

**«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 ORDER OF ACTIONS DURING**  
**THE CONFLICT OF INTERESTS**

*2020 year*

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## **I. GENERAL PROVISIONS**

1. This Regulation of “KOKAND BIOCHEMICAL” Joint-Stock Company “On the order of actions during the conflict of interests ” (hereinafter as - the Regulation) was developed in accordance with The Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders' Rights” (hereinafter - the Law), Recommendations of Corporate Governance Code (approved by meeting of the Commission on Enhancement of the Efficiency of the Joint Stock Companies and Improvement of the Corporate Governance System № 9 dated 31.12.2015), Charter of “KOKAND BIOCHEMICAL” Joint-Stock Company (hereinafter - the Charter) and other internal documents of the Company.

2. The present Regulation defines types of conflicts of interests, basic principles of conflict management, measures to prevent and resolve conflicts of interest in the Company, as well as responsibilities and responsibilities of members, officials and employees of the Company's governing bodies.

3. This Regulation is developed for the purpose of timely detection of possible conflicts, prevention of their occurrence and resolution of the actual conflict.

## **II. PARTIES RELATED TO THIS REGULATION:**

4. The present Regulation applies to all the management bodies, officials and all employees of the Company, irrespective of their position.

5. Requirements for compliance with this Regulation apply to individuals cooperating with the Company on the basis of a civil contract, if the respective obligations are expressly provided for in their contracts, their internal documents or the law.

## **III. TYPES OF THE CONFLICT OF INTERESTS**

6. In cases of violation of rights and legitimate interests of the Company's counterparties as a result of actions (inaction) of management bodies and / or officials and employees of the Company during the Company's activity (hereinafter referred to as – the conflict of interests) the Company's customers, consumers, contractors, creditors, partners and other interested persons, with property or other interests. A conflict of interest may result from a conflict of property and other interests (hereinafter referred to as- the counterparty).

Disputes or disagreements between the Company and / or its employees in connection with the

Company's activity during the Company's activities, or the conflict between the Contractors, are, in their essence, a type of conflict of interest because they relate to or involve the Company.

7. In addition, there may be a conflict of interest between the shareholders of the Company, the interests of the Company's governing and controlling bodies and the shareholder (shareholders) of the Company's governing bodies (hereinafter referred to as - **the corporate conflicts**).

Conflicts and disputes arising between the Company's shareholders, shareholders and management bodies of the Company, investors (potential investors) and the Company is **the corporate conflicts**:

- a) violation of the current legislation, the Charter or internal documents of the Company, the rights of shareholders or a group of shareholders;
- b) claims for decisions made by the Company, its governing bodies or, in essence, their decisions;
- c) early termination of authorities of the existing governing bodies;
- d) significant changes in the structure of shareholders.

Disagreements between shareholders are also a form of corporate conflict when it relates the Company's interest.

8. This Regulation addresses the following situations of the conflict of interests:

- a) Between majority shareholders (shareholders holding large blocks of shares) and minority shareholders (shareholders holding small shares);
- b) between the Company (governing bodies of the Company) and its shareholder (shareholders);
- c) between the Company (governing and controlling bodies, officials and employees of the Company) and its counterparties;
- d) between the Company's officials and employees in carrying out their duties.

#### **IV. MAIN PRINCIPLES OF MANAGING THE CONFLICT OF INTERESTS IN THE COMPANY**

9. Managing the conflict of interests in the Company is based on the following principles:

- a) the need to disclose information about current and which may occur (potential) conflicts of interest;
- b) individual consideration and assessment of the reputation of the Company in identifying and resolving each conflict of interests;
- c) strict confidentiality of the procedure for disclosure of information on conflict of interests and its resolution;
- d) maintaining the balance of interests of the Company's management and control bodies and the Company's employees in resolving conflicts of interest;
- d) to protect a person from prosecution for notifying him/her about the conflict of interest identified by the employee of the Company and promptly resolved (prevented) by the Company.

#### **V. REASONS (CONDITIONS) FOR ACCURACY OF THE CONFLICT OF INTERESTS.**

10. The Conflict of interests has negative consequences if the employee of the Company allows for personal and other interests, influences external affects, objectively reflects and acts on behalf of the Company, compete against the Company in all transactions, decreases its effectiveness with regard to its duties; Increase the risk of transactions made by the Company, damage the professional reputation or financial status of the Company.

