Approved by the general Resolution

of the Joint Stock Society “Toshkent dori –darmon”

On May 26, 2016

**PROVISION ABOUT THE SUPERVISORY COMMITTEE**

**OF THE JOINT STOCK SOCIETY “TOSHKENT DORI-DARMON”**

Tashkent city – 2016

HEADINGS

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8. GENERAL PROVISIONS
	1. The current provision defines the status and regulates the works of the Supervisory Committee of the joint stock society “Toshkent dori-darmon” (next to the Society), election of the members, as well as their rights and obligations.
	2. The Supervisory Committee is responsible for the general regulation of the Society, excepting for the issues relating to the legislation and the Charter of general assembly of shareholders.
	3. The functions distribution among members of the Society is carried by the Chairman of the Supervisory Committee aimed at individually based principle of the Committee.
	4. The regulation has been developed in accordance with the legislation of the Republic of Uzbekistan.
9. THE SUPERVISORY COMMITTEE COMPETENCY
	1. Competency of the Supervisory Committee involves the following:
10. The revelation of priorities of the Society including the regular hearing of the report of the Executive body on the measures taken to improve the Society strategy.
11. The annual and extraordinary general assembly convening of Shareholders of the Society, excepting the cases foreseen by law.
12. The agenda preparation about the general assembly of the Society.
13. The date, time and place determination to the general assembly of shareholders.
14. The formation determination of the register of shareholders of the Society in order to notify the holding of the General Assembly of the Society.
15. The decision making procedure on the General Assembly of Shareholders referred to the subparagraphs a) and F) of paragraph 10.6 of Charter of the Society
16. The market property value establishment.
17. The issues resolution referred to the authorized capital improvement through the complementary share allocations and additions to the Charter of the Society, as well as issues relating to the amendments and additions to the Charter related to the authority fund increase and the authorized number of shares decrease of the Society.
18. The decision and securities prospectus approval.
19. The decision making about the amendments and additions to the previously registered securities issues.
20. The decision to hold an audit of the auditor to determine the audit organization and the maximum amount of payment for its services.
21. The offering price determination(allocation in the stock exchange and organized out of the stock exchange securities market) of the shares in accordance with the law.
22. The annual business plan approval of the Society. Moreover, the business plan for the next year should be approved in the assembly of the Supervisory Committee of the Society not later than the first December of the current year
23. The corporate bonds decision making, as well as the convertible shares.
24. The decision on the redemption of the Society.
25. The determination of the amount paid by the executive body about the remunerations and compensations.
26. The internal audit service establishment, the appointment of its employees and the approval of the regulation “On the Internal Audit”, as well as the quarter reports of its hearings.
27. The recommendations provision on the remunerations and compensations size paid to the members of the Audit Committee .
28. The access to any documents related to the activities of the executive body of the Society and acceptance them from the executive body for the discharge of the Supervisory Committee of duties. The received documents can only be used for official purposes by the Supervisory Committee of the Society and by its members.
29. The recommendations provision on amount of dividends, the forms and procedure of its payment.
	1. the resolution of other issues in accordance with the law can be attributed to the competence of the Supervisory Committee.
	2. The Supervisory Committee of the Society has the right to set up committees()working groups) on relevant issues, involving the identification and resolution of conflicts among the members of the Supervisory Committee, the executive body, the staff of the ‘’AO’’and involved experts (specialists based on the relevant profile, the teaching team of specialized institutions of higher education and others).
	3. The matters referred to the competency of the Supervisory Committee of the Society can not be transferred to the executive body on decision of the society.
30. SELECTION, APPOINTMENT AND EARLY TERMINATION

OF POWERS OF THE SUPERVISORY COMMITTEE MEMBERS

* 1. The members election of the Supervisory Committee of the Society is made by the general assembly of shareholders in the manner provided by the law and the charter of the Society for a period of one year
	2. The quantitative composition of the Supervisory Committee of the Society consisting of 7 people.
	3. Persons elected to the Supervisory Committee of the Society may be re-elected consecutively.
	4. The general director of the Society cannot be elected to the Supervisory Committee of the Society
	5. The members of the Supervisory Committee of the Society cannot be a person working under a labor agreement (contract) in the same Society
	6. The requirements met by the persons who are elected to the Supervisory Committee of the Society may be set by the Charter of the Society or by the decision adopted by the general assembly of shareholders
	7. The member elections of the Supervisory Committee are set by the cumulative voting system.
	8. In cumulative voting, the number of votes is multiplied by the number of persons to be elected to the Supervisory Committee of the Society, and the shareholder may cast such voted for one candidate or distribute them among two or more candidates.
	9. The candidates with the highest number of voted are elected to the Supervisory Committee.
	10. The early termination of powers of the elected members of the Supervisory Committee is carried by the resolution of the general assembly of shareholders
	11. The by-election question of the Supervisory Committee is considered in the same general meeting of shareholders, where the early termination of power of members of the Supervisory Committee is considered.
1. THE CHAIRMAN OF THE SUPERVISORY COMMITTEE

4.1 The chairman of the Supervisory Committee of the Society id elected by the members of the Supervisory Board from its membership by a majority vote of the members of the Supervisory Committee.

