

**"APPROVED"**  
**GENERAL MEETING OF**  
**SHAREHOLDERS**  
**JOINT STOCK COMPANY**  
**" Toshkent Yo'lovchi vagonlarini qurish va**  
**ta'mirlash zavodi "**

**PROTOCOL**

from 30.06.2022 years

**POSITION**  
**ABOUT THE PROCEDURE FOR ACTIONS IN THE EVENT OF A CONFLICT OF**  
**INTEREST**  
**JOINT STOCK COMPANY**  
**« Toshkent yo'lovchi vagonlarini qurish va ta'mirlash zavodi »**

## **I. GENERAL PROVISIONS**

1. These Regulations have been developed in accordance with the current legislation of the Republic of Uzbekistan, the charter of the joint stock company “ **Toshkent yo'lovchi vagonlarini qurish va ta'mirlash zavodi** ” (hereinafter referred to as the Company), the Corporate Governance Code and determines the procedure for identifying and resolving conflicts of interest that arise in the company.

2. When carrying out the activities of the company, conflicts of interest 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 clients (hereinafter referred to as Clients), when as a result actions (inaction) of the management and control bodies of the Company and (or) its employees may result in cases of violation of 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 the shareholder(s).

3. 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 the Company and its shareholder(s);

between management and control bodies of the company, officials, employees of the Company and Clients;

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

## **II . RANGE OF PERSONS COVERED BY THE REGULATION**

4. The provisions apply to members of management and control bodies and all employees of the company, regardless of the level of their position.

5. Requirements for compliance with these Regulations apply to individuals cooperating with the Company on the basis of a civil law contract in cases where the corresponding obligations are enshrined in contracts with them, in their internal documents, or directly follow from the law.

## **III . BASIC PRINCIPLES FOR MANAGING CONFLICTS OF INTEREST IN THE COMPANY**

6. Managing conflicts of interest in the Company 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 the Company 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 the Company 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 the employee and resolved (prevented) by the Company.

## **IV . REASONS (CONDITIONS) FOR THE ARISE OF CONFLICTS OF INTEREST**

7. Conflicts of interest that may arise between the 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;

inability minority shareholders to have a significant influence on the activities of the Company and on decisions made by the general meeting of shareholders and the supervisory board;

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 Company;

failure to disclose information in accordance with current legislation or provision of incomplete information by persons included in the management bodies of the Company about positions held in the management bodies of other organizations, about ownership of shares (shares) of other companies.

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

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

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

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

failure to fulfill contractual obligations, both on the part of the Company and on the part of the Clients;

failure to fulfill one's duties established by law and internal documents of the company .

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

violations of legal requirements and internal documents of the Company;

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 company with which the Company 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 the Company due to personal interests.

## **V. PREVENTING CONFLICTS OF INTEREST**

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

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

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

comply with the requirements of legislation, regulations, charter 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 could lead to conflict situations;

ensure effective management of society;

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

ensure the highest possible efficiency in the production of goods (works and 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 the Company;

submit for consideration of the supervisory board 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 company;

carry out studies by control bodies of the conditions for carrying out 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 decisions on transactions in accordance with the requirements of the law;

ensure accounting of information about affiliated persons;

ensure the development and compliance with transaction procedures:

a) with affiliates;

b) with shareholders of the Company and their affiliates;

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

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

disclose information about the Company's activities in accordance with the requirements of current legislation and additional information in accordance with the Regulations on the Company's information policy;

ensure the reliability of financial 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 of information available in the Company for personal purposes by persons who have access to such information;

timely consider the reliability and objectivity of negative information about the Company 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 deficiencies in the Company's internal control system;

ensure that the remuneration paid to 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;

comply with the principles of professional and corporate ethics .

12. In order to prevent conflicts of interest between the shareholders of the Company, as well as between management 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:

comply with the rights of majority and minority shareholders, enshrined in the Law “On Joint-Stock Companies and Protection of Shareholders' Rights”, regulations, charter and internal documents of the Company ;

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 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 made.

