

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

CODE CORPORATE GOVERNANCE

I. GENERAL PROVISIONS

1. This Code of Corporate Governance (hereinafter referred to as the Code) contains recommendations that joint-stock companies follow voluntarily, demonstrating their commitment to honest and transparent business conduct.

2. Code is based on the legislation of the Republic of Uzbekistan and international principles of corporate governance.

3. For the purposes of this Code, corporate governance is understood as a system of relationships between the executive body of a joint-stock company (hereinafter referred to as JSC), its supervisory board, shareholders, representatives of the workforce and other interested parties, including creditors, in order to achieve a balance of interests of the said persons to ensure the effective organization of the JSC's activities, modernization, technical and technological re-equipment of production capacities, the release of competitive products and their export to foreign markets.

4. The Code is a set of recommendations on key areas for the effective organization of the work of the management bodies of JSC.

5. The Code is developed on the fundamental principles of good governance, including accountability, transparency, credibility, compliance with high moral and ethical principles and a focus on ensuring sustainable development of JSC in the long term.

6. The decision to accept the obligation to follow the recommendations of the Code is made by the general meeting of shareholders by a simple majority of votes.

7. JSCs may carry out internal corporate actions to implement the recommendations of the Code, taking into account their industry specifics and the specifics of their activities.

Publication of information on the acceptance of the obligation to follow the recommendations of the Code and its observance is carried out in the media, including on the corporate website of the JSC on the Internet (hereinafter referred to as the JSC website) and the website of the stock exchange, as well as in other sources that are provided for by law for the disclosure of information.

8. The recommended sequence of actions for the preparation, implementation and monitoring of the implementation of the recommendations of the Code is given in Appendix №1.

9. JSC discloses information about the acceptance of the obligation to

follow the recommendations of the Code by publishing a message in the form according to Appendix №2.

10. In the event of the impossibility of complying with individual recommendations of the Code, the JSC shall disclose in detail the reasons for this, following the international principle of “comply or explain”.

II. ENSURING TRANSPARENCY OF ACTIVITIES

11. To ensure transparency of JSC activities:

define clear criteria for classifying information as confidential information, commercial secrets, and information that may affect changes in the price of shares;

ensure the publication of information subject to mandatory disclosure on the JSC website and in other sources provided for by law, with translation into English, Russian and other languages convenient for shareholders and other interested parties, including foreign investors;

disclose at the general meeting of shareholders the amount of remuneration and compensation of the executive body;

publish on the JSC website information about the executive body and the assessment of the effectiveness of its activities, about the structure of the JSC share capital (shareholders with a share of over 20%);

publish the justifications for the proposed distribution of net profit, the amount of dividends, an assessment of their compliance with the dividend policy adopted by the JSC, and, if necessary, explanations and economic justifications for the volumes of allocation of a certain portion of the net profit for the needs of the JSC's development;

provide, within a reasonable time frame, at the request of shareholders, other information about the JSC (except for confidential information, commercial secrets), which is necessary for shareholders and investors.

12. In order to ensure the transparency of its activities, the Supervisory Board of JSC approves the “Regulations on Information Policy”, which contains:

objectives and principles of disclosure of public information by JSC;

a list of information subject to mandatory disclosure on the website, the timeframes and procedure for their disclosure, including the information channels through which disclosure must be carried out, and the forms of

disclosure;

obligations of the executive body to disclose information subject to disclosure about JSC;

the procedure for exchanging information between members of management bodies, officials, employees of JSC with shareholders and investors, other interested parties, as well as representatives of the media;

measures to ensure control over compliance with the information policy of JSC.

13. Regulation on the information policy is mandatory for compliance by the management and control bodies of the JSC and its employees.

