

“A P P R O V E D”

**by Resolution of the single shareholder
holding ordinary shares in
Almalyk MMC JSC
No. 3/2016**

dated June 30, 2017

**Public Attorney
at Almalyk MMC JSC**

_____ **Samatov Sh.S.**

**REGULATIONS
ON DIVIDEND POLICY
OF ALMALYK MMC JSC**

CONTENTS:

1. GENERAL PROVISIONS	3
2. DIVIDEND POLICY PRINCIPLES, CONDITIONS AND GROUNDS FOR DIVIDEND PAYMENTS	3
3. PROCEDURE FOR DETERMINING THE AMOUNT AND ACCRUAL OF DIVIDENDS	5
4. PROCEDURE AND PERIOD FOR DIVIDEND PAYMENT	6
5. RESOINSIBILITY FOR PAYMENT OF DECLARED DIVIDENDS	7
6. DISCLOSURE OF INFORMATION	8
7. FINAL PROVISIONS	8

1. GENERAL PROVISIONS

1.1. These Regulations on dividend policy of Almalyk MMC JSC (hereinafter referred to as the "Regulations") have been developed in accordance with the current legislation of the Republic of Uzbekistan, the Charter of Almalyk MMC JSC (hereinafter referred to as the "Company"), the Corporate Governance Code and other internal documents of the Company.

1.2. The dividend policy of the Company is based on the balance of interests of the Company and its shareholders when determining the amount of dividend payments, on respect for and strict observance of the rights of shareholders stipulated by the current legislation of the Republic of Uzbekistan, the Charter and internal documents of the Company.

1.3. The dividend policy of the Company is aimed at increasing the welfare of shareholders and the investment attractiveness of the Company.

1.4. The Regulations have been developed in order to optimize the proportions between the consumed and capitalized parts of the profits received by the Company, to ensure the transparency of the mechanism for determining the amount of dividends and their payments. The main purpose of these Regulations is to inform shareholders and other interested parties about the dividend policy of the Company.

1.5. The Regulations determine the basic principles of the dividend policy of the Company, the terms of dividend payment, the procedure for determining the amount of dividends, the procedure for deciding on the payment of dividends, and the procedure and deadlines for payment of dividends for the Company's shares.

2. DIVIDEND POLICY PRINCIPLES, CONDITIONS AND GROUNDS FOR DIVIDEND PAYMENTS

2.1. The main principles of the dividend policy of the Company are:

- the **principle of transparency** implies disclosure of information on the duties and responsibilities of the parties involved in the implementation of the dividend policy, on the mechanism for determining the amount of dividends and on the procedure and terms of payment when preparing recommendations by the Supervisory Board, on making a decision of the General Meeting of Shareholders on the payment and amount of dividends;

- the **principle of justice** implies equal rights of shareholders to receive information about the decisions on payment, amount and procedure for payment of dividends, ensures that equal rights of shareholders who own the same type of shares to receive dividends are respected;

- the **principle of consistency** implies the strict implementation of procedures and principles of the dividend policy within the established time limits;

- the **principle of reasonableness and balance** of short-term and long-term interests of shareholders and interests of the Company when determining the amount of dividends, which implies that the decision on payment and the amount of dividends can be made only if the Company achieves a certain positive financial result, taking into account development plans and its investment programs;

- the **principle of development** implies continuous improvement of the dividend policy in the framework of improving corporate governance procedures and revising its provisions due to changes in the Company's strategic goals.

2.2. Making a decision (announcement) on the payment of dividends on any type of outstanding shares is a right and not an obligation of the Company. The general meeting of shareholders shall have the right to decide on non-payment of dividends on outstanding shares of certain types or not to decide on payment of dividends, as well as on payment of dividends in incomplete amount on preferred shares, the amount of dividends on which is defined in the Company's Charter.

2.3. Subject to the provisions of the Law of the Republic of Uzbekistan "On Joint Stock Companies", other regulatory acts, the Company's Charter and these Regulations, the

Supervisory Board of the Company, when developing recommendations to the general meeting of shareholders on the amount of dividends for a certain period, shall be guided by the fact that the amount of funds allocated for these purposes must make up not more than 10 percent of net profits as determined on the basis of the Company's financial statements prepared in accordance with the National Accounting Standard (NAS) for the relevant period in respect of which the recommendations are given.

