

**APPROVED**  
**by the Resolution of the General**  
**Meeting of Shareholders of**  
**JSC BEKABADCEMENT**  
**dd.30.06.2016, minutes of**  
**meeting No.1-2016**

**DIVIDENDS' POLICIES PROVISIONS**  
**OF JSC BEKABADCEMENT**

## TABLE OF CONTENTS

<b>I. GENERAL PROVISIONS</b>	<b>3</b>
<b>II. METHOD OF CALCUTATION AND ACCRUALS OF DIVIDENDS</b>	<b>4</b>
<b>III. ORDER AND TIME OF PAYMENT DIVIDENDS</b>	<b>5</b>
<b>IV. RESPONSIBILITY FOR PAYMENT ANNOUNCED DIVIDENDS</b>	<b>7</b>
<b>V. ORDER OF INFORMATION DISCLOSURE</b>	<b>7</b>
<b>VI. FINAL PROVISIONS</b>	<b>8</b>

## I. GENERAL PROVISIONS

1. These Provisions of dividends policies of JSC Bekabadcement (hereinafter referred as "Provisions") has been composed in compliance with the current legislation of the Republic of Uzbekistan, Charter of JSC Bekabadcement ("Company"), Code of Corporate Management, approved by the minutes of session of the commission on enhancing of activity of joint-stock companies and improvement of system of corporate management dd. 31.12.2015 No.9 and other Company's internal documents.

General issues are present in these Provisions, which should be reflected and translated into the dividend policies of JSC Bekabadcement.

2. The dividend policies of the Company is aimed at the enhancement of prosperity of the shareholders and raising of population's capitalization. The Provisions is aimed at informing the shareholders and other concerned persons on the Company's dividend policies.

This Provisions is intended for selecting an approach of the supervisory board of the Company to form recommendations on size of share dividends and order of their payment.

In case any issues, connected with dividend payment to the 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 rights of shareholders", by other statutory and regulatory enactments of the Republic of Uzbekistan, charter of the Company and these Provisions, they should be solved based on necessity of ensuring the rights and concerns of shareholders.

3. These dividends policies have been composed for the time period till 2020.

JSC is intending to assign normally 25% of net income to dividends payment during this time. The rest of the funds will be assigned for a fulfillment of the investment project (project name), which profitableness and energy efficiency is more than 20% (if more than one project – average profitableness needs to be specified and also website, which describes the main characteristics of the investment project, i.e. field and branch, investments amount, profitableness according to feasibility report or design specifications and estimates).

4. The Company considers a capitalization growth as the main way of payment according to property concerns of shareholders in extraction of profit from Company shares. Dividend policies represents optimization of proportion between the consumed and capitalized parts of profit gained by the Company for the purpose of raising the share's market price.

5. The dividend policies of the Company is based on the following principles:

transparency principle, which means determination and disclosing information on responsibilities and obligations of the parties, participating in fulfillment of dividend policies, including order and conditions of decision making on payment and size of the dividends;

betimes principle, means fixing the time frame when making dividend payment;

feasibility principle, means that the decision as to payment and size of the dividends can only be made after reaching a positive financial results by the Company taking into account development plans and its investment programs based on the actual financial status of the Company;

fairness principle, means ensuring equal rights of shareholders to obtaining information on decisions made as to payment, size and order of payment the dividends;

sequence principle, means strict fulfillment of procedures and principle of dividend policies;

development principle, means continuous improvement of dividend policies as a part of corporate management procedures enhancement and revision its Provisions due to changes of strategic aims of the Company;

fixity principle, means intentions of the Company to ensure sound level of dividend payment.

6. Decision making (announcing) as to dividends payment for placed shares is a right of the Company. General meeting of the shareholders has a right to decide whether to pay or not to pay the shares dividends.

7. The payment of the announced dividends is the responsibility of the Company.

Expenses, connected with dividends payment (including expenses for calculation and deduction of taxes, dividends transfer, mail expenses), cannot be laid upon a shareholder, receiving dividends by the decision of management bodies. The Company is responsible to the shareholders for non-fulfillment of this duty by virtue of the current laws of the Republic of Uzbekistan.

