

**“APPROVED”**  
**by the decision of the Supervisory Board of**  
**JSC “Uzmetkombinat”**  
(Minutes #\_\_ dated “\_\_” \_\_\_\_\_ 2024)

**DIVERSITY POLICY**  
**OF THE SUPERVISORY BOARD**  
**OF JSC “UZMETKOMBINAT”**

**Bekabad, 2024**

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## 1. Introduction

Uzmetkombinat JSC (hereinafter - Uzmetkombinat JSC, the Company) conducts its activities based on the principles of environmental and social responsibility, respect for labor rights and human rights in accordance with the Universal Declaration of Human Rights, conventions of the International Labor Organization, National Strategy “Uzbekistan - 2030” approved by the Decree of the President of the Republic of Uzbekistan from 11.09.2023 No. DP-158, national goals and objectives within the framework of Sustainable Development Goals of the Republic of Uzbekistan for 2030, approved by the Decree of the Cabinet of Ministers of the Republic of Uzbekistan, dated 21.02.2022 No. 83, as well as in accordance with a number of internal policies and documents of the Company.

The approach to corporate governance reflects the position of JSC “Uzmetkombinat” as a leading modern metallurgical company of Uzbekistan and a reliable partner worldwide. JSC “Uzmetkombinat” implements the principles of equality and diversity of the Supervisory Board in its corporate governance practices. The Company recognizes the benefits of diversity of the Supervisory Board in order to increase the efficiency of its activities, to achieve sustainable development goals and strategic objectives of the Company.

### 1.1. Purpose of the Policy

This Diversity Policy of the Supervisory Board of JSC “Uzmetkombinat” (hereinafter - the Policy) sets out the Company's approach to ensuring diversity and equality of the Supervisory Board.

### 1.2. Coverage of the Policy

The Policy applies to JSC “Uzmetkombinat” and all its constituent organizations, including subsidiaries, joint ventures and branches. The Policy does not apply to diversity in respect of employees of the Company and its constituent organizations.

This Policy is an integral part of JSC “Uzmetkombinat”'s approach to corporate governance of the Company and is considered in the context of other internal regulatory documents of the Company, including:

- a) Charter of JSC “Uzmetkombinat”;
- b) Code of Business Ethics of JSC “Uzmetkombinat”;
- c) Rules of ethical behavior of employees of JSC “Uzmetkombinat”;
- d) Regulations on the Supervisory Board of JSC “Uzmetkombinat”;

- e) Regulations on the Remuneration and Appointments Committee of the Supervisory Board of JSC “Uzmetkombinat”;
- f) Diversity and Inclusion Policy of JSC “Uzmetkombinat”.

### 1.3. Key international guidelines and standards, national laws and regulations

In developing the Policy, the relevant international guidelines and standards, best industry practices for ensuring the activities of supervisory boards and/or boards of directors, as well as regulatory legal acts of the Republic of Uzbekistan were taken into account, including:

- a) Universal Declaration of Human Rights;
- b) UN Guiding Principles on Business and Human Rights;
- c) Declaration of the International Labor Organization (hereinafter ILO) “On Fundamental Principles and Rights at Work”;
- d) ILO Convention No. 111 “Concerning Discrimination in respect of Employment and Occupation”, No. 135 “On the Protection of the Rights of and Facilities Afforded to Workers' Representatives in the Enterprise”;
- e) OECD Guidelines on Corporate Governance in State-Owned Enterprises;
- f) Integrated Corporate Governance: A Practical Guide by the World Economic Forum;
- g) Law of the Republic of Uzbekistan dated 06.05.2014 No. LRU-370 “On Joint Stock Companies and Protection of Shareholders' Rights”;
- h) Decree of the President of the Republic of Uzbekistan from 24.04.2015 № DP-4720 “On measures to introduce modern methods of corporate governance in joint stock companies”
- i) Corporate Governance Code approved by the minutes of the meeting of the Commission on improving the efficiency of joint stock companies and improving the corporate governance system No. 9 dated 31.12.2015;
- j) Corporate Governance Rules for enterprises with state participation, approved by Order of the State Assets Agency No. 145 dated 23.06.2023;
- k) Regulations on the exchange quotation list of the RFB “Toshkent”;
- l) Guidelines of the Financial Conduct Authority of the United Kingdom.