2.4. Payment of declared dividends is the responsibility of the Company. The Company shall be liable to shareholders for non-performance of this duty in accordance with the current legislation of the Republic of Uzbekistan.

2.5. The Company shall assume the costs associated with the payment of dividends (including the costs of calculating and withholding taxes, transferring dividends, postal expenses). In addition to the fee for the transfer of dividends when receiving dividends through postal or banking organizations (depending on the method of receiving dividends chosen by a shareholder), there may be a deduction of fees. Such fees for the receipt of funds shall be set by postal rates or a bank service agreement concluded between the shareholder and the bank and shall not be subject to compensation by the Company.

2.6. Dividends shall not be accrued and paid on the shares:

- not issued (unplaced);
- acquired on the Company's balance by decision of the Supervisory Board, purchased on the Company's balance and placed at the Company's disposal due to the buyer's failure to fulfill obligations to purchase them;
- in other cases stipulated by the legislation of the Republic of Uzbekistan.

2.7. According to the results of the first quarter, six months, nine months of the financial year and (or) based on the results of the fiscal year, the Company shall be entitled to make decisions (declare) on the payment of dividends on outstanding shares. The decision to pay (declare) dividends based on the results of the first quarter, six months and nine months of the financial year (interim dividends) can be made within three months after the end of the relevant period.

The issue of payment (declaration) of interim dividends shall be considered as a separate issue on the agenda of the extraordinary general meeting of shareholders.

The decision to pay (declare) dividends based on the results of the financial year shall be made by the annual general meeting of shareholders as a separate issue on the agenda of the general meeting of shareholders, or as part of the issue on the distribution of the Company's profits based on the results of the financial year.

2.8. In the distribution of profits and losses based on the results of the financial year (including payment (declaration) of dividends) shall not take into account the profits distributed as dividends based on the results of the first quarter, six months and nine months of the financial year.

2.9. When making a decision on payment of dividends, the development needs of the Company's production and investment activities, its economic position, and plans for the medium-term and long-term development of the Company shall be taken into account.

2.10. Payment of dividends shall be subject to the following conditions:

- absence of restrictions on the payment of dividends provided for in Article 54 of the Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights";
- availability of recommendations of the Supervisory Board of the Company on the amount of dividends;
- adoption by the general meeting of shareholders of the Company of the decision to pay dividends.

3. PROCEDURE FOR DETERMINING THE AMOUNT AND ACCRUAL OF DIVIDENDS

3.1. Dividends shall be paid to shareholders of the Company from the Company's net profits, calculated on the basis of financial statements in accordance with NAS after tax deduction and as indicated in the Company's profit and loss statement based on the results of operations for a corresponding period and (or) retained earnings of previous years.

3.2. The general meeting of shareholders of the Company shall decide on the payment (declaration) of dividends on shares of each type. The Supervisory Board of the Company shall provide recommendations to the general meeting of shareholders on the amount of dividends on shares and the procedure for their payment.

The materials submitted to shareholders for decision-making at the general meeting of shareholders shall contain all the necessary information indicating the presence or absence of the conditions necessary for the payment of dividends.

3.3. The amount of dividends may not exceed the amount recommended by the Supervisory Board.

3.4. The decision to pay (declare) dividends shall determine:

- type of shares for which dividends to be paid (declared);
- total amount of dividends on the Company's shares;
- amount of dividend per one share of a certain type;
- the period and procedure for payment of dividends.

3.5. The amount of dividends recommended for the general meeting of shareholders on all types of shares shall be determined by the Supervisory Board, taking into account the following factors:

- the amount of net profits under NAS remaining at the disposal of the Company after taxation for a relevant period;
- deductions from the net profits obligatory for the Company in accordance with the current legislation, the Charter and internal documents of the Company, as well as in other areas of its expenditure, including the payment of annual dividends on preferred shares;
- the Company's capital requirements for the current financial and business activities and implementation of the Company's development strategy, taking into account the payment of dividends and estimated results of operations for the year;
- significant deterioration of the macroeconomic condition, other external and internal changes that have or potentially have a significant negative impact on the Company's operations in future, including the presence of force majeure circumstances;
- the structure of the Company's working capital at the end of the relevant period;
- the Company's debt load at the end of the relevant period.

