

APPROVED

by decision of the general meeting of shareholders

JSC "Uzbekexpertiza"

June 10, 2016.

REGULATION

**ON THE PROCEDURE OF ACTIONS IN CASE OF CONFLICT OF
INTERESTS OF "UZBEKEXPERTIZA" JOINT STOCK COMPANY**

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I. GENERAL TERMS

1. The present Regulation is developed in accordance with the current legislation of the Republic of Uzbekistan, the Charter of the joint stock company "Uzbekexpertiza" (hereinafter - the Company), the Code of Corporate Governance and determines the procedure for identification and settlement of conflicts of interests arising in the Company.

2. In the course of the Company's activities, conflicts of interest may arise due to contradiction between property or other interests of the Company (its management and control bodies, officers, employees) and property or other interests of creditors, counterparties and other clients (hereinafter referred to as Clients), when as a result of actions (inaction) of the Company's governing and control bodies and (or) its employees there may be cases of violation of the rights and legitimate interests of shareholders.

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 shareholder(s).

3. The present Regulation deals with 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 the Company and its shareholder(s); between the management and control bodies of the Company, officers, employees of the Company and Clients; between the Company and officers, employees of the Company in the course of their official duties.

II. RANGE OF PERSONS COVERED BY THE REGULATION

4. The Regulation applies to members of management and control bodies and all employees of the Company regardless of the level of their position.

5. The 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 stipulated in their contracts with them, in their internal documents or directly arising from the law.

III. BASIC PRINCIPLES OF MANAGING CONFLICTS OF INTEREST IN SOCIETY

6. Conflict of interest management in the Company is based on the following principles:

mandatory disclosure of information on actual and potential conflicts of interest;
individual consideration and assessment of reputational risks for the Company upon identification of each conflict of interest and its settlement;

strict confidentiality of the process of disclosure and settlement of conflicts of interest;
balancing the interests of the Company's management and control bodies and its employees when resolving conflicts of interest;
protection of a person from prosecution in connection with the reporting of a conflict of interest disclosed by an employee in a timely manner and settled (prevented) by the Company.

IV. CAUSES (CONDITIONS) OF CONFLICTS OF INTEREST

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

non-compliance with the requirements of legislation, regulations and internal documents of the Company;

failure of minority shareholders to exert significant influence on the Company's activities and on decisions made by the General Meeting of Shareholders and the Supervisory Board;

entering into major transactions and transactions with affiliates without prior approval of the authorized management bodies;

adoption by management bodies of decisions that may lead to deterioration of the Company's financial condition;

not disclosing information in accordance with the current legislation or providing incomplete information by persons who are members of the Company's management bodies, about positions held in the management bodies of other organizations, about holding stakes (shares) in other companies.

8. Conflicts of interest that may arise between management and control bodies, officers, employees and Customers as a result of:

non-compliance with the legislation, constituent and internal documents of the Company;

non-compliance with the principle of prioritizing the interests of the Company's shareholders;

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

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

non-compliance with the obligations established by the legislation and internal documents of the Company.

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

violation of legal requirements and internal documents of the Company;
non-compliance with the norms of business communication and principles of professional ethics;
engaging in commercial activities, both his own and those of his family members;
having financial interests in another company with which the Company maintains business relations;
working part-time for another organization as a manager or officer or participating in its management bodies;
providing business opportunities to other organizations to the detriment of the Company's interests due to personal interests.

V. AVOIDING CONFLICTS OF INTEREST

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

The present Regulation establishes measures for avoidance of conflicts of interests, which are mandatory for the Company's management and control bodies, officers and employees of the Company.

