APPROVED
at the general meeting of
shareholders of UZCE
June 29, 2016

(Protocol No. 73)

REGULATIONS
ON THE PROCEDURE FOR ACTION IN THE CASE OF A CONFLICT OF INTEREST OF THE JOINT STOCK COMPANY "UZBEK REPUBLICAN CURRENCY EXCHANGE"

I. GENERAL PROVISIONS

1. This Regulation has been developed in accordance with the legislation of the Republic of Uzbekistan, the 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 dated December 31, 2015 No.9, and the Charter of the Uzbek Republican Currency Exchange JSC (hereinafter - UZCE).

2. These Regulations determine the procedure for identifying and resolving conflicts of interest that arise at UZCE.

3. When carrying out the activities of the UZCE, conflicts of interest may arise due to a contradiction between the property or other interests of the UZCE (its management and control bodies, officials, employees) and the property or other interests of participants in exchange trading (hereinafter referred to as Dealers), when as a result of the action (inaction) of the management and control bodies of the UZCE and (or) its employees may be allowed to violate the rights and legitimate interests of shareholders.

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

4. These Regulations address the following cases of conflicts of interest:

between majority shareholders (shareholders owning large blocks of shares) and minority shareholders (shareholders owning a small number of shares);

between the management bodies of UZCE and its shareholder (shareholders);

between management and control bodies of UZCE, officials, employees of UZCE and Dealers;

between UZCE and officials and employees of UZCE in the performance of their official duties.

II. RANGE OF PERSONS COVERED BY THE REGULATION

5. The Regulations apply to members of management and control bodies and all employees of UZCE, regardless of the level of their position.

6. The requirements for compliance with these Regulations apply to individuals cooperating with UZCE on the basis of a civil contract in cases where the corresponding

obligations are enshrined in contracts with them, in their internal documents.

III. BASIC PRINCIPLES OF CONFLICTS OF INTEREST MANAGEMENT AT UZCE

7. Conflict of interest management at UZCE is based on the following principles:

mandatory disclosure of information about real and potential conflicts of interest;

individual consideration and assessment of reputational risks for UZCE when identifying each conflict of interest and its resolution;

strict confidentiality of the process of disclosing information about conflicts of interest and its resolution;

maintaining a balance of interests of the management and control bodies of UZCE and its employees when resolving conflicts of interest;

protection of a person from prosecution in connection with a report of a conflict of interest, timely disclosed by an employee and resolved (prevented) by the UZCE.

IV. REASONS (CONDITIONS) FOR CONFLICTS INTERESTS

8. Conflicts of interest that may arise between the majority and minority shareholders of UZCE, between the management bodies of UZCE and shareholders as a result of:

non-compliance with the requirements of legislation, the Charter and internal documents of the UZCE;

the inability of minority shareholders to exert a significant influence on the activities of UZCE and on decisions taken by the general meeting of shareholders and the Supervisory Board of UZCE;

concluding major transactions and transactions with affiliates, without prior approval from authorized management bodies;

adoption by management bodies of decisions that may lead to a deterioration in the financial condition of the UZCE;

non-disclosure of information in accordance with the law or provision of incomplete information by persons included in the management bodies of UZCE about positions held in the management bodies of other organizations, about ownership of shares (shares) of other companies.

9. Conflicts of interest that may arise between management and control bodies, officials, employees and Dealers as a result of:

non -compliance with the requirements of legislation, the Charter and internal documents of the UZCE;

non-compliance with the principle of priority of interests of UZCE shareholders;

non-compliance with the norms of business communication and principles of professional ethics;

failure to fulfill contractual obligations, both on the part of UZCE and on the part of Dealers;

failure to fulfill their duties established by law and internal documents of the UZCE.

10. Conflicts of interest that may arise between UZCE and officials and employees as a result of:

violations of the requirements of legislation and internal documents of UZCE;

non-compliance with the norms of business communication and principles of professional ethics;

conducting commercial activities, both one's own and those of family members;

presence of financial interests in another organization with which UZCE maintains business relations;

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

providing business opportunities to other organizations to the detriment of the interests of UZCE due to personal interests.

