

**BUZINESS PLAN
OF “UZBEK REPUBLICAN COMMODITY
EXCHANGE” JOINT-STOCK COMPANY FOR THE
YEAR 2017**

Tashkent 2016

Confidentiality note

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In order to enlighten the information and according to the requirements of the Regulations about the requirements for corporate web-sites of joint-stock companies (Attachment 1 to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan adopted on 02.07.2014 and numbered as 176), the business plan for 2017 of “UzRCE” JSC will be announced on the corporate web-site and other information sources according to the legislation

Full name of the organization	“Uzbek Republic Commodity Exchange” joint stock company
The abbreviation of the name	“UzRCE” JSC
Established according to	The Decree of the President of the Republic of Uzbekistan dated as the 28 of February, 1994, and numbered as UP-772
INT (identification number of a taxpayer)	200933985
CCBNE (common classifier of the branches of national economy)	84100
CCEO (common classifier of enterprises and organizations)	15350786
Main functioning area	Exchange services
License	DB 001 000006, issued by State Committee of Property (State Committee of Competition) of the Republic of Uzbekistan in the 26 th of March, 2003
Legal address	77 Babur St, Tashkent City
Actual address	77 Babur St, Tashkent City



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INTRODUCTION

The business plan of "UzRCE" OJSC ("Uzbek Republican Commodity Exchange" open joint-stock company) is elaborated as a document defining main areas of the Exchange in 2017.

The plan is elaborated taking to account the usage of existing and potential facilities of the Exchange, and it defines the targets of the company in 2017, also it contains corporate tasks setting, formulates certain organizational-technical and financial activities by which the tasks fulfilled with implementation, it also serves as a programme stimulating competitiveness and effectiveness of the Exchange.

The activities of the Business Plan will be fulfilled basing on conducting systematic work on realization of all the activities included in it, and on regular supervision of its fulfillment by the administration of the Exchange, and also based on the control by the corporate consultant and by the internal auditing service and Supervisory Board.

1. Information about the company

Today “UzRCE” JSC is mainly oriented to serving the trade process, it is occupied not only with regulation of the rates but does the calculations on the exchange bargains operatively, gives guarantees of fulfillment of the deals and also takes part in organization of government and corporate purchases.

Daily more than 2000 enterprises and organizations of government and private sector become the customers of the Exchange. Клиентами Биржи ежедневно становятся более 2000 предприятий и организаций как государственного, так и частного сектора. The enterprises get free access to the goods and raw material, also they use successfully the modern exchange technologies to promote their production to domestic and foreign markets.

Uzbek Republican Commodity Exchange was established in the structure of “Uzoptbirtorg” Association according to the Decree of the Republic of Uzbekistan, adopted on the 28th of February, 1994 and numbered as UP-772.

According to the Decree of the President of the Republic of Uzbekistan adopted on the 27th of April, 2001 and numbered as UP-2836, the company was excluded from “Uzbirtorg” Association and started to function as an independent market structure.

According to the Decree “About licensing the exchanging area”, adopted by the Cabinet of Ministers of the Republic of Uzbekistan, on the 4th of February, 2003 and numbered as 66, on the 28th of March, 2003 the Exchange was given the license “RR 38-02”.

The Exchange’s functions as a joint-stock company.

The authorized fund is formed in amount of 15 741 268, 2 thousand sums, number of allocated share is 24 986 140.

Government’s share in the authorized fund of the exchange is 26,01 %.

The shareholders are:

“Trustbank” PJSC (private joint stock bank) - 19 %;

«PRESYSTEMUNIVERSAL» LLC JV - 17,81 %;

«Uzneftmahasulot» JSC - 6 %;

AMSP (Almalik mining and smelting plant) – 6 %;

«Uzbek metallurgical plant» JSC - 6 %;