III. IMPLEMENTATION OF EFFECTIVE INTERNAL CONTROL MECHANISMS

14. In order to implement mechanisms for effective internal control of JSC:

reflect in the regulations on the supervisory board the requirements for the inclusion of independent members in its composition;

delegate to the supervisory board the rights to determine the procedure, conditions for the provision (receipt) and adoption of decisions on charitable (sponsorship) or gratuitous assistance only within the limits established by the general meeting of shareholders and legislation, with disclosure of information about this to all shareholders;

conduct, by decision of the general meeting of shareholders, an annual analysis of the compliance of business processes and projects with the development goals of the JSC with the involvement of independent professional organizations - consultants;

establish the main goal of organizing the internal control system of a JSC as ensuring the protection of the rights and legitimate interests of all shareholders, including minority shareholders;

ensure that the general meeting of shareholders considers the issue of determining transactions related to the current business activities of the JSC for the independent execution by the executive body of transactions with affiliated persons and major transactions;

grant the internal audit service of JSC the authority to implement internal control, including for transactions carried out with legal entities, more than 50% of the authorized capital of which belongs to JSC;

determine the procedure for voting on behalf of the JSC by its representatives in the management bodies of enterprises that are part of the JSC;

provide a person who participated in the general meeting of shareholders of a JSC with the opportunity to make, at the expense of such person, a copy of the ballot completed by him;

require regular reports from the executive body of the JSC on the work done and the achievement of the performance indicators of the enterprises included in the JSC, approved by their business plans;

develop and approve the procedure for interaction between the internal control bodies of the JSC (audit commission and internal audit service) with the supervisory board, the general meeting of shareholders, the committee of minority shareholders (if any) and shareholders;

15. In order to implement effective internal control mechanisms in a JSC, the general meeting of shareholders approves the “Regulations on Internal Control”, which contains:

requirements for the composition and qualifications of members of internal control bodies of JSC;

composition and regulations for the formation of reports on the internal control system;

procedure for engaging independent professional organizations - consultants to assess the effectiveness of the internal control system in JSC;

description of the mechanisms for monitoring the work of internal control bodies, the procedure for calculating compensation and remuneration paid to their members.

16. “Regulations on Internal Control” are mandatory for compliance by employees of JSC, members of its management and control bodies.

17. JSCs shall include in the supervisory board at least one independent member (but not less than 15% of the number of members of the supervisory board stipulated by its charter) in accordance with the requirements of the regulations on the supervisory board.

18. Independent members of the supervisory board of a JSC may be persons who:

(i) have not worked in JSC, its subsidiaries or affiliated enterprises during the last 5 years;

(ii) are not shareholders of JSC, its subsidiaries or affiliates;

(iii) are not associated with a major client or supplier that has a relevant contract for an amount exceeding 5 thousand minimum wages established by law with JSC, its subsidiaries or affiliates;

(iv) do not have service contracts with JSC, its subsidiaries or affiliates;

(v) are not a family member of a person who is or has been for the past 5 years a senior employee of the JSC, its subsidiaries or affiliates;

(vi) are not a controlling person of JSC (or a member of a group of persons and/or organizations that collectively exercise control over JSC);

(vii) are not connected with the JSC by civil law contracts and are not an employee of a major shareholder of the JSC or a higher-level industry department (company).

IV. ENSURING THE IMPLEMENTATION OF THE RIGHTS AND LEGAL INTERESTS OF SHAREHOLDERS

19. In order to ensure the implementation of the rights and legitimate interests of shareholders, the management and control bodies of JSC:

make it easier for shareholders to communicate with JSC by indicating on the JSC website the addresses to which written or electronic requests can be sent, including information about changes in shareholders' contact information and bank details;

create for shareholders who cannot personally participate in the general meeting of shareholders the opportunity and conditions for voting by e-mail (with confirmation by an electronic digital signature), as well as by delegating their powers to a representative or holding a general meeting via video conference;

develop a regulation on the dividend policy of JSC, disclosing a transparent mechanism for calculating dividends;

provide in the Regulation on the General Meeting of Shareholders the provision to shareholders of the necessary information on the agenda prior to the holding of the General Meeting of Shareholders, including the position of the Supervisory Board regarding the agenda of the General Meeting;

