

“APPROVED”
by the decision of the sole shareholder of JSC
“Uzbekistan Airways”
№4 of «18th» of October 2019

**REGULATIONS
ON THE EXECUTIVE BODY OF THE
JOINT STOCK COMPANY
“UZBEKISTAN AIRWAYS”**

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I. GENERAL PROVISIONS

1.1. The regulation is developed in accordance with the Law of the Republic of Uzbekistan “On Joint Stock Companies and the Protection of Shareholders' Rights” (hereinafter referred to as the Law), recommendations of the Corporate Governance Code (Minutes No. 9 dated 31.12.2015), and the Charter of “Uzbekistan Airways” Joint-Stock Company (hereinafter referred to as the “Company”).

1.2. These Regulations determine the status and regulate the work of the Management Board of the Company, the procedure for the appointment of its members, as well as the rights and obligations of each member.

1.3. The Management Board manages the current activities of the Company and is the management body of the Company.

1.4. The Management Board reports to the Supervisory Board of the Company and the General Meeting of Shareholders.

II. COMPETENCE OF THE BOARD AND CHAIRMAN OF THE BOARD

2.1. The competence of the Management Board of the Company includes all issues related to the management of the current activities of the company, with the exception of issues referred to the exclusive competence of the General Meeting of Shareholders or the Supervisory Board.

2.2. The Management Board ensures the implementation of decisions of the General Meeting of Shareholders and the Supervisory Board of the Company.

2.3. the Board:

- carries out the current production, financial and economic activities of the Company, provided for by this Charter;

- organizes the implementation of decisions of the General Meeting of Shareholders and the Supervisory Board of the Company;

- ensures compliance with all the rights of shareholders to receive information provided for by applicable law, to participate in General Meetings of Shareholders and to pay dividends;

- manages the property and cash of the Company in the manner prescribed by law and internal regulatory documents of the Company;

- ensures the organization of proper maintenance and reliability of accounting and reporting in the Company, timely submission of annual reports and other financial statements to the relevant authorities, as well as the provision of information on the activities of the Company to shareholders, creditors and other persons on the official website of the Company and in the media ;

- ensures the completeness and timeliness of the provision of state statistical reporting to the relevant authorities;

- approves the states, ensures their staffing with qualified personnel;

- approves regulations on departments, services, departments of structural divisions, branches, representative offices and charters of enterprises included in the structure of the Company;

- approves the provision on bonus payments to employees, establishes official salaries, allowances for them, various bonuses, encourages employees of the Company, and establishes

benefits and compensation payments for the purposes of social protection of employees of the Company;

- consideration of other issues of the current activities of the Company as provided by law.

In order to protect the liability of interests of shareholders, members of the Management Board are entitled to insure the business risks of the Company and the liability of the Management Board of the Company.

2.4. The Management Board independently resolves all issues of the Company's activities, with the exception of issues falling within the competence of the General Meeting of Shareholders or the Supervisory Board of the Company.

2.5. Competence of the Management Board Chairman:

- signs contracts, contracts and other transactions on behalf of the Company;
- issues power of attorney on behalf of the Company;
- opens a settlement and other accounts in the banks of the Republic of Uzbekistan to the Company, signs financial documents and reports of the Company;

- concludes labor contracts (contracts) with employees and makes a decision on their termination (termination);

- distributes responsibilities between the Deputy Chairmen and members of the Management Board, determines their authority in deciding issues related to the activities of the Company;

- appoints the heads of branches and representative offices of the Company;

- issues orders, instructions, instructions, approves instructions and other documents on issues falling within his competence, binding on all officers and employees of the Company;

- ensures compliance by workers with labor and performance discipline;

- applies disciplinary measures to employees of the Company as provided by applicable law;

- solves other issues of the current activities of the Company as provided by law.

2.6. The Chairman of the Management Board reports quarterly to the Supervisory Board of the Company on the implementation of the annual business plan of the Company.

2.7. The Chairman of the Management Board reports to the annual General Meeting of Shareholders on the results of the financial and economic activities of the Company according to the results of the financial year.

2.8. In order to implement the investment policy of the Company effectively, the Management Board, on behalf of the Company, in the management bodies of enterprises in whose authorized capital it holds a share, shall vote in accordance with the "Procedure for voting on behalf of the joint-stock company of its representatives in the management bodies of enterprises in whose authorized funds the joint-stock company has a share".