The Conflict of interests can result in loss of shareholders and investors' confidence in the Company, negative reflection in attracting capital for the development of the Company, undermining the corporate reputation of the Company, leading to the Company's bankruptcy or coverage.

11. Corporate conflicts may arise between major and minority shareholders of the Company in the following cases:

a) non-observance by the Company of the requirements of legislation, regulations and internal documents of the Company on ensuring equal rights of all shareholders;

b) Inability of Minority shareholders to make significant influence on the Company's activities and decisions adopted by the General Meeting of Shareholders and the Supervisory Board.

12. Corporate conflicts may arise between the Company (its governing bodies) and its shareholders as a result of:

a) non-observance by the Company of the requirements of legislation, regulations, the Charter and internal documents of the Company;

b) major transactions and transactions with affiliates without prior notification of the Company's competent governing bodies;

c) adoption of decisions by the Company's governing bodies that may worsen the financial position of the Company;

d) not disclosing or providing incomplete information by the governing bodies of the Company about of the positions held by them in other organizations management bodies, ownership of shares (shares) in other companies in the manner prescribed by the current legislation.

13. The Conflict of interests between the Company (its governing and controlling bodies, its officials and employees) and the Company's counterparties may occur as a result of:

a) non-observance by the Company of the laws, regulations, the Charter and internal documents of the Company, including the requirements for restriction of powers;

b) non-observance of the rules of formal communication and professional ethics;

c) non-fulfillment of contractual obligations by the Company and the contractor;

d) non-fulfillment of their duties established by the legislation and internal documents of the Company;

e) carrying out together duties on conclusion of a contract by one employee of the Company, registration (signing) of primary accounting documents, reflected in accounting, control of transactions, evaluation of correctness and completeness of submitted documents and monitoring of financial condition of the contractor;

f) coordinating at the same duties on sanctioning (surrendering) of money and their actual transfer by the same employee of the Company;

g) accompanying an employee of the Company to manage automated systems, which can reflect transactions in accounting through the use of automated systems data;

h) maintaining by one employee of the Company an account that reflects the Company's counterparties' operations and the accounts of the Company that reflects its financial and economic activities;

i) execution by the Company employee on behalf and at the expense of the counterparty and at the expense of the Company;

j) non-observance of the principle of priority of the Company and its counterparties over personal interests, abuse of power for personal purposes;

k) non-observance of the Company's internal limits when making transactions;

l) conducting own commercial activity;

m) providing business opportunities to other companies at the expense of their own interests, to the detriment of the Company.

14. The Conflicts of interest between the Company (its governing bodies) and its officials and employees may occur as a result of:

- a) non-observance by the Company of the requirements of legislation and internal documents of the Company;
- b) non-observance of the rules of formal communication and professional ethics;
- c) doing private or family business;
- d) existence of financial interests in another company with which the Company has established business relations;
- e) working as a manager or officer in another organization on a dual basis or participate in its governing bodies;
- f) providing business opportunities to other companies at the expense of their own interests, to the detriment of the Company's interests.

#### **VI. PREVENTION OF THE CONFLICT OF INTERESTS**

15. In order to prevent any type of conflict of interests, the Company's governing bodies, supervisory bodies, officials and employees are obliged to:

- a) comply with the requirements of legislation, regulations, charter and internal documents of the Company;
- b) to take action and refrain from taking decisions that could lead to a conflict of interest;
- c) to ensure effective management of the Company;
- d) to prevent illegal activities in the Company, including legalization of proceeds from criminal activities and financing of terrorism;
- e) to ensure high productivity in goods (works and services);
- f) quarterly reporting to the relevant authorities in accordance with the legislation;
- g) to carry out external and internal control in accordance with the Charter and internal documents of the Company;
- h) to submit to the Supervisory Board of the Company for consideration of major transactions, separate transactions or several related transactions, the cost of which exceeds the amount established by the legislation and the Company's Charter;
- i) to review by supervisory authorities of the terms of large transactions and transactions with affiliates;
- j) when necessary, by an Supervisory Board, to approve an independent appraiser to determine the market value of the property when it approves a decision in accordance with the law;
- k) to maintain of record of information about affiliated persons;
  - l) to develop of procedures for the following transactions:
    - with affiliates;
    - with shareholders and affiliates of the Company;
    - with insiders;
- l) non-fulfillment of large transactions and transactions with affiliates not approved by the authorized body of the Company;
- m) not to hold office in the governing and supervisory bodies of other legal entities without the permission of the Company's Supervisory Board;
- n) to disclose of information on the Company's activities in accordance with the applicable law and additional information in accordance with the Regulation on the Company's Information Policy;