3.6. Payment of dividends recommended by the Supervisory Board to the general meeting of shareholders of the Company shall not lead to raising of additional debt funding by the Company or other expenses not provided for by the approved financial and business plan for subsequent periods.

3.7. The amount of dividends accrued to each shareholder shall be determined by multiplying the dividend per share by the number of shares owned by the shareholder.

3.8. When paying dividends, dividends on preferred shares shall be paid first, and then dividends on ordinary shares. The dividend per preferred share is 25% of the nominal value of the share. Dividends on preferred shares in case of insufficient profit or loss of the Company can also be paid for and within the Reserve Fund of the Company created for this purpose.

The Company shall declare the amount of dividends excluding taxes on them. The Company shall publish data on the amount of dividends to be paid on the official websites of the authorized state body regulating the securities market and the company within the period established by law.

4. PROCEDURE AND PERIOD FOR DIVIDEND PAYMENT

4.1. The Company shall pay dividends in cash or other legal means of payment, or with the Company's securities. The dividends declared shall be paid in the national currency of the Republic of Uzbekistan or at the written request of the shareholder being non-resident of the Republic of Uzbekistan. The Company shall convert the dividends accrued to it into freely convertible currency, with the transfer of funds to a bank account submitted by a non-resident shareholder.

Payment of dividends with securities on the Company's preferred shares is not allowed.

4.2. The dividend payment period shall be determined by the decision of the general meeting of shareholders of the Company, but may not exceed 60 days from the date of the decision to pay dividends by the general meeting of shareholders. If the last day for the payment of dividends falls on a non-working day, the next working day shall be considered the closing date for payment.

If the holders of the Company's shares could not receive the accrued dividends within the period established by the general meeting of shareholders, the Company shall continue to pay such (unclaimed) dividends. The period for the payment of unclaimed dividends may not exceed three years from the date of expiry of the period during which the Company is obligated to pay the declared dividends.

4.3. Preparation, coordination and carrying out of activities on the organization of dividend payments by the Company, provided for by these Regulations, shall be performed by the Corporate Relations Service of the Company in conjunction with the Company's central accounting department and servicing bank.

4.4. Any shareholder shall have the right to apply to the Company with a request for information on its inclusion/non-inclusion in the list of persons entitled to receive dividends, as well as on the procedure for calculating dividends on shares, the procedure for calculating and taxing the amount of dividends, on payment conditions. In the event that a request is received by the Company, the latter shall, within ten working days of the receipt of the request, prepare and send a response to the shareholder to its postal address, unless another method of obtaining information is specified.

4.5. The Supervisory Board of the Company shall determine the date of compiling the list of persons entitled to participate in the general meeting of shareholders of the Company.

The list of persons entitled to receive dividends shall be drawn up as of the date of making the list of persons entitled to participate in the general meeting of shareholders, at which a decision shall be made to pay (declare) respective dividends.

The list of persons entitled to receive dividends shall be made by the registrar of the Company by order of the Company.

The list of persons entitled to receive dividends shall include:

- shareholders registered in the register of shareholders on the date of making the list;
- other persons (mortgagees, trustees, etc.) registered in the system of maintaining the register of shareholders on the date of making the list, whom the rights to shares have been transferred to, unless otherwise provided by the agreement of such person with the shareholder;
- the shareholders in whose interests the shares are owned by a nominal holder of securities registered in the system of maintaining the register of shareholders on the date of making the list.

To compile the list of persons entitled to receive dividends, the nominal holder of shares shall present data on the persons in whose interests he owns the shares.

4.7. After the decision to pay dividends is made by the general meeting of shareholders, the Corporate Relations Service of the Company shall draw up a list of persons entitled to receive dividends. The list of persons shall be compiled on the basis of the register of holders of securities formed by the Central Securities Depository on a specific date.

4.8. The list of shareholders - clients of nominal holders and trustees, mortgagees – shall be compiled separately and contain information on the owners of the shares recorded on the

accounts of nominal holders and trustees, on the mortgagees, as well as on the details for the transfer of dividends thereto.

4.9. In the event that shares are in common share ownership by several persons, dividends shall be distributed among them in proportion to their share in the value of shares, in accordance with the documents held by the Registrar.

