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**«APPROVED»**  
**by the decision of the extraordinary**  
**General Meeting of Shareholders of**  
**JSC “Mortgage Refinancing Company of**  
**Uzbekistan”**  
**from «12 December» 2023.**

**DIVIDEND POLICY**

Of JSC

«Mortgage Refinancing Company of Uzbekistan»

**Tashkent -2023**

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## I. GENERAL PROVISIONS

1. This Dividend Policy (hereinafter referred to as the "Policy") of Joint Stock Company "Mortgage Refinancing Company of Uzbekistan" (hereinafter referred to as the "Company") is developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights", other legislative and regulatory acts, Corporate Governance Code, approved by the minutes of the meeting of the Commission on Enhancement of Efficiency of Joint Stock Companies and Improvement of Corporate Governance System No. 9 dated 31.12.2015, the Charter of the Company and other internal documents of the Company.

2. This Policy defines the purpose and principles of the Company's dividend policy, rules and approaches to the development of recommendations on dividend payment by the Supervisory Board of the Company, the procedure for making a decision on dividend payment, the procedure for dividend payment, as well as information disclosure and the Company's responsibility for compliance with the Dividend Policy.

3. The Dividend Policy of the Company is aimed at increasing the welfare of shareholders by optimizing the proportions between the distributable and capitalizable parts of the Company's profit in order to increase the value of shares.

4. This Policy shall be binding on the members of the Supervisory Board, the Executive Management, as well as structural subdivisions of the Company involved in accrual and payment of dividends.

## II. OBJECTIVES, PRINCIPLES AND BASIC RULES OF DIVIDEND POLICY

5. This Policy has been developed to ensure transparency of the mechanism for determining the amount of the Company's dividends and the procedure for their payment.

6. The Company considers capitalization growth as the main way of satisfying the property interests of shareholders to derive income from the Company's shares.

7. The Company will pay dividends to shareholders in the form of the Company shares until the date when its share capital reaches UZS 1,200 billion in accordance with Presidential Decree No. DP-27 dated February 28, 2023.

8. The Company's dividend policy is based on the following basic principles:

- the principle of transparency, which implies determination and disclosure of information on the duties and responsibilities of the parties involved in the implementation of the dividend policy, including the procedure and conditions for making a decision on payment and the amount of dividends;
- the principle of timeliness, which implies the establishment of time limits for dividend payments;
- the principle of reasonableness, which implies that the decision on payment and amount of dividends may be made only if the Company achieves a positive financial result, taking into account development plans and its investment programs based on the actual financial position of the Company;

- the principle of fairness, which implies ensuring equal rights of shareholders to receive information on decisions on payment, amount and procedure of dividend payment;
- the principle of consistency, which implies strict compliance with the procedures and principles of the Dividend Policy;
- the principle of development, which implies continuous improvement of the Dividend Policy as part of the improvement of Corporate governance procedures and revision of its provisions in connection with changes in the Company's strategic goals;
- the principle of sustainability, which implies the Company's striving to ensure a stable level of dividend payments.

9. Payment of declared dividends is the obligation of the Company.

Expenses related to payment of dividends (including expenses on calculation and withholding of taxes, transfer of dividends, postal expenses) cannot be imposed on the shareholder receiving dividends by the decision of the supervisory bodies. The Company shall be liable to shareholders for failure to fulfill this obligation in accordance with the current legislation of the Republic of Uzbekistan.

10. Dividends shall not be accrued and paid:

- on unplaced shares;
- on shares purchased and/or repurchased by the Company itself;
- in other cases stipulated by the legislation of the Republic of Uzbekistan.

11. According to the Law "On Joint Stock Companies and Protection of Shareholders' Rights", the Company shall not be entitled to pay and make decisions on payment of dividends on shares, in the following cases:

- before full payment of the entire authorized capital ("share capital") of the Company at the time of its establishment;
- if at the time of payment of dividends there are signs of bankruptcy or these signs will appear in the Company as a result of payment of dividends;
- if the value of the Company's net assets is less than the sum of its authorized capital ("share capital") and reserve capital.

### **III. PROCEDURE FOR DETERMINING THE AMOUNT AND ACCRUAL OF DIVIDENDS**

12. Dividend is a part of the net profit of the Company distributed among the shareholders.

13. The Company shall have the right, based on the results of the first quarter, six months, nine months of the fiscal year and (or) based on the results of the fiscal year, to make (announce) decisions on payment of dividends on outstanding shares within three (3) months after the end of the relevant period, except for the cases specified in Section II of this Policy.

Dividends shall be paid out of net profit remaining at the disposal of the Company and (or) retained earnings of previous years.

14. The decision on payment of dividends, the amount of dividend, form and order of its payment on shares of the Company shall be made by the General Meeting of Shareholders based on the recommendation of the Supervisory Board of the Company. The amount of dividends cannot be more than the amount recommended by the Supervisory Board. The General Meeting of Shareholders shall have the right to make a decision on non-payment of dividends.

15. The decision of the General Meeting of Shareholders on payment (declaration) of dividends shall determine the following:

- the amount of dividend per share;
- term, procedure and periodicity of payment of dividends.

16. The amount of dividends on shares recommended to the General Meeting of Shareholders shall be determined by the Supervisory Board based on the following factors:

- the amount of net profit according to the financial statements, the reliability of which is confirmed by the auditor's report;
- business plans and strategy of the Company for the upcoming periods;
- the current and prospective condition of the Company's current assets and liabilities;
- the Company's debt burden at the end of the relevant period.

17. Payment of dividends recommended by the Supervisory Board to the General Meeting of Shareholders of the Company shall not result in the Company borrowing additional debt financing or other costs not included in the approved business plan for subsequent periods.

