

I. GENERAL PROVISIONS

1. This provision has been developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights", other acts of legislation, the Charter of «Utrade» (hereinafter - the Company), the Code of Corporate Governance approved by the minutes of the meeting of the Commission on increasing the efficiency of joint stock companies and improvement of the corporate governance system of December 31, 2015. №9, defines the status and regulates the work of the Supervisory Board of the company, the election of its members, as well as their rights and obligations.

2. The Supervisory Board exercises general management of the company's activities, with the exception of the resolution of issues referred by the legislation and the Company's Charter to the competence of the General Meeting of Shareholders.

3. The distribution of functions among the members of the Supervisory Board is carried out by the Chairman of the Supervisory Board for each member of the Supervisory Board.

4. The main tasks of the Company's Supervisory Board are:

a) ensuring the implementation of the medium-term and long-term development strategy of the Company;

b) control over the activities of the Company's Executive Body and the implementation of the Company's annual (short-term) business plans;

c) ensuring the information transparency of the Company, completeness, reliability and objectivity of public information about the Company and control over the implementation of the Company's information policy;

d) control over the organization of the internal control and risk management system in the Company;

e) ensuring the implementation of the dividend policy of the Company with respect to the balance between the dividend rights of shareholders and the capitalization of the Company;

f) settlement of conflicts of interest;

g) protection of the rights and legitimate interests of shareholders.

5. The Supervisory Board shall be guided by the following principles:

a) Decision-making on the basis of official information (protocol decisions, accounting documents, company reports on the implementation of export forecasts and other information) provided by the head of the Board on the activities of the Company;

b) achieving a balance of interests of various groups of shareholders and making the most objective decisions by the Supervisory Board in the interests of all shareholders of the Company.

II. COMPETITION OF THE SUPERVISORY COUNCIL

6. The competence of the Company's Supervisory Board includes:

- determination of priority directions of the company's activities with regular hearing of the report of the executive body of the company on the measures taken to achieve the development strategy of the society;

- organization of the development of the long-term development strategy of the Company for a period of more than 5 years, based on sectoral specifics, analysis of the competitive environment, provision of export orientation and implementation of approved state programs for the development of relevant industries, spheres and regions using successfully applied management practices in foreign practice, including SWOT, GAP analysis and other approaches, special software products, etc .;

- convocation of annual and extraordinary General Meetings of Shareholders, except for cases stipulated by part one of the eleventh Article 65 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights";

- preparation of the agenda, determination of the date, time and venue of the General Meeting of Shareholders;
- determination of the date of formation of the register of shareholders for notification of the General Meeting of Shareholders and participation in the General Meeting of Shareholders;
- introduction of the issues specified in the second paragraph of the first part of Article 59 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of the Rights of Shareholders" for the decision of the General Meeting of Shareholders;
- determination of the position of the Supervisory Board on the agenda items of the General Meeting of Shareholders;
- organization of the establishment of the market value of property;
- Organization of a competition for the position of members of the executive body with the approval of the rules for competitive selection for senior positions, describing the procedures for announcing the tender, objective selection criteria, hiring new, modern-minded, highly qualified managers that meet modern requirements, as well as foreign managers;
- establishment of remuneration and (or) compensation paid to the executive body of the company, as well as their size limits, with reference to these payments to the performance of key performance indicators established by the Cabinet of Ministers of the Republic of Uzbekistan on July 28, 2015. №207 "On the implementation of criteria for assessing the performance of joint-stock companies and other business entities with a share of the state";
- Appointment of a corporate consultant and approval of a provision defining the procedure for its activities;
- approval of the company's annual business plan. At the same time, the company's business plan for the next year should be approved at a meeting of the Company's Supervisory Council no later than December 1 of the current year;
- appointment of members of the Management Board of the company and early termination of their powers;
- introduction of the necessary quantitative and qualitative criteria, allowing to monitor the achievement of the goals outlined in each of the development plans adopted in the Company.
- organization of an annual analysis of the correspondence of business processes and projects with the objectives of the Company's development with the involvement of independent professional consultancy organizations, as decided by the General Meeting of Shareholders;
- the creation of an internal audit service and the appointment of its employees, as well as quarterly hearing of its reports;
- access to any documents relating to the activities of the executive body of the company, and obtaining them from the executive body to perform the duties assigned to the company's Supervisory Board. Received documents can be used by the Supervisory Board of the company and its members solely for official purposes;
- decision-making on carrying out of auditor check, including about carrying out of external audit of the financial reporting of the society made according to the international standards of the financial reporting;
- giving advice on the amount of remuneration and compensation paid to members of the Company's Audit Commission;
- giving recommendations on the size of the dividend, the form and the procedure for its payment;
- use of reserve and other funds of the company;
- Creation of branches and opening of representative offices of the company;
- creation of subsidiaries and dependent business entities;

