

**«APPROVED»  
by Resolution №8/2020  
of the Annual General Meeting of  
Shareholders of Almalyk MMC JSC  
dated «10» October, 2020**

**REGULATION  
FOR THE EXECUTIVE BODY (MANAGEMENT BOARD)  
OF  
ALMALYK MINING AND METALLURGY COMPLEX JSC  
(new edition)**

**ALMALYK – 2020**

## 1. GENERAL PROVISIONS

1.1. This Regulation determines the status of the executive body of the ALMALYK MINING AND METALLURGY COMPLEX JOINT STOCK COMPANY (hereinafter referred to as the Company) being the Management Board and the Chairman of the Management Board, the scope of their powers, the procedure for election and appointment, duties, rights and responsibility, the procedure for their work and activities.

1.2. The Regulation has been developed in accordance with the legislation of the Republic of Uzbekistan and the Charter of the Company.

1.3. The Management Board is a collegial executive body of the Company and manages the current activities of the Company.

1.4. The Management Board and the Chairman of the Management Board, in order to unconditionally fulfill the objectives set by the Supervisory Board of the Company, the General Meeting of Shareholders, the Charter, as determined by the main objectives, directions and goals of the Company's activities, development plans, shall make independent decisions on the issues referred to by this Regulation to the scope of their powers.

1.5. The main objective of the Management Board is to pursue a policy of maintaining economic sustainability, access to world metal markets, taking strong positions there, as well as increasing the Company's income.

1.6. When the phrase "General Meeting of Shareholders" is used in this Regulation, it means the General Meeting of Shareholders or, in accordance with the law, a sole shareholder is a holder of all ordinary shares of the Company (hereinafter - the General Shareholder) with the right to make decisions on all issues related to powers of the General Meeting of Shareholders.

## 2. POWERS OF THE MANAGEMENT BOARD

2.1. The powers of the executive body of the Company include all issues related to the management of current activities of the Company, with the exception of issues attributed to the competence of the General Meeting of Shareholders and the Supervisory Board of the Company.

2.2. Members of the Management Board shall act within the framework of their powers determined by job descriptions, in accordance with the terms of the employment agreement (contract) concluded with them, decisions of the General Meeting of Shareholders, the Supervisory Board, the Management Board and the Chairman of the Management Board of the Company.

2.3. Material incentives for members of the Management Board shall be provided depending on the efficiency of the Company.

2.4. The Management Board and the Chairman of the Management Board, in order to unconditionally fulfill the objectives set by the Supervisory Board of the Company, the General Meeting of Shareholders, the Charter, determined by the main objectives, directions and purposes of the Company's activities, development plans, shall make independent decisions on issues related to the scope of their powers under this Regulation.

2.5. The scope of powers of the Management Board includes:

- development and submission of priority areas of Company activities and long-term plans for their implementation to the Supervisory Board for consideration, as well as a strategy for the Company's mid-term and long-term development with a specific indication of periods based on the main directions and purposes of Company activities;
- development and implementation of daily economic policy in order to increase income and competitiveness of the Company;
- formation and approval of the production program developed on the basis of the Company's business plan, determination of production volumes of the Company's structural divisions;
- consideration and development of recommendations for the implementation of the Company's social development program;
- ensuring labor protection of employees and compliance with environmental requirements;