may engage independent experts to provide practical assistance to the counting commission or to perform its functions (for example, an investment consultant and other professional participants in the securities market);

designate (appoint) an employee or department responsible for relations with shareholders and investors;

provide in the charter the right to owners of at least 1% of common shares of a JSC to demand the convening of a meeting of the supervisory board and to make proposals on the agenda, distribution of profits, candidates for members of the management and control bodies, with the possibility of replacing them before the general meeting of shareholders;

provide in a separate internal document of the JSC the opportunity for shareholders, including minority shareholders, to conclude shareholder agreements to form their joint position when voting;

cover the costs of maintaining the minority shareholders committee from the funds of the JSC (when creating a minority shareholders committee);

provide in the charter that a minority shareholder must not obstruct the activities of the management bodies of the JSC by unreasonably requesting documents and using confidential information, commercial secrets;

provide in the charter that when issuing additional shares, shareholders have the right of pre-emptive purchase of shares in proportion to their share in the authorized capital;

ensure equal treatment of all shareholders regardless of their shares, income level, gender, race, religion, nationality, language, religion, social origin, personal and social status;

provide in the charter for a later deadline for submitting a proposal for the agenda of the annual general meeting of shareholders;

ensure the participation of members of the executive body, supervisory board and audit commission, as well as a representative of the audit organization at the annual general meeting of shareholders;

provide in the Regulation on the Supervisory Board the conditions under which a member of the Supervisory Board may be relieved of his duties, the procedure for the activities and functions of the chairman of the Supervisory Board of a JSC related to the organization and holding of its meetings;

carry out other necessary measures aimed at ensuring the implementation of the rights and legitimate interests of shareholders of JSC.

20. carry out other necessary measures aimed at ensuring the implementation of the rights and legitimate interests of shareholders of JSC.

V. DETERMINING THE DEVELOPMENT STRATEGY AND LONG-TERM OBJECTIVES

21. In order to determine the development strategy and long-term objectives, the management bodies of JSC:

define as strategic goals of JSC maintaining financial stability, increasing labor productivity, competitiveness of products, growth of production indicators, export and energy efficiency, implementation of modernization, technical and technological renewal of production, leading to an increase in the value of shares;

develop and approve at the general meeting of shareholders a long-term development strategy for JSC for a period of more than 5 years, based on industry specifics, analysis of the competitive environment, ensuring export orientation and implementing approved state programs for the development of relevant industries, areas and regions;

widely use management methods that have been successfully tested in foreign practice, including SWOT, GAP analysis and other approaches, special software products, etc.;

develop and submit for approval (endorsement) to the general meeting of shareholders or the supervisory board short-term (annual) and medium-term (for a period of up to 5 years) business plans based on a long-term strategy approved by the general meeting of shareholders;

implement the necessary quantitative and qualitative criteria that allow monitoring the achievement of the goals outlined in each of the development plans adopted by the JSC.

22. The Supervisory Board coordinates the activities of the executive body, internal control bodies of the JSC, collegial bodies created in the JSC, and, if necessary, attracts experts to organize the development of plans for the development of the JSC and monitoring the achievement of the goals set out in them.

23. JSCs are required to attract strategic foreign investors as shareholders (except in cases established by law), who participate in the management of the JSC, the production of competitive products and ensuring their export to foreign markets.

VI. IMPLEMENTATION OF MECHANISMS OF EFFECTIVE INTERACTION OF THE EXECUTIVE BODY WITH SHAREHOLDERS AND INVESTORS

24. In order to implement mechanisms for effective interaction between the executive body and shareholders and investors, the management bodies of JSC:

- ensure interaction between shareholders, members of the management and control bodies of JSC based on the principles of mutual trust, respect, accountability and control;

- introduce the requirement for the performance of their duties by JSC officials on a professional basis, reasonable fulfillment by them of all obligations arising from legislation, the charter and decisions of the management bodies of the JSC;