11. In order to prevent any type of conflicts of interest, the governing bodies, control bodies, officers and employees of the Company must:

comply with the requirements of the legislation, regulations, charters and internal documents of the Company;

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

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

ensure efficient management of the Company;

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

ensure maximum possible efficiency in rendering services (works);

report quarterly to the management bodies in accordance with the legislation;

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

submit for consideration by the Supervisory Board major transactions, separate transactions or a number of interrelated transactions, the amounts of which exceed the amounts established by the legislation and the Company's Articles of Association;

To have the control bodies review the terms of major transactions and transactions with affiliates;

if necessary, engage an independent appraiser to determine the market value of property when the Supervisory Board approves decisions on transactions in accordance with the requirements of the law;

ensure accounting of information on affiliated persons;

ensure the development and observance of procedures for transactions:

a) with affiliated persons;

b) with shareholders of the Company and their affiliates;

not to make major transactions and transactions with affiliated persons without prior approval by the authorized bodies of the Company;

not to hold positions in management and control bodies of other legal entities without authorization of superior bodies;

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 accounting statements and other published information provided to shareholders and Clients, regulatory and supervisory authorities and other interested parties, including for advertising purposes;

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

Timely review the reliability and objectivity of negative information about the Company in mass media and other sources. Timely response to each occurrence of negative or unreliable information;

Participate in identifying deficiencies in the Company's internal control system;

Ensure that the remuneration paid to the members of the management and control bodies is adequate to the financial condition of the Company, as well as to the extent to which the achieved results of the Company's activities correspond to the planned indicators;ities correspond to the planned indicators;

comply with the principles of professional and corporate ethics.

12. In order to avoid conflicts of interest between shareholders of the Company, as well as between governing and control bodies, officers, employees of the Company and its shareholder(s), management and control bodies, officers, employees of the Company shall also be obliged to:

To observe the rights of majority and minority shareholders as set forth in the Law "On Joint Stock Companies and Protection of Shareholder Rights", regulatory acts, Charters of Association and internal documents of the Company;

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

Timely pay accrued dividends;

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

identify transactions in which members of the Company's management bodies are interested in acquiring shares (stakes) of a competing company, as well as participation in the management bodies of such persons;

strive to ensure that independent members are nominated to the Supervisory Board to ensure objectivity, balance and independence of management decisions.

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

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

ensure strict compliance with the procedure for using confidential and other important information;

provide services and charge the Client a fee in the amount established on a mutually agreed basis in the contract or at tariffs, the information about which is fully disclosed;

not to allow transactions with Clients that could negatively affect the reputation of the Company;

provide services to its Clients in a professional and conscientious manner;

to eliminate deliberate use of the situation by employees for personal purposes in case of an obvious mistake of the Client (including a mistake in an application, agreement or other document signed by the Client). If there is such an error, the Company's employee shall make reasonable efforts to prevent the execution of such document and inform the Client about it;

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

improve the system of saving the information created, purchased and accumulated in the course of the Company's activities so that without the consent of the Company's governing bodies or authorized officials, the information classified as official or constituting a trade secret, stored in the Company on paper, magnetic and other types of media, does not become the subject of sale, transfer, copying, reproduction, exchange and other distribution and replication.

14. In order to avoid conflicts of interest between the Company and officers, employees in the performance of their official duties, officers and employees must:

observe the norms of business communication and principles of professional ethics;

conclude contracts in accordance with the established procedure;

notify a superior officer or management and control bodies of the intention to acquire a share (shares) of an organization competing with the Company;

timely inform a superior manager of the appearance of circumstances contributing to a conflict situation;

notify the superior officer in writing of organizations in which the officer or members of his/her family have a significant financial interest and with which the Company conducts or intends to conduct commercial activities;

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

obtain prior permission from the Company's superior bodies to participate in the management bodies of another organization whose interests may conflict with those of the Company;

inform the superior officer of his/her intention to work part-time in another organization and that the proposed work does not contradict the interests of the Company.

VI. RESOLUTION OF CONFLICTS OF INTEREST.

15. To resolve conflicts of interest arising in the Company, the governing and controlling bodies, officials and employees of the Company carry out pre-trial procedures in order to find such a solution, which, being legal and reasonable, would meet the interests of the Company.

16. Officials are obliged to ensure accounting and timely consideration of letters, applications and demands (including verbal ones) of shareholders and Clients addressed to the management and control bodies, legal counsel and structural subdivisions.