- preparation of information, materials and proposals on issues for discussion by the Supervisory Board and the General Meeting of Shareholders;
- development of a business plan and other programs for the financial and economic activities of the Company;
- development and submission to the Supervisory Board of the Company's annual work plans, annual balance sheet, profit and loss statements and other necessary reporting documents;
- submission of proposals on the distribution of profits and coverage of losses to the Supervisory Board and the General Meeting of Shareholders;
- participate in the preparation of materials for consideration at the General Meeting of Shareholders and the Supervisory Board for making decisions on issues and documents falling within their competence;
- determination of the content and volume of information constituting a commercial secret (which is confidential information), the procedure for their protection;
- preliminary consideration of large innovation and investment projects and programs implemented by the Company;
- making a decision on entering into transactions (agreements), including transactions (agreements) on the possible acquisition or assignment of property by the Company or its transfer to another person, if the value of such transactions (agreements) amounts three to fifteen percent of the value of the net assets of the Company, determined by accounting data of the Company as of the date of the decision;
- Execution of decisions (Decrees, Resolutions, Orders, protocol decisions, instructions, etc.) of the President of the Republic of Uzbekistan and the Cabinet of Ministers on the provision of sponsorship;
- Making a decision on entering into gratuitous transactions related to the Company's participation in commercial and non-commercial organizations (including charity, donations, gifts, sponsorship), payment of membership fees (payment of other expenses), if the total amount of all those payments during the quarter does not exceed 15 000- times the minimum wage established on the territory of the Republic of Uzbekistan, with the exception of decisions (Decrees, Resolutions, Orders, protocol decisions, instructions, etc.) of the President of the Republic of Uzbekistan and the Cabinet of Ministers on the provision of sponsorship;
- Preparation and substantiation of proposals for improving the internal organizational and management structure of the Company;
- approval of internal documents of the Company related to the powers of the Management Board of the Company;
- solution of other issues of the day-to-day activities of the Company submitted for consideration by the Chairman of the Management Board to the Management Board.

2.6. The Management Board shall quarterly report to the Supervisory Board on the implementation of the annual business plan, measures taken to implement the Company's development strategy.

2.7. The Management Board may create permanent or temporary working groups from among its members and involved persons to resolve issues in certain areas of Company activities that require the participation of specialists, including experts.

### 3. MANAGEMENT ORGANIZATION PROCEDURE

3.1. The current activities of the Company shall be managed by the Chairman of the Board. The Management Board of the Company shall consist of 13 members to be elected for a period of one year in accordance with this Charter.

A head of the executive body of the Company - the Chairman of the Management Board or members of the Management Board on the recommendation of the Supervisory Board of the Company, as a rule, can be appointed on the basis of a competitive selection with the involvement of foreign managers.

3.2. The Chairman of the Management Board and all its members shall be elected at the General Meeting of Shareholders.

Candidates for the positions of the Chairman of the Management Board and his deputies shall be nominated in agreement with the Prime Minister of the Republic of Uzbekistan or his respective deputies and advisers.

The Management Board shall be headed by the Chairman of the Management Board, in his absence – by one of his (first) deputies.

3.3. The membership of the Management Board may include the Chairman of the Management Board and his deputies according to their position, as advised by the Chairman of the Management Board, chief specialists, heads of structural divisions and other senior managers of the Company.

3.4. In the event of early termination of powers of a person who is a member of the Management Board of the Company, it is allowed to appoint an acting person prior to consideration (candidate) by the Supervisory Board or his appointment by a relevant decision.

3.5. Consideration by the Supervisory Board of candidates for members of the Management Board shall be carried out on the basis of a general list or with the personal participation of candidates. When nominating candidates for members of the Management Board, the Chairman of the Management Board shall indicate the terms of the contract, the amount of remuneration for management activities and a candidate's consent to conclude an agreement, confirmed by a personal statement.

3.6. Candidates for members of the Management Board may participate in a meeting of the Supervisory Board when considering their candidatures.

3.7. The rights, obligations and responsibilities of each member of the Management Board shall be determined by the current legislation, other regulations and the terms of personal official duties.

3.8. The Chairman of the Management Board shall have the right to temporarily admit any specialist to perform the duties of a vacant position in the Management Board until the next meeting of the Supervisory Board. A contract with the person acting as a member of the Management Board shall not be concluded.

3.9. The General Meeting of Shareholders, in case of violation by the Chairman of the Management Board of the terms of the employment contract, shall have the right to terminate the employment contract concluded with him.