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, and employees of the Company are also obliged to:

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

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

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

prevent transactions with Clients that could negatively affect the Company’s reputation;

sell goods (services) for their Clients professionally and conscientiously;

exclude employees from deliberately using the situation for personal purposes in the event of an obvious error by the Client (including an error in the application, contract or other document signed by the Client). If there is such an error, an employee of the Company must take reasonable efforts to prevent the execution of such a document and inform the Client about this;

ensure that recommendations issued to the Client are based on a fair analysis of available information on the matter;

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

14.V to prevent conflicts of interest between the Company and officials and employees in the performance of their official duties, officials and employees 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 the Company;

promptly inform a superior official about the occurrence of circumstances conducive to the emergence of a 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 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 official or members of his family have a significant financial interest or are affiliated;

obtain preliminary permission from the higher authorities of the Company to participate in the management bodies of another organization, the interests of which may conflict with the interests of the Company;

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

## **VI . SETTLEMENT OF CONFLICTS OF INTEREST.**

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

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

17. Accounting for corporate conflicts is the responsibility of the Company's corporate consultant. The Company's corporate consultant gives a preliminary assessment of the corporate conflict, prepares the necessary documents on the merits of the issue, and, in agreement with the Company's supervisory board, transfers them to the body of the Company whose competence includes the consideration of this corporate conflict.

18. The Company's corporate consultant analyzes frequently arising conflicts, makes decisions on the need to provide additional information to all parties to the conflict and/or makes a proposal to the head of the Company's authorized body to change internal procedures and instructions, and carry out other measures 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 Client or from other sources is obliged to immediately inform a senior official about it. If it is impossible to resolve a conflict at the level of a structural unit, the head of the unit is obliged 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 were taken within one working day. The head of the executive body or his deputy determines the procedure for resolving the conflict and appoints an 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 submits the issue for consideration by the board and sends information about the conflict to the chairman of the supervisory board.

21. This information is considered by a committee (working group) under the supervisory board 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 Company or his deputies, within three working days is transferred to the supervisory board for subsequent consideration by the committee (working group) to make a decision on the procedure for resolving the conflict. and providing the supervisory board 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 the Company, the supervisory board or executive body makes a decision to develop the document or make appropriate changes.

24. To resolve any type of conflict of interest arising in the Company, the management bodies of the Company are obliged to:

identify emerging conflicts of interest as quickly as possible, 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 to resolve the conflict;

as soon as possible, determine the Company's position 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 Company's position in the conflict, and motivate the message about the refusal to satisfy the request or demand of the conflict participant on the basis of legislation, regulations, the charter and internal regulatory documents approved by the general meeting of shareholders of the Company;

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 Company's management bodies and shareholders:

an independent member of the supervisory board can act as a mediator in resolving a conflict that has arisen between the Company's shareholders;

an authorized person or an authorized body of the Company may 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 the Company;

authorized bodies or authorized persons of the Company give advice and recommendations to shareholders, prepare draft documents on conflict resolution for signing by shareholders, on behalf of the Company, 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 Company, in accordance with their competence, must organize the implementation of the decision to resolve 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 the party to the conflict and the Company regarding the substance of their obligations, but disagreements have arisen about the procedure, method, timing and other conditions for their fulfillment, the Company must invite the party to the conflict to resolve the differences that have arisen and set out the conditions under which the Company is ready to satisfy the shareholder's demand ;

if the Company's consent to satisfy a shareholder's request involves the need for this party to perform any actions provided for by law, the Charter or other internal documents of the Company, then the Company's response comprehensively indicates such conditions, and also provides the information necessary for their implementation (for example, the amount of the fee for making copies of 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 resolution depending on the sector of the conflict of interest.

## **VII. FINAL PROVISIONS**

27. These Regulations, as well as amendments 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 lose force 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 Company until the relevant changes are made to this Regulation.