III. BOARD FORMATION PROCEDURE

3.1. The Management Board of the Company, in accordance with its Charter, consists of 7 people.

3.2. The quantitative composition of the Management Board is determined based on the principles of the maximum possible performance of managerial functions by one employee, reduction of the managerial staff, elimination of duplicate links in the management of the Company and the associated reduction in managerial expenses.

3.3. The election (appointment) of the Chairman of the Management Board is carried out by decision of the General Meeting of Shareholders, and members of the Management Board by decision of the Supervisory Board of the Company.

3.4. The appointment of the Chairman and members of the Management Board can be made on a competitive basis, in which foreign managers can take part.

3.5. The Board includes:

- Chairman of the Board;
- First Deputy Chairman of the Management Board, Production Director;
- First Deputy Chairman of the Board - Director for strategic, innovative and information development, import and localization;
- Deputy Chairman of the Board - Director for Commerce and Tourism;
- Deputy Chairman of the Board - Flight Director;
- Deputy Chairman of the Board - Technical Director;
- CFO.

3.6. Members of the executive body acting as representatives of shareholders are not entitled to vote on the election of members of the executive body.

3.7. The Chairman of the Management Board has the right to make proposals for additional candidates to the Management Board in connection with changes in the activities of the Company and production requirements.

3.8. The Supervisory Board of the Company considers candidates for the position of Chairman of the Management Board and submits candidates for consideration by the General Meeting of Shareholders.

Candidates for the position of Chairman of the Management Board and members of the Management Board of the Company shall inform the Company of the facts of bringing them to criminal liability.

3.9. Candidates for membership of the Management Board may attend the General Meeting of Shareholders or a meeting of the Supervisory Board when considering their candidatures.

3.10. Consideration of candidates for membership of the Management Board of the Company and adoption of decisions by the General Meeting of Shareholders or the Supervisory Board of the Company is carried out in person.

3.11. The decision on the election (appointment) of the Chairman of the Management Board is made by the General Meeting of Shareholders by a simple majority of votes.

3.12. After making a decision on the election (appointment) of the Chairman and members of the Management Board, an employment contract is concluded with the Chairman of the Management Board and each member of the Management Board.

3.13. The contract with the Chairman and members of the Management Board is concluded for a period of one year before the date of the next annual General Meeting of Shareholders, with an annual decision on the possibility of its extension or termination.

The contract is signed on behalf of the Company by the Chairman of the Supervisory Board or by a person authorized by the Supervisory Board. The agreement concluded with the Chairman of the Management Board of the Company should include its obligations to improve the efficiency of the Company and the frequency of its reports to the General Meeting of Shareholders and the Supervisory Board of the Company on the progress in the implementation of the annual business plan of the Company.

3.14. Members of the Management Board act within the competence determined by the job description, the terms of the labor agreement concluded with them, decisions of the General Meeting of Shareholders and the Supervisory Board of the Company, decisions of the Management Board and orders, orders of the Chairman of the Management Board.

3.15. The Company Supervisory Board has the right to prematurely terminate the contract with the Management Board Chairman and members when they commit gross violations of the Company charter or cause losses to the Company through their actions (inaction), or failure to fulfill the approved parameters of the annual business plan of the Company.

The Supervisory Board of the Company, in accordance with the Charter, has the right to terminate the contract with the Chairman and members of the Management Board if they violate the terms of the contract.

If the General Meeting of Shareholders makes a decision to terminate the powers of the Company Management Board Chairman, the issue of transferring the Management Board Chairman powers to other persons can be resolved at the same meeting or left for consideration at the next General Meeting of Shareholders with the appointment of an acting Chairman of the Management Board.

The Supervisory Board of the Company, which made the decision to terminate the Company Management Board Chairman powers, takes a decision on the appointment of an acting Chairman of the Management Board, as well as convenes an extraordinary General Meeting of Shareholders to decide on the election (appointment) of the Management Board Chairman.

If the Supervisory Board makes a decision to terminate the Company Management Board member's powers, the issue of transferring the Company Management Board member's powers to other persons can be resolved at the same meeting or left for consideration at the next meeting with the appointment of a temporary acting member of the Management Board.

IV. BOARD OPERATION PROCEDURE

4.1. Holding meetings of the Management Board is organized by the Chairman of the Management Board, who signs the minutes of the Management Board meeting and all documents on behalf of the Company, acts without a power of attorney on behalf of the Company in accordance with decisions of the Management Board adopted within its competence.