In case of dismissal of the Chairman of the Management Board, an extraordinary General Meeting of Shareholders shall be held not later than ten days after the approval by the Cabinet of Ministers of the Republic of Uzbekistan of the person (candidate) for the post of Chairman of the Management Board.

3.10. After the appointment of members of the Management Board, an employment agreement (contract) shall be concluded with each of them for the performance of the duties of a relevant position. The agreement shall be signed on behalf of the Company by a person authorized by the Supervisory Board.

3.11. Agreements (contracts) on the employment of the Chairman of the Management Board and members of the Management Board shall be concluded (extended) or terminated (terminated) by decision of the General Meeting of Shareholders.

3.12. The employment agreement (contract) with the Chairman of the Management Board – Chief Executive Officer, which defines his functions, duties, rights, responsibility, shall be signed on behalf of the Company by the Chairman of the Supervisory Board or a person authorized by the Supervisory Board.

3.13. The rights, obligations and responsibilities of each member of the Management Board shall be determined by the current legislation, other regulations and the terms of personal official duties.

3.14. The Chairman of the Management Board - Chief Executive Officer shall have the right to temporarily admit any specialist to perform the duties of a vacant position in the Management

Board until the next General Meeting of Shareholders of the Company. The contract with the person acting as a member of the Management Board shall not be concluded.

3.15. The General Meeting of Shareholders in case of violation by the Chairman of the Management Board of the terms of the employment contract shall have the right to terminate the employment contract concluded with him.

In case of dismissal of the Chairman of the Management Board, the person (candidate) for the post of Chairman of the Management Board shall be considered at an extraordinary General Meeting of Shareholders not later than ten days after its agreement with the Prime Minister and advisers of the Republic of Uzbekistan.

#### 4. CHAIRMAN OF THE BOARD

4.1. The Chairman of the Management Board shall be appointed at the general meeting of shareholders, and the appointment of the Chairman of the Management Board shall be carried out on a competitive basis in agreement with the Prime Minister and advisers of the Republic of Uzbekistan, while foreign managers may also participate in the competition.

The procedure and conditions for the competitive selection of the Chairman of the Management Board shall be carried out in accordance with the established procedure.

4.2. The Chairman of the Management Board shall independently solve all operational issues of Company's daily activities, with the exception of issues attributed to the competence of the General Meeting of Shareholders, the Supervisory Board or the Management Board.

4.3. The Chairman of the Board shall:

- Organize activities of the Management Board, distribute responsibilities among the members of the Management Board, ensure the adoption of reasonable and effective decisions by the Management Board, preside over the meetings of the Management Board, resolve the issues stipulated by the Charter of the Company, as well as other issues stipulated by this Regulation;

- act on behalf of the Company without a power of attorney, represent its interests, approve the staff, issue orders and give instructions that are binding on all employees of the Company;

- make a decision on entering into transactions (agreements), including transactions (agreements) on the possibility of acquisition or assignment of property by the Company or its transfer to another person, if the value of such transactions (agreements) does not exceed three percent of the value of the net assets of the Company, determined by the accounting data of the Company as of the date of the decision;

- be responsible for the production and financial activities of the Company;

- independently make decisions on issues related to the daily activities of the Company that are not within the competence of the General Meeting of Shareholders, the Supervisory Board and the Management Board.

4.4. The powers of the Chairman of the Management Board also include:

- Concluding contracts, conducting banking and financial transactions in the Republic of Uzbekistan and abroad, as well as issuing powers of attorney to other persons to conduct such transactions;

- Organization of implementation of financial, investment, production programs of the Company;

- Management of property and funds of the Company;

- making decisions on claims on behalf of the Company against legal entities and individuals of the Republic of Uzbekistan and other countries;

- opening bank settlement, currency and other accounts;

- solving issues of social development of the Company;

- performing other functions to fulfill the tasks assigned to the Company;

- implementation of rights and obligations of the employer in the labor relations of the Company with employees in accordance with labor legislation;

- determination of the amount of official salaries of Company employees in accordance with the internal documents of the Company, determination of the amount of bonuses for employees;
- nomination of candidates for the position of a corporate consultant of the Company;
- enforcement and monitoring of the execution of decisions of the Company's management bodies;
- performing other obligations that may be assigned to him by the legislation, the General Meeting of Shareholders, the Supervisory Board and the Management Board.