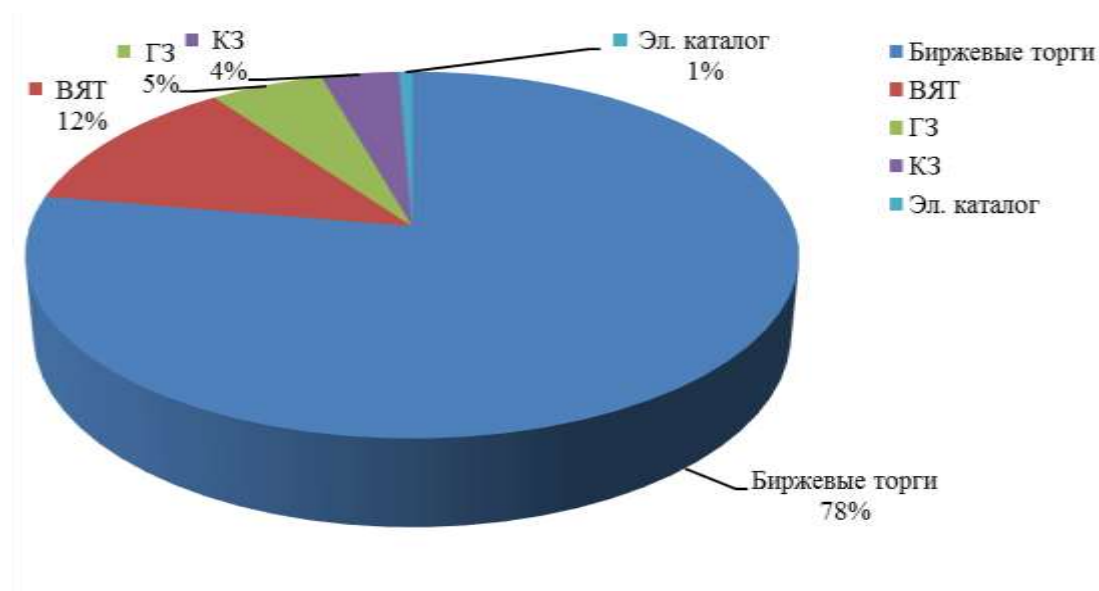
Other juridical entities and individuals – no less than 20 %.

2. The results achieved by “UzRCE” JSC in 2016

As of the 1st of October, 2016, total volume of the bargains of all platforms comprised 9 799,7 sums.

Thus, main share goes to the platform of exchange sales.

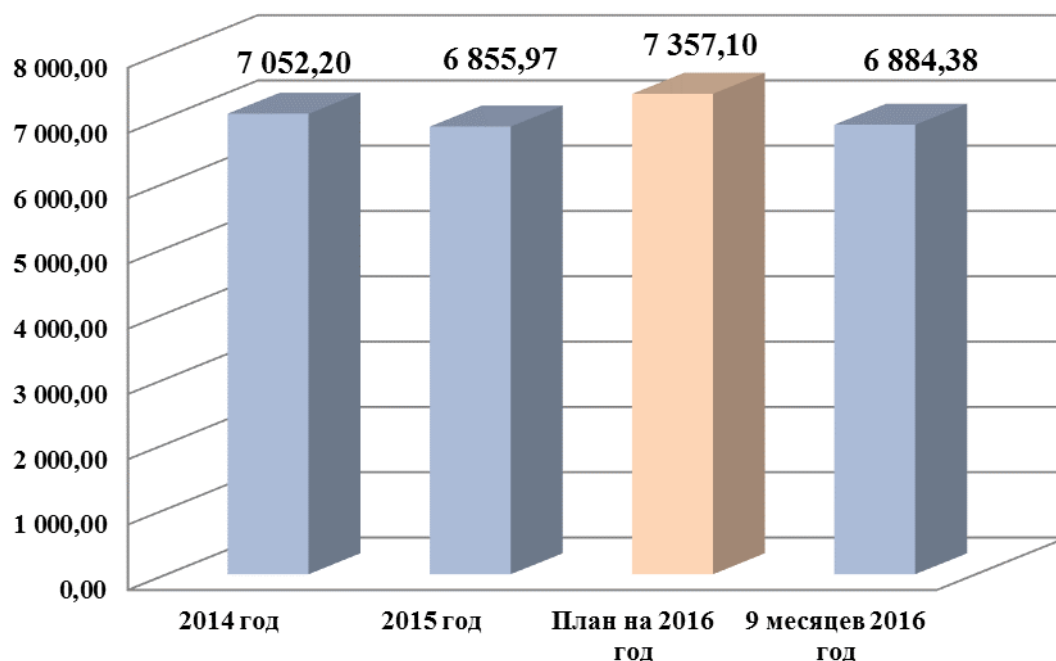
Name of the platform	Sales turnover (billion sums)	% in the turnover of the sales
Exchange sales	6 884,38	78,23%
VYT	1 092,78	12,42%
GZ	431,74	4,91%
KZ	333,88	3,79%
Electronic catalog	56,93	0,65%
Total	8 799,70	100,00%



Exchange sales

Bargains for 6884,4 billion sums were made on the exchange sales (growth for 35,8 % comparing to the similar period of 2015).

Dynamics in the bargains made during the sales in the period of 2014 -2016 (9 months)



The achievement with high results were reached for the period because of:

the growth of the volume of presenting the production on the sales and realization of wide range of high liquid production, including oil products, construction material, including copper, ferrous metal roller, metal zinc and polyethylene and the production which is used in agrarian sector of economy like, mineral fertilizers, animal food (food made of cotton, fodder wheat).

increase in the prices of cement and liquefied gas, demand for which went beyond the offers in terms of some decrease of real volume of this production on the sales;

the work, done by the specialists of the exchange for attraction to the sales additional products of high-liquid type. According to the claims of the sellers for the reporting period, 769 new standard contracts were opened, and the growth rate of the realization comprised 173,8%. Unit weight of other products in general volume of the bargains, made during the exchange sales, grew from 10 % to 13 % in 2015;

increase in the level of fulfillment of the agreement obligations by the contractors according to the results of the sales for the similar period of the last year from 95,9 % up to 96,8 %. Number of bargains, canceled due to non-payment or non-delivering, has decreased from 7302 up to 6484.

