

NOTICE on Compliance with the Recommendations of the Corporate Governance Code

Announcement on the international principle "comply or explain" for the period from January 1, 2022 to December 31, 2022

Based on the decision of the General meeting of shareholders of Joint Stock Company "Mortgage Refinancing Company of Uzbekistan" (JSC "UzMRC") dated May 25, 2020, the company is obliged to voluntarily comply with the recommendations of the Corporate Governance Code (hereinafter - the Code), approved by the Regulation on the Commission for Improvement of Efficiency of Activities of Joint Stock Companies.

JSC "UzMRC" reports that it has carried out its activities in accordance with the recommendations of the Code during the period from January 1, 2022 to December 31, 2022 and will comply with them in the future.

At the same time, during the reporting period the recommendations of the Code were complied, with some exceptions given below.

I. Item 15 of Section III of the Code:

According to the recommendation of paragraph 3, Joint stock companies (hereinafter JSC) shall annually analyze the compliance of business processes and projects with the development objectives of joint stock companies with the involvement of independent professional organizations - consultants, based on the decision of the General Meeting of Shareholders.

To the present day, JSC "UzMRC" does not use the services of independent professional organizations - consultants providing services for analysis in the direction of compliance of business processes and projects with the development objectives of JSC "UzMRC".

In the future, if it is necessary to use the services of organizations to carry out the analysis in the direction of compliance with the development targets of JSC "UzMRC", the Supervisory Board of JSC "UzMRC" annually analyzes the activity of JSC "UzMRC" on the business plan, key performance indicators, compliance with the development strategy of JSC "UzMRC".

In the future, if it is necessary to use the services of organizations to carry out the analysis in the direction of compliance with the development objectives of JSC "UzMRC" on this issue will be analyzed taking into account the character of the network and the specific activities of JSC "UzMRC".

According to 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 which JSC owned more than 50 percent of shares.

To the present day, due to the fact that there are no legal entities, share of which is more than 50 percent owned by the Company, the internal audit service of the company is not empowered with this authority.

According to the recommendation of paragraphs 8 and 10 defined the order of voting of its representatives on behalf of the JSC at the meetings of the governing bodies of the organizations that make up the JSC, the Executive Management of the JSC shall regularly report on the activities of enterprises included in the company, in accordance with their approved business plan, on the work performed and the performance achieved.

To the present day, there are no enterprises and organizations included in the JSC "UzMRC". At the same time, in the inclusion of enterprises and organizations, the recommendations of the Code are respected based on their nature.

II. Title IV, Article 20 of the Code:

In accordance with the recommendation of paragraph 9, *the JSC will cover the costs of providing the minority shareholder committee at the expense of the JSC (if a minority shareholder committee is formed).*

JSC "UzMRC" does not have a minority shareholder Committee. This recommendation will be implemented after the committee is established.

III. According to the recommendations of the section V of paragraph 24 of the Code: JSC should attract to its shareholders strategic foreign investors (except for cases established by law), participating in the management of JSC, production of competitive products and exports to foreign markets. .

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

IV. Paragraph 25 of Title VI of the Code:

According to the recommendation of paragraph 6, an employee or unit responsible for shareholder and investor relations is appointed.

In the new organizational structure of JSC "UzMRC" introduced a new staff unit - specialist in corporate relations, responsible for mutual interaction with shareholders and investors. The issue of approval of the new organizational structure JSC "UzMRC" is included in the agenda of the general meeting of shareholders of JSC "UzMRC" at the end of 2022.

According to the recommendation of paragraph 9 qualification requirements for candidates for members of the Supervisory Board, including the requirements for the presence of a qualification certificate of a corporate manager, issued by the Scientific and Educational Center of Corporate Governance in JSC with the state share in the authorized capital (except as provided by law).

The issue of approval of internal documents filled with recommendations of the Code is included in the agenda of the general meeting of shareholders of JSC "UzMRC" at the end of 2022.