

Regulations¹ on the procedure for conflict of interests of joint-stock company "Uzavtosanoat"

I. General provisions

1.1. The present Regulation is developed in accordance with the current legislation of the Republic of Uzbekistan, Charter of the joint stock company "Uzavtosanoat" (hereinafter – the Company), the corporate governance Code approved by minutes of the meeting of the Commission on increase of efficiency of activity of joint-stock companies and improve the corporate governance system from 31.12.2015 No. 9 and determines the procedure for identifying and resolving conflicts of interests arising in the Company.

1.2. When implementing activities, the Company may experience conflicts of interest because of the contradictions between material or other interests of the Company (its management bodies and control, officials, employees) and property or other interests of creditors, and counterparties, as a result of actions (inaction) of bodies of management and control of the Company and (or) its employees may be admitted in cases of violation of rights and legitimate interests of contractors.

In addition, possible conflicts of interest (corporate conflict) between the interests of the shareholders of the Company, between the interests of the management bodies and the control of the Company and shareholder (shareholders).

1.3. In this Regulation deals with the following cases of conflicts of interest:

- between the Company's management bodies and its shareholder (shareholders);
- between the management bodies and control bodies of the Company, officers, employees and contractors;
- between the Company and officials and employees of the Company in the exercise of their duties.

II. The circle of persons who fall under the regulations

2.1. The provision extends to the management and control of the company and all its employees, regardless of grade level.

2.2. Compliance with the present Regulations apply to natural persons cooperating with the Company on the basis of a civil contract in those cases where the relevant obligations are set out in contracts with them, in their internal documents or directly arise from the law.

III. The basic principles of the conflict of interest management in the Company

3.1. Managing conflict of interest in the Company is based on the following principles:

¹ This Regulation was approved in Russian. Translation of the text into English is informative. If there are any ambiguities, should be referred to the text of the Regulation in Russian.

- mandatory disclosure of real and potential conflict of interest;
- individual consideration and evaluation of the reputational risks for the Company in the identification of each conflict of interest and its resolution;
- strict confidentiality of the process of disclosure of conflict of interest and its resolution;
- observance of balance of interests of management bodies and the control of the Company and its employees in resolving conflict of interest;
- face protection from prosecution in connection with a report on conflict of interests, promptly disclosed by the employee, and handled (prevented) by the Company.

IV. The reasons (conditions) conflicts of interests

4.1. Conflicts of interest that may arise between the management bodies and control bodies, officers, employees and counterparties as the result of:

- failure to comply with legislation, constituent and internal documents of the Company;
- the rules of business communication and principles of professional ethics;
- non-performance of contractual obligations, both on the part of the Company and to the counterparties;
- failure to perform their duties established by legislation and internal documents of the company.

4.2. Conflicts of interest that may arise between the Company and officers, employees as the result:

- violations of the requirements of legislation and internal documents of the Company;
- the rules of business communication and principles of professional ethics;
- of business, self and family members;
- the availability of financial interests in another company with which the Company maintains business relationships.

V. The prevention of conflicts of interest

5.1. The Company's Charter and its internal documents provide for common mechanisms to prevent conflicts of interest.

This Regulation establishes measures to prevent conflicts of interest, which are binding on bodies of the management and control of the Company, the officers and employees of the Company.

5.2. In order to prevent any types of conflicts of interests of management bodies, control bodies, officers and employees of the Company must:

- to comply with the requirements of laws, regulations, Charter and internal documents of the Company;
- to refrain from taking actions and making decisions that can lead to conflict situations;
- to ensure the effective management of the Company;

- to exclude the possibility of involvement of the Company in unlawful activities, including legalisation (laundering) of income obtained by criminal means and the financing of terrorism;
- to ensure the highest possible efficiency in the production of goods (works and services)
- quarterly report to the government in accordance with the legislation;
- to carry out internal and external control in accordance with the Charter and internal documents of the Company;
- to submit the Supervisory Board a major transaction, single transaction or series of related transactions, which amounts exceed the sizes established by the legislation and the Charter of the Company;
- to carry out the study of bodies of the control conditions of large-scale transactions and transactions with affiliates;
- to provide accounting information on affiliated persons;
- to ensure the development and compliance with the orders of transactions:
 - a) with affiliates;
 - b) with the Company's shareholders and their affiliated entities;
- not to make large transactions and transactions with affiliates without prior approval by the authorized bodies of the Company;
- to carry out information disclosure on Company's activities in accordance with the requirements of the applicable legislation and additional information according to the Regulation on information policy of the Company;
- to ensure the reliability of accounting statements and other published information provided to shareholders, regulatory authorities and oversight, and other key stakeholders, including for promotional purposes;
- to develop and improve measures to prevent the personal use of the Company's information by persons having access to such information;
- timely to consider the reliability and objectivity of negative information about the Company in mass media and other sources.
- to provide timely response in each case and the emergence of negative or false information;
- to ensure sustainable achievement of profitability by the Company in the medium and long term;
- participate in the identification of deficiencies of the internal control system of the Company;
- to ensure the adequacy of remuneration provided to members of organs of management and control the financial condition of the Company and how the achieved results of the Company's activities correspond to the planned indicators;
- to observe the principles of professional ethics.