210 thousand bargains were made on the exchange sales against 186,2 thousand for the similar period of 2015 which shows growth for 12,8 %. Total number of the

customers reached to more than 214 thousand. 5920 new customers were registered, which means more for 18,6 % than 2015. The enterprises, taking part in the sales, got additional profit forming real market prices (increase of the starting price) in amount of 2 888 billion sums. The incomes of the sellers have grown up for 35 %, comparing to the similar period of 2015.

Improvement in the accreditation of the participants, which was pointed to simplify and shortening the documents presented them on basis of electronic interaction between the Exchange and the government bodies giving permitting documents, was the cause of development of the Exchange trade.

Creation of the electronic module of the Listing commission has simplified the presentation process of the claims of the sellers for making new contracts and including the commodity into the rates list.

1774 electronic requests of electronic transfers, 5318 requests flow of the funds have been made through the personal cabinets of the customers. These requests had been coming on paper.

Interactive services on informing the customers about the names railway stations for unloading the production. 22,8 thousand notifications have been sent for the 9 months of 2016. Attendance of the sellers at the factories of suppliers of the production and presenting personally the notification documents at the unloading stations were important before this interactive service was implemented. Personal cabinets are used to present the claims to Arbitrary Commission for consideration of argues related to the fulfillment of the agreement's obligations.

The enhancement of the items, realized at the Exchange and simplification of participation process, have helped to solve the problem of creating the conditions for getting access of the subjects of small business to the material and raw material resources. The subjects of small business have purchased and realized the our own production for 6305,3 billion sums, which goes beyond the index of January-February of 2015 for 1057,8 billion sums or for 20,2 %. At the same time the volume of realization of our own production on the sales has increased to 344,8 billion sums or for 23,6 %.

Significant growth of the volume bargains on the platform of the exchange is related to attraction of the enterprises which are ready to realize their production through making new exchange contracts. The Listing company has made 1181 standard exchange contracts which has comprised 189,1 billion sums for the 9 months of the year.

Sales exhibition

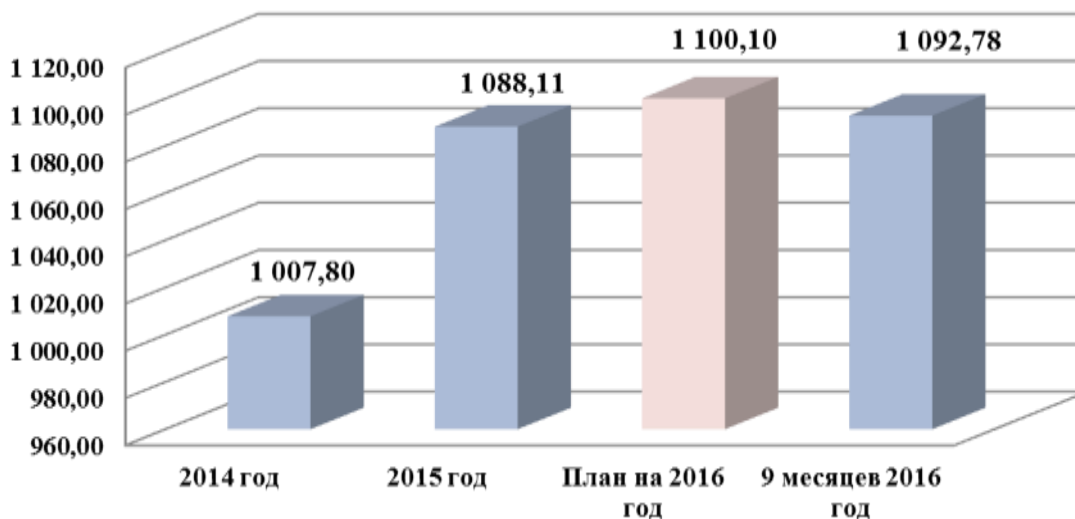
Growth still can be seen on the platform of sales exhibition. Bargains for 1 093

billion sums were made for the reporting period, which means growth for 46,4 % comparing to the previous year .

Modernization of electronic system of sales exhibition and increase in the number of interaction services significantly made growth in the number of the bargains and participants.

46,2 thousand bargains have been made in the system of sales exhibition for the 9 months of the year, which is more for 13,5 % comparing to the similar period of the last year. Moreover, number sellers, put their offers in the system, has also increased. Also, total number of the sellers, who put their own offers, comprised 3,4 thousand sellers which is more for 40 % than for the 9 months of 2015. 1,68 thousand customers have purchased necessary goods or it's more for 18 % than the last year.

