Announcement by principle «Comply or explain» (Inclusion of independent members to the supervisory board)

https://uzkimyosanoat.uz/en/corporate/announcement/independent-members

In accordance with clause 14 of the Corporate Governance Code, if it is impossible to comply with certain recommendations of the Code, the joint-stock company discloses in detail its reasons in the media, following the international principle of “comply or explain”.

Identified non-compliance with recommendations of the Code	Explanation
Assessment of compliance with the recommendations of the Corporate Governance Code	

Inclusion of independent members to the supervisory board.	According to clause 6.2. Corporate Governance Code JSC includes at least one independent member in the Board (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 regulation on the Board. There are currently no independent members on the Supervisory Board of Company. Article 76^1 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of the Rights of Shareholders" determines that at least one independent member must be included to the composition of the supervisory board of the company, whose shares are included to the exchange quotation list of the stock exchange, as well as companies with a state share of more than 50 percent in the authorized fund (authorized capital). At the same time, candidates for independent members of the supervisory board, unless otherwise provided by the charter of the company, are nominated by the supervisory board of the company for consideration by the general meeting of shareholders, as a rule, on a competitive basis. In accordance with the requirements of the Decree of the President of the Republic of Uzbekistan “On measures to accelerate the reform of enterprises with the participation of the state and the privatization of state assets” dated October 27, 2020 No. PD-6096 based on clause 8.32. of the Company's Charter, out of the number of members of the Supervisory Board provided for by this Charter, at least 30% of independent members qualified international specialists are included in the Supervisory Board of the Company by actively attracting, on the basis of an international competition, foreign specialists in the field of the chemical industry (including from among compatriots). Selection documents have been developed to attract independent members to the Supervisory Board of the company, in particular, the terms of reference, as well as information was introduced to the sole shareholder based on the results of the international competition on the candidates received. Joint stock company "Uzkimyosanoat" informs that in 2022, in accordance with Article 76^1 of the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders Rights”, independent members were not included in the Supervisory Board due to the lack of candidates nominated by shareholders who meet the criteria of independent members of the Supervisory Board.