

«APPROVED»

by the General Meeting of Shareholders
of JSC «Maxsuselektartarmoqqurilish»
dated 30 June 2016 y.



POSITION
ABOUT THE EXECUTIVE BODY
joint stock company
«MAXSUSELEKTRTARMOQQURILISH»

Tashkent city – 2016 y.

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I. GENERAL PROVISIONS

1. This Regulation determines the status and regulates the work of the executive body, the director of the joint stock company "Maxsuselektrarmoqqurilish" (hereinafter - the Company), the procedure for election, as well as the rights and obligations of the executive body.

2. The Director of the Company is elected by the members of the Supervisory Board of the Company, the election of the Director of the Company is carried out by competitive selection, in which foreign managers can take part, as well as, by decision of the Supervisory Board of the Company, the powers of the executive body of the Company can be transferred under an agreement to a commercial organization (trustee). The terms of the concluded agreement are approved by the Supervisory Board of the Company.

3. The Regulation was developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights", the Code of Corporate Governance and the Charter of the Company.

II. PROCEDURE FOR ESTABLISHING THE EXECUTIVE BODY JOINT STOCK COMPANY

4. The management of the current activities of the company is carried out by the director, whose competence is determined by the charter of the company and these regulations.

5. The Director of the Company is elected by the members of the Supervisory Board based on the results of a competitive selection, in which foreign managers can take part.

6. After the approval of the candidate for the position of director, the Supervisory Board makes a decision to approve this candidate for the General Meeting of Shareholders. After the director is approved at the General Meeting of Shareholders, the Chairman of the Supervisory Board concludes and signs a contract (employment contract) for the performance of the duties of a director. The contract with the director is concluded for a period of one year.

III. COMPETITIVE SELECTION PROCEDURE BETWEEN CANDIDATES FOR THE OFFICE OF DIRECTOR.

7. The competitive selection of the director is carried out in accordance with the "Regulations on the competitive selection of the director of the Company", which specifies the requirements for candidates, requirements for the composition of the competition committee, the procedure for holding the competition, the candidate evaluation system and the form of the announcement text.

8. The competitive selection is carried out by the Supervisory Board of the company, provided that there are two or more candidates for the position of the director of the company, the list of whose persons has been formed in accordance with the requirements of the Regulation on the competitive selection of the director of the Company.

9. Requirements for candidates for the position of director of the Company.

A candidate applying for the position of director must meet the following conditions:

- a) have completed higher education of a specialized university or completed higher education in the field of jurisprudence or economic knowledge;
- b) have at least five years of continuous work experience, out of the last ten, in leadership positions in the fuel and energy complex;

- c) the absence of an outstanding criminal record;
- d) have a sufficiently deep knowledge in the field of enterprise management and corporate governance;
- e) be competent in matters of economics and production technology;
- f) have practical experience and knowledge in the field of analysis of the economic situation in enterprises;
- g) have the skills to analyze the activities and actions of competing enterprises.

10. The election of the director of the Company is carried out by members of the Supervisory Board from among the candidates selected by the competition commission, by open voting. When electing a director, the points assigned to candidates by the competition commission and other criteria established in the Regulation on the competitive selection of the director of the Company are taken into account. The candidate with the largest number of votes is considered to have passed the competitive selection, after which the Supervisory Board makes a decision on approving the director's candidacy for the General Meeting of Shareholders.

IV. DIRECTOR'S COMPETENCE

11. The competence of the director includes all issues of management of the current activities of the company, approved by the Charter of the company, with the exception of issues attributed to the competence of the General Meeting of Shareholders and the competence of the Supervisory Board of the Company.