Dynamics in growth of bargains made during the sales exhibition for the period of 2014-2016(months)



Moreover, the modernized system of sales exhibition doesn't require being accredited twice on any platform of the exchange. 1,5 thousand participants were accredited after implementation of this system, which means more for 13,6 % than the similar period of the last year.

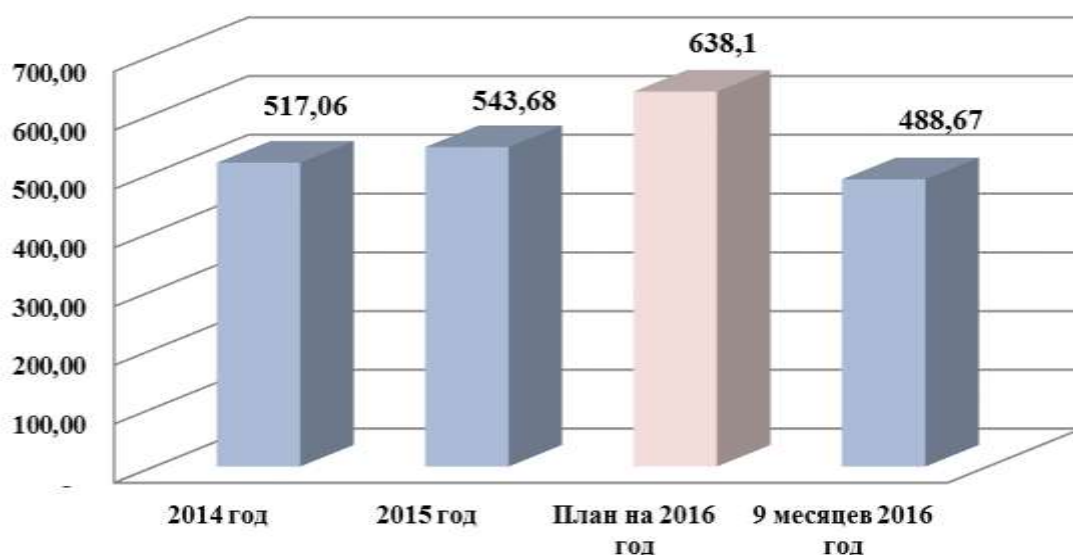
It's important to note that the requirements of the decree of the Cabinet of Ministers of the Republic of Uzbekistan "About confirming the Regulations of organization of the functioning of information agents – the organizers of electronic fairs, auctions and competitions" which was adopted on 02.08.2016 and numbered as 249, according to which two, competitive and non-competitive methods were implemented. These options' implementation created some additional comforts for the accredited customers and it gave the opportunity of attracting new enterprises to the sales. 160 enterprises had been registered for a month before the implementation of new option of the sales exhibition, after which their number has increased for 2 or 3 times, and it has comprised 380 enterprises per month.

Government purchases

The turnover of bargains on government purchases has grown up for 29 % Ha 29% (488,6 billion sums against 378,9 billion sums for the period of January-September, 2015).

Government purchases, for 431,7 billion sums, were realized, which is more for 24,2% than the index of similar period of 2015. the customers, registered in the system of government purchases, has increased from 4822 to 6055, or for 25,5%.

Dynamics in the volume of bargains made during the government purchases for the period of 2014-2016 (9 months)



Commodities of the first priority, which is worth 56,9 billion sums, was purchased on the electronic catalog by the budgetary organizations.

Growth in the numbers of the bargains (315 thousand) was reached permanent supervision of the lots and attraction of new suppliers, which means more for 53,3 %

comparing to the last year. Besides, number of the bargains made on the government purchases has comprised 5154 and 10 million sums on each contract, total amount of is 133,2 billion sums which is more for 26 %.