8. Dividends are not accrued and not paid for shares:

unplaced;

acquired and/or bought by the Company;

in other cases, by virtue of the laws of the Republic of Uzbekistan.

9. In cases, regulated by part 1 of Article 54 of the Law of joint-stock companies and protection of shareholders' rights, the Company has no right to pay and decide as to payment share dividends.

## **II. METHOD OF CALCUTATION AND ACCRUALS OF DIVIDENDS**

10. The Company has a right, based on the results of the first quarter, half year, nine months of the fiscal year and (or) based on the results of the fiscal year, to decide (announce) payment of share dividends, except for those in clause 8.

The decision of payment (announcing) dividends based on the results of the first quarter, half year, nine months of the fiscal year can be made within three months after the end of the respective time period.

The dividends are paid from the net income of the Company, which is at the disposal of the Company and (or) undistributed profits of the previous years. Preferred shares dividends can also be paid from Company funds, specifically intended for this. At

the same time, for the purpose of timely dividends payment and prevention of worsening of financial state of the Company due to extraction of funds from the turnover for dividend payment, the Company forms a reserve of uncollectable receivables through the Company's income.

11. The general meeting of the Company shareholders makes a decision on payment (announcing) dividends of each class shares. The supervisory board of the Company recommends the general meeting of the shareholders as to share dividends size and order of their payment. Dividends size cannot be higher than that recommended by the supervisory board. The following items should be determined by the decision of the general meeting of the shareholders:

- class (type) of shares, from which dividends are paid (announced);
- dividend size per share of a certain type;
- period, order and periodicity of dividends payment.

At the same time, the Company has no right to decide as to accrual (payment) of dividends in cases, required by the laws, and also as to not paying dividends in full on ordinary shares within the time, fixed by the laws.

12. Share dividend size, recommended to the shareholders meeting, is fixed by the supervisory board based on the following indexes:

- net income according the financial statements, the truthfulness of which has been proved by the auditors' report;
- financial and economic plans of the Company for the next time periods;
- Company's floating assets framework as of the end of the respective period;
- debt burden of the Company as of the end of the respective period.

13. When determining the size of the recommended dividends by the supervisory board one needs to take into account the financial and economic plans of the Company for the next time periods, current and future state of floating assets and liabilities of the Company. Payment of the recommended dividends by the supervisory board to the meeting of the Company's shareholders should not result in debt fund raising by the Company or other expenses, not provided by the approved financial and economic plans of the Company for the next time periods.

### **III. ORDER AND TIME OF PAYMENT DIVIDENDS**

14. The Company pays the dividends in money terms or other legal payment instruments or securities of the Company. Announced dividends are paid in the official currency of the Republic of Uzbekistan or by written demand of a non-resident of the Republic of Uzbekistan shareholder, the Company should make a conversion to freely convertible currency of his accrued dividends with a transfer of the funds to the bank account of the non-resident of the Republic of Uzbekistan shareholder.

15. Time of dividends payment is fixed by the decision of general meeting of the shareholders of the Company, but cannot exceed 60 days from the day of making a decision on dividends payment by the general meeting of the shareholders.

16. In the event shareholders of the Company were not able to receive accrued dividends in time fixed by the general meeting of the shareholders, the Company proceeds to pay such (unclaimed) dividends. The time period of payment of unclaimed dividends cannot be more than 3 years from the date of termination of term of fulfillment by the Company obligations on payment the announced dividends.

17. In the event of non-payment (non-receipt) through a fault of the Company the dividends within the time limits fixed by the general meeting of shareholders, a fine is imposed for non-paid (non-received) dividends based on refinancing rate, fixed by the Central Bank of the Republic of Uzbekistan. The fine's amount, imposed for non-paid (non-received) dividends, should not be more than 50% of non-paid (non-received) dividends.

