

**«Approved»**

**by decision of the sole shareholder of  
JSC DEKKHANABAD POTASH PLANT,  
dated «14» December 2022y.**

**REGULATION  
ON DIVIDEND POLICY  
JSC «DEKKHANABAD POTASH PLANT»**

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## **I. GENERAL RULES**

1. This Regulation on Dividend Policy of JSC "DEKKHANABAD POTASH PLANT" (hereinafter referred to as "Regulation") is based on the current laws of the Republic of Uzbekistan, the recommendations of the Corporate Governance Code and Rules, the Charter of JSC "DEKKHANABAD POTASH PLANT" (hereinafter referred to as "Company"). and developed in accordance with other internal documents of the Company .

This Regulation contains general issues reflecting and clarifying the dividend policy of JSC "DEKKHANABAD POTASH PLANT".

2. The Company's dividend policy is aimed at increasing the welfare of shareholders and ensuring the growth of the Company's capitalization. The main purpose of this Regulation is to inform shareholders and interested parties about the information related to the Company's dividend policy.

This Regulation defines the approach of the Supervisory Board of the Company to the development of recommendations on the amount of dividends on shares and the order of their payment.

In the event that any issue related to the payment of dividends to the company's shareholders is not resolved by the norms of the Law of the Republic of Uzbekistan "On the Protection of Joint-Stock Companies and Shareholders' Rights", other regulatory (normative) legal documents of the Republic of Uzbekistan, the Charter of the Company and this Regulation, this issue is the rights of shareholders and should be decided based on the need to ensure legal interests.

3. This dividend policy was developed for the period 2019-2025.

The company aims to allocate at least 30% of its net profit to the payment of dividends during this period. The remaining funds will be directed to the development of the Company , reserve capital, funds organized by the Company and material incentives.

4. The Company evaluates capitalization growth as the main way to satisfy the legitimate property interests of the shareholders to receive income from the Company's shares.

The Company's dividend policy consists in optimizing the ratio between the consumed and capitalized parts of the profit received by the Company in order to increase the market value of the shares.

5. The company's dividend policy is based on the following basic principles:

the principle of transparency - provides for the establishment and disclosure of information on the tasks and responsibilities of the Parties involved in the implementation of the dividend policy, including the procedure and conditions for making decisions on the payment and amount of dividends;

the principle of timeliness - provides for the establishment of temporary limits in the implementation of dividend payments;

the principle of reasonableness - provides that the decision on the payment and amount of dividends can be made only if positive financial results are achieved by the Company, taking into account the development plans and its investment programs based on the actual financial situation of the Company;

the principle of fairness - provides that shareholders are provided with equal rights in obtaining information regarding the decisions to be made on the payment of dividends, their amount and order;

the principle of consistency - implies the strict implementation of measures and principles of the dividend policy;

the principle of development – due to changes in the strategic goals of the Company, the dividend policy will be constantly improved within the framework of revision of the rules of the dividend policy and improvement of corporate management measures;

the principle of stability - implies that the Company strives to ensure a stable level of dividend payment.

6. Making (announcing) decisions on the payment of dividends on the issued shares is the right of the Company. The general meeting of shareholders has the right to decide whether or not to pay dividends on shares.

7. The payment of declared dividends is the duty of the Company.

Expenses related to the payment of dividends (including tax deductions and withholdings, expenses of dividend transfers, postage) cannot be charged to the shareholder receiving dividends by the decision of the governing bodies. In accordance with the current laws of the Republic of Uzbekistan, the Company is liable to shareholders for non-fulfillment of this obligation.

8. Dividends are not calculated and paid for the following shares:

unplaced shares;

Shares owned and/or purchased by the company itself;

In other cases stipulated by the laws of the Republic of Uzbekistan.

9. In the cases stipulated by the first part of Article 54 of the Law "On the Protection of Joint Stock Companies and Shareholders' Rights", the Company does not have the right to make a decision on the payment of dividends on shares.

