

JV LLC "Toshkent Metallurgiya Zavodi"

REGULATION  
ON REPORTING ABOUT VIOLATIONS  
II-OK-01-22

Tashkent

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## 1 Purpose and scope of application

1.1 This Regulation on reporting about Violations of Joint Venture "Toshkent Metallurgiya Zavodi" LLC (hereinafter - the Regulation) are designed to establish a procedure for informing, including anonymous, about violations committed by employees of Joint Venture LLC "Toshkent Metallurgiya Zavodi" (hereinafter - Enterprise), with subsequent procedures of official investigation and documenting.

1.2 This Regulation applies to all employees of the Enterprise, as well as addressed to third parties and aimed at solving problems that may have a negative impact on the activities of the Enterprise, including:

- violation of normative legal acts of the Republic of Uzbekistan, including international treaties of the Republic of Uzbekistan, as well as internal (local) acts of the Enterprise;
- conduct that is dishonest, corrupt, fraudulent or otherwise unlawful or unethical, including extortion, acceptance or bribery;
- obstruction of internal and external audits;
- violation related to the maintenance of accounting (financial) statements;
- conflict of interest;
- illegal distribution of confidential information;
- other activities of an unacceptable nature (discrimination, violation of human rights, etc.).

This list is not exhaustive, and contains only some of the examples of actions that could be considered violations.

1.3 This Regulation was developed in accordance with the legislation of the Republic of Uzbekistan in the field of combating corruption, fraud and theft, local regulations of the Enterprise, as well as based on international best practices.

1.4 This regulation:

- does not apply to those cases where someone maliciously declares a deliberately unfounded suspicion;
- does not apply when considering communications in accordance with the Law of the Republic of Uzbekistan "On Appeals of Physical and Legal Persons".

## 2 Regulatory References

2.1 In this Regulation references to the following normative documents are used:

The Law of the Republic of Uzbekistan "On Appeals of Individuals and Legal Entities" New edition, approved by the Law of 11.09.2017, No. LRU-445

## 3 Terms and definitions

3.1 The following terms with the corresponding definitions are used in these Regulations:

3.1.1 **Communication channels log:** A document in which the information received via communication channels is recorded in accordance with Annex A to these Regulations.

3.1.2 **Claimant:** an employee of the Enterprise or a third party who has contacted the Compliance Department, through communication channels, to inform.

3.1.3 **Communication channels:** Complex of communication means (e-mail, hotline, direct message, online filing through the official website of the Enterprise), providing an opportunity for employees of the Enterprise, as well as third parties to report violations of their rights and legitimate interests, fraud, corruption, theft, violation of legislation, requirements of local regulations of the Enterprise, Conflict of Interest at the Company, as well as other events or circumstances.

3.1.4 **corruption/corrupt practices:** Abuse of office, offering, giving, promising, soliciting or accepting bribes, mediation in bribery, making payments to facilitate administrative, bureaucratic and other formalities in any form, including money, other valuables, services or giving/receiving unjustified material or immaterial benefits from any persons/organizations or any persons/organizations, including state representatives, public entities, companies and political figures.

3.1.5 **conflict of interest:** A situation when a person has interests in a competing organization

or a conflict arises between his personal interests and his ability to objectively perform his job duties to protect the interests of the Enterprise entrusted to him as an employee of the Enterprise.

**3.1.6 personal interest:** The possibility of obtaining additional (apart from those established by the Enterprise's local regulatory acts) income in the form of money, other income, including property rights, property services, results of work performed or any benefits (advantages), as well as receiving non-material benefits by the employee and (or) his close relatives, citizens or organizations, with which the employee and (or) his close relatives are connected by property, corporate or other relations.

**3.1.7 employees of Enterprise:** General Director and all employees of the Enterprise working under an employment contract, including part-time employees.

**3.1.8 third party:** An individual or a legal entity, who received an offer from the Enterprise to conclude a contract or who offers to enter into business or other relations with the Enterprise, or who is in a contractual relationship with the Enterprise.