o) to ensure the accuracy of accounting and other information, including for advertising purposes, provided to shareholders and customers, management and supervisory authorities and other interested parties;

p) to develop and improve measures to prevent the use of confidential information in the Company for personal use by persons entitled to access it;

q) timely review the objectivity and objectivity of negative information about the Company in the media and other sources. Respond in a timely manner to all the facts that cause negative or inaccurate information (action);

r) to achieve sustainable profitability in the community in the medium and long term;

s) to participate in defining the internal control system of the Company;

t) determination of the remuneration of the members of the management and supervisory bodies to the financial position of the Company, and the extent to which the Company's progress is consistent with its planned performance;

u) to adhere to professional and corporate ethical principles.

16. In order to prevent conflict of interests between the Company's shareholders, as well as between the Company's governing and controlling bodies, its officials and employees, its management and controlling bodies, officials and employees of the Company are obliged to:

a) observance of the rights of major and minority shareholders in the legislation, regulations, charter and internal documents of the Company;

b) ensuring timely informing shareholders of the Company's clear and well-grounded position on issues of ensuring the legitimate rights of shareholders;

c) timely payment of the declared and accrued dividends;

d) providing shareholders with comprehensive information on issues that may be the subject of a conflict;

e) identification of transactions in which the members of the governing bodies of the Company have an interest in obtaining shares (shares) from a competitive economic company and participating in the governing bodies of such companies;

e) to seek independent members of the Supervisory Board of the Company to ensure the objectivity, accuracy and independence of management decisions.

17. In order to prevent conflicts of interests between the management and control bodies, officials, employees and contractors of the Company, the Company's management and control bodies, officials and employees are obliged to:

a) ensuring the safety of money and other valuables entrusted to the Company by the Contractors;

b) ensuring that information about the Company is provided in the prescribed manner;

c) ensuring that procedures for using confidential and other sensitive information are strictly followed;

d) realization of goods (services) at the agreed price or fixed price on a contractual basis;

e) avoiding transactions that are contrary to the interests of the Company's contractors;

f) professional, conscientious sale of the goods (services) for the Company's customers, the best possible performance of clients' orders in terms of financial efficiency based on the current market conditions;

g) prevent employees from intentionally misusing situations where the client has made a mistake (in the application, application or other document signed by the Client). In case of detecting such errors, the Employee of the Company prevents the use of this document and inform the client;

h) ensuring that the recommendations made to the client are based on a conscientious analysis of the information available on the matter;

i) improving the information storage system to prevent it to sell, submit, copy, duplicate, duplicate, exchange or disseminate, collect and distribute information, trade, paper, magnetic and other information that is included into the service and trade secret during the activities of the Company.

18. In addition, the Company's officials and employees, in the performance of their duties, in order to prevent conflicts of interests between them, additionally obliged to the following:

- to follow the rules of formal communication and the principles of professional ethics;
- to conclude transactions in the prescribed manner;
- informing the Company's superior officer or management and controlling bodies of the intention of receiving a stake (stock) of a competitive organization;
- timely informing a higher official about emergencies that may lead to conflict situations;
- written notification of a high official to an organization or family members with significant financial interest and an organization engaged or intending to do business with the Company;
- to refrain from any activity that directly affects the relations between the Company and the Company, which is a financial person or an affiliate of an official or members of his family;
- to obtain permission from the supreme bodies of the Company to participate in the management bodies of another organization whose interests are contrary to the interests of the Company;
- timely inform a higher-ranking official of his or her commitment to a part-time job in another organization and provide information that the work does not conflict with the interests of the Company.

## **VII. SOLUTION OF THE CONFLICT OF INTERESTS**

19. In order to resolve conflicts of interest arising in the Company, management and control bodies, officials and employees of the Company carry out the pre-trial procedure to make a legitimate and reasonable decision in the interests of the Company. Conflict resolution at the Company level is the process of implementing a set of pre-trial procedures aimed at preventing or resolving conflicts between the parties to the conflict.