- making a decision on the completion of a major transaction, the subject of which is property, the book value or purchase price of which is from fifteen to fifty percent of the net assets of the company as of the date of the decision to conclude such a transaction in accordance with Chapter 8 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and protection of shareholders' rights ";
- making a decision on the transaction with an affiliated company in accordance with Chapter 9 of the Law of the Republic of Uzbekistan "On joint-stock companies and protection of shareholders' rights";
- conclusion of transactions related to the participation of the company in commercial and non-commercial organizations, in accordance with the procedure established by law;
- decision-making on the issuance by the company of corporate bonds, including those convertible into shares;
- decision-making on the issue of derivative securities;
- decision-making on redemption of corporate bonds of the company;
- decision-making on the issue of increasing the statutory fund (charter capital) of the company, as well as issues related to the introduction of changes and amendments to the company's charter related to the increase of the authorized capital (authorized capital) of the company and the reduction in the number of announced shares of the company;
- Approval of a resolution on the issue of securities (shares, bonds) and the prospectus;
- introduction of amendments and / or additions to the decision on the issue of securities (shares, bonds) and the prospectus of emission and approval of their text;
- determination of the price of placement (placing on the exchange and organized over-the-counter securities market) of shares in accordance with Article 34 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights";
- approval of the information policy provision;
- Decision on charitable (sponsor) or gratuitous assistance, the amount that is more than one percent of the size of the company's net assets as of the date of the decision;
- attraction on the basis of competition of an independent organization for the assessment of corporate governance in the society;
- the establishment of committees (working groups) with the supervisory board on relevant issues.

7. The Supervisory Board of the Company for the implementation of recommendations of the Corporate Governance Code implements:

coordination of the activities of the executive body, the internal control bodies of the company, collegial bodies established in the society and, if necessary, the involvement of experts to organize the development of plans for the development of society and monitor the achievement of the goals outlined therein;

coordination of works on the development, implementation and regular assessment of the compliance of the organizational structure of JSC "Uzanoatexport" with the requirements of legislation, as well as to ensure the transition to the publication of annual financial statements in accordance with International Financial Reporting Standards;

Control over the implementation of the recommendations of the Code of Corporate Governance.

8. The decision of other issues may be referred to the competence of the Company's Supervisory Board in accordance with the legislation and the company's charter.

9. Issues referred to the competence of the Company's Supervisory Board can not be transferred to the decision of the company's executive body.

III. ELECTION, APPOINTMENT AND EARLY TERMINATION OF THE AUTHORITY OF THE MEMBERS OF THE SUPERVISORY COUNCIL

10. Election of the members of the Supervisory Board of the Company shall be made by the General Meeting of Shareholders in the manner prescribed by law and the company's charter for a period of one year.

11. Members of the Company's Supervisory Board can only be individuals, both being and not being shareholders of the Company.

12. The members of the Supervisory Board have the following qualification requirements:

a) the availability of higher education received in institutions of higher education of the Republic of Uzbekistan, or higher education received in educational institutions of a foreign state and in accordance with legislation recognized equivalent to higher education in the Republic of Uzbekistan;

b) work experience in managerial positions for at least two years;

c) absence of outstanding conviction for crimes in the sphere of economy or for crimes against the order of management;

d) execution of the functions of the executive body of the legal entity at the time when such person was declared bankrupt and from the moment of recognition it has not expired two years;

e) additional education in the field of corporate governance and the securities market;

f) availability of a qualification certificate of a corporate manager in an AO with a state share in the authorized capital issued by the Scientific and Educational Center for Corporate Governance (except in cases established by law) from a member of the Supervisory Board for the state share in the authorized capital.