18. Structural subdivision of the Company, with a function, in several, arrangement and work with shareholders, together with accounts department of the Company, arranges, coordinates and carrying out all activities on payment dividends by the Company, stipulated by these Provisions.

19. Any shareholder has a right to enquire from the Company the information on the order of calculation of share dividends, order of accrual and taxation of dividends and terms of payment.

20. The right for having share dividends, have the persons, enlisted to the Company shareholders register, formed for carrying out a general meeting of the shareholders, on which the decision on payment the shareholders dividends has been made.

21. In case the shares are in shared ownership, the dividends are paid to the shareholders proportionally with their shares as prescribed.

22. A shareholder should betimes inform the investment agent and/or the central securities depository, giving services of accounting the rights to his shares, on changes of his details. In case of non-giving by a shareholder of changes of his details, central securities depository and/or the investment agent, giving services of accounting the rights to his shares, are not liable for losses caused to the shareholder for this reason.

23. In case a shareholder has given wrong banking details or address for dividends transfer, or has not informed the Company of the details, or informed out of time, the Company shall not be liable for losses, caused to the shareholder for this reason. After the return to the Company of the wrong amounts of dividends, transferred through a fault of the shareholder, for aforementioned reasons, re-transfer to the correct details is made minus the cost of its return and re-transfer.

24. The Company is a tax agent when paying profit to the shareholders on their shares and makes payment of accrued dividends minus taxes on shares profit, fixed by the current laws of the Republic of Uzbekistan. A shareholder, not subject to standard rates of taxation, submits to the Company confirming documents, established by the current laws of the Republic of Uzbekistan (engaged payment agent).

#### **IV. RESPONSIBILITY FOR PAYMENT ANNOUNCED DIVIDENDS**

25. The Company should pay announced dividends for each type of shares.

26. When dividends are paid, none of the shareholders has a preference of payment time.

The payment of dividends for ordinary shares by the Company is made in compliance with equal rights of the shareholders to dividends. The Company has no right to pay a major shareholder the dividends, if this will lead to delayed payment of the dividends to minority shareholders.

27. The executive body of the Company is responsible for full and timely payment of the dividends to the Company shareholders. The control over the actions of the executive body is performed by the supervisory board of the Company together with the checkup committee of the Company.

28. For the purpose of ensuring the payment of accrued dividends, the supervisory board, on its sessions, considers a matter of process of dividends payment. In case of incomplete or untimely payment of the dividends through a fault of the executive body of the Company, the supervisory board determines the penalties of guilty persons and imposes appropriate sanctions or causes their imposing.

29. In case of non-fulfillment by the Company of its obligations, the shareholders have a right to claim the payment of the announced dividends from shares of each type through the courts.

30. For non-fulfillment or inappropriate fulfillment of the Company's obligations of a tax agent for deduction and transfer of tax amounts from dividends, the Company will be liable by virtue of the laws of the Republic of Uzbekistan.

#### **V. ORDER OF INFORMATION DISCLOSURE**

31. These Provisions, its alterations and amendments, are disclosed by the Company on its corporate website in internet within 10 days after signing the minutes of session of the management body of the Company, on which the decision has been made.

32. When making a decision by the general meeting of shareholders on dividends payment, the Company discloses the information by means of messages about essential facts on time, fixed by the laws. Meanwhile, the Company sends a notification to the shareholders by email about accrual of their dividends.

33. Upon the completion by the Company of the obligations of the dividends payment, the Company discloses the information by means of messages about essential facts on time, fixed by the laws.

#### **VI. FINAL PROVISIONS**

34. These Provisions, its alterations and amendments, are approved by the resolution of the general meeting of shareholders.

35. Alterations and amendments to these Provisions are offered by the members of the supervisory board of the Company, checkup committee, internal audit service of the Company, the manager of the executive body of the Company.

36. In case some of the articles of these Provisions contradict the current laws of the Republic of Uzbekistan and/or the charter of the Company, these articles shall be void and the Provisions of the current laws of the Republic of Uzbekistan and/or the charter of the Company shall regulate the matters, regulated by these articles, till making appropriate alterations to these Provisions.