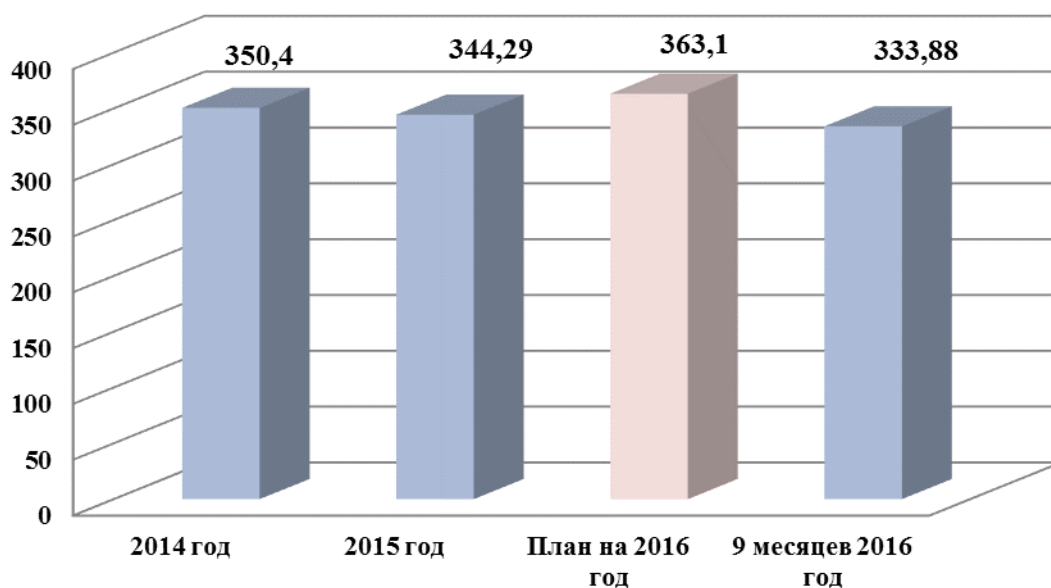
Corporate purchases

Bargains worth for 333,9 billion sums were made in the system of corporate purchases, which is more for 28,1 % than the similar period of the last year.

Number of customers, registered in the system of corporate purchases, has increased from 15884 up to 19257 or 21,0 %.

13505 bargains for 333,9 billion sums, comparing to the similar period of 2015 with the growth for 28,1 %, were made in the system of corporate purchases. Besides, number of active suppliers has grown up for 3,4 % and number of customers for 2,4 %. Also, number of the bargains made on the corporate purchases on one contract comprised for than 40 million sums, 1905 deals for 221,8 billion sums which is more for 18,8 % and more for 44 %.

Dynamics in the volume of bargains made during the corporate purchases for the period of 2014-2016 (9 months)



3. Tasks and perspectives of the Exchange in 2017 and methods of reaching them

The codes of Corporate management and the Conception of development for long (2016-2025) and short periods (2016-1018) which were confirmed by the General meeting of the shareholders held on 27.05.2016, were used to define the tasks and the perspectives of the Exchange in 2017.

Main tasks of the executive body in 2017 are:

1. Keeping high rate of growth in the volume bargains on all platforms of the exchange;
2. Reaching best financial results, especially, in the increase of net profit for 12 % and increase for 30 % in the dividend incomes;
3. following the principals of corporate management and balanced personnel policy in future;
4. Implementation of modern information and communication technologies and regular update of the infrastructure of the Exchange.

To fulfill the tasks, “UzRCE” JSC is intending to conduct the activities on each assigned area.

The activities conducted to enhance the commodity turnover and improvement of the mechanisms of the sales

The Exchange (company) is intending to reach the turnover of commodity in amount of 13276,0 billion sums making progress for 11 % comparing to the last year in 2017.

At the same time, the increase in the numbers of the bargains will be reached by the growth on all electronic platforms of the Exchange: exchanging, exhibition and fair and the platforms which are meant for organization of government and corporate purchases.

The growth, which is being predicted for 2017, is based on the results of the Company in 2016 and the activities on improving the mechanisms of trade and functioning effectiveness of all trade platforms.

Prediction of growth of the commodity turnover of “UzRCE” JSC in 2017

(billion sums)

	2015 reported	2016 expected	2017г. predicted	2017 in % to expected year 2016
Sales turnover in total	8837,9	11963,8	13276,0	111,0
including:				
Exchange sales	6861,7	9351,6	10413,9	111,3
Sales exhibition (realization of the production)	1088,1	1493,9	1643,3	110,0
Government purchases	543,8	675,1	740,2	109,6
Corporate purchases	344,3	443,2	478,6	108,0

Growth of the commodity turnover and improvement of the mechanisms of the exchange sales

It's being planned to realize the products, raw and other materials for 10413,9 billion sums or more for 11.3 % than the expected volume of current year.

During the planned period the Exchange is intending to conduct range of activities which are pointed to further improvement of the mechanisms of exchange sales, main goal of which is to simplify the organization procedure of the sales and the calculation of the exchange bargains and creating additional conveniences for the customers and members of the Exchange.

According to the project Decree which was adopted by the Cabinet of Ministers cooperatively with the specialists of the Ministry of Economy:

1) on second quarter of 2017 it's being intended to implement the mechanism of the control on fulfillment of the claims of the customers by the brokers, and it will be done by information system of the Exchange in automatic mode. depending on the This will give equal rights to all types of customers of all regions the access to the sources of raw and other materials which are realized on the Exchange sales, and the claims of the customers will be executed fully in the by members of Exchange. 2) on the third quarter of 2017:

in order to prevent the chance of taking out the material recourses from the Exchange which are meant for realization through the Exchange by input-output tables, the mechanism of putting repeatedly the production on the exchange sales by the information system of the Exchange in automatic mode.

it's also being intended to implement the experience of consideration of the argues and misunderstanding on bargains made on the exchange and it will be done by the arbitration of the Exchange. This will let accelerate and simplify the process of consideration of the argues and misunderstandings and especially improve the

agreement discipline of the sellers and customers.