4.2. Meetings of the Management Board are held as necessary, but at least 1 (one) time per month.

The quorum for holding a meeting of the Management Board may not be less than 50% of the total number of elected members of the Management Board.

4.3. Issues submitted by the Management Board to the decision of the Supervisory Board or the General Meeting of Shareholders are mandatory preliminarily discussed at a meeting of the Management Board.

4.4. The point of view of the Management Board of the Company at the Supervisory Board and the General Meeting of Shareholders is reported and defended by the Management Board Chairman or an authorized member of the Management Board.

4.5. Meetings of the Management Board are chaired by the Chairman of the Management Board or one of his deputies, depending on the nature of the issues under consideration.

4.6. Decisions at meetings of the Management Board are adopted by a majority of the votes of the members of the Management Board present.

4.7. At a meeting of the Board, a protocol is kept containing:

- date, place and time of the meeting;
- a list of members of the Management Board who participated in the meeting;
- the agenda of the meeting;
- issues put to a vote and the results of voting on them (indicating the voting results of each member of the Management Board who participated in the meeting);
- decisions taken.

4.8. Extracts from the minutes of the meetings of the Management Board are issued:

- members of the Supervisory Board and the Audit Commission of the Company at their request;
- at the request of other officers and the audit organization only with the permission of the Chairman of the Management Board;
- to other persons and bodies (including state ones) in cases provided for by applicable law.

4.9. Minutes of meetings of the Management Board are drawn up in 2 (two) copies, signed by all members of the Management Board present at the meeting.

4.10. The minutes of the meetings of the Management Board are stored in the Company in the manner prescribed by law.

V. RIGHTS AND OBLIGATIONS OF THE BOARD MEMBERS

5.1. The Chairman of the Management Board has the rights to:

- independently make decisions on issues relating to its activities;
- act without a power of attorney on behalf of the Company;
- represent its interests in relations with other organizations and bodies;

- with the permission of the Supervisory Authority, to participate with an advisory vote in its work;

- receive remuneration that is consistent with the performance of the Company and the key parameters achieved.

5.2. The Chairman of the Management Board may have other rights in accordance with the law.

5.3. The Chairman of the Management Board is obliged:

- act in the interests of the Company;

- properly perform their duties in accordance with the terms of an employment contract concluded with them;

- monitor the implementation of decisions of the General Meeting of Shareholders and the Supervisory Board of the Company;

- ensure the implementation of indicators and key parameters of the annual business plan of the Company;

- report to the Supervisory Board of the Company and the General Meeting of Shareholders, participate in General Meetings of Shareholders, monitor compliance with all rights to accrue and pay dividends;

- control non-disclosure of information on the activities of the Company in the manner prescribed by law;

- ensure the submission of documents on the financial and economic activities of the Company at the request of the Supervisory Board of the Company, the Audit Commission and the auditor of the Company;

- organize meetings of the Management Board;

- ensure effective cooperation with organizations within the structure of the Company;

- ensure the fulfillment of contractual obligations of the Company;

- exercise control over the organization, condition and reliability of the Company's accounting, timely submission of the annual report and other financial reports to the relevant authorities;

- exercise control over the complete and timely submission of state statistical and accounting reports to the relevant authorities;

- ensure the safety of information constituting a commercial secret of the Company;

- not to disclose confidential information about the activities of the Company;

- take measures to provide the Company with qualified personnel, in the best use of knowledge, qualifications, experience and abilities of the employees of the Company;

- provide a solution to issues related to labor relations in the manner prescribed by law;

- comply with the requirements of the legislation, this Charter, the Regulation "On the Executive Body (Management Board)" and other internal documents of the Company in the activities of the Company.

The Chairman of the Management Board may have other duties in accordance with the law.

The Chairman of the Management Board is not entitled to participate in the management and control bodies of other legal entities without the permission of the Supervisory Board of the Company.

5.4. Specific rights and obligations of the Chairman of the Management Board are stipulated in the employment contract with him.

5.5. Members of the Management Board have the right:

- to participate in person in meetings of the Management Board of the Company, to speak on any issue discussed at the meeting;
- gain access to documents relating to the activities of the Company for the fulfillment of their duties;
- make proposals for improving the activities of the Company;
- make proposals on determining the priority areas of the Company;
- make proposals on making and / or additions to the charter of the Company, on the development of internal documents of the Company;
- receive remuneration;

Members of the Management Board may have other rights in accordance with the law.