17. The Company's Legal Advisor shall be responsible for accounting of corporate conflicts. The Company's Legal Advisor shall make a preliminary assessment of the corporate conflict, prepare the necessary documents on the substance of the issue, and, upon agreement with the Supervisory Board of the Company, submit them to the Company's body whose competence includes consideration of the corporate conflict.

18. The Company's Legal Advisor analyzes frequently arising conflicts, makes decisions on the need to provide additional information to all parties to the conflict and/or makes a suggestion to the head of the Company's authorized body to change internal procedures and instructions, and take other measures to eliminate the causes of such conflicts.

19. An employee who has received information about a conflict situation from the Client or other sources is obligated to immediately inform a superior official about it. In case of impossibility to settle the conflict at the level of structural subdivision, the head of the subdivision is obligated, during one working day, to provide the head

of the executive body or his deputy with information about the conflict, reasons for its occurrence, and measures that have been taken. The head of the executive body or his deputy determines the procedure for conflict resolution, appoints an authorized person. If necessary, a commission shall be established to resolve the conflict of interest.

20. The authorized person (commission) shall take all measures to settle the conflict of interest. If the conflict of interest cannot be resolved, the Head of the Executive Body submits the issue to the Supervisory Board for consideration, and sends information on the conflict to the Chairman of the Supervisory Board.

21. This information is considered by the committee (working group) under the supervisory board established to identify and resolve conflicts of interest.

22. Information on the 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 working days shall be transferred to the supervisory board for a decision on the procedure for resolving the conflict for subsequent consideration by the committee (working group) and providing the supervisory board with a conclusion on the matter.

23. If, as a result of consideration of the conflict, there is a need to develop or amend existing internal documents of the Company, the Supervisory Board or the executive body shall make a decision to develop the document, or make appropriate amendments.

24. In order to resolve any type of conflict of interest arising in the Company, the Company's management bodies must:

Identify arising conflicts of interest as quickly as possible, determine their causes; clearly delimit the competence and responsibility of the Company's management bodies;

determine the Company's authorized person or, if necessary, establish a conflict resolution commission;

Determine the Company's position on the substance of the conflict as soon as possible, make the appropriate decision and bring it to the attention of the other party to the conflict;

send the other party to the conflict a full and detailed response clearly justifying the Company's position in the conflict, and motivate the message of refusal to satisfy the request or demand of the party to the conflict on the basis of the legislation, regulations, Articles of Association and internal regulatory documents approved by the General Meeting of Shareholders of the Company;

ensure that an authorized person involved in resolving the conflict immediately informs that the conflict affects or may affect his interests or the interests of his or her family members;

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

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

an independent member of the Supervisory Board may act as a mediator in the regulation of a conflict arising between 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 relevant to the conflict, explain the provisions of legislation, the Charter and internal documents of the Company;

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

the Company's management bodies, within their competence, shall organize the implementation of the decision to settle the corporate conflict and facilitate the execution of agreements signed on behalf of the Company with the party to the conflict. In cases where there is no dispute between a party to the conflict and the Company on the substance of their obligations, but there are disagreements on the procedure, method, terms and other conditions of their fulfillment, the Company shall offer the party to the conflict to settle the disagreements and set out the terms on which the Company is ready to satisfy the shareholder's claim;

if the Company's agreement to satisfy the shareholder's demand is subject to the necessity for that party to take any actions stipulated by the law, the Charter or other internal documents of the Company, the Company's reply shall exhaustively specify such conditions and provide information necessary for their fulfillment (for example, the amount of payment for making copies of the documents requested by the shareholder or the Company's bank details, etc.).

26. This list of measures is not exhaustive. In each particular case, there may be other forms of conflict resolution depending on the sector in which the conflict of interest arises.

VII. FINAL TERMS

27. This Regulation, as well as changes and additions to it, are approved by the General Meeting of Shareholders by a simple majority of votes.

28. If certain norms 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 terms of the 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 Company until the relevant changes are made to present Regulation.