13. The Supervisory Board of the Company in accordance with the Charter is defined in the number of 7 (seven) members.

14. The Supervisory Board shall include at least one independent member (but not less than 15% of the number of members of the supervisory board provided by its charter). At the same time, an independent member is nominated by shareholders upon their agreement.

15. In the case of non-nomination of an independent member, the company publishes information on the reasons for not following this recommendation of the Code.

16. Independent members of the Company's supervisory board may be persons who:

(i) have not worked for the Company, its subsidiaries or affiliated companies for the past 5 years;

(ii) are not a shareholder of the Company, its subsidiaries or affiliates;

(iii) are not associated with a large customer or supplier who has an appropriate contract for more than 5,000 times the minimum wage established by law, with the Company, its subsidiaries or affiliated companies;

(iv) do not have service contracts with the Company, its subsidiaries or affiliates;

(v) are not a member of the family of the person who is or has been during the last 5 years, the executive officer of the Company, its subsidiaries or affiliated enterprises;

(vi) are not the controlling person of the Company (or a member of a group of individuals and / or organizations that collectively exercise control over it);

(vii) are not connected with the Company by civil-law contracts and are not an employee of a major shareholder of the Company or a higher-level industry department (company).

17. Persons elected to the Company's Supervisory Board may be re-elected unrestrictedly.

18. The head of the executive body of the company and its members can not be elected to the Supervisory Board of the company.

19. Members of the Company's Supervisory Board can not be persons who work under an employment contract (contract) in the same company.

20. The early termination of the powers of the elected member of the Supervisory Board shall be carried out upon the decision of the General Meeting of Shareholders: if the shareholder is changed, the member of the Supervisory Board violates his duties, there is a corresponding statement of the Supervisory Board and other grounds.

21. Persons elected to the Supervisory Board of the company from the body that exercises operational management of the state share (with the exception of persons listed in paragraph 2 of the Regulation "On the Procedure for Issuing the Qualification Certificate of the Corporate Governor" approved by the Resolution of the Ministry of Economy and the State Committee on Competition of the Republic of Uzbekistan dated 28.01.2016 for №2755) must have a qualification certificate of a corporate manager or a certificate of the Scientific and Educational Center for Corporate Governance.

22. Elections of members of the Company's Supervisory Board are made by cumulative voting.

23. In cumulative voting, the number of votes belonging to each shareholder is multiplied by the number of persons who are to be elected to the company's Supervisory Board, and the shareholder is entitled to give back the votes thus obtained in full for one candidate or distribute them among two or more candidates.

24. The candidates who obtained the largest number of votes are elected to the Supervisory Board.

IV. CHAIRMAN OF THE SUPERVISORY COUNCIL

25. The Chairman of the Company's Supervisory Board is elected by the members of the Supervisory Board from its membership by a majority of votes of the total number of members of the supervisory board.

26. The Supervisory Board of the Company has the right to re-elect its Chairman by a majority of votes of the total number of members of the Supervisory Board.

27. The Chairman of the Supervisory Board of the Company shall organize its work, convene meetings of the Supervisory Board and preside on them, organizes the conduct of the minutes at meetings, presides over at the General Meeting of Shareholders.

28. In the absence of the Chairman of the Supervisory Board of the Company, one of the members of the Supervisory Board exercises his functions.

V. SESSION OF THE SUPERVISORY COUNCIL

29. The meeting of the Supervisory Board of the company is convened by the Chairman of the Supervisory Board on his own initiative, at the request of a member of the Supervisory Board, the Audit Commission, the executive body and the shareholders (shareholder) who are in aggregate by the owners of not less than one percent of the voting shares of the company.

