



"APPROVED"

General meeting of shareholders

"Samarqanddonmahsulotlari" JSC

From "28" June 2016.

Protocol №1

MODEL STATUS
ON THE ORDER OF ACTION IN THE CONFLICT OF
INTERESTS
Joint Stock Company
"Samarqanddonmahsulotlari"

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I. GENERAL PROVISIONS

1. This Regulation has been developed in accordance with the current legislation of the Republic of Uzbekistan, the charter of the joint stock company "Samarqanddonmahsulotlari" (hereinafter - the Company), the Code of Corporate Governance and determines the procedure for identifying and resolving conflicts of interest arising in the society.
2. In the conduct of the company's activities, conflicts of interests may arise due to a contradiction between the property or other interests of the Company (its management and control bodies, officials, employees) and the property or other interests of creditors, counterparties and other customers (hereinafter referred to as Clients), when as a result Actions (inaction) of the management and control bodies of the Company and (or) its employees, violations of the rights and legitimate interests of shareholders may be allowed. In addition, conflicts of interest (corporate conflict) may arise between the interests of the Company's shareholders, between the interests of the Company's management and control bodies and the shareholder (s).
3. In this Regulation, the following cases of conflicts of interest are considered:
Between majority shareholders (shareholders holding large blocks of shares) and minority shareholders (shareholders holding a small number of shares);
Between the management bodies of the Company and its shareholder (shareholders);
Between the management bodies and the company's control bodies, officials, employees of the Company and the Clients;
Between the Company and officials, employees of the Company in the performance of their official duties.

II. CIRCLE OF PERSONS AFFECTING THE POSITION

4. The provision applies to members of the management and control bodies and all employees of the company, regardless of the level of the position held.
5. Requirements for compliance with this Regulation apply to individuals cooperating with the Company on the basis of a civil law contract in cases where the relevant obligations are fixed in contracts with them, in their internal documents or directly flow from the law.

III. THE BASIC PRINCIPLES OF MANAGING THE CONFLICT OF INTERESTS IN THE SOCIETY

6. Management of the conflict of interests in the Company is based on the following principles:

Mandatory disclosure of information about a real and potential conflict of interest;

Individual consideration and assessment of reputational risks for the Company in case of revealing of each conflict of interests and its settlement;

Strict confidentiality of the process of disclosing information about a conflict of interest and its settlement;

Observance of the balance of interests of the management and control bodies of the Company and its employees when resolving a conflict of interests;

Protection of a person from prosecution in connection with the communication of a conflict of interest, promptly disclosed by an employee and regulated (prevented) by the Company.

IV. CAUSES OF CONFLICTS OF INTERESTS

7. Conflicts of interests that may arise between the majority and minority shareholders of the Company, between the management bodies of the Company and shareholders as a result of:

Non-observance of requirements of the legislation, normative acts and internal documents of the Company;

The inability of minority shareholders to exercise significant influence over the Company's activities and on decisions taken by the general meeting of shareholders and the supervisory board;

Conclusion of major transactions and transactions with affiliates, without prior approval by authorized management bodies;

Adoption by the management bodies of decisions that may lead to a deterioration of the financial condition of the Company;

Non-disclosure of information in accordance with the current legislation, or provision of incomplete information by persons who are members of the Company's management bodies, positions held in management bodies of other organizations, ownership of shares (shares) in other companies.

8. Conflicts of interests that may arise between management bodies and control bodies, officials, employees and customers as a result of:

Non-observance of the legislation, constituent and internal documents of the Company;

Non-observance of the principle of priority of interests of the Company's shareholders;

Non-observance of norms of business communication and principles of professional ethics;

Non-fulfillment of contractual obligations, both on the part of the Company and on the part of the Clients;

Non-fulfillment of their duties, established by the legislation and internal documents of the company.

9. Conflicts of interests that may arise between the Company and officials, employees as a result of:

Violation of the requirements of the legislation and internal documents of the Company;

Non-observance of norms of business communication and principles of professional ethics;

Conducting business activities, both by one's own and family members;

Availability of financial interests in another company with which the Company maintains business relations;

Work part-time in another organization as a manager, an official or participation in its management bodies;

Providing business opportunities to other organizations to the detriment of the interests of the Company due to personal interests.

V. PREVENTION OF CONFLICTS OF INTERESTS

10. The Charter of the Company and its internal documents provide for general mechanisms for the prevention of conflicts of interest.

These Regulations establish measures to prevent conflicts of interest that are mandatory for the management and control bodies of the company, officials and employees of the Company.