## **II. PROCEDURE FOR DETERMINING AND CALCULATING THE AMOUNT OF DIVIDENDS**

10. The company has the right to decide (announce) on the payment of dividends on shares, except for the shares mentioned in Clause 8 of this Regulation, based on the results of the financial year.

A decision (announcement) on the payment of dividends based on the results of the first quarter, half year and nine months of the fiscal year can be made within three months after the end of the relevant period.

Dividends are paid from the net profit remaining at the disposal of the Company and (or) from the undistributed profit of previous years. Dividends on preferred shares can be paid out of the Company's specially designated funds. In this case, in order to prevent deterioration of the financial situation of the Company due to timely payment of dividends and receipt of funds from the turnover of the Company for the payment of dividends, the Company shall establish a reserve fund for non-cash receivables at the expense of the Company's profit.

The decision to pay dividends can be made only if there is a positive conclusion of the audit organization for the relevant period.

11. The general meeting of shareholders of the company makes a decision on the payment (announcement) of dividends for each class of shares. The Company's Supervisory Board makes recommendations to the General Meeting of Shareholders on the amount of dividends on shares and the order of their payment. The amount of dividends cannot be higher than the amount recommended by the Supervisory Board.

12. The decision of the general meeting of shareholders on the payment (announcement) of dividends shall specify the following:

- category (type) of shares for which dividend payment (announcement) will be made;
- the amount of dividend in the account book for one share of a certain type;
- term, procedure and periodicity of dividend payment.

In this case, the Company does not have the right to make a decision on the payment (announcement) of dividends in the cases established by law, as well as in the absence of the opportunity to pay dividends on ordinary shares in full within the time limits established by law.

13. The amount of dividends on shares offered to the general meeting of shareholders is determined by the Supervisory Board based on the following factors:

- the amount of net profit based on the information of the financial report, which is confirmed without doubt by the auditor's opinion;
- Financial and business plans of the Company for future periods;
- Structure of working capital of the Company for the end of the relevant period;
- Debt burden of the company for the relevant period end.

14. When determining the amount of the proposed dividends, the Supervisory Board must take into account the Company's financial plans for future periods, the current and future state of the Company's working capital and liabilities. The payment of dividends proposed by the Supervisory Board to the General Meeting of Shareholders should not lead to the raising of additional debt funds by the

Company or other expenses not provided for by the approved financial plan for future periods.

### **III. DIVIDEND PAYMENT PROCEDURES AND TERMS**

15. The Company shall pay dividends in cash or other legal means of payment or the Company's securities. Declared dividends are paid in the national currency of the Republic of Uzbekistan, or at the written request of the shareholder - a non-resident of the Republic of Uzbekistan, the Company must convert the dividends calculated to him into freely convertible currency by transferring funds to the bank account provided by the shareholder - non-resident.

16. The term of payment of dividends is determined by the decision of the general meeting of shareholders of the Company, but it should not be later than 60 days from the date of the decision on payment of dividends by the general meeting of shareholders.

17. In the event that the owners of the Company's securities do not have the opportunity to receive the calculated dividends within the terms set by the General Meeting of Shareholders, the Company will continue to pay such (unreceived) dividends. The period of payment of unclaimed dividends may not exceed three years from the date of the end of the performance period of obligations for the payment of dividends announced by the Company.

18. Dividends due to the fault of the company, if they are not paid (unreceived) within the terms set by the general meeting of shareholders, a fine (penalty) will be calculated based on the refinancing rates set by the Central Bank of the Republic of Uzbekistan for unpaid (unreceived) dividends. The amount of fine (penalty) calculated for unpaid (unreceived) dividends should not exceed 50% of the amount of unpaid (unreceived) dividends.

19. The structural division of the Company, which includes the organization and management of work with shareholders, together with the Company's accounting department, carries out the preparation, coordination and implementation of all measures-events for the organization of the payment of dividends provided for by this Regulation by the Company.

20. Any shareholder has the right to apply to the Company for information on the procedure for calculating dividends on shares, the procedure for calculating dividends and taxing the amount of dividends, and the terms of payment.

21. Persons registered in the register of shareholders of the Company formed for the holding of the general meeting of shareholders who have made a decision on the payment of dividends to shareholders have the right to receive dividends on shares.

