

NOTICE
on compliance with the recommendations of the Corporate Governance Code

NOTICE
on the international principle "comply or explain" for the period from January 1, 2023 to December 31, 2023

Based on the decision of the general meeting of shareholders of the company "Mortgage Refinancing Company of Uzbekistan" (JSC "UzMRC") dated May 25, 2020, the company is obliged to voluntarily comply with the recommendations of the code of corporate governance (hereinafter - the code), approved by the decision of the meeting of the commission on improving the efficiency of joint stock companies dated December 31, 2015.

UzMRC informs that in the period from January 1, 2023 to December 31, 2023 it carried out its activities in accordance with the recommendations of the Code and will continue to comply with them in the future.

However, during the reporting period the recommendations of the Code were implemented with the following exceptions..

I. Paragraph 15 of Section III of the Code:

According to the recommendation of the 3rd paragraph, joint stock companies (hereinafter - JSC) on the basis of the decision of the general meeting of shareholders annually with the involvement of independent professional organizations - consultants conduct an analysis of compliance of business processes and projects with the development goals of joint stock companies.

To date, JSC "UzMRC" does not use the services of independent professional organizations - consultants, which provide services on analysis in the direction of compliance of business processes and projects with the development goals of JSC "UzMRC"

At the same time, the Supervisory Board of JSC "UzMRC" annually analyzes the business plan, important performance indicators, compliance with the development strategy of JSC "UzMRC".

In the future, when there will be a need to use the services of organizations to conduct analysis in the direction of compliance with the development objectives of JSC "UzMRC", the analysis will be conducted on this issue, taking into account the nature of the network and the specifics of activity of JSC "UzMRC".

In accordance with the recommendation of paragraph 5, the Internal Audit Service of JSC is authorized to carry out internal control, including control over transactions with legal entities in enterprises where the share of JSC exceeds 50%.

The Internal Audit Service of the company was not vested with such powers due to the fact that in the structure of JSC "UzMRC" there are no legal entities where the share of JSC exceeds 50%.

According to the recommendation of paragraphs 8 and 10, at the meetings of the subsidiaries of the Company's governing bodies of the organizations, the procedure of voting of their representatives on behalf of the JSC is established, the executive management of the JSC regularly requires a report on the activities of the

enterprises included in the company, in accordance with their approved business plan.

There are no subsidiaries of the JSC "UzMRC". At the same time, if there are subsidiary, the recommendations of the code will be implemented based on their nature.

II. Section IV of paragraph 20 of the Code:

According to the recommendation of paragraph 9, the JSC shall cover the costs of providing a minority committee from the JSC's funds (in case of formation of a minority committee).

JSC UzMRC does not have a minority committee of shareholders. This recommendation will be implemented after the committee is established.

III. Section IV of paragraph 20 of the Code: According to the recommendation of paragraph 9, the JSC shall cover the costs of providing a minority committee from the JSC's funds (in case of formation of a minority committee).

According to the recommendation of paragraph 24 of Section V of the Code: JSC is forced to attract to its shareholders strategic foreign investors who participate in the management of JSC, production of competitive products and their export to the foreign market (in addition to the circumstances established by law).

In accordance with Article 3 of the Law of the Republic of Uzbekistan "On non-bank credit organizations and microfinance activities" JSC "UzMRC" is an organization engaged in mortgage refinancing and is included in the list of non-bank credit organizations. In accordance with Article 17 of this Law, the share fund (share capital) of non-bank credit organization is formed in the national currency of the Republic of Uzbekistan and consists only of funds contributed by founders (participants, shareholders) of non-bank credit organization. Taking into account the above-mentioned, it is not possible to implement this recommendation at JSC "UzMRC".