11. In order to prevent any kind of conflicts of interest, the management bodies, control bodies, officers and employees of the Company shall:

Comply with the requirements of legislation, regulations, charter and internal documents of the Company;

Ensure a sustainable achievement of profitability by the Company in the medium and long term;

Refrain from committing actions and taking decisions that could lead to the emergence of conflict situations;

Ensure effective management of society;

To exclude the possibility of involving the Company in illegal activities, including the legalization (laundering) of proceeds from crime and the financing of terrorism;

To ensure the maximum possible effectiveness in the production of goods (works and services);

Quarterly report to the management bodies in accordance with the law;

To exercise internal and external control in accordance with the Charter and internal documents of the Company;

To submit to the supervisory board for major transactions, individual transactions or a number of interrelated transactions, the amounts of which exceed the amounts established by the legislation and the charter of the company;

To study the conditions for the conduct of major transactions and transactions with affiliated entities by the control bodies;

If necessary, involve an independent appraiser to determine the market value of the property, with the approval of the Supervisory Board of decisions to conduct transactions in accordance

With the requirements of legislation;

Ensure accounting of information on affiliated persons;

Ensure the development and compliance with the order of transactions:

A) with affiliated persons;

B) with the shareholders of the Company and their affiliates;

Do not make major transactions and transactions with affiliates without prior approval by the authorized bodies of the Company;

Do not hold positions in the management and control bodies of other legal entities, without the permission of higher authorities;

To disclose information on the Company's activities in accordance with the requirements of the current legislation and additional information in accordance with the Regulations on the Information Policy of the Company;

Ensure the reliability of financial statements and other published information provided to shareholders and customers, regulators and supervisors and other interested parties, including for advertising purposes;

To develop and improve measures to prevent the use in the personal purposes of information available in the Company by persons who have access to such information;

Timely to consider the reliability and objectivity of negative information about the Company in the media and other sources. To timely respond to each occurrence of negative or inaccurate information;

Participate in the identification of deficiencies in the Company's internal control system;

Ensure the adequacy of the remuneration paid to members of the management and control bodies of the financial condition of the Company, as well as the extent to which the Company's performance results are in line with the planned indicators;

Respect the principles of professional and corporate ethics.

2. In order to prevent conflicts of interests between shareholders of the Company, as well as between management bodies and control bodies, officials, employees of the Company and its shareholder (shareholders), management and control bodies, officials, employees of the Company are also obliged: To observe the rights of majority and minority shareholders, stipulated by the Law "On Joint Stock Companies and Protection of Shareholder Rights", normative acts, the Charter and internal documents of the Company;

Ensure timely delivery of information to shareholders, subject to disclosure in accordance with the law;
Timely pay out accrued dividends;

To provide shareholders with exhaustive information on issues that may become a subject of conflict;
To identify transactions in which there is an interest of members of the Company's management bodies when acquiring shares (stakes) of a competing company, as well as participation in the management bodies of such persons;

Seek to ensure that the members of the supervisory board are nominated independent members to ensure the objectivity, balance and independence of management decisions.

13. In order to prevent conflicts of interests between management and control bodies, officials, employees of the Company and Clients, management and control bodies, officials, employees of the Company are also obliged:

Ensure the provision of information about the society in accordance with the established procedure;
Ensure strict observance of the procedure for the use of confidential and other important information;
To study the conditions for the conduct of major transactions and transactions with affiliated entities by the control bodies;

If necessary, involve an independent appraiser to determine the market value of the property, with the approval of the Supervisory Board

With the requirements of legislation;

Ensure accounting of information on affiliated persons;

Ensure the development and compliance with the order of transactions:

A) with affiliated persons;

B) with the shareholders of the Company and their affiliates;

Do not make major transactions and affiliates without prior approval by the authorized bodies of the Company;

Do not hold positions in the management and control bodies of other legal entities, without the permission of higher authorities;

To disclose information on the Company's activities in accordance with the requirements of the current legislation and in accordance with the Regulations on the Information Policy of the Company;

Ensure the reliability of financial statements and other published information provided to shareholders and customers, regulators and supervisors and other interested parties, including for advertising purposes;

To develop and use measures to prevent the use in the personal use of the information that is available to the Company by individuals who have access to such information;

Timely to consider the reliability and objectivity of negative information about the Company in the media and other sources. To respond to each occurrence of negative or inaccurate information;

Participate in the identification of deficiencies in the Company's internal control system;

Ensure the adequacy of the remuneration is paid to members of the management and control bodies of the financial condition of the Company, as well as to the extent to which the Company's performance results are in line with the paid indicators;

Respect the principles of professional and corporate ethics.

12. In order to prevent conflicts of interests between shareholders of the Company, as well as between management bodies and control bodies, officials, employees of the Company and its shareholder (shareholders), management and control bodies, officials, employees of the Company Also obliged:

To observe the rights of the majority and minority shareholders, stipulated by the Law "On Joint Stock Companies and Protection of Shareholders Rights", normative acts, the Charter and internal documents of the Company;

Ensure timely delivery of information to shareholders, subject to disclosure in accordance with the law;

Timely pay out accrued dividends;

To provide shareholders with exhaustive information on issues that may become a subject of conflict;

To identify transactions in which there is an interest of the members of the Company's management bodies when acquiring shares (stakes) of a competing company, as well as in the management bodies of such persons;

Seeking to ensure that the members of the supervisory board are nominated by independent members to ensure the objectivity, balance and independence of management decisions.