- establish qualification requirements for candidates for membership in the supervisory board, including the possession of a qualification certificate of a corporate manager in a joint-stock company with a state share in the authorized capital, issued by the Scientific and Educational Center for Corporate Governance (except in cases established by law);

- create committees (working groups) under the supervisory board of the JSC on relevant issues, including for identifying and resolving conflict situations, from among the members of the supervisory board, the executive body, the JSC staff and invited experts (specialists in the relevant field, teaching staff of specialized higher education institutions and others);

- regulate the cases and procedure for holding meetings of the supervisory board by poll, as well as in video-conferencing mode;

- include within the powers of the chairman of the general meeting of shareholders issues of authorization of audio and video recording and broadcasting of the general meeting of shareholders on the Internet;

- introduce the requirement for independent decision-making by executive bodies on issues within their competence, for the unconditional fulfillment of the tasks set by the supervisory board, the general meeting of shareholders, the charter and development plans of the JSC;

- improve the qualifications of JSC officials through participation in training courses, seminars and other events;

- introduce in JSC the position of corporate consultant, accountable to the supervisory board and responsible for monitoring compliance with corporate legislation requirements in the activities of JSC;

- insure the business risks of JSC and the liability of the executive body;

link the amount of remuneration of members of the supervisory board to the results of an independent assessment of the corporate governance system and the financial performance of the JSC;

establish requirements for the form and content of the report (statement) of the management and control bodies of the JSC reporting at the general meeting of shareholders, determine the duration of the general meeting;

may restrict the right of members of the executive body acting as representatives of shareholders to vote on the issue of electing members of the executive body;

provide in the charter the date on which the JSC usually holds the next general meeting of shareholders.

25. In order to implement mechanisms for effective interaction between the executive body and shareholders and investors, JSC adopts the necessary internal documents, reflecting the above recommendations.

VII. CONFLICT OF INTEREST

26. In order to prevent the emergence and resolution of controversial situations related to conflicts of interest, JSCs shall develop regulations on the procedure for actions in the event of a conflict of interest, including:

duties of JSC officials to act in the interests of the JSC;

identification of situations that may give rise to a conflict of interest when JSC officials perform actions and transactions, as well as when they disclose information;

obligations of JSC officials to inform the supervisory board about the occurrence of a conflict of interest;

prohibition on participation of JSC officials in the management and control bodies of other legal entities, without permission of the JSC Supervisory Board;

preventing possible conflicts of interest when JSC officials perform actions and transactions, as well as when they disclose information;

detailed regulations for the settlement of disputes related to conflicts of interest, including by appointing an impartial third party to resolve them, or assigning the responsibility for resolving the conflict of interest to an independent member (independent members) of the supervisory board.

27. The regulation on the procedure for action in the event of a conflict

of interest is approved by the general meeting of shareholders.

VIII. IMPLEMENTATION OF A TYPICAL ORGANIZATIONAL STRUCTURE OF A JSC

Для внедрения типовой организационной структуры общества в обеспечивается соответствие типовой структуре, утвержденной Указом Президента Республики Узбекистан от 24 апреля 2015 года № УП-4720 «О мерах по внедрению современных методов корпоративного управления в акционерных обществах»;

учитываются масштабы, отраслевая специфика и направления деятельности АО, при разработке и внедрении организационной структуры;

организуются регулярные оценки соответствия действующей организационной структуры АО типовой структуре, утвержденной законодательством;

проводятся ежегодные конкурсные отборы на руководящие должности в АО, с возможностью участия кандидатур из числа иностранных менеджеров;

утверждается регламент конкурсного отбора на руководящие должности с описанием процедур объявления конкурса, объективных критериев отбора, найма по его итогам новых, современно мыслящих, высококвалифицированных руководителей, соответствующих современным требованиям, а также иностранных менеджеров.

28. Наблюдательный совет обеспечивает координацию работ по разработке, внедрению и регулярной оценке соответствия организационной структуры АО требованиям законодательства.