4.5. Specific rights and obligations of the Chairman of the Management Board are indicated in his job description and in the contract concluded with him.

## 5. QUALIFICATION REQUIREMENTS FOR MEMBERS OF THE MANAGEMENT BOARD

5.1. A member of the Management Board of the Company shall:

5.1.1. Fulfill one of the main functions of Company management.

5.1.2. Have a university degree.

5.1.3. Have knowledge and/or sufficient work experience in one of the following areas:

- enterprise management;
- financial management or accounting;
- corporate governance;
- production technology in the mining or metallurgical industry.

5.1.4. Have knowledge of relevant laws, regulations and other regulatory legal acts, special standards, technical regulations and rules.

5.1.5. Be aware of the main indicators of the production, economic and financial and economic activities of the Company, the market conditions of the manufactured products, advanced (domestic and foreign) experience in the field of Company activities, current and long-term development plans.

5.1.6. Shall have at least three years of practical experience in leadership positions in a community-related or professional field.

5.2. The fact that the members of the Supervisory Board have sufficient theoretical and practical knowledge shall be confirmed by the positive results of attestations carried out in the prescribed manner.

5.3. A member of the Management Board shall:

- effectively plan and organize his work;
- work effectively in a team;
- highlight those of paramount importance and be attentive to important issues;
- prove his professional opinion and defend it;
- ensure a sufficient level of mutual understanding in relations with shareholders, members of the Supervisory Board and the Audit Commission on key issues, rights and obligations;
- resolve conflict situations in various ways;
- vigilantly assess the conditions of organizational and managerial decisions and take into account their consequences;
- use computer technologies at a user level in order to solve professional orders;
- work with information in the global computer network and corporate information system;
- conduct work-related communication: public speaking, negotiating, holding meetings, business correspondence, electronic communications.

## 6. WORK OF THE MANAGEMENT BOARD

6.1. Meetings of the Management Board shall be held at least once a month. If necessary, a meeting of the Management Board may be convened on the personal initiative of the Chairman of the Management Board, at the request of the Supervisory Board or the Audit Commission.

6.2. The meeting of the Management Board of the Company shall be chaired by the Chairman of the Management Board or his first deputy, and in their absence - by one of the Deputy Chairmen of the Management Board, depending on the affiliation of the issue under consideration.

6.3. The issues put forward by the Management Board for resolution by the Supervisory Board or the General Meeting of Shareholders may be preliminarily considered at a meeting of the Management Board.

6.4. Each member of the Management Board shall have one vote when deciding on issues at a meeting of the Management Board. It shall not be allowed to transfer the vote of one member of the Management Board of the Company to another member of the Management Board.

6.5. Decisions at the meeting of the Management Board shall be made by a simple majority of votes of those present at the meeting.

6.6. In the case of equality of votes of the members of the Management Board of the Company, the vote of the Chairman of the Management Board of the Company shall be decisive in making a decision.

6.7. The quorum for holding a meeting of the Company's Management Board is at least seventy-five percent of the total number of members elected to the Company's Management Board.

6.8. Minutes shall be kept at the meeting of the Management Board of the Company, the minutes of the meeting of the Management Board shall be drawn up no later than five days after the meeting. The minutes of the meeting shall indicate:

- date, time and place of the meeting;
- persons attending the meeting;
- agenda of the meeting;
- issues put to vote, voting results thereon;
- decisions made.