### 1.4. Basic Principles of the Policy

The Company assesses diversity in the composition of the Supervisory Board as a key factor in achieving the sustainable development goals and strategic objectives of JSC “Uzmetkombinat”.

The importance of diversity and equality is taken into account by the Company when making decisions on inclusion of candidates to the Supervisory Board. Taking into account the rights of the Company's shareholders enshrined in the Charter of JSC “Uzmetkombinat”, as well as applicable laws and regulations, candidates to the Supervisory Board are selected on the basis of meritocratic principles: candidates are selected on objective criteria, taking into account the positive effect of diversity in the composition of the Supervisory Board.

## **2. Roles and responsibilities**

### **2.1. Roles and responsibilities**

The Remuneration and Appointments Committee of the Supervisory Board of JSC “Uzmetkombinat” (hereinafter - Remuneration and Appointments Committee) has overall responsibility for this Policy, analysis of professional qualifications and independence of all candidates appointed to the Supervisory Board, formation of recommendations to shareholders regarding voting on the election of candidates to the Supervisory Board of the Company, as well as oversees its implementation. The Remuneration and Nomination Committee also conducts an annual assessment of the effectiveness of the work of the Supervisory Board and its members, determines priority areas for strengthening the composition of the Supervisory Board of the Company, develops recommendations to the Supervisory Board with respect to improving the procedures for its work and the work of its committees, evaluates the composition of the Supervisory Board in terms of professional specialization, experience, independence and involvement of its members in the work of the Supervisory Board, determines priority directions for strengthening the composition of the Supervisory Board of the Company.

When considering a decision on the composition of the Supervisory Board, the benefits of all aspects of diversity are taken into account in order to effectively fulfill its responsibilities.

The Committee conducts an annual review and assessment of the practical implementation of the diversity principles of the Company's Supervisory Board.

### **2.2. Process of oversight of Policy implementation**

On an annual basis, the Remuneration and Appointments Committee prepares an analytical report on the implementation of the provisions of this Policy, violation of its individual provisions, as well as on the ongoing evaluation of the performance of the Supervisory Board and its members, and may decide on additional measures to increase the effectiveness of the implementation of the provisions of the Policy.

The Supervisory Board of the Company on an annual basis reviews the analytical report on the execution of the provisions of this Policy and may make special decisions regarding the settlement of certain issues related to the execution of the provisions of the Policy.

### **3. Diversity of the Supervisory Board**

#### **3.1. Diversity factors of the Supervisory Board**

Diversity and inclusion enable the Company to be more dynamic, foster innovation and increase productivity. The composition of the Supervisory Board should reflect the diversity of the environment in which the Company operates.

A diverse Supervisory Board can offer a broader perspective on the Company's challenges and opportunities. Having a wide range of competencies and different points of view promotes open dialog and better mutual understanding, and reduces bias.

Selection of candidates to the Supervisory Board of JSC “Uzmetkombinat” is held regardless of:

- gender;
- race or ethnicity;
- nationality, country or culture of origin;
- age;
- professional experience and skills;
- field of expertise.

When analyzing and evaluating candidates, the past performance and the potential contribution that the candidate can make to the Supervisory Board are first and foremost assessed. The decision on the election of Supervisory Board members must be unbiased and made in accordance with the Company's Charter and applicable regulations, as well as relevant national laws and regulations, including requirements regarding the composition, structure and independence of the Supervisory Board.

#### **3.2. Independence of the Supervisory Board**

The independence of the Supervisory Board plays an important role in the balance, efficiency in the performance of duties, and in protecting the interests of shareholders. The presence of independent directors on the Supervisory Board facilitates objective decision-making on various issues, enhances management efficiency and strengthens the confidence of stakeholders, including investors and shareholders.

The Supervisory Board of the Company shall include at least one independent member who may be re-elected annually. Nomination and voting on independent members of the Supervisory Board is carried out by representatives of the state.