IX. ПУБЛИКАЦИЯ ИНФОРМАЦИИ НА ОСНОВЕ МЕЖДУНАРОДНЫХ СТАНДАРТОВ АУДИТА И ФИНАНСОВОЙ ОТЧЕТНОСТИ

29. Для публикации информации на основе международных стандартов аудита и финансовой отчетности в АО:

осуществляется координация наблюдательным советом АО работ по обеспечению перехода к публикации ежегодной финансовой отчетности в соответствии с Международными стандартами финансовой отчетности (далее — МСФО);

создается рабочая группа из числа членов ревизионной комиссии, службы внутреннего аудита, наблюдательного совета, ответственных должностных лиц АО и привлеченных экспертов (при необходимости) по вопросам перехода АО к публикации финансовой отчетности в соответствии с МСФО;

привлекаются аудиторская или консалтинговая организации для оказания профессиональных услуг по переходу АО к публикации информации на основе МСФО и международных стандартов аудита;

разрабатывается совместно с аудиторской организацией и утверждается на заседании наблюдательного совета пошаговый алгоритм (план мероприятий) перехода АО к публикации информации на основе МСФО и международных стандартов аудита;

проводится обучение персонала АО, задействованного в проведении аудита и составлении финансовой отчетности, на учебных курсах по МСФО и международным стандартам аудита;

осуществляются меры, предусмотренные соответствующим планом мероприятий по переходу АО к публикации информации на основе МСФО и международных стандартов аудита;

публикуется ежегодная финансовая отчетность на основе МСФО и международных стандартов аудита в сроки, установленные законодательством.

Х. МОНИТОРИНГ ВНЕДРЕНИЯ РЕКОМЕНДАЦИЙ КОДЕКСА

30. В целях осуществления мониторинга внедрения рекомендаций Кодекса АО проводят оценку системы корпоративного управления в АО, для осуществления которой рекомендуется привлекать независимую организацию.

31. Независимая оценка системы корпоративного управления в АО проводится не реже одного раза в год.

32. Независимая оценка системы корпоративного управления в АО осуществляется на основе соответствующего договора с организацией, не связанной имущественными отношениями с АО.

33. В качестве независимой организации для проведения оценки системы корпоративного управления в АО могут выступать:

фондовая биржа;

профессиональные участники рынка ценных бумаг;
аудиторские организации, имеющие в штате специалиста с соответствующим аттестатом корпоративного управляющего или специалиста рынка ценных бумаг;
аккредитованные рейтинговые агентства;
Научно-образовательный центр корпоративного управления;
Центр исследований проблем приватизации, развития конкуренции и корпоративного управления.

34. Выбор независимой организации для проведения оценки системы корпоративного управления осуществляется на основе конкурса по решению наблюдательного совета АО.

35. Независимая оценка системы корпоративного управления в АО производится на основе вопросника, утверждаемого Госкомконкуренции Республики Узбекистан и Научно-образовательным центром корпоративного управления.

36. Результаты проведенной независимой оценки системы корпоративного управления публикуются на сайте АО вместе с заключением организации, которая проводила такую оценку.

37. Органы государственного и хозяйственного управления, органы государственной власти на местах и другие государственные организации, выступающие акционером от имени государства:

вправе за свой счет привлекать независимую организацию для проведения независимой оценки системы корпоративного управления в АО;

применяют результаты независимой оценки системы корпоративного управления для определения размеров вознаграждений лицам, выступающим от их имени в органах управления АО.

XI. ЗАКЛЮЧИТЕЛЬНЫЕ ПОЛОЖЕНИЯ

38. Несоблюдение рекомендаций Кодекса не влечет применения мер ответственности государственными органами.

39. Общее собрание акционеров вправе установить меры ответственности к должностным лицам АО за несоблюдение рекомендаций Кодекса либо нераскрытую информацию, предусмотренную Кодексом.

40. Контроль за внедрением рекомендаций Кодекса
в АО осуществляет наблюдательный совет.