**3.1.9. close relatives:** Persons who are related or related by marriage to the employee of the Enterprise, i.e. parents, full-blood or half-blood siblings, spouses, children, including adopted children, grandparents, grandchildren, as well as parents, full-blood or half-blood siblings of spouses.

## 4 Responsibilities

4.1 All employees of the Enterprise, regardless of their position, are responsible for compliance with the requirements of these Regulations.

4.2 The employee, guilty of violating the requirements of this Regulation, may be brought to disciplinary, civil or other liability in the manner and on the grounds provided by the legislation of the Republic of Uzbekistan, local normative acts of the Enterprise and employment contracts.

## 5 Order of work

### 5.1 Goals and objectives

5.1.1 This Regulation is designed to create a culture of transparency designed to prevent illegal or unethical actions and to reduce legal and reputational risks.

5.1.2. The Regulation supplements, but does not replace other mechanisms of informing, including the procedure for informing individuals and legal entities in accordance with the legislation of the Republic of Uzbekistan.

### 5.2 Procedure for reporting via communication channels

5.2.1 Claimants have the right to freely and anonymously inform the Compliance Department about the facts of illegal or unethical actions of the Enterprise's employees via the following communication channels:

- **direct message** – Employees may report violations directly to their direct supervisor, the Compliance Department, the Legal Department, the Security Department, the Human Resources Department, the Internal Audit Service, the Compliance Department or the Chief Executive Officer;
- **email** – The claimant can report violations by e-mail: **compliance@tashkentsteel.uz**;
- **online** - the claimant can use the communication line through the official website of the Enterprise (**<http://tashkentsteel.uz/compliance/>**), which can be used to report irregularities;
- **hotline** – The claimant may report concerns or suspected violations to the Hotline during regular business hours at **+998-55-503-88-68**.

5.2.2 Trust channels may not be used for the purposes of:

- spreading knowingly false information (slander);
- insults, threats to the life and health of employees and other persons;
- distribution of advertising information, sending information not directly related to the activities of the Enterprise.

The Enterprise reserves the right, based on the results of the initial review, to disregard reports that come in with an impermissible purpose.

5.2.3 Messages received via the Hotline are accepted during working hours (Monday to Friday) from 09:00 to 18:00 Tashkent time (UTC/GMT+5).

5.2.4 When reporting a violation, the claimant should provide as much detail as possible so that the Compliance Department can assess the situation and conduct an internal investigation.

5.2.5 An employee of the Compliance Department will ask the claimant for the following information in the communication channel:

- the date and time of the violation/event referred to in the communication, or the time period if the violation was of a recurring/continuing nature;
- name and/or position of the perpetrator/employee responsible for the proper performance of the duties that are the subject of the communication or who has a personal interest that entails or may entail a conflict of interest;
- brief description of the violation/event;
- the possible consequences of the violation/event and/or the damage caused;
- name and/or position of employees/other persons who may have knowledge of the violation/event.

### **5.3 Confidentiality, anonymity and guarantees**

5.3.1 The claimant may provide his or her information or may remain anonymous.

5.3.2 All messages received pursuant to this Policy are confidential. Information may be disclosed only to a limited circle of persons and only when it is necessary to conduct an internal investigation of an alleged violation. Information may go beyond this circle of persons only if disclosure of data is required in accordance with the legislation of the Republic of Uzbekistan and internal (local) acts of the Enterprise.

5.3.3 The Enterprise guarantees to deal with cases of harassment and / or discrimination of Claimant and ensure their protection under the law and internal (local) acts.

5.3.4 At least once every six months, the Compliance Department monitors personnel decisions with respect to employees who have reported violations or conflicts of interest, and, if it finds evidence of unjustified disciplinary action against an employee, initiates the reversal of the relevant decisions.

### **5.4 The procedure for reviewing reports of violations**

5.4.1 Consideration of reports of violation, as well as organization of actions on preliminary verification, initiation of official investigations on the facts of illegal or unethical actions of employees of the Enterprise is assigned to the Head of the Compliance Department.