13. In order to prevent conflicts of interest between management and control bodies, officials, employees of the Company and Clients, management and control bodies, officials, employees of the Company are also obliged:

Ensure the provision of information about the society in accordance with the established procedure;

Ensure strict observance of the procedure for the use of confidential and other important information;

Change internal regulations and instructions, conduct other activities to eliminate the causes of this kind of conflict.

19. An employee who has received information about the conflict situation from the Client or from other sources is obliged to immediately inform the higher official about this. If it is impossible to resolve the conflict at the level of the structural unit, the head of the unit is obliged within one working day to provide the head of the executive body or his deputy with information about the conflict, the reasons for its occurrence, and the measures that have been taken. The head of the executive body or his deputy determines the order of the conflict settlement, appoints the authorized person. If necessary, a commission is created to resolve the conflict of interests.

20. The authorized person (commission) shall take all measures to resolve the conflict of interests. If it is impossible to resolve a conflict of interests, the head of the executive body submits the matter to the board for consideration, sends information on the conflict to the chairman of the supervisory board.

21. This information is considered by the committee (working group) with the supervisory board established to identify and resolve conflict situations.

22. Information on a conflict that 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 is forwarded within three working days to a decision on the procedure for resolving the conflict to the supervisory board for further consideration by the committee (working group) And the provision of an opinion on this issue to the supervisory board.

23. If, as a result of the consideration of the conflict, it becomes necessary to develop or amend the existing internal documents of the Company, the supervisory board or the executive body shall decide on the development of the document or make appropriate changes.

24. The Company's management bodies for the settlement of any kind of conflict of interests arising in the Company are obliged:

As quickly as possible to identify emerging conflicts of interest, determine their causes;

Clearly delineate the competence and responsibility of the Company's management bodies;

Determine the authorized person of the Company or, if necessary, create a commission for the settlement of the conflict;

As soon as possible to determine the position of the Company on the merits of the conflict, take an appropriate decision and bring it to the attention of the other party to the conflict;

To send to the other side of the conflict a full and detailed answer that clearly substantiates the position of the Company in the conflict, and to inform the refusal to satisfy the request or demand of the party to the conflict on the basis of legislation, regulations, charter and internal regulatory documents approved by the

general meeting of shareholders of the Company;

Ensure that the authorized person who participated in the resolution of the conflict immediately reported that the conflict affects or may affect his interests or the interests of his family members;

Ensure that persons whose interests affect or may affect the conflict, did not participate in the resolution and decision-making on this conflict.

25. To resolve conflicts between shareholders, between the Company's management bodies and shareholders:

An independent member of the supervisory board may act as an intermediary in the settlement of the conflict that arose between the shareholders of the Company;

An authorized person or an authorized body of the Company may participate in negotiations between shareholders, provide shareholders with information and documents available to them and related to the conflict, explain the norms of the legislation, the charter and internal documents of the Company;

Authorized bodies or authorized persons of the Company give advice and recommendations to shareholders, prepare draft documents on the settlement of the conflict for signing them. Shareholders, on behalf of the Company, within their competence, take obligations to shareholders insofar as this can contribute to the settlement of the conflict;

The management bodies of the Company in accordance with their competence must organize the implementation of a resolution on the resolution of a corporate conflict and facilitate the implementation of agreements signed on behalf of the Company with a participant in the conflict. In cases where there is no dispute between the party to the conflict and the Company on the merits of their obligations, but there are disagreements about the procedure, method, timing and other conditions for their implementation, the Company shall invite the participant of the conflict to settle the disputes and set out the conditions under which the Company is ready to satisfy the shareholder's demand ;

If the consent of the Company to satisfy the shareholder's requirement is associated with the need for this party to perform any actions stipulated by the legislation, the Charter or other internal documents of the Company, the Company's response specifies such conditions in an exhaustive manner, as well as information necessary for their fulfillment (for example, the fee For making copies of the documents requested by the shareholder or bank details of the Company, etc.).

26. This list of measures is not exhaustive. In each specific case, there may be other forms of conflict settlement depending on the sector of conflict of interest.

VII. FINAL PROVISIONS

27. This Regulation, as well as amendments and supplements thereto, shall be approved by the general meeting of shareholders by a simple majority of votes.

28. If certain provisions of these Regulations conflict with the current legislation of the Republic of Uzbekistan and / or the Charter of the Company, these articles become invalid and, in accordance with the provisions of the current legislation of the Republic of Uzbekistan and / or the Company's Charter, This Regulation.