4.2 The Supervisory Committee is entitled to re-elect its Chairman by a majority vote of the members of the Supervisory Committee.

4.3 The chairman of the Supervisory Committee of the Society organizes its work, convene meetings of the Supervisory Committee and presides over them, organizes the protocol performance in the meetings, presides at the general assembly of shareholders =

4.4 In case of absence of the Chairman of the Supervisory Committee, the chairman’s functions are performed by one of the members of the Supervisory Committee.

1. MEETENG OF THE SUPERVISORY COMMITTEE
	1. The meeting of the Supervisory Committee of the Society is convened by the Chairman of the Supervisory Committee, the Audit commission, the general director of the Society, the owners of shares not less than 1% of the Society’s shares and the head of the internal audit community. The meeting of the Supervisory Committee of the Society is convened at least once per a quarter by the chairman of the Supervisory Committee
	2. The quorum for a meeting of the Supervisory Committee of the Society must be not less than 70% of the members elected of the Supervisory Committee of the Society.
	3. In the case where the number of members of the Supervisory Committee becomes less than 75% of the amount under the Constitution and the present situation, the company is obliged to convene an extraordinary general assembly of shareholders, as well as in the event of early termination of powers of the general director to appoint acting Chief Executive Officer.
	4. The decisions made by the Supervisory Committee of the Society without the representative of the state participation, as well as veto, are not about to be followed.
	5. Decisions at a meeting of the Supervisory Committee of the Society are made by a majority vote of those present, except the cases provided by the legislation of the Republic of Uzbekistan “On joint stock societies and protection the rights of shareholders” and the charter of the society. In addressing the issues at the meeting of the Supervisory Committee, every member has 1 vote. The chairman of the supervisory committee is entitled to a casting vote in case of votes equality of the members of the Supervisory Committee. The questions resolution referred to the subparagraphs 4.4 and 4.7, as well in the subparagraphs c) F) if paragraph 11.2. The carther of the society is received by the Supervisory Committee unanimously.
	6. The voice transfer by a member of the Supervisory Committee to other member of another party of the Supervisory Committee or to the third party is not allowed.
	7. At the meeting of the Supervisory Committee the protocol is conducted. The minutes keeping is held by the Secretary of the Supervisory Committee.
	8. Minutes of the meeting of the Supervisory Committee is completed later not than ten days after the meeting.
	9. The protocol includes: the date, time and place of the meeting; persons attending the meeting; agenda of the meeting; issues put to vote and voting results; decisions.
	10. The protocol is signed by the members participating in the meeting of the Supervisory Committee of the Society, who are responsible for the correctness of the protocol.
	11. The meeting protocol of the Supervisory Committee is transferred to the Protocol for the execution of the executive body of the Society on the day of its signing. In the case of adoption by the Supervisory Committee the decision on convening the general assembly of shareholders, the information about it is transferred to the executive body of the society on the day of the meeting of the Supervisory Committee.
	12. Decisions of the Supervisory Committee of the Society may be adopted by the absentee (polling) voting by all members of the Supervisory Committee unanimously. In such case, a decision is made by the meeting of the Supervisory Committee of the Society, in which the agenda and decisions are made and signed by all members of the Supervisory Committee of the Society.
2. THE RIGHTS AND OBLIGATIONS

 OF THE MEMBERS OF THE SUPERVISORY COMMITTEE

* 1. A member of the Supervisory Committee has the following rights: Personally take part in the meeting of the Supervisory Committee, to speak on the issue being discussed at the meeting within the allotted time regulations; receive information about the activities of the Society for a certain period of time, about plans for its development based on the decision of the Supervisory Committee; receive remuneration and/or reimbursement of expenses for the work in the Supervisory Committee in accordance with the legislation and internal documents of the Society.
	2. Member of the Supervisory Committee is obliged to do the followings: inform the public about their affiliation in the transaction by sending a written detailed notice information about the proposed transaction, the essential terms of the relevant treaty; carry out the duties in good faith and in a manner which is considered the best in the interests of the Society
	3. Members of the Supervisory Committee are entitled to use the opportunities of the society (property or property rights, the possibility of economic activities, information about the activities and plans of the Society) in order to enrich themselves.
1. THE RESPONIBILITIES OF MEMBERS OF THE SUPERVISORY COMMITTEE
	1. Members of the Supervisory Committee of the Society in the exercise of their rights and the performance of their duties must act in the public interests and members are responsible to the public in accordance with the law and the charter of the Society.
	2. In the case of several persons taking the responsibilities, the responsibilities of theirs become the solid.
	3. Members of the Supervisory Committee are not liable if they have not participated in voting or voted against the decisions, which resulted in the company loss
	4. The Society or shareholder(s) has the right to go to court with a claim to sue for damages of the Supervisory Committee. Which or who is holding at least one percent of the outstanding shares of the Society