3) it's being planned to implement on the fourth quarter of 2017 as following:

Electronic digital signature(EDS) in practice of making bargains and organization of calculation on the Exchange, automatic online registration of the customers by using the information contained in the key of EDS

Supervision mechanism of fulfillment of the agreement obligations (on payment and delivering the goods) by comparing the information from the electronic primary documents which are entered to the information system by sellers and customers.

The brokers may offer a work with the local bodies of the State Committee demonopolization and privatization and development of competition of the Republic of Uzbekistan and the branches for controlling the presentation of liquid and monopoly type of goods on Exchange sales according to the schedules.

The research of unused potential of the local producers will be done by the department of statistics and analysis of commodity markets cooperatively with the brokers and the regional branches in order to attract the goods produced by them and to include them on the rates list.

Improving the mechanisms of electronic government and corporate purchases

The work on improvement of the mechanism of making government corporate purchases in 2017 will be pointed to realization of the activities which are shown in the Decree of the Cabinet of Ministers "About the activities of further development of special information portal and the realization process of government and corporate purchases" adopted on the 27 of July, 2016 and numbered as 242, including:

for implementation of the classificatory of the goods (works and services) for the needs of government and corporate purchases and also electronic commercial;

for implementing gradually the mechanism of calculation of payment and supplying with the production accordingly with the contracts of government and corporate purchases through the calculation-clearing chamber by organizing the supervision and controlling the fulfillment of agreement obligations, and also rendering the services of distant management of the means on the personal account of the calculation-clearing chamber.

It will be passed gradually to the electronic methods of purchases, which used in practice in the world.

The Exchange sees use in providing the customers and suppliers with wide range of methods of purchases, as of following :

electronic way of requesting the prices;
electronic way of requesting the offers;
registration of the direct contracts on the information system of the exchange;
electronic competition.

It's being expected to use the experience of government purchases on the corporate purchases through the electronic catalog.

In case of governmental decisions regarding this issues, the exchange will conduct organizational and technical activities in 2017.

Also it's being expected to reach the volume of the bargains on the government and corporate purchases for more than 1 218,8 billion sums in 2017, including:

Electronic government purchases – 740,2 billion sums (growth for 9,6 %);
Electronic corporate purchases – 478,6billion sums (growth for 8 %).

Development of sales exhibition

The development of sales exhibition will be bases on fulfillment of the tasks defined by the Decree of the Cabinet of Ministers of the Republic of Uzbekistan “”About confirmation of the concepts of development of electronic trade in the Republic of Uzbekistan for the period of 2016-2018” adopted on the 4th of December, 2015 and numbered as 353 and the Decree “About confirmation of the regulations about the norms organizing informational functions of the brokers – organizers of the electronic fairs, auctions and competitions” adopted on the 2nd of August,2016 and numbered as 249

In 2017 the growth of the electronic sales exhibition and fair is being expected basing on realization of the activities on improving the mechanism of sales exhibition and fair including the implementation of mechanisms of guaranteed bargains, attraction of new participants and broadening the range of the goods which are realized in the electronic system.

In 2017 the department of exhibition and fair trade will elaborate the offers on implementation of the electronic system of retail exhibition (electronic hyper market) in cooperation with the department of strategic planning development.

It's being planned to enhance the turnover in the sales exhibition in “UzRCE” JSC for 10 % making the volume of the bargains up to 1643,3 billion sums.

Giving information to the participants of exchange sales, sales exhibition and auction sales

Main areas on forming analytical sources and reviews about the state of all

areas of the Exchange will be defined depending on the demand of the government bodies for the information about state at the commodity exchange market.

Finding the opportunities of the exchange trade, estimation of the development of the exchange sales exhibition, government corporate purchases will be done on the basis of timely receiving the information for certain period of time, and on the unified forms of statistic information by using information and communication technologies.

Forming the prices of the production realized on the commodity exchange, according to the results the trade rates will be published on the information portal of the exchange and the corporate newspaper.

According to the tendency at the commodity exchange market, the problematic issues will be found for recommendations about make decision.

Analytical reviews of particular sectors of the commodities market will show the state at the market with the prediction for long-term and short term perspectives.

Permanent supervision and analysis of the state of the world commodity markets and foreign exchanges will help to form the analytical material and review s in purpose of their usage to enlighten its performance in the future.

On the basis of the analysis, made to define the state of the exchange goods, development of the sales exhibition and auctions of government corporate purchases, electronic bulletin will be formed to inform widely the participants of the sales and purchases, regulating bodies and business organizations.