The main objective of the Company is to seek a legitimate and justified decision that is in the best interests of the Company.

Advantages of pre-trial resolving of the conflict of interests:

- a) Maintaining partnership relations;
- b) Reduction of costs;
- c) Rapid conflict resolution.

20. In the resolution of any conflict of interests governing bodies of the Company are obliged to:

- a) as soon as possible to identify conflicts of interest and their causes;
- b) clear definition of the authority and responsibility of the Company's governing bodies;
- c) to appoint a representative of the Company's conflict resolution body and, where appropriate, a commission;
- d) to determine the Company's position on the nature of the conflict as soon as possible, to make the appropriate decision, and to inform the other party of the conflict of its decision;

e) sending a full and detailed response to the party involved in the conflict with a well-reasoned opinion of the conflict, and to refuse to approve the request or request of the participant of the conflict in accordance with the legislation, regulations, the Charter and internal documents of the Company;

f) ensuring that the competent person involved in the resolving of the conflict immediately informs that the conflict may or may not be in the best interests of his or his family members;

g) to ensure that persons whose interests are or may be affected by the conflict do not participate in the resolution and resolution of such conflict.

**a) Solving corporate conflicts among Company's shareholders as well as between the Company and its shareholders**

21. When the personal interests of members of the governing bodies of the Company affect or may affect the proper fulfillment of their duties on the management of the Company or in case of occurrence or possible conflict of interests between members of governing bodies and rights and legal interests of shareholders of the Company the corporate conflict occurs or may occur.

22. Sample list of situations in which corporate conflicts of interest may arise:

a) Conflict between large and small shareholders - on the use of the Company's profits, when minority shareholders receive only dividends and major shareholders receive income through the Company's financial flow management;

b) Conflict between large and small shareholders - cases where minority shareholders prefer to receive dividends, and major shareholders are interested in directing income to maintain and capitalize the Company's working capital;

c) Conflict with unintentional violation of the rules and regulations of corporate law, considered by shareholders as an infringement of their legal rights and interests - if the Company does not adequately disclose information about the Company, not inform shareholders about the upcoming general meeting of shareholders and violate other shareholders' rights;

d) if the Company intentionally violates shareholders' rights - refuses to provide shareholders with information on the Company's activities, refuses to include shareholders in the general meeting agenda and submits candidates to the Supervisory Board and Auditing Committee due to minor irregularities in the proposals received.

e) Conflict between the Company and the Shareholders - if the Company gives certain shareholders an advantage over other shareholders, for example, it pays dividends to the majority shareholders and then to minority shareholders;

f) Conflict between the shareholders of the Company and the heads of the executive body on the conscientious act of the effective management and executive body of the Company;

g) breaking the financial position and competitiveness of the Company, for example, trying to cover the Company or initiating bankruptcy procedures against it;

h) Conflicts involving minority shareholders in order to attract the Company or its major shareholders to pay minority shareholders (corporate intimidation) to buy or sell their shares at exceeding market value;

i) other situations.

**Keeping records of the corporate conflicts**

23. The basis for initiation of the process of consideration of corporate conflicts is the written request (statement, letter or request) of the parties to the Company.

Record keeping of corporate conflicts is assigned to the Company's Corporate Consultant or a member of the Supervisory Board acting as an acting representative. Record keeping of corporate

conflicts is kept in the Special Journal of Corporate Conflict Record, which is held by the Corporate Consultant or a member of the Supervisory Board.

#### **Procedure (Order) for solution of the corporate conflicts**

24. The Company's Corporate Consultant or Acting Supervisory Board member gives a preliminary assessment of the corporate conflict, prepare the necessary documents on the content of the issue and submit them to the body of the Company authorized to resolve the corporate conflict within 2 (two) working days.

25. If the consideration of corporate conflict is submitted to the Executive body for consideration, the Head of the Executive Body or his / her Deputy determines the order of conflict resolution and appoint an authorized person. If necessary, a commission is formed to collectively resolve conflicts of interest.

26. An authorized person (Commission) takes all measures to resolve the conflict of interest. In case of impossibility to resolve the conflict of interests the authorized person submits to the head of the executive body for consideration.

