership in the Minority Shareholders' Committee.

13. The Chairman of the Committee shall be elected by members of the Minority Shareholders' Committee from its members by the majority of votes.

14. To the Committee are elected shareholders – individuals.

15. In forming the composition of the Committee, factors such as the qualifications of applicants, work experience in the stock market, and other important factors can be taken into account.

III. COMPETENCE OF THE COMMITTEE

16. In order to organize the activity of the Committee by the head of the Executive Body of the Company, the members of the Committee are provided with the necessary working conditions by allocating a working room, computer equipment, safe box, telephone or facsimile.

17. The competence of the Committee is established by the Law, the Charter of the Company and current Regulation.

18. Competence of the Committee includes:

- ❖ participation in preparation of proposals on the issues connected with conclusion of large transactions and transactions with affiliated entities (persons) to be presented for consideration by the General Shareholders' Meeting or the Supervisory Board of the Company;
- ❖ consideration of applications of the minority shareholders connected with protection of their rights and legitimate interests;
- ❖ presenting applications to the state body authorised for regulation of the securities market on issues of protection of the rights and legitimate interests of the minority shareholders;
- ❖ consideration of other issues in accordance with the Legislation and the Charter of the Company.

IV. MEETINGS AND DECISIONS OF THE COMMITTEE

19. Meetings of the Committee shall be held quarterly, at least once a quarter, and, if necessary, at any time.

20. A meeting of the Committee is valid if it is attended by at least three-quarters of the elected members of the Committee.

21. The Chairman of the Minority Shareholders' Committee has the right of access to documents of a Company related to all issues attributed to the competence of the Committee, including conclusions and reports of the Auditing Committee (Auditor) of the Company, an audit organization, acts of audits of state regulatory bodies, court decisions regarding the Company and its officials, as well as protocols of examination by the Executive Body and the Company's internal audit service of alleged transactions with affiliates.

22. Requests of the Chairman of the Committee to receive documents of the Company on matters within the competence of the Committee is made in written form and provided to the Executive Body of the Company.

23. The Executive body of the Company is obliged to submit the documents requested by the head of the Committee or copies within 10 days or no later than the deadline specified in the request.

24. The received documents can be used by the Chairman of the Committee and members of the Committee exclusively for official purposes.

25. Decisions of the Committee are made by simple majority of votes and are recorded in the minutes of the meeting, signed by all members of the Committee participating in the meeting. The minutes of the meeting of the Committee shall include:

- ❖ date, time and place of the meeting;
- ❖ list of members of the Committee attending in the meeting;
- ❖ decisions made.

26. A vote transfer from one member of the Committee to another member of the Committee is not allowed.

27. The report may be accompanied by conclusions, reports and other materials prepared by the Committee.

28. The minutes of the meeting of the Committee are signed by the members of the Committee participating in the meeting who are responsible for the correctness of the minutes.

29. The minutes of meetings, reports, conclusions and other materials attached to the minutes are stored in the Company in accordance with the procedure established by law.

V. RIGHTS AND OBLIGATIONS OF MEMBERS OF THE COMMITTEE

30. *Members of the Company's Committee have the following rights:*

- ❖ to require the head and members of the Executive Body to submit the necessary documents on the Company's financial and economic activities;
- ❖ to require from the Executive Body of the Company protocols on the results on transactions made with affiliates after the decisions made by General Shareholders' Meeting or the Supervisory Board of the Company;
- ❖ to require from the Management Board of the Company documents on large transactions made by the Company, after the decisions made on them by General Shareholders' Meeting or the Supervisory Board of the Company;
- ❖ to require from the Supervisory Board and members of the Company's Management Board, as well as other officers and employees of the Company, in the manner prescribed by law, in oral and written form explanations on the issues of the Company's financial and business activities;
- ❖ in case of non-payment of dividends to the shareholders of the Company, the authorized state body regulating the securities market upon the request of the shareholder or the Committee of this Company is entitled to file an action with the court for imposing an obligation on the Company to pay dividends to the Company's shareholders. The procedure for filing and consideration of such a claim is established by law.

In accordance with the legislation, members of the Committee may have other rights.

31. *Obligations of the members of the Committee are:*

- ❖ to perform their duties honestly and in good faith;
- ❖ act in the interests of the Company and its shareholders;
- ❖ properly verify the Company's financial and business activities;
- ❖ timely prepare reports and conclusions on the results of the audit of the Company's financial and business activities;
- ❖ to require in written form from the members of the Company's Management Board to submit documents on financial and business activities;
- ❖ to require in written form from the members of the Company's Management Board to submit reports on the completed large transactions and transactions with affiliates;

- ❖ to comply with the requirements of current legislation;
- ❖ not to disclose confidential information about the Company;
- ❖ in accordance with the legislation, members of the Committee may have other duties.

VI. RESPONSIBILITY OF MEMBERS OF THE COMMITTEE

32. Members of the Committee are not entitled to disclose information about the Company or its activities, constituting official, commercial or other secrets protected by law.

33. Members of the Committee are liable in accordance with the procedure established by law for the improper performance of their duties.

VII. FINAL PROVISIONS

34. The Committee is not entitled to interfere into the Company's economic activity.

35. Those of guilty of violating the requirements of current Regulation are liable in accordance with the procedure established by law.

36. If individual provisions of this Regulation shall contradict the current legislation of the Republic of Uzbekistan and/or Charter of the Company, these provisions become invalid. Considering issues regulated by these provisions, it is required to follow norms of current legislation of the Republic of Uzbekistan and/or Charter of the Company until making appropriate amendments into this Regulation.

37. Changes and additions made to this Regulation shall enter into force after their approval by the general shareholders' meeting.