22. In the case of shared ownership of shares, dividends are distributed among shareholders proportionally (proportionately) to their contributions.

23. The shareholder must promptly notify the investment brokers and/or the Central Securities Depository about changes in their information. In cases where

the shareholder has not provided information about the changes in his information, the Company, the Central Depository of Securities and/or the investment intermediary providing rights accounting services for its shares shall not be liable for the losses caused to the shareholder.

24. In the event that the shareholder has incorrectly indicated his bank details or address for the transfer of dividends, or has not informed the Company about the recorded details, or has not reported them on time, the Company shall not be responsible for the losses caused to the shareholder due to this. After the amounts of dividends wrongly transferred due to the fault of the shareholder due to the reasons mentioned in this paragraph are returned to the Company, their re-transfer to the shareholder according to the specified requirements is carried out with the deduction of expenses for their return and re-transfer.

25. The company is considered a tax agent when paying shareholders the income from their shares and makes the payment of calculated dividends after deducting the taxes established by the current laws of the Republic of Uzbekistan for the income received from securities. The shareholder to whom the standard rates of taxation are not applicable shall submit to the Company (the Payment Agent engaged by it) the supporting documents prescribed by the current laws of the Republic of Uzbekistan.

#### **IV. LIABILITY FOR NON-PAYMENT OF DECLARED DIVIDENDS**

26. The company is obliged to pay the announced dividends on each type of shares.

27. In the payment of dividends, none of the shareholders has priorities in terms of payment terms.

The payment of dividends calculated by the company on ordinary shares is carried out in compliance with the equal rights of shareholders to receive dividends. In this case, the Company does not have the right to pay dividends to the major shareholder if the payment of dividends to the minority shareholders is not ensured within the specified periods.

28. The Executive body of the Company shall be responsible for the full and timely payment of dividends to the shareholders of the Company. Control over the actions of the executive body is carried out by the Supervisory Board of the Company together with the Auditor of the Company .

29. The Company's Supervisory Board considers the issue of the dividend payment process at its meetings in order to ensure the calculated dividend payment.

In the event that the payment of dividends is not made in full or on time due to the fault of the Executive body of the company, the Supervisory Board determines the measures of responsibility of the guilty persons and imposes relevant fines or demands that a fine be imposed.

30. In case of non-fulfilment of the company's obligations, the shareholders have the right to demand the payment of dividends declared on each type of shares in court.

31. The Company shall be liable in accordance with the laws of the Republic of Uzbekistan for the non-fulfillment or improper fulfillment of the duties of the tax agent on the withholding and transfer of tax sums from the dividends charged to the Company.

## **V. PROCEDURE FOR DISCLOSURE OF INFORMATION**

32. This Regulation, as well as amendments and additions to it, will be published by the Company on its corporate website on the Internet within ten days after the signing of the minutes of the relevant decision-making meeting of the Company's management body.

33. When a decision on the payment of dividends is made by the general meeting of shareholders, the Company discloses the information in the form of notices of important information within the terms established by law. In this case, the Company sends a letter of notification to the shareholders by e-mail about the calculation of dividends.

34. The Company discloses the relevant information regarding the fulfillment of its obligations regarding the payment of dividends by the Company in the form of notices of important information within the terms established by law.

## **VI. FINAL CONCLUSIONS**

35. This Charter, as well as amendments and additions to it, shall be approved by the General Meeting of Shareholders.

36. Amendments and additions to this Regulation are made on the proposals of the Supervisory Board of the Company , the Auditor of the Company , members of the internal audit service of the Company , and the head of the executive body of the Company .

37. If some articles of this Regulation conflict with the current laws of the Republic of Uzbekistan and/or the Charter of the Company , these articles shall lose their validity, and until the time when amendments are made to this Regulation regarding the issues resolved by these articles, the applicable legal norms of the Republic of Uzbekistan and/or the Charter of the Company shall be applied.

**This Regulation is translated from Uzbek into English. If there are differences between the English and Uzbek versions, the Uzbek version shall prevail.**