A candidate may be elected as an independent member of the Supervisory Board who:

- has not been employed by the Company and/or affiliated organizations within the last five years;
- is not associated with companies providing consulting services to the Company and/or affiliated organizations;
- is not a shareholder, founder, participant, controlling person, member of a group of persons and/or organizations that collectively exercise control over the Company and/or affiliated organizations;
- is not related to and does not have a civil legal relationship with a major customer and/or major supplier of the Company and/or affiliated organizations;
- does not have any arrangements with the Company and/or affiliated organizations, except for arrangements related to ensuring the performance of tasks and functions of a member of the Supervisory Board;
- does not have individual service contracts with the Company and/or affiliated organizations;
- is not a spouse, parent (adoptive parent), child (adopted), blood or step-brother or sister of a person who is or has been for the last five years a member of the management and internal control bodies of the Company and/or affiliated organizations;
- is not a spouse, parent (adoptive parent), child (adopted), blood or step-brother or sister of a person who works in the Company and/or affiliated organizations as an official;
- is not related to the Company by civil law contracts and is not an employee of a major shareholder of the Company or a superior industry department;
- is not an employee of a government body or state-owned enterprise;
- is not an employee of an audit organization that has provided audit services to the Company and/or affiliated organizations within the last three years;
- is a member of the Supervisory Board of the Company for not more than six consecutive years;
- meets the requirements established by the Company's Charter and regulatory documents approved by decisions of the General Meeting of Shareholders.

### 3.3. Planning

The Company strives to maintain best corporate governance practices regarding diversity on the Supervisory Board, initiates changes in the composition of the Supervisory Board and submits proposals for consideration by shareholders.

In line with best practices and stakeholder expectations, the Company sets the following diversity and equality goals for Supervisory Board members:

- at least 40%/30% women among the members of the Supervisory Board;
- at least 1 woman in the highest positions of the Supervisory Board (Chairman of the Supervisory Board, Senior Independent Director) / Management Board (Chairman of the Management Board / Chief Financial Officer);
- at least 1 representative of ethnic minorities among the members of the Supervisory Board;
- at least 51% of independent directors among the Supervisory Board members.

Nevertheless, the Company recognizes that there may be periods of change in the composition of the Supervisory Board where such diversity is temporarily not maintained, but the Company's long-term goal is to achieve this balance.

## **4. Final provisions**

### 4.1. Approval of the document, entry into force and amendments

This Policy, as well as any changes made to it, shall be approved by the Supervisory Board of JSC “Uzmetkombinat”. The Policy comes into force from the moment of its publication on the Company's website.

The Policy shall be reviewed by the Supervisory Board of the Company on an annual basis for the need to make changes in order to maintain the relevance and effectiveness of the provisions of the Policy.

### 4.2. Communicating the document to stakeholders

The Policy is available to all employees and other stakeholders on the Company's internal and external resources. New employees of the Company are familiarized with the Policy upon employment. The obligation to communicate the Policy to employees and other stakeholders covered by the Policy, its implementation and compliance lies with the Company. Also all organizations owned by JSC “Uzmetkombinat” are obliged to implement the provisions and procedure of grievance settlement in accordance with this Policy in case they do not contradict local legislation.



This Policy is considered an integral part of the Company and is considered in the context of other principles and approaches set forth in the Company's policies governing business ethics and responsible behavior.

Violation of this Policy will result in serious disciplinary action under the laws of the Republic of Uzbekistan and the Company's internal policies and procedures, which may include termination of employment. The above measures apply equally to all employees of the Company, including managers, officers, directors, as well as contractors and their employees, business partners and third parties engaged by the Company or providing services on behalf of the Company.

## **5. Contacts for questions**

The Company is open for any inquiries from stakeholders. Questions regarding the content and application of this Policy may be sent to specialists in any convenient form, including by phone and e-mail.

### **Contacts for inquiries:**

- Tel.: 0(370) 213-16-02, 0(370) 213-16-02
- Website: [www.uzbeksteel.uz](http://www.uzbeksteel.uz)
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