5.6. Members of the Management Board are required to:

- in the event of a conflict of interest, act in the interests of the Company;
- inform the Supervisory Board of a conflict of interest;
- obliged to participate in annual and extraordinary General Meetings of Shareholders;
- fulfill their duties on a professional basis, reasonably fulfill all obligations arising from legislation, the charter and decisions of the management bodies of the Company;
- improve skills through participation in training courses, seminars and other events;
- properly perform their duties in accordance with the terms of an employment contract concluded with them;
- monthly, at meetings of the Management Board, prepare information on the state of affairs on issues assigned to them;
- not to disclose confidential information about the activities of the Company;
- ensure the safety of information representing the commercial secret of the Company.

Members of the Management Board may carry other duties in accordance with the law.

5.7. The specific rights and obligations of the members of the Management Board are specified in the employment contract with them.

5.8. The Chairman and members of the Management Board are affiliates of the Company.

If a Management Board member is an affiliate in a transaction made by the Company, he is obliged to inform the Company of his affiliation in the transaction by the Company, by sending a written notice detailing information about the proposed transaction, including information about the parties to the transaction, the subject of the transaction, material terms of the relevant contract.

5.9. Members of the Board are not entitled to influence directly or indirectly the adoption of certain decisions by the Board in their personal interests.

5.10. Members of the Management Board do not have the right to use the capabilities of the Company (property or non-property rights, opportunities in the field of economic activity, information about the activities and plans of the Company) for personal enrichment.

VI. RESPONSIBILITY OF THE BOARD MEMBERS

6.1. When exercising their rights and fulfilling their duties, members of the Management Board of the Company shall act in the interests of the Company and its shareholders.

6.2. The Chairman and members of the Management Board are liable in the manner prescribed by law.

If several persons bear responsibility, their responsibility to the Company is joint and several.

6.3. Members of the Management Board of the Company who did not take part in the vote or who voted against a decision that caused losses to the Company are not liable.

6.4. A company or a shareholder (shareholders), who owns at least 1 (one) percent of the placed shares of the Company, has the right to file a lawsuit against a member of the Supervisory Board, the Chairman or a member of the Management Board of the Company for compensation for losses incurred by the Company.

6.5. The Chairman and members of the Management Board are responsible for concealing information about their affiliation in transactions made by the Company.

6.6. Members of the Management Board shall not use the rights granted by their official position for the purposes and interests of legal entities and individuals with whom they are in labor or family relations.

6.7. Members of the Management Board should not allow actions to extract personal benefits from the disposal of the property of the Company.

6.8. Members of the Management Board are liable to the Company for damage caused to it as a result of non-performance or improper performance of their duties in the manner prescribed by law.

VII. REMUNERATION OF THE BOARD MEMBERS

7.1. During the performance of their duties, the Management Board Chairman and the Management Board members may be paid remuneration based on the results of the Company's activities for the reporting financial year.

7.2. Remuneration to the Chairman of the Management Board and members of the Management Board is paid by decision of the General Meeting of Shareholders and on the recommendation of the Supervisory Board.

7.3. Remuneration to the Chairman of the Management Board and members of the Management Board is paid from the net profit of the Company for the reporting financial year.

VIII. INFORMATION DISCLOSURE

8.1 At the General Meeting of Shareholders, the amount of remuneration and compensation to the Company Management Board members is disclosed.

8.2. Information on the activities of the executive body is posted on the corporate website of the Company, including:

- composition of the Management Board of the Company;
- decisions taken by the Management Board of the Company on issues within its competence, with the exception of issues constituting trade secrets and other confidential information of the Company;
- reports of the Management Board to the Supervisory Board of the Company;
- information on the assessment of the activities of the Management Board of the Company;
- information about the work done by the Management Board and the achievement of performance indicators of enterprises included in the Company, approved by their business plans;
- other information in accordance with the requirements of the law.

VIII. FINAL PROVISIONS

9.1. These Regulations shall enter into force upon approval by the General Meeting of Shareholders.

9.2. These Regulations may be amended and (or) supplemented in connection with changes in the current legislation and the charter of the Company.

9.3. Changes and (or) additions to these Regulations come into force after their approval by the General Meeting of Shareholders.