27. In case of impossibility to resolve the conflict of interests at the level of the head of the executive body, the Chairman of the Supervisory Board is informed of the conflict of interests.

28. The Chairman of the Supervisory Board provides the Conflict Resolution Committee of the Supervisory Board (independent member of the Supervisory Board responsible for conflict resolution) information on the corporate conflict, provided by the head of the executive body, as well as the Corporate Consultant or acting member of the Supervisory Board.

29. This information is handled by the Conflict Resolution Committee Supervisory Board (Working Group) (a member of the Supervisory Board responsible for conflict resolution, an independent member of the Supervisory Board).

30. The Company is responsible for maintaining the confidentiality of information provided and the resolution of corporate conflict.

31. Information received by the Conflict Resolution Committee of the Supervisory Board (Working Group on Conflict Resolution, Independent Member of the Supervisory Board) in order to assess the seriousness of the risks to the Company and to decide the best way to resolve conflicts of interest should be studied in detail.

32. In the course of the study the Company may conclude that the information provided by the shareholder is not a corporate conflict and as a result does not require special measures or methods of resolution.

#### **Measures to be taken for the corporate conflict solution**

33. The Company may use a variety of methods of conflict resolution, including the elimination of errors in the event of a conflict of interest and the supplementary agreement on measures to resolve the conflict, including:

a) providing, but not yet provided, information to the shareholder in accordance with the requirements of legislation and the Company's Information Policy Regulations;

b) payment of dividends accrued but unpaid to the shareholder within the terms established by the Law and the Company's Charter;

c) renunciation of personal interests by a member of the Supervisory Board and the Executive Body, causing conflicts of interest to the Company's shareholders;

d) recognition of the Company's agreement invalid;

e) early termination of his/her powers by the head of the executive body in case of violation of the

labor contract with the Company;

f) early termination of his/her powers by the head of the executive body in cases of gross violation of the Company's Charter and damages to shareholders;

g) other measures.

34. To resolve the conflict between the shareholders:

a) Corporate consultant, members Conflict Resolution Committee of the Supervisory Board (Supervisory Board's responsible member for conflict resolution), Independent member of the Supervisory Board, participate in negotiations between shareholders, provide shareholders with information and documents related to their corporate conflict, legislative acts, may explain the Charter and internal documents of the Company;

b) An independent member of the Supervisory Board may act as an intermediary in resolving conflicts between the Company's shareholders;

c) Corporate consultant, members Conflict Resolution Committee of the Supervisory Board (Supervisory Board's responsible member), an independent member of the Supervisory Board, provide advice and recommendations to shareholders, prepare draft documents (agreements, etc.) for shareholders to sign; undertake obligations to the shareholders to the extent possible, within its authority, to assist in resolving the conflict on behalf of the Company;

d) Governing bodies of the Company, in accordance with their authority, organizes the implementation of the resolution on corporate conflict resolution and ensure the implementation of agreements signed on behalf of the Company with the participants of the conflict. If there is no dispute between the parties to the conflict and the Company regarding the nature of their obligations, but there are disagreements about the procedure, methods, timing and other terms of their performance, the Company proposes to the conflict party to resolve the disputes and express the terms and conditions of the Company's shareholder's readiness.

e) If the Company's consent to satisfy the shareholder's demands is related to the actions specified in the legislation, the Charter and internal documents of the Company, the Company's response indicates such conditions as well as the information required to fulfill them (for example, documents requested by the shareholder) or the amount of the Company's bank requisites for making copies).

35. An agreement to resolve a corporate conflict is accepted as follows:

a) in writing;

b) signed by the parties to the corporate conflict.

36. The established list of ways to resolve conflicts of interest is insufficient. In a particular case, other measures may be taken in accordance with the agreement between the Company and the employee who has identified the conflict of interest.

37. Corporate consultant of the Company analyzes the most common issues and demands of shareholders, makes a decision on the need to provide additional information to all shareholders on these issues, or to change the internal regulations and instructions to the executive director of the Company, to take other measures to eliminate the causes of such appeals. Makes proposals to improve the quality of services.

38. If, as a result of consideration of the conflict, it is necessary to develop and make changes to the existing internal documents of the Company, the Supervisory Board or the Executive Body decides on the development or amendment of the document.