12. The competence of the director includes:
- development of projects for the main directions of the Company's development;
 - development of a draft business plan of the company;
 - creation of centralized funds and provision of financial reserves for scientific research and other important areas of development of the Society;
 - preparation of proposals for improving activities, modernizing the material base, optimizing costs at enterprises that are part of the Company;
 - development of proposals for making changes and additions to the charter of the Company;

Director of the Society:

- acts on behalf of the Company without a power of attorney, protects the interests of the Company in state institutions, in all organizations and enterprises, regardless of the form of ownership;
- approves the staffing table;
- issues orders, instructions and instructions binding on all officers of the Company, and also approves instructions and other documents within its competence;
- appoints heads of branches, representative offices, as well as subsidiaries and dependent business companies;
- ensures the execution of decisions of the General Meeting of Shareholders and the Supervisory Board of the Company;
- with the consent of the Supervisory Board, participates in its work with an advisory vote;
- ensures the submission of documents on the financial and economic activities of the Company at the request of the Supervisory Board, the Audit Commission of the Company or the auditor of the Company;
- without a power of attorney in the prescribed manner disposes of the property and funds of the Company, opens current accounts in banks, signs the financial documents of the Company;

- concludes agreements, contracts and other transactions on behalf of the Company;
- issues powers of attorney on behalf of the Company;
- submits for consideration by the Supervisory Board of the Company proposals on issues falling within the competence of the Supervisory Board and the General Meeting of Shareholders and on drafts of other regulatory documents of the Company;
- approves the Regulations of the structural divisions of the company;
- applies disciplinary measures to the employees of the Company as provided for by the current legislation;
- approves the regulation on bonuses to employees, establishes official salaries, allowances to them, various additional payments, encourages employees of the Company, and also establishes compensation payments for the purpose of social protection of employees of the Company;
- resolves other issues stipulated by the legislation, the Corporate Governance Code, this Charter and the Regulation on the executive body of the Company.
- Some areas of the Company's economic activities, which are in the introduction of the director, can be assigned to the deputy directors, in accordance with the order of the director.

13. In accordance with these Regulations, the Director of the Company has the right to submit proposals for consideration by the Supervisory Board of the Company on issues of production activities, improvement of working conditions and labor protection of the company's employees, on the efficiency of using the company's fixed assets and equipment, due to changes in the Company's activities and other circumstances.

14. In order to ensure the transparency of the Company's activities, the director:

- ensures the publication of information subject to mandatory disclosure on the Company's website and in other sources stipulated by law, with translation into English, Russian and other languages convenient for shareholders and other interested parties, including foreign investors;
- organizes the publication on the Company's website of information about the executive body and the assessment of the effectiveness of its activities;
- informs about the structure of the share capital of the Company (about shareholders with a share of more than 20%);
- ensures the publication of the proposed distribution of net profit, the amount of dividends, an assessment of their compliance with the dividend policy adopted by the Company, as well as, if necessary, explanations and economic justification for the direction of a certain part of the net profit for the needs and development of the Company;
- organizes the publication on the Company's website of the results of an independent assessment of the corporate governance system together with the conclusion of the organization that carried out such an assessment;
- develops and submits for approval by the Supervisory Board of the Society a media plan, which contains a schedule of appearances in the media, a script of promotional videos, the amount of funding and source of funds, responsible executors and the timing of events;
- provides, at the request of shareholders, other information about the Company (except for confidential information, commercial secrets), which is necessary for shareholders and investors.

15. To ensure the implementation of the rights and legitimate interests of shareholders, the director of the Company:

- makes it easier for shareholders to communicate with the Company by indicating on the Company's website the addresses to which written or electronic requests can be sent, including information on changes in the contact details of shareholders and bank details;

- develops a regulation on the Company's dividend policy, revealing a transparent mechanism for calculating dividends;
- determines the position when voting on behalf of the Company by its representatives in the management bodies of enterprises that are part of the Company;
- insures the business risks of the Company and the liability of the executive body;
- informs the Supervisory Board about a conflict of interest;
- covers the costs of maintaining a committee of minority shareholders at the expense of the Company (when creating a committee of minority shareholders).