5.3. In order to prevent conflicts of interest between shareholders and between management bodies and Supervisory bodies, officials and employees of the Company and its shareholder (shareholders), bodies of management and control, officers, employees also have a duty:

- to ensure the timely making available to shareholders a clear and justified position of the Company in ensuring legal rights of shareholders;
- the timely payment of accrued dividends;
- to provide shareholders with comprehensive information on matters which may become the subject of conflict;
- to identify transactions, interested-party transactions members of the management bodies of the Company the acquisition of shares (shares) of competing companies, as well as participation in the management bodies of such persons;
- to strive to ensure that the composition of the Supervisory Board nominated independent members to ensure objectivity, balance and independence of management decisions.

5.4. In order to prevent conflicts of interest between management and control, officers and employees of the Company, controls and monitoring, officers, employees also have a duty:

- to provide information about the company in the prescribed manner;
- to ensure strict compliance with the rules of using confidential and other important information;
- to improve system of preservation of the created, acquired and accumulated in the operation process of the Company information so that without the consent of the management bodies of the Company or authorized officials of the information related to official or commercial secret held by the Company on paper, magnetic and other types of its media, has not been the subject of sale, transfer, copying, reproduction, exchange and other distribution and replication.

5.5. In order to prevent conflicts of interest between the company and the officials and employees in the performance of their official duties, officers and employees are also required to:

- to comply with the norms of business communication and principles of professional ethics;
- to enter into contracts in the prescribed manner;
- timely inform the superior officer about the occurrence of circumstances conducive to the emergence of a conflict situation;
- notify a superior about the organizations in which the official or his family members have substantial financial interest and with which the Company conducts or supposes to conduct business;
- to refrain from any activity that directly affects the relationship between the Company and organizations in which the official or his family members have substantial financial interest or are affiliated entities;
- first obtain the permission of the head of the Executive body of the Company to participate in the management bodies of another organization whose interests may conflict with the interests of the Company;
- inform superior officer of his intention to work part-time in another organization and provide information confirming that the proposed work is not contrary to the interests of the Company.

VI. The resolution of conflicts of interest

6.1. To resolve conflicts of interest that arise in the Company bodies of management and control, officers and employees of the Company carry out pre-trial procedures with the aim of finding a solution that, being legitimate and justified, would be in the interests of the Company.

6.2. Officials are obliged to ensure the keeping and timely consideration of letters, statements and requirements (including oral) shareholders entering the name of the management bodies and control, corporate Secretary and structural subdivisions.

6.3. Records of corporate conflicts is imposed on the corporate Secretary of the Company. The corporate Secretary of the Company gives a preliminary assessment of the corporate conflict, prepares the necessary documents on the merits, and in agreement with the Supervisory Board of the Company passes them in the body of the Company, whose terms of reference cover the consideration of a corporate conflict.

6.4. The corporate Secretary of the Company analyzes the frequently asked questions and requirements of shareholders, decides on the need to provide additional information to shareholders on these matters or makes a proposal to the head of the Executive body of the Company to change internal procedures and instructions, conducting other measures to tackle the causes of this kind of treatment.

6.5. The employee who received information about situations of conflict, shall immediately inform the hierarchical superior. In case of impossibility of settlement of the conflict at the level of structural subdivisions, the head is obliged within one working day submit to the head of the Executive body or his Deputy the information about the conflict, its causes, the measures that have been taken. The head of Executive body or his Deputy determines the order of conflict resolution, appoint an authorised person. If necessary, create a Commission for resolving conflict of interest.

6.6. The authorized person (Commission) takes all measures to resolve the conflict of interests. If you cannot settle the conflict of interests the head of the Executive authority shall issue to the Board for review, sends information about the conflict to the Chairman of the Supervisory Board.

6.7. This information is considered by the Committee (working group) under the Supervisory Board established to identify and resolve conflict situations.

6.8. Data on conflict, which at any stage of its development affects or may affect the interests of the head of the Executive body of the Company or his deputies, within three business days transmitted for decision on the procedure for the settlement of the conflict of the Supervisory Board for subsequent consideration by the Committee (working group) and the submission to the Supervisory Board opinions on this issue.

6.9. If the outcome of the conflict, there is a need to develop or amending existing internal documents of the Company, the Supervisory Board or Executive body makes the decision on the elaboration of the document or making the appropriate changes.

6.10. The Company's management bodies to resolve any conflict of interest arising in the Company are required:

- to quickly identify arising conflicts of interest, to determine their causes;
- clearly delineate the authority and responsibility of management bodies of the Company;

- to identify the authorized person of the Company or, if necessary, to create a Commission to resolve the conflict;
- in the shortest possible time to determine the Company's position on the merits of the conflict, make a decision and submit it to the other side of the conflict;
- be sent to the other side of the conflict a full and comprehensive answer, clearly substantiating the Company's position in the conflict, and the message about the rejection of the request or demand of a party to the conflict to motivate on the basis of legislation, regulations, Charter and internal regulations approved by the General meeting of shareholders of the Company;
- to ensure that the authorised person involved in the conflict, immediately reported that the conflict affects or may affect its interests or the interests of the members of his family;
- to ensure that persons whose interests are affected or might affect the conflict, did not participate in the resolution and decision on this conflict.

6.11. This list of measures is not exhaustive. In each case, can be other forms of conflict resolution depending on the sector of conflict of interest.

VII. Final provisions

7.1. The present regulations as well as amendments and additions thereto shall be approved by decision of the sole shareholder of the Company

7.2. If certain provisions hereof come into conflict with the current legislation of the Republic of Uzbekistan and/or the Company's Charter, these articles lose force, and in part dealt with in these articles questions should be guided by the current legislation of the Republic of Uzbekistan and/or articles of Association until the corresponding modifications to this statement.