39. At the end of the corporate conflict resolution, all materials (letters, correspondence (including e-mails), transcripts, letters of attorney, petitions, appeals, applications, notifications, etc.) is sent to the Company's archives for storage.

**Obligations of members of the Executive Body, officials and employees of the Company to disclose and solve the corporate conflicts**

40. In order to prevent and resolve corporate conflicts, the Company's management bodies are obliged to:

- a) acting for the benefit of the Company and its shareholders;
- b) adherence to the interests of the Company in making decisions in the process of management of the Company - not taking into account their own interests, the interests of close relatives, friends and other third parties;
- c) disclosure of information about its affiliates;
- d) disclosure of information about its affiliation in the transaction concluded by the Company in the manner prescribed by law;
- e) making decisions on the conclusion of large transactions in accordance with the requirements of the law and the Procedure for the conclusion of large transactions in the Company;
- f) making decisions on transactions with affiliates in accordance with the requirements of the law and the procedure for concluding transactions with affiliated persons of the Company;
- g) non-disclosure of confidential information of the Company;
- h) avoiding situations and situations that could lead to a conflict of interest (if possible);
- i) disclosure of conflicts of interest that may or may have occurred;
- j) assistance in resolving conflicts of interest.

**b) Resolving conflict of interests between the company and its counterparties**

41. Personal interests of the employee (direct and indirect), which may or may affect the proper performance of the duties entrusted to him/her, and may cause damage to the rights and interests of the Company, property and (or) business reputation, a conflict of interest may arise or may arise in the event of a conflict of interest between the Company and its counterparties.

42. Employee's personal interest is an employee's interest related to the ability of the employee to earn income related to money, valuables, other property or services, and other property rights for himself/herself, his/her immediate relatives and other third parties.

43. The Company's employees may use the following methods to disclose a conflict of interests:

- a) disclosure of information on conflict of interests at the time of employment;
- b) disclosure of information on conflict of interests at the new appointment;
- c) disclosure of information once the conflict of interest arises;
- d) disclosure of Conflict of Interest during the annual attestation for compliance with business ethics standards.

44. Disclosure of conflict of interest is made by submitting a written notification to the head of the employee, the head of the internal control service (internal audit service), and the head of the personnel management unit.

**Keeping records of appeals of counterparties and employees of the Company**

45. A written statement (statement, letter or request) of the Company employee or the Company's contractor sent to the Company on the occurrence of a conflict of interests is the basis for initiating the conflict of interest consideration.

46. The head of the Company's employee, the head of the Internal Audit Service (the Internal Audit Service), the head of the HR department, the head of the Executive body are responsible for receiving information on emerging (existing) conflicts of interest.

47. Information about conflict of interests is kept in a special journal of recording conflicts of interest between the Company and its counterparties, which are in the reception of the head of the executive body.

48. A typical list of situations that may lead to a conflict of interest between the Company and its counterparties, given the specific nature of the Company's activities:

a) Preference of one client over another (for the supply of goods (goods), works or services, price policy, etc.)

b) Conflict of interest may occur if the principle of remuneration of the Company's employees leads to the limitation of the interests of the Company's client;

c) Disclosure by the Company of confidential information that became known to the Company during its dealings with the contractor;

d) Misconduct in the course of servicing the Company employee when receiving or demanding material wealth from the client or demanding that the client be provided free of charge;

e) A conflict of interest may arise if the Company's employee is a co-owner of a commercial organization competing with the Company's Contractor;

f) Preference for an audit organization in which the members of the Company's governing bodies are directly or indirectly interested;

g) Preference of an independent organization, members of which are directly or indirectly interested in the selection of an independent organization to evaluate the corporate system of the Company;

h) Conflict between the Company and its employees as a result of the Company's employee being employed by the Company, not with the Company, but directly or indirectly, by an employee of the Company;

i) Conflict between the Company and its employees as a result of the employee using the Company's confidential information for their own personal purposes;

j) Conflict between the Company and the employees as a result of the transfer of confidential information to other employees who do not have access to it;

k) Conflict between the Company's employees - if it is allowed by some employees to go beyond their authority;

l) Conflict between the Company's employees - preventing one employee from carrying out his or her official duties;

m) other situations.