V. PREVENTING CONFLICTS OF INTEREST

11. In order to prevent any types of conflicts of interest, management bodies, control bodies, officials and employees of UZCE are obliged to:

comply with the requirements of legislation, the Charter and internal documents of the UZCE;

ensure sustainable achievement of profitability of UZCE in the medium and long term;

refrain from taking actions and making decisions that could lead to conflict situations;

ensure effective management of UZCE;

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

ensure the highest possible efficiency in the provision of services;

report quarterly to management bodies in accordance with the law;

carry out internal and external control in accordance with the Charter and internal documents of UZCE;

submit for consideration of the Supervisory Board of the UZCE large transactions, individual transactions or a number of interrelated transactions, the amounts of which exceed the amounts established by law and the Charter of the UZCE;

carry out the study by control bodies of the conditions for making major transactions and transactions with affiliates;

if necessary, involve an independent appraiser to determine the market value of the property, upon approval by the Supervisory Board of the UZCE of decisions on conducting transactions in accordance with the requirements of the law;

ensure accounting of information about affiliated persons;

ensure the development and compliance with the procedure for completing transactions:

a) with affiliates;

b) with shareholders of UZCE and their affiliates;

not to carry out major transactions and transactions with affiliates without prior approval by their authorized bodies of the UZCE;

not hold positions in management and control bodies of others legal entities, without the permission of the Supervisory Board of UZCE;

disclose information about the activities of the UZCE in accordance with the requirements of the law and additional information in accordance with the Regulations on the information policy of the UZCE;

ensure the reliability of financial statements and other published information provided to shareholders, regulatory and supervisory authorities and other interested parties, including for advertising purposes;

develop and improve measures to prevent the use for personal purposes of existing UZCE information by persons who have access to such information;

timely consider the reliability and objectivity of negative information about UZCE in the media and other sources. Carry out a timely response to each fact of the appearance of negative or unreliable information;

participate in identifying shortcomings in the internal control system of UZCE;

ensure the adequacy of remuneration paid and compensation to members of management and control bodies for the financial condition of the UZCE, as well as to the extent to which the achieved results of the UZCE activities correspond to the planned indicators;

comply with the principles of professional and corporate ethics.

12. In order to prevent conflicts of interest between shareholders of UZCE, as well as between management and control bodies, officials, employees of UZCE and its shareholder (shareholders), management and control bodies, officials, employees of UZCE are also obliged to:

comply with the rights of majority and minority shareholders, enshrined in the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights”, regulations, the Charter and internal documents of the UZCE;

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

pay accrued dividends on time;

provide shareholders with comprehensive information on issues that may become the subject of conflict;

identify transactions in which members of the management bodies of UZCE are interested in acquiring shares (stakes) of a competing company organization , as well as participation in the management bodies of such persons.

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

ensure the provision of information about UZCE in the prescribed manner;

ensure strict adherence to the procedure for using confidential and other important information;

organize exchange trading and collect from the Dealer commission fee in the amount established by the decision of the Supervisory Board of UZCE;

not to allow transactions with Dealers that could negatively affect the reputation of UZCE;

organize exchange trading professionally and conscientiously;

exclude employees from deliberately using the situation for personal purposes in the event of an obvious error by the Dealer (including an error in the application, contract or other document signed by him). In the event of such an error, the UZCE employee must make reasonable efforts to prevent the execution of such a document and inform the Dealer about this;

ensure that recommendations issued to the Dealer are based on a good faith analysis of available information on the matter;

improve the system for preserving information created, acquired and accumulated in the course of the activities of UZCE so that, without the consent of the management bodies of UZCE or authorized officials, information classified as official or constituting a trade secret, located on paper, magnetic and other types of media, does not become subject sale, transfer, copying, reproduction, exchange and other distribution and replication.

14. In order to prevent conflicts of interest between UZCE and officials and employees in the performance of their official duties, officials and employees of UZCE are also obliged to:

comply with the norms of business communication and principles of professional ethics;

conclude contracts in the prescribed manner;

notify a senior official or management and control bodies of the intention to acquire a stake (shares) in an organization competing with UZCE;

promptly inform a superior official about the occurrence of circumstances contributing to the emergence conflict situation;

notify a superior official in writing about organizations in which the official or members of his family have a significant financial interest and with which UZCE conducts or intends to conduct commercial activities;

refrain from any activity that directly affects the relationship between UZCE and organizations in which the official or members of his family have a significant financial interest or are affiliated;

obtain permission from the authorities in advance UZCE to participate in the management bodies of another organization, whose interests may conflict with the interests of UZCE;

inform a senior official about your intention to work part-time in another organization and that the proposed work does not contradict the interests of UZCE.

VI. SETTLEMENT OF CONFLICTS OF INTEREST

15. To resolve conflicts of interest arising in UZCE, management and control bodies, officials and employees of UZCE carry out pre-trial procedures in order to find a solution that, being legal and justified, would meet the interests of UZCE.

16. Officials are required to ensure recording and timely consideration of letters, applications and demands (including oral) of shareholders and Dealers addressed to management and control bodies, the corporate secretary and structural divisions of UZCE.