16. To formulate the development strategy and tasks for the long term, the director of the Company:

- defines as the strategic goals of the Company the maintenance of financial stability, increase in labor productivity, competitiveness of products, growth in production indicators, export and energy efficiency, modernization, technical and technological renewal of machinery and equipment for production, leading to an increase in the value of shares;
- develops and submits to the Supervisory Board for approval at the General Meeting of Shareholders a long-term strategy for the development of the Company for a period of 3-5 years or more, based on industry specifics, analysis of the competitive environment, ensuring export orientation and implementation of approved state programs for the development of relevant industries, spheres and regions;
- widely uses management methods successfully tested in foreign practice, including SWOT, GAP analysis and other approaches, special software products, etc.;
- develops and submits for consideration of the Supervisory Board short-term (annual) and medium-term (for a period of up to 3 years) business plans based on a long-term strategy approved by the General Meeting of Shareholders;
- introduces the necessary quantitative and qualitative criteria that allow monitoring the achievement of the goals outlined in each of the development plans adopted by the Company.

17. In order to publish information based on international auditing and financial reporting standards, the director of the Company:

- organizes training of the Company's personnel involved in auditing and preparing financial statements at training courses in IFRS and international auditing standards;
- the measures provided for by the relevant action plan for the transition of the Company to the publication of information based on IFRS and international auditing standards are being carried out;
- ensures the publication of annual financial statements based on IFRS and international auditing standards within the time limits established by law.

18. To improve the efficiency of management and marketing, the director of the Company:

- organizes the implementation of modern management systems (ERP, SAP, etc.);
- organizes the implementation of the quality management system and control over its functioning;
- ensures the implementation and operation of an information system for managing business processes (information system for managing investment and production processes, material and financial resources (ERP and other software products) developed by SAP, Oracle or Microsoft), with a confirmation certificate of the successful implementation and use of this information system.

V. RIGHTS AND OBLIGATIONS OF THE DIRECTOR.

19. The rights and obligations of the director are governed by the charter of the Company, the contract concluded with him, this provision, and other legislative acts.

20. The Director independently solves all issues of the Company's activities, with the exception of those referred to the exclusive competence of the General Meeting and the Supervisory Board.

21. The Director of the Company has the right:

- without a power of attorney to act on behalf of the Company, to represent its interests in relations with other organizations and bodies;
- to dispose of property and funds within the limits stipulated by the Charter or other document of the Company;
- to conclude agreements and contracts, including labor contracts;
- issue powers of attorney;
- open current and other accounts in banks;
- issue orders and instructions that are binding on all employees subordinate to him;
- approve the staff, carry out its staffing;
- appoint and dismiss the heads of branches, their deputies, chief engineers, chief accountants of branches, and other responsible employees of the Company.

22. Remuneration (establishment of allowances, payment of bonuses and other material incentives) to the director and other officers of the Company in charge of day-to-day management is made in accordance with the requirements of the Cabinet of Ministers No. 207 dated July 28, 2015. The amount of remuneration is linked to the results of an independent assessment of the corporate governance system and the financial results of the Company and is determined by a decision of the Supervisory Board with subsequent approval at the General Meeting of Shareholders.

23. Duties of the Director of the Company:

- exercising, within its competence, the management of the current activities of the Company, with the exception of issues attributed to the exclusive competence of the General Meeting of Shareholders and the Supervisory Board, ensuring Company efficient and stable work;
- organization of execution of decisions of the General Meeting of Shareholders and the Supervisory Board of the Company;
- ensuring effective interaction between production units and other structural divisions of the Company;
- ensuring the fulfillment of the Company's contractual obligations;
- ensuring the receipt of the maximum possible profit, but not less than in the amount necessary for the development of production and the social sphere, specified in the current business plans;
- management of the development of long-term programs and annual business plans for the development of the Company, organization and control of their implementation;
- ensuring compliance with legal requirements in the activities of the Company;
- ensuring the organization, proper condition and reliability of accounting and reporting in the Company, timely submission of the annual report and other financial statements to the relevant authorities, as well as information on the activities of the Company sent to shareholders, creditors and other recipients of information. The director quarterly reports to the Supervisory Board on the progress in the implementation of the annual business plan;