#### **The order of resolving of the conflict of interests**

49. When a company employee receives information from a contractor or other source of collision, he or she must immediately notify a higher official. If it is impossible to resolve the conflict at the level of the Company's structural subdivision, the head of the subdivision within one (1) business day provides information on the objection, the reasons for its occurrence, and the measures taken. The head of the executive body or his/her deputy determines the procedure for the resolution of the conflict, appoints the authorized person. If necessary, a Commission for the resolution of the conflict of interests establishes for collective consideration of the issues.

50. The Authorized Person (Commission) takes all measures to resolve the conflict of interest. If it is impossible to resolve the conflict of interests, the authorized person submits the matter to the head of the Executive body for consideration.

51. If it is impossible to resolve the conflict of interests at the level of the head of the executive body, the information on the conflict is communicated to the Chairman of the Supervisory Board.

52. This information is handled by the Supervisory Board Committee for the Resolving of Conflict of Interest (an independent member of the Supervisory Board responsible for resolving conflicts of interest, a member of the Supervisory Board).

53. The Company undertakes to consider the provided information confidential and resolve conflicts of interest

54. The information received should be carefully checked by The Authorized Person (Commission) to assess the seriousness of the Company's risks and to choose the most appropriate way of resolving conflicts of interest.

55. During the study, the Company may conclude that the information provided by the employee is not a conflict of interest and as a result does not require special measures or methods of resolution.

#### **Measures (methods) to be taken to resolve the conflict of interests**

56. The Company may come to the conclusion that there is a conflict of interest and may use a variety of ways to resolve it, including:

- a) restriction of access to certain information that affects the personal interests of the employee;
- b) refusal or dismissal (permanent or temporary) of a Company employee's discretion to participate in discussions and decision-making on matters affecting or potentially affecting a conflict of interest;
- c) review or change of employee duties;
- d) suspension of an employee temporarily if his personal interests contradict his / her duties;
- e) transfer of an employee to a position requiring the performance of duties not related to the conflict of interests;
- f) transfer of property to the trustee, which is the basis of the employee's conflict of interests;
- g) renunciation of personal interests by the employee causing conflict of interests with the Company;
- h) dismissal from the Company on the initiative of the employee;
- i) dismissal on the initiative of the employer for committing disciplinary actions by the employee, that is, failure or improper performance by the employee of his/her duties.

57. The list of possible ways of resolving a conflict of interests is insufficient. By the agreement of the employee who disclosed information about the Company and the conflict of interest for a particular case, other forms of resolution can be found.

58. Taking into account the specific situation, the most "soft" measure is the solution to the possible conflict of interests. Strict measures can be applied where required or if the response is not effective.

59. It is important to take into account the importance of the personal interests of the employee in making a decision on the best way to resolve the conflict of interests and that this personal interest may be detrimental to the interests of the Company.

#### **Obligations of the Company's employees to disclose and resolve the conflict of interests**

60. The employees of the Company for the disclosure and resolution of conflicts of interests are obliged to:

a) adherence to the interests of the Company in making business decisions and in carrying out their duties - not taking into account their own interests, the interests of close relatives, friends and other third parties;

b) avoiding situations and situations that could lead to a conflict of interest (if possible);

c) disclosure of a conflict of interest that may or may have occurred;

d) assist to solve occurred conflict of interests.

## **VII. FINAL PROVISIONS**

62. This Regulation comes into force upon the approval of the General Meeting of Shareholders.

The decision of the General Meeting of Shareholders on approval of the present Regulation is adopted by the majority of votes of the shareholders presenting at the General Meeting of Shareholders.

63. Amendments and / or additions may be made to this Regulation in connection with changes and / or additions to the Legislation, the Charter and internal documents of the Company and in other cases.

Changes and additions to the present Regulation comes into force upon the approval of the General Meeting of Shareholders.

The decision of the General Meeting of Shareholders on approval of amendments and additions to the present Regulation is adopted by the majority of votes of the shareholders presenting at the General Meeting of Shareholders.

64. If some articles of this Regulation contradict the current legislation of the Republic of Uzbekistan and / or the Charter of the Company, these articles ceases to exist and the issues regulated by these articles are regulated by the current legislation of the Republic of Uzbekistan and / or the Charter of the Company.