30. The meeting of the Supervisory Board of the Company shall be convened by the Chairman of the Supervisory Board at least once a quarter. At the meeting, the following shall be considered:

report of the executive body on the implementation of the company's annual business plan, on the measures taken to achieve the company's development strategy, on the work done and on the achievement of the performance indicators of enterprises belonging to the company approved by their business plans, as well as other internal documents of the company;

report of the internal audit service;

conclusion of the Audit Commission on the availability of transactions with affiliated persons or major transactions in the company, as well as compliance with the requirements of the legislation and internal documents of the company to perform such transactions.

31. In making a decision to convene a meeting of the Supervisory Board, the Chairman of the Supervisory Board shall determine:

- date, time, place and form of the meeting;
- agenda of the meeting;
- wording of the questions put to vote;

The list of information (materials) provided to the members of the Supervisory Board for the meeting.

32. The notice of the meeting, including the date, place and time of the meeting, the list of invited persons and agenda items, shall be sent to the members of the Supervisory Board in writing or in another convenient way (including by postal, telegraphic, telephone, electronic, facsimile or other means communication, ensuring the authenticity of transmitted and received messages and their documentary confirmation) with the attachment of information provided to the members of the Supervisory Board.

33. A draft decision of the Supervisory Board and confidential material containing information constituting a trade secret shall be submitted to the Supervisory Board with the stamp "Confidential".

34. The request to convene an extraordinary meeting of the Supervisory Board shall be submitted to the Chairman of the Supervisory Board by sending a relevant written report containing the proposed agenda for the meeting of the Supervisory Board.

All members of the Supervisory Board must be notified in advance of the convocation of a meeting of the Supervisory Board not later than 5 (five) working days prior to the proposed date of the meeting's conduct.

Materials on the agenda of the meeting to the members of the Supervisory Board should be sent at least 5 (five) calendar days before the date of the meeting. The meeting of the Supervisory Board shall be held with the obligatory invitation of the person who presented the said demand.

35. The Chairman and members of the Management Board of the Company, members of the Audit Commission of the Company, members of the Internal Audit Service, the Company's auditor, persons who prepared information and materials on issues under consideration at the meeting, employees of the Company and its subsidiaries, other persons may be invited to the meeting of the Supervisory Board.

36. The chairman of the meeting ensures the order and observance of the rules of the meeting, the business and constructive consideration of the issues on the agenda, observance of the rights of the members of the Supervisory Board for their discussion.

37. After the completion of consideration of each issue, the presiding officer shall announce the results of voting and announce the decision taken on the matter.

38. The quorum for the meeting of the Supervisory Board of the company must be at least seventy-five percent of the number of elected members of the Company's Supervisory Board.

39. In the event that the number of members of the Supervisory Board becomes less than seventy-five percent of the amount provided for in the charter, the company must convene an extraordinary General Meeting of Shareholders to elect a new composition of the Company's Supervisory Board. The remaining members of the Supervisory Board have the right to decide on the convocation of such an extraordinary General Meeting of Shareholders, and in the event of early termination of the powers of the Chairman of the Management Board, appoint a temporary acting member.

40. Decisions at a meeting of the Supervisory Board of the company are made by a majority of those present.

41. Decisions on the following issues are taken by the Company's Supervisory Board unanimously:

on the increase of the statutory fund through the placement of additional shares and on the introduction of appropriate amendments to the Company's Articles of Association; on the issuance by the company of corporate bonds, including those convertible into shares; on the performance by the Company of major transactions, the subject of which is property, the book value or purchase price of which is from 15 (fifteen) to 50 (fifty) percent of the Company's net assets as of the date of the decision to conclude such a transaction; on the performance by the Company of transactions with affiliated persons.

42. The Chairman of the Company's Supervisory Board has the right to a decisive vote in the event of a tie of votes of the Supervisory Board members.

43. The transfer of a vote by one member of the Company's Supervisory Board to another member of the Supervisory Board or a third person is not allowed.

44. A protocol is kept at the meeting of the Company's Supervisory Board. The minutes of the meeting of the Supervisory Board shall be drawn up not later than ten days after its holding.

