

«APPROVED»
by the decision of annual
general shareholders' meeting of
«KOKAND BIOCHEMICAL»
June 20, 2020 year

H.A.Omonov _____

Chairman of the meeting signature

JOINT-STOCK COMPANY

«KOKAND BIOCHEMICAL»

REGULATION
ON THE CRITERIA OF CLASSIFICATION
OF INFORMATION TO THE CATEGORIES
OF CONFIDENTIAL INFORMATION
AND COMMERCIAL SECRETS

2020 year

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I. GENERAL PROVISIONS

1. This Regulation has been developed in accordance with the laws of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders' Rights”, “On Companies with Limited and Additional Liability”, “On Trade Secrets”, other legislative acts, recommendations of the Corporate Governance Code approved by the Commission on increase of effectiveness of joint-stock companies activity and improvement of corporate governance system (the Minutes dated 31.12.2015 № 9), it defines the criteria for classifying information as confidential and commercial secrets.

2. In this Regulation the following definitions are used:

Confidential information - documented information, access to which is limited in accordance with the law;

Commercial secret - information that has commercial value due to its unknown to third parties, to which there is no free access on a legal basis and the owner of this information takes measures to protect its confidentiality.

3. The procedure for organizing the protection of confidential information is determined by the Regulation on the organization of the protection of confidential information by issuers (reg. №2081, dated 24.02.2010).

II. CRITERIAS FOR CLASSIFICATION INFORMATION TO CATEGORIES OF CONFIDENTIAL AND COMMERCIAL SECRETS

4. The criteria for classifying information as confidential and commercial secrets are:

1. Scientific, technical, industrial and technological issues.

1.1. Information about the Company's communication system, including information on the location of technical equipment and their technical characteristics, features of communication network, as well as planned measures for the further development of the network.

1.2. Information about the purposes, tasks, programs of perspective scientific researches.

1.3. Key ideas of research and development, the progress of R&D conducted in the interests of the Company, including in the field of software development.

1.4. The exact values of the structural characteristics of the products being created and the optimal parameters of the technological processes being developed.

1.5. Information about the materials from which the individual products are made.

1.6. Data on the conditions and results of experiments and tests of networks and communication equipment, as well as on the characteristics of the equipment on which they were conducted.

1.7. Information about the features of design-technological, artistic and technical solutions affecting the interests of the Company and giving a positive economic effect.

1.8. Information about the methods of protection of software and trademarks.

1.9. Analytical and graphical dependencies reflecting an identified patterns and interconnections of the Company's business development prospects.

1.10. Information about the condition of computer equipment and software.

2. Administrative and HR policies

2.1. Information about the applied methods of management of the Company, the principles of selection of managers and staff of the Company.

2.2. Information on the preparation, adoption and execution of management decisions on commercial, organizational, industrial, scientific, technical and other issues.

2.3. Information on the facts, objectives, subject and results of the meetings and meetings of the Company's management bodies.

2.4. Information about the size of the wage fund, bonus system; personal data of employees; employee records; personnel orders and related documents to them.

3. Perspective planning of the activity.

3.1. Information about the plans of partners to expand or collapse in the interests of the Company for the production of various types of products. Feasibility and marketing studies of such steps.

3.2. Information about plans for investments, purchases and sales.

3.3. Information about the Company's market strategy.

3.4. Information about the sales methods planned by the Company, marketing steps (changing tariff plans, introducing additional discounts, introducing

additional services, planned PR actions, features of an advertising campaign, etc.), as well as funding amounts for their implementation.

3.5. Information about the effectiveness of commercial activities.

3.6. Information about the results of own marketing researches, containing assessments of the condition and prospects for the development of market conditions.

3.7. Information about the possible procurement of individual patents, licenses and equipment samples.

4. Financial and economic issues.

4.1. Specific information revealing the current budget indicators of the company's business plan in terms of revenues, direct costs, operating and non-operating costs, working capital.

4.2. Specific information about the planned and actual amounts of financing of capital investments, research work and the cost of the introduction of new technology.

4.3. Specific information about the size and conditions of placement / attraction of funds in credit institutions.

4.4. Information about the conditions for concluding long-term financial projects (financial leasing, long-term lending, etc.).

4.5. Information about the volumes of financing new projects and advertising campaigns.

4.6. Information about special transactions and terms of payment for barter transactions, terms of compensation transactions.

4.7. Information about the Company's bank accounts and current banking operations on them.

5. Trade and economic policies.

5.1. Information about the preparation and the results of conducting negotiations with the business partners.

5.2. Information revealing the position of representatives of the Company in conducting trade negotiations, the disclosure of which may be detrimental to the Company.

5.3. Information about the terms established for the study and conclusion of the transaction, its conditions, as well as factors affecting the course of the transaction.

5.4. Information about the received and processed orders and the proposals of firms.

5.5. Information about domestic and foreign customers, contractors, suppliers, customers, consumers, buyers, partners, sponsors, intermediaries and

other partners of the Company, the early dissemination of information about which may cause damage to the Company.

5.6. Information about the Company's competitors that are not contained in the public information.

5.7. Information about profitable suppliers of products and components to them, giving the product new consumer qualities.

5.8. Information about the calculation methods with business partners, structure, price level for products and the amount of discounts provided to the Company.

6. Security policy.

6.1. Information about the procedure and condition of ensuring the safety of commercial secrets in the Company.

6.2. Information constituting a commercial secret of partner enterprises and transferred to the Company on a confidential basis.

6.3. Information that the partner insists on confidentiality, if this is stipulated in the contract or agreement.

6.4. Information on scientific, technical or economic issues, regarding third parties, obtained informally or under contracts that have confidentiality provisions.

6.5. Information about the procedure for interaction of operational personnel with ministries and departments of the Republic of Uzbekistan.

6.6. Information on the procedure for access to the Company's facilities, security alarm code combinations.

6.7. Information about the order and status of the organization of security, access control, alarm system.

6.8. The executive body has the right to make changes to these criterias.

III. FINAL PROVISIONS

1. Those of guilty of violating the requirements of this Regulation are liable in accordance with the law.