4.10. Payment of dividends to individuals whose rights to shares are recorded in the system of maintaining the Company's shareholder register may be made in cash, by bank transfer or by postal transfer.

Dividend payments to legal entities whose rights to shares are recorded in the system of maintaining the Company's shareholder register shall be made by cashless transfer (by transferring them to the current account specified by them).

4.11. In the case of payment of dividends in a non-cash order, the obligation of shareholders and other persons entitled to receive dividends (hereinafter - "Dividend Recipients"), shall be the timely and full updating of their bank details in the system for maintaining the register of shareholders.

The actual bank details shall be submitted by Dividend Recipients to the system of maintaining the Company's shareholder register not later than the date of compiling the lists of persons entitled to participate in the general meeting of shareholders. In the absence of the actual banking data, the Company shall not be liable for the late payment of dividends to such person.

If the Dividend Recipient incorrectly indicated his bank details or address for transferring dividends, or did not submit (untimely submitted) to the Company information about the above details, the Company shall not be liable for any losses caused to the Recipient.

4.12. When paying dividends, the Company shall perform the functions of a tax agent, withholding and transferring dividends tax in accordance with the procedure established by law.

The shareholder, to whom the standard tax rates should not be applied, shall provide the supporting documents established by the current legislation of the Republic of Uzbekistan to the Company. If information about tax rates applied to the shareholder has been received by the Company after paying dividends to him, the Company may not refund the overpaid taxes.

5. RESPONSIBILITY FOR PAYMENT OF DECLARED DIVIDENDS

5.1. The executive bodies (Management Board, General Director) of the Company shall not be responsible for the full and timely payment of dividends to shareholders of the Company.

5.2. In order to ensure the payment of accrued dividends, the Supervisory Board shall consider at its meetings the issue of the progress of dividend payments or results of payments.

5.3. In case of non-fulfillment by the Company of its obligations, shareholders (Dividend Recipients) shall have the right to demand the payment of declared dividends on shares of each type judicially.

5.4. In case of incomplete or late payment of dividends to shareholders (Dividend Recipient) who promptly informed the Registrar or the Company of their bank details or postal addresses and changes to them, the Company and the Registrar shall be liable in accordance with applicable law.

5.5. The Company shall not be liable for non-payment (late payment) of declared dividends to those shareholders (Dividend Recipients) who did not timely provide the Registrar or the Company with their bank details, postal addresses or changes in their data.

6. DISCLOSURE OF INFORMATION

6.1. These Regulations, as well as changes and additions made to it, shall be disclosed by the Company on the Company's website on the Internet at: www.agmk.uz.

6.2. The materials to be submitted to shareholders in preparation for the general meeting of shareholders shall contain all the necessary information about the presence or absence of the conditions necessary for the payment of dividends.

6.3. According to the results of the general meeting of shareholders, the Company shall disclose the information in the form of reports on material facts within the terms established by law.

6.4. At the onset of the date of commencement of the period for the fulfillment of the Company's obligations to its shareholders on the payment of dividends, the Company shall disclose the relevant information in the form of statements of material facts within the terms established by law.

6.5. In addition to the information disclosed by the Company in accordance with the requirements of the law, the Company shall publish information about the decision of the general meeting of shareholders of the Company to pay dividends, including the amount, period, form, date of compiling the list of persons entitled to receive them, and the procedure for paying dividends, as a separate press release.

7. FINAL PROVISIONS

7.1. These Regulations shall be approved by the decision of the general meeting of shareholders of the Company after its prior approval by the Supervisory Board of the Company by a majority of votes of its members who participated in the meeting or took part in absentee voting.

7.2. Amendments and additions to these Regulations shall be made by decision of the Supervisory Board of the Company, adopted by a majority vote of its members who participated in the meeting or took part in an absentee voting.

7.3. If certain articles of these Regulations conflict with the current legislation of the Republic of Uzbekistan and/or the Company's Charter, these articles shall become invalid and in part of the issues regulated by these articles shall be guided by the current legislation of the Republic of Uzbekistan and/or the Company's Charter until such amendments are made to these Regulations.

7.4. If any issues related to the payment of dividends to shareholders of the Company are not regulated by the provisions of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights", other regulatory acts, the Charter of the Company and these Regulations, they shall be decided based on the need to ensure the rights and interests of shareholders.