5.4.2 Consideration of reports of violation, as well as organization of actions on preliminary inspection, initiation of internal investigations on the facts of illegal or unethical actions of employees of the Compliance Department, management of the Enterprise, Internal Audit Service is assigned to the Security Director at the Supervisory Board of the Enterprise.

5.4.3 Consideration of reports of violation, as well as organization of actions on preliminary verification, initiation of internal investigations on the facts of illegal or unethical actions of employees of the Compliance Department, Security Department, management of the Enterprise, is assigned to the Head of the Internal Audit Service at the Supervisory Board of the Enterprise.

5.4.4 If the report of violation contains insufficient information, an authorized person of the Enterprise has the right to request the missing information from the Claimant, unless the Claimant is anonymous.

5.4.5 The Compliance Officer shall check daily the availability of messages received via communication channels, receive messages and register them in the Register of messages via communication channels (hereinafter - the Register) in accordance with Appendix A to this Regulation within no more than 2 (two) business days from the receipt of a message.

5.4.6 Received messages shall be reported to the Head of the Compliance Department and, if necessary, also to the Director of Security (his/her deputy) and/or the Head of the Internal Audit Service to decide on the presence or absence of the need for an internal investigation, which shall be made within no more than 3 (three) business days from the receipt of the report.

5.4.7 To ensure transparency in the handling of reports of violations, calls received by the Helpline shall be automatically recorded. Access to the audio recordings of calls received through the Helpline and messages received at the email address of the Compliance Department shall be provided to the Security Department and the Internal Audit Service.

### **5.5 Deadline for consideration of reports**

5.5.1 The message, including anonymous one, shall be considered within 15 (fifteen) days from the date of its receipt via communication channels, and in cases where additional examination and/or verification, request of additional documents is required, the period of consideration of the message may last up to one month.

5.5.2 In those cases when to consider the message, including anonymous, it is necessary to conduct an inspection, request additional materials or take other measures, the terms of their consideration may be exceptionally extended by the head of the Enterprise, but no more than one month, with notification of the Claimant.

### **5.6 Reasons for not considering reports**

5.6.1 The reason for deciding not to conduct an internal investigation are the cases of reports:

- not related to the activities of the Enterprise;
- previously received through communication channels, which have already been checked (in the absence of new facts and circumstances);
- not containing information about the facts or signs of fraud, corruption, theft, violations of health, safety and environment, other violations of law and/or local regulations of the Enterprise, as well as other violations of the legitimate rights and interests of employees and the Enterprise.

### **5.7 Informing about the work of the trust channel, providing feedback and procedures for storing information about reports**

5.7.1 Information about trust channels is published on the official website of the Enterprise (<http://tashkentsteel.uz/compliance/>).

Information about the Hotline is communicated to employees as part of training and/or through available means of information:

- corporate e-mail;
- information boards and other informational materials;
- section of the official website of the Enterprise, dedicated to the Compliance Program.

5.7.2 The results of consideration of reports of violations and information about the measures taken may be reported to the Claimant at his request if he provides his personal data.

5.7.3 The logbook is kept in the Compliance Department.

### **5.8 Monitoring the functioning of trust channels**

5.8.1 The Compliance Department monitors the functioning of trust channels.

5.8.2 Quarterly reports on the results of consideration of the messages received via communication channels and the response measures taken are reported to the General Director of the Enterprise.

## **6 Concluding Provisions**

6.1 This Regulation will come into force on the date of the order promulgating this Regulation.

6.2 All other conditions not specified in this Regulation shall be governed in accordance with the applicable laws of the Republic of Uzbekistan.

6.3 In case of contradictions between this provision and the current legislation of the Republic of Uzbekistan or the Charter of the Enterprise, the rules and regulations contained in the legislation of the Republic of Uzbekistan and the Charter of the Enterprise are applied.