One of the priority areas is modernization of special information portal of the Exchange www.uzex.uz by creating new design of the portal, advance of its visual attractiveness, updating the structure, improving ergonomics and creating new functional abilities of the portal. Following project will help to increase the visit to the web recourses and to become more popular. Special attention will be given to improve the page of the portal named as “Aktsioneram” (to the shareholders) and the personal cabinet of the members of the Board of Supervisors of “UzRCE” JSC in order to maintain informational transparency of the company and implementation of modern methods of corporate management.

At the same time it being planned to enhance supplying with the information other web resources of the Exchange, also the pages on the web-sites of the Internet such as Twitter and Facebook.

Open data which is given on www.data.gov.uz. will be updated and broadened regularly.

It's being intended to hold press-conferences briefings and meetings dedicated to government and corporate purchases, enhancement of the participation of the entrepreneurs in electronic sales of the Exchange and also to other important issues. All these activities will be held in cooperation with mass media. Besides, the

cooperation with the agency will be enlarged, also the publication about the function in the press electronic mass media. Information about the rates of the Exchange will be given daily on the websites of various and organizations of the Republic.

It has also been planned to create new TV studio of the Exchange for organization of video recording and transmission of the TV show “UzEXNews” in Russian and English languages.

Advertisement, marketing and PR will be the main factors leading to successful functioning of the Exchange. It will be pointed to make popular the brand “UzRCE” JSC and to attract more customers. It was planned to make new advertisement clips, holding PR actions and spreading the information reference among the potential customers.

Following the principals of corporate management

Further improvement of the corporate management of “UzRCE” JSC will be pointed first of all to the rights and the shareholders’ interests in the laws. Following the main principles and the recommendations of the Code of corporate management is the most important tool effective management of the enterprise which is pointed to development.

Taking into account the importance of improvement of corporate management and in order to fulfill the Decree of the President of Uzbekistan “About the measures of implementation of modern methods of corporate management in joint-stock companies” adopted on 24.04.2015 and numbered as UP-4720, “UzRCE” JSC takes range of steps in the area.

Thus, in purpose of fulfillment of the law “About joint-stock companies and defending the rights of the shareholders and in order to prepare them for implementation of the Code of corporate management, UzRCE” JSC has passed to publication of financial reports basing on the international Standards of financial reporting and conducting its external audit according to the International Standards of Audit.

Members of the executive body and other key specialists of “UzRCE” JSC will improve regularly the qualification of in the corporate management in the scientific education centre of corporate management according to the elaborated special individual programme for “UzRCE” JSC.

Thus, stimulating materially the members of the Board depends on the indexes of effectiveness of “Uz RCE” JSC which were elaborated according to the Regulations about estimation criteria of effectiveness in functioning of joint-stock companies and other entities with government share (Attachment to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan adopted on 28.07.2015 and numbered as 207) and stimulating materially the members of the Board of supervisors depending on the

effectiveness of the system of corporate management. Estimation of the system of corporate management is meant for the first quarter of 2017.

Implementation of modern methods of complex management of the resources of ERP system enterprises is stipulated by the Decree of the President of The Republic of Uzbekistan “About the measures of implementing modern methods of corporate management in joint-stock companies adopted on 24.04.2015 and numbered as UP-4720”.

ERP systems, their features, price policy in their delivering, licensing and servicing were researched and it was decided to begin implementing the software 1C:ERP with jointless integration of 1C: “Dokumentooborot”

Full implementation of the system is planned for the 1st half of 2017.

One of the key factors of effectiveness and competitiveness of “UzRCE” JSC is to maintain high quality of the personnel. The executive body of the Exchange pays special attention to the interests and demands of the employee, and tries to motivate highly in achieving better results on his own occupation. I will be continued to work on improving the system of preparing the staff and also the system of stimulating the work in 2017.

The HR policy is pointed to attract best qualified specialists will help to improve the quality of the services and increase the profit of the shareholders.

One of the principles of the HR policy is to train the staff which strengthen the competitiveness and forms flexible system of vacations and also labor, proper salary and getting financial help in case of accidents.

The particular area of training the staff is improvement of the qualification of the members of the executive body and other employees in corporate management and also increase the level serving.

The most important area of training is still IT which maintains the whole working process of the Exchange.

The staff of government organizations, enterprises and government authorities are examined according to the Decree of the President of the Republic of Uzbekistan adopted on the 27th of October, 2011 and numbered as 289, and in order to stimulate the effective usage of computers, government information systems and sources of defining the compatibility of the levels of the knowledge and skills of the employees to the qualification requirements to use the office and IT equipment.

The assessment activities are planned to be conducted for the employees of the Exchange in 2017 in the system of KSBT.

The assessment of the staff on basis of KPI system, which is based on fulfilling the quarterly plans, will maintain rational usage of the salary fund. Each employee contributes in the to reach the goal and receives bonuses for their realization.

The work on KPI helps the specialists to understand better the ways of being more effective. The word “effective” is understood as the profit brought by him to the company.