45. The minutes of the meeting include:

- date, time and place of its conduct;
- persons present at the meeting;
- agenda of the meeting;
- issues put to vote, results of voting on them;
- decisions taken.

46. The minutes of the meeting of the Company's Supervisory Board shall be signed by the members of the Company's Supervisory Council participating in the meeting who are responsible for the correctness of the minutes.

47. The minutes of the meeting of the Company's Supervisory Board shall be submitted to the executive body of the company on the date of its signing. If the Supervisory Board decides to convene a General Meeting of Shareholders, information on this decision shall be transmitted to the executive body of the company on the day of the meeting of the Supervisory Board.

48. A meeting of the Supervisory Board may be held by a poll, with the exception of a meeting in which reports of the Audit Commission, Internal Audit Service and the executive body. At the same time, the decisions of the Company's Supervisory Board can be adopted by absentee voting (by poll) by all members of the Supervisory Board unanimously.

49. In the presence of technical means, means of identification of members of the Supervisory Board and other equipment, the meetings of the Supervisory Board may be held in the video-conferencing mode.

VI. RESPONSIBILITY OF MEMBERS OF THE SUPERVISORY COUNCIL

50. Members of the Company's Supervisory Board in exercising their rights and performing their duties must act in the public interest and bear responsibility to the company in accordance with the legislation and the Company's Charter.

VII. PROCEDURE FOR DETERMINING THE REMUNERATION AMOUNT OF MEMBERS OF THE SUPERVISORY COUNCIL

51. Members of the Supervisory Board are paid remuneration based on independent evaluation of the corporate governance system and financial performance of the company.

52. The Company conducts an independent evaluation of the corporate governance system and financial performance of the company on a monthly basis (quarterly, every six months, annually).

53. The results of the independent evaluation serve as the basis for to determine the amount of remuneration paid to the chairman and members of the Supervisory Board.

54. In accordance with the contract with an independent organization, the result of the activities of the Supervisory Board can be considered unsatisfactory, low, satisfactory and high.

55. The amount of remuneration (at the rate of 1 member of the supervisory board for 1 calendar month) is determined in the following order:

if the result is considered unsatisfactory - the award is not accrued and is not paid;

if the result is low - the award is not accrued and is not paid;

if the result is found to be satisfactory - the fee is charged and paid at a rate not exceeding 3 times the minimum wage;

if the result is recognized as high - the fee is charged and paid at a rate not exceeding 5 times the minimum wage.

At the same time, an increase factor is established for the remuneration paid to the chairman of the Supervisory Board in the amount not exceeding 1.2 times the amount paid to a member of the Supervisory Board.

VIII. DISCLOSURE OF INFORMATION BY THE SUPERVISORY COUNCIL

56. The Chairman of the Supervisory Board or a member of the Supervisory Board authorized by him has the right to officially comment on the decisions taken by the Supervisory Board, and also to state the viewpoint of the Supervisory Board (in interviews, public events, telephone conferences, etc.) on issues meetings of the Supervisory Board of the Company, subject to restrictions on disclosure of information constituting commercial secret, official secret and other confidential information of the Company.

57. The members of the Supervisory Board have the right to publicly state their views on issues considered at the Supervisory Board meetings, as well as on decisions taken by the Supervisory Board, guided by the principles of reasonableness and responsibility, as well as taking into account restrictions on the disclosure of information constituting a trade secret, official secret and other confidential information of the Company.

58. Information on the activities of the Supervisory Board is posted on the Company's corporate website, including:

a) the composition of the Supervisory Board;

b) "Regulations on the Supervisory Board", as well as changes and additions to it;

c) the adopted decisions of the Supervisory Board on matters within its competence, with the exception of issues that constitute commercial secrets and other confidential information of the Company;

d) reports of the Supervisory Board to the General Meeting of Shareholders;

e) information on the composition and activities of the Committees under the Supervisory Board;

e) other information in accordance with the requirements of the law.

IX. FINAL PROVISIONS

59. The Chairman of the Management Board is responsible for providing the members of the Supervisory Board with the necessary materials, as well as for the relationship with shareholders and investors.