The minutes shall be signed by the Chairman and the Secretary of the Management Board.

6.9. The Secretary of the Management Board shall organize the keeping of minutes of the meetings of the Management Board of the Company.

Extracts from the minutes of the meeting of the Management Board of the Company shall be submitted:

- a) without fail to the Chairman of the Supervisory Board and the Chairman of the Audit Commission in accordance with their requirements;
- b) other officials and the auditor only with the permission of the Chairman of the Management Board;
- c) other persons and bodies (including state bodies) in cases stipulated by the current legislation.

## 7. RIGHTS AND OBLIGATIONS OF MANAGEMENT BOARD MEMBERS

7.1. Members of the Management Board shall, when exercising their rights and fulfilling their duties, act based on the interests of the Company, in accordance with the legislation of the Republic of Uzbekistan, the Charter of the Company and this Regulation.

7.2. Members of the Management Board shall remain impartial towards the Company. If a member of the Management Board has a financial interest in the transaction, he shall notify about it before making a decision on the specified issue. In this case, he shall not participate either in the discussion or in the decision-making on such agreement.

7.3. Members of the Management Board shall not allow attempts to obtain personal benefit from the disposal of the property of the Company.

7.4. During the period of membership, members of the Management Board shall not be entitled to create or participate in the creation of enterprises that compete with the Company, as well as work at enterprises that compete with the Company.

7.5. A member of the Management Board shall suspend his participation in the enterprises specified in clause 7.4 of this Regulation for the duration of his tenure on the Management Board and notify the Management Board and the Supervisory Board of such termination.

7.6. Members of the Management Board shall not have the right to give preference to the enterprises specified in clause 7.4 of this Regulation when making certain decisions of the Management Board, and they also shall not have the right to receive direct or indirect remuneration for this.

7.7. Members of the Management Board may not use their opportunities in the Company (property and non-property rights, opportunities in the field of economic activity, information on the activities and plans of the Company) for personal purposes or in the interests of legal entities and individuals.

7.8. A member of the Management Board shall have the right to:

7.8.1. Personally attend the meeting of the Management Board, speak on the issues discussed at the meeting within the time specified by the regulation;

7.8.2. Receive complete and reliable information about the current state of affairs of the Company, the main results of its production, economic and commercial activities in any period, production and financial plans for the development of the Company;

7.8.3. Supervise the work on resolving issues within the competence of the Management Board;

7.8.4. be nominated and elected to the Management Board of the Company an unlimited number of times.

7.9. Distribution of duties between members of the Management Board is a special right of the Chairman of the Management Board. The responsibilities of each member of the Management Board shall be determined by the volume of his work in the Management Board and his job responsibilities. The proposal on the distribution of duties submitted by the Chairman of the Management Board shall be approved at the meeting of the Management Board.

7.10. Duties of the members of the Management Board:

7.10.1. fulfilling their duties within the framework of their powers in good faith, at a high level of qualifications, as well as in ways that they consider to be the best method in the interests of the Company;

7.10.2. keeping the commercial secret of the Company.

## 8. RESPONSIBILITY OF MEMBERS OF THE MANAGEMENT BOARD

8.1. Members of the Management Board shall be responsible to the Company in accordance with the legislation, this Charter and other internal documents of the Company.

8.2. At the same time, the members of the Management Board of the Company who did not take part in the voting or who voted against the decision damaging the Company shall not bear responsibility.

If, in accordance with the current legislation, several persons bear responsibility, their responsibility to the Company shall be joint and several.

8.3. Management Board members shall be responsible for:

8.3.1. The results of the economic activity of the Company, the achievement of the tasks assigned thereto;

8.3.2. Members of the Management Board of the Company shall be liable to the Company for damage caused to the Company as a result of failure to fulfill or irrational fulfillment of their duties in accordance with the current legislation of the Republic of Uzbekistan and the Charter of the Company, decisions of the General Meeting of Shareholders and court decisions.