

## **Information based on the “ comply ” principle or explain ” (“comply or explain”)**

In accordance with paragraph 8 of the Corporate Governance Code, if it is impossible to comply with certain recommendations of the Code, the joint-stock company discloses its reasons in detail in the media, following the international principle of “ comply ” or explain ” (“comply or explain”).

**1. According to paragraph 18 of the Code, joint-stock companies include in the supervisory board at least one independent member (but not less than 15% of the number of members of the supervisory board provided for by its charter), in accordance with the requirements of the regulations on the supervisory board.**

Currently there are no independent members on the supervisory board.

**2. Article 76 of the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Shareholders’ Rights” stipulates that the supervisory board of a company whose shares are included in the stock exchange quotation list must have at least one independent member who can be re-elected annually. At the same time, in companies with a predominant share of the state and (or) business association, nomination and voting for an independent member of the supervisory board is carried out by representatives of the state and (or) business association.**

The Company's shares are not included in the stock exchange quotation list.

**3. Article 63 determines that shareholders who collectively own at least one percent of the company’s voting shares have the right to nominate candidates to the supervisory board, the number of which cannot exceed the number of members of this body.**

In 2023, the number of independent members of the supervisory board did not reach 15% of the board due to the lack of candidates nominated by shareholders who met the criteria for independent members of the supervisory board in accordance with paragraph 19 of the Code.