- unimpeded provision of documents on the financial and economic activities of the Company at the request of the Supervisory Board, the Audit Commission of the Company and the Auditor of the Company;
- quarterly presentation with a report to the Supervisory Board of the Company on the work done and the achievement of performance indicators of enterprises that are part of the Company, approved by their business plans;
- ensuring the completeness and timeliness of the provision of state statistical reporting to the relevant authorities;
- preservation of information constituting a commercial secret of the Company, unless the transfer of such information to third parties is included in the scope of its duties. The list of information constituting a commercial secret of the Company is determined by the Supervisory Board;
- ensuring the preservation of information constituting an official or commercial secret by the employees of the Company;
- organization of meetings of the Executive Body of the Company, signing documents on behalf of the Company and minutes of meetings of the Executive Body;
- taking measures to provide the Company with qualified personnel, on the best use of knowledge, qualifications, experience and abilities of the Company's employees;
- advanced training of the Company's officials through participation in training courses, seminars and other events;
- maintaining labor and technological discipline;
- ensuring compliance with social guarantees and labor protection of the Company's employees;
- acting as an employer when concluding collective bargaining agreements and agreements. Fulfillment of obligations under a collective agreement;
- submission of reports on the state of affairs related to its competence to the General Meeting of Shareholders and the Supervisory Board of the Company in due time;
- observance of all the rights of shareholders to receive information provided for by the current legislation, to participate in General Meetings of Shareholders, to accrue and pay dividends;
- observance of the Charter and internal documents of the Company, current legislation and other regulations.

24. Persons holding the position of directors have the right to combine their activities with activities in other organizations only with the consent of the Supervisory Board of the Company.

VI. RESPONSIBILITY OF THE DIRECTOR

25. When exercising his rights and fulfilling his duties, the Director must act exclusively in the interests of the Company and bear responsibility in the manner prescribed by law.

26. If the actual value of key performance indicators turned out to be lower than the normative value established by the legislation, or specified in the business plan, then, by the decision of the Supervisory Board, measures of responsibility are applied to the head of the executive body in accordance with the legislation.

27. If the Company suffers damage as a result of the execution by the Director of the Company of decisions made by the Supervisory Board, then the director of the Company and members of the Supervisory Board who did not take part in voting or who voted against the decision that caused losses to the Company are not liable for the damage caused..

28. The company or a shareholder (shareholders) who owns at least one percent of the outstanding shares of the company has the right to apply to the court with a claim against the director for compensation for losses caused to the Company.

VII. TERMINATION OF THE DIRECTOR

29. The General Meeting of Shareholders or the Supervisory Board of the Company, which, in accordance with the Charter of the Company, is granted such a right, has the right to terminate (terminate) the agreement with the Director of the Company if he violates the terms of the agreement.

30. The Supervisory Board of the Company has the right to prematurely terminate (terminate) the contract with the Director of the Company if he commits gross violations of the Charter of the Company, this provision or causes losses to the Company by his actions (inaction).

31. Since the formation of the executive body of the Company falls within the competence of the General Meeting of Shareholders, the Supervisory Board of the Company, which made a decision on the early termination of the powers of the executive body of the Company, makes a decision on the appointment of an interim head of the executive body of the Company, with his subsequent approval at the General Meeting of Shareholders subject to a competitive selection in accordance with the Regulations on the competitive selection of the director of the Company.

32. Unsatisfactory or low performance of the Company's director (in any combination) in meeting the forecast values of integrated performance indicators for two consecutive quarters entails the initiation of termination of the employment contract with him. Basis-PCM No. 207 of July 28, 2015, item 29.

33. From the moment of approval of this Regulation by the General Meeting of Shareholders of the Company, the Regulation on the executive body of JSC "Maxsuselektrtarmoqqurilish", approved by the decision of the General Meeting of Shareholders of the Company dated June 15, 2015, is considered invalid.