Приложение №1
к Кодексу корпоративного
управления

РЕКОМЕНДУЕМЫЕ МЕРОПРИЯТИЯ
акционерным обществам по подготовке и внедрению Кодекса
корпоративного управления

| Этапы | Субъекты | Мероприятия | Сроки выполнения |
|--|-------------------------|---|--|
| 1-й этап Подготовка | Исполнительный орган АО | 1. Создание рабочей группы по подготовке к внедрению Кодекса корпоративного управления. | В течение месяца после утверждения Кодекса корпоративного управления |
| | Исполнительный орган АО | 2. Разработка и внесение на рассмотрение в наблюдательный совет предложений по принятию внутренних документов. | В течение двух месяцев после создания рабочей группы |
| | Наблюдательный совет АО | 3. Одобрение наблюдательным советом разработанных внутренних документов. | В течение месяца с даты представления материалов наблюдательному совету |
| 2-й этап Внедрение | Наблюдательный совет АО | 1. Внесение на общее собрание акционеров вопроса о соблюдении рекомендаций Кодекса корпоративного управления и утверждение формы сообщения. | В течение месяца после одобрения наблюдательным советом |
| | Наблюдательный совет АО | 2. Утверждение общим собранием акционеров решения о соблюдении рекомендаций Кодекса корпоративного управления и утверждение формы сообщения. | На соответствующем общем собрании акционеров, созванном наблюдательным советом |
| | Исполнительный орган АО | 3. Публикация сообщения о следовании рекомендациям Кодекса корпоративного управления в деятельности АО, утвержденного общим собранием акционеров. | В течение 10 дней после утверждения общим собранием акционеров |

| | | | |
|--|-------------------------|---|---|
| <p>3-й этап</p> <p>Мониторинг</p> | Наблюдательный совет АО | 1. Проведение конкурсного отбора независимой организации для проведения оценки системы корпоративного управления в АО. | За месяц до проведения оценки системы корпоративного управления |
| | Независимая организация | 2. Проведение независимой оценки системы корпоративного управления в АО и представление ее результатов наблюдательному совету. | Не реже одного раза в год |
| | Наблюдательный совет АО | 3. Рассмотрение результатов проведенной оценки системы корпоративного управления в АО на заседании наблюдательного совета АО. | На заседании наблюдательного совета по итогам года |
| | Исполнительный орган АО | 4. Принятие мер по устранению недостатков, выявленных по результатам проведенной оценки системы корпоративного управления в АО. | В сроки, установленные решением наблюдательного совета |
| | Наблюдательный совет АО | 5. Рассмотрение результатов проведенной оценки системы корпоративного управления в АО на годовом общем собрании акционеров АО. | В сроки, установленные законодательством |

Приложение №2
к Кодексу корпоративного
управления

ФОРМА СООБЩЕНИЯ
о принятии акционерным обществом рекомендаций Кодекса
корпоративного управления в своей деятельности

(наименование акционерного общества)

АО «_____» сообщает, что решением общего собрания акционеров от «__» _____ 20__ г. №_____ обществом принято обязательство, начиная с «__» _____ 20__ г. соблюдать Кодекс корпоративного управления, утвержденный протоколом заседания Комиссии по повышению эффективности деятельности акционерных обществ и совершенствованию системы корпоративного управления от «__» _____ 201__ г. №_____.

(Дополнительная информация согласно решению общего собрания акционеров)

ИНФОРМАЦИЯ

Контроль за соблюдением положений и принципов Кодекса корпоративного управления во всех акционерных обществах будет осуществляться в течение года Комиссией по повышению эффективности деятельности акционерных обществ и совершенствованию системы корпоративного управления, образованной Постановлением Президента Республики Узбекистан от 31 марта 2015 года № ПП-2327 и по итогам каждого финансового года комплексный анализ и конкретные предложения по оценке эффективности деятельности акционерных обществ будут вноситься на обсуждение заседания Кабинета Министров Республики Узбекистан.