17. Accounting for corporate conflicts is assigned to the corporate secretary of the UZCE. The corporate secretary gives a preliminary assessment of the corporate conflict, prepares the necessary documents on the merits of the issue and submits them to the authorized body of the UZCE, whose competence includes the consideration of this corporate conflict.

18. The Corporate Secretary of the UZCE analyzes frequently arising conflicts, makes

decisions on the need to provide additional information to all parties to the conflict and (or) makes proposals to the head of the Executive Body of the UZCE to amend internal documents and carry out other activities in order to eliminate the causes that give rise to this type of conflict.

19. An employee who receives information about a conflict situation from the Dealer or from other sources is obliged to immediately inform a superior official about it. If it is impossible to resolve the conflict at the level of a structural unit, the head of the unit is obliged to submit to the head within one working day The executive body of the UZCE or his deputy information about the conflict, the reasons for its occurrence, and the measures that were taken. The head of the Executive body of the UZCE or his deputy determines the procedure for resolving the conflict, appoints authorized person. If necessary, a commission is created to resolve conflicts of interest.

20. The authorized person (commission) takes all measures to resolve conflicts of interest. If it is impossible to resolve a conflict of interest, the head of the Executive Body of UZCE sends information about the conflict to the Chairman of the Supervisory Board of UZCE.

21. This information is considered by a committee (working group) under the Supervisory Board of UZCE, created to identify and resolve conflict situations.

22. Information about a conflict that at any stage of its development affects or may affect the interests of the head of the Executive Body of the UZCE or his deputies, within three working days is transferred to the Supervisory Board of the UZCE for subsequent consideration by the committee (working group) to make a decision on the procedure for resolving the conflict. and providing the Supervisory Board of UZCE with an opinion on this issue.

23. If, as a result of consideration of the conflict, there is a need to develop or make changes to the current internal documents of UZCE, the Supervisory Board or the Executive body of the UZCE decides to develop a document or make appropriate changes.

24. To resolve any type of conflict of interest that arises at UZCE, the governing bodies of UZCE are obliged to:

identify emerging conflicts of interest as quickly as possible and determine their causes;

clearly delimit the competence and responsibility of the management bodies of the UZCE;

determine an authorized person of the UZCE or, if necessary, create a commission to resolve the conflict;

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

send to the other party to the conflict a complete and detailed response that clearly substantiates the position of the UZCE in the conflict, and motivate the message about the refusal to satisfy the request or demand of a participant in the conflict on the basis of legislation, the Charter and internal documents of the UZCE;

ensure that the authorized person involved in the resolution of the conflict immediately reports that the conflict affects or may affect his interests or the interests of his family members;

ensure that persons whose interests are or may be affected by the conflict do not participate in the resolution and decision-making of this conflict.

25. To resolve conflicts between shareholders, between the management bodies of UZCE and shareholders:

an authorized person or an authorized body of UZCE can participate in negotiations between shareholders, provide shareholders with information and documents at their disposal related to the conflict, explain the norms of legislation, the Charter and internal documents of UZCE;

authorized bodies or authorized persons of UZCE give advice and recommendations to shareholders, prepare draft documents on conflict resolution for signing by shareholders, on behalf of UZCE, within their competence, accept obligations to shareholders to the extent that this may contribute to the resolution of the conflict;

the management bodies of the UZCE, in accordance with their competence, must organize the implementation of a decision to resolve a corporate conflict and facilitate the execution of agreements signed on behalf of the UZCE with a participant in the conflict. In cases where there is no dispute between the party to the conflict and the UZCE on the merits of their obligations, but disagreements have arisen about the procedure, method, timing and other conditions for their fulfillment, the UZCE should invite the participant in the conflict to resolve the differences and set out the conditions under which the UZCE is ready to satisfy the shareholder's demand;

if the consent of the UZCE to satisfy the requirement of the shareholder involves the need for that party to perform any actions provided for by the legislation, Charter and internal documents of the UZCE, the response of the UZCE shall contain such conditions in an exhaustive manner, as well as information necessary for their implementation (for example, the amount of the fee for making copies of the documents requested by the shareholder or bank details of UZCE, etc.).

26. This list of measures is not exhaustive. In each specific case, other forms of conflict resolution may be used, depending on the reasons for the conflict of interest.

VII. FINAL PROVISIONS

27. This Regulation, as well as changes and additions to it, are approved by the decision about the general meeting of shareholders of UZCE.

28. If certain provisions of this Regulation come into conflict with the current legislation of the Republic of Uzbekistan and (or) the Charter of the UZCE, these articles become invalid and, in terms of issues regulated by these articles, one should be guided by the norms of the current legislation of the Republic of Uzbekistan and (or) the Charter of the UZCE until appropriate changes are made to this Regulation.