18. The Company shall have the right to pay dividends through the Central Depository and (or) investment intermediaries in accordance with the signed agreement.

#### **IV. PROCEDURE AND TERMS OF PAYMENT OF DIVIDENDS**

19. Upon the decision of the General Meeting of Shareholders, the Company shall pay dividends in cash or other legal means of payment or in securities of the Company. Declared dividends shall be paid in the national currency of the Republic of Uzbekistan.

20. The term of payment of dividends shall be established by the decision of the General Meeting of Shareholders of the Company, but may not be later than 60 (sixty) days from the date of making a decision on payment of dividends by the General Meeting of Shareholders.

21. If the holders of the Company's shares fail to receive the accrued dividends within the terms established by the General Meeting of Shareholders, the Company shall continue payment of such (unclaimed) dividends. The period of payment of unclaimed dividends may not be more than three years from the date of expiration of the period of fulfillment of the Company's obligation to pay the declared dividends.

22. In case of non-payment (non-receipt) of dividends due to the fault of the company within the terms established by the General Meeting of Shareholders, a penalty shall be

charged on unpaid (unreceived) dividends based on the base rate established by the Central Bank of the Republic of Uzbekistan. The amount of penalty accrued on unpaid (unreceived) dividends shall not exceed 50 (fifty) percent of the amount of unpaid (unreceived) dividends.

23. The structural subdivision of the Company, which has among its functions the organization and carrying out the work with shareholders, together with the accounting division of the Company shall prepare, coordinate and carry out all measures for the organization of payment of dividends by the Company stipulated by this Policy.

24. Any shareholder shall have the right to request the Company to provide information on the procedure for calculation of dividends on shares, the procedure for accrual and taxation of the amount of dividends, and the terms of payment.

25. Parties recorded in the Company's register of shareholders, generated for the General Meeting of Shareholders, at which the decision to pay dividends to shareholders was made, are entitled to receive dividends on shares.

26. The dividend shall be distributed among the shareholders pro-rata to the number of shares held.

27. The shareholder is obliged to promptly inform the investment intermediary and/or the Central Securities Depository, which provides services for recording rights to his shares, about changes in his data. In case a shareholder fails to provide information about changes in his data, the Central Depository and/or the investment intermediary providing services for recording rights to his shares are not liable for losses related this caused to the shareholder.

28. If the shareholder has incorrectly indicated his/her bank details or address for dividends settlement, or has not informed the Company of such details, or has untimely informed the Company of such details, the Company shall not be liable for any losses incurred by the shareholder in connection therewith. After returning to the Company the amounts of dividends incorrectly transferred to the Company due to the shareholder's fault for the reasons specified in this paragraph, their re-transfer to the shareholder according to the clarified details shall be made less the expenses for their return and re-transfer.

29. The Company is a tax agent when paying dividends to shareholders on shares owned by them and pays accrued dividends less taxes on dividends on shares established by the current legislation of the Republic of Uzbekistan. The shareholder, to whom standard tax rates should not be applied, provides supporting documents established by the current legislation of the Republic of Uzbekistan to the Company (to the Paying Agent engaged by it).

## **V. RESPONSIBILITY FOR PAYMENT OF DECLARED DIVIDENDS**

30. The Company shall be liable to pay the dividends declared on shares.

31. In payment of dividends, none of the shareholders shall have any advantage in respect of the timing of payment.

Payment by the Company of accrued dividends on shares shall be made in compliance with equal rights of shareholders to receive dividends. At the same time, the Company shall

not be entitled to pay dividends to a major shareholder if, as a result, the payment of dividends to minority shareholders will not be ensured within the established terms.

32. The Executive Management of the Company shall be responsible for full and timely payment of dividends to the shareholders of the Company. Control over the actions of the Executive Management shall be exercised by the Supervisory Board of the Company.

33. In case of non-fulfillment by the Company of its obligations on payment of dividends, shareholders shall have the right to demand payment of dividends in a judicial order.

34. For non-fulfillment or improper fulfillment of the duties of a tax agent on withholding and transfer of tax amounts from dividends imposed on the Company, the Company shall be liable in accordance with the legislation of the Republic of Uzbekistan.

## **VI. INFORMATION DISCLOSURE PROCEDURE**

35. When the General Meeting of Shareholders adopts a resolution on payment of dividends, the Company shall publish data on the amount of dividends to be paid on the official websites of the authorized state body regulating the securities market and the Company within the terms established by law.

36. The Company shall declare the amount of dividends excluding taxes thereon.

37. Upon fulfillment by the Company of its obligations to pay dividends, the Company shall disclose relevant information in the form of statements of significant facts within the terms established by law.

## **VII. FINAL PROVISIONS**

38. This Policy, as well as amendments and additions to it, shall be disclosed by the Company on its corporate website on the Internet within ten days after signing the minutes of the meeting of the Company's supervisory body at which the relevant decision was made.

39. This Policy, as well as amendments and additions thereto shall be approved by resolution of the Supervisory Board of the Company.

40. Amendments and additions to this Policy shall be made upon proposal of the members of the Supervisory Board of the Company, Internal Audit Service of the Company, Executive Management of the Company.

41. If separate articles of this Policy is in conflict with the current legislation of the Republic of Uzbekistan and/or the Charter of the Company, these articles shall become invalid and in the part of the issues regulated by these articles the provisions of the current legislation of the Republic of Uzbekistan and/or the Charter of the Company shall be followed until the moment of introduction of corresponding amendments to this Policy.

42. With the entry into effect of this Policy, the Regulation on the dividend policy of the JSC "Mortgage Refinancing Company of Uzbekistan", approved by the Supervisory Board of JSC "UzMRC" on 03 August 2020, become ineffective.