It's being planned work cooperatively institutions of higher education to find more talented graduates (IT is preferable), to help them to make practice at the Exchange and also keep on having cooperation with them.

The prosperity of the company is not only the responsibility of the staff but the whole company's too.

In wider meaning, the corporate social responsibility means the contribution made by “UzRCE” JSC in development of the company is social, economic and environmental spheres, which is not related to directly to occupation area of the Exchange. Social responsibility of the company consists of participation in government and social projects maintaining the policy of the government and social development of sport and also children's sport.

Invested funds create favorable conditions for the Exchange and characterize a positively before the government bodies, the customers, the business partners and the employees.

6-8 % of the incomes from the main area of functioning will be spent for charity and sponsoring activities.

Further development of the information and communication technologies and the infrastructure of the exchange

Main occupation of the Exchange on development of information and communication technologies in 2017 will be pointed to improvement of technological platforms of exchanging, sales exhibition and government and corporate purchases according to the decrees and the strategy of the exchange for long and short periods.

The tender was held for the project to supply the centre for processing the data, local computing, network and automatized work places to IT infrastructure of “UzRCE” JSC according to the protocol of the operative meeting in the Cabinet of Ministers of the Republic of Uzbekistan about modernization of IT infrastructure of “UzRCE” JSC adopted on the 23rd of September, 2013 and numbered as 02-02/107-85.

Common amount of the funds of the tender for delivering the equipment containing the details for engineering infrastructure and IT complex CPD (centre for processing the data), also the equipment containing the details for local computing network and authorized work places comprised 1,07 million US dollars.

All the equipment, shown in the above mentioned project, is received and are repaired. Computers are installed on the places of the employees.

New cooling systems, working on special mode, were installed. Each air conditioner works on automatic mode of turn-by-turn order and it starts and stops according to the assigned time. This mode of cooling helps to save electricity and to control fully the temperature in the part of the building where the servers are kept. Moreover, special fire extinguishing system was installed which works with special gas and in case of fire the system extinguishes the fire without water.

The activities of improvement of information technologies in branches “UzRCE” JSC will be continued in 2017.

Thus, most of the branches will be connected through optical fiber line to the Central Apparatus of the Exchange. At the present time the connection lines of ADSL technology got old and doesn't meet the requirement of the volume of the information flow in case of the exchange sales. Besides, there aren't any facilities to arrange network services like, IP-telephony, audio and video conference.

Thereby, local network will be gradually modernized and the network devices will be renewed which will help to maintain stable work of transport communication and the network connection, also it will help to implement gradually video conference system connecting with the branches of the Exchange in the regions of the Republic which may save travel expenses and the expenses for gathering the participants.

It has been planned to prolong the expiration date of the licenses of the antivirus software in purpose of preventing the files and operation systems from infection.

In purpose of detecting unauthorized entering to the computer systems of the Exchange or unauthorized file management through the Internet, it has been planned to start using special software preventing from any unauthorized penetration.

Also, has been planned to implement the means of safety to prevent the leakage of information from the information system of the Exchange.

It's being intended to install digital supervising cameras for maintaining the safety of the assets and controlling the entrance of the Exchange which will help to watch the territory.

In order to improve the quality of the services rendered to clients and also increase the effectiveness of the work done by staff of the Exchange, it has been planned to implement the project “Electronic queue” which may help to get customers.

During the planned period, the software helping to conduct activities stipulated by the Decree of the Cabinet of Ministers “About the measures of further improvement of the information portal of “UzRCE” JSC and realization of the processes of government and corporate purchases” adopted on the 27th of July, 2016 and numbered as 242, which includes the implementation of the National classifier of

goods(works and services) for the needs of the government and corporate purchases through the calculation-clearing chamber.

The mechanism, which maintains the fulfillment of the agreements, will be realized through the guaranteed fulfillment fund.

Also the SMS-informing service will be started to create opportunities for the participants of the trade platforms. The service will function by sending SMS information to the customers and suppliers taking part in the electronic sales.

The industrial infrastructure has set the goals on maintaining continuous and effective functioning of the production process. Improvement of the infrastructure of this area is one of the factors of well functioning of the enterprise and getting better quality of services, and it has a range of other advantages.

After finishing the repairmen of the of central apparatus building which is situated in Tashkent City and in order to get maximum comfort and effectiveness of the employees of the Exchange the number of which in the Central Apparatus comprises 100 people and 200 brokers, all the furniture, armchairs, jalousie, which are contained inside, will be renewed.

The brokers' hall will be on the third floor of the central apparatus. This will require buying modern means of presentation of the information (screen panels, creeping lines, televisions) and air conditioning system.

The repairing works of the heating system and renewing the roof of the building in Khorezm. The second part of the repair has been planned to be planned in 2017.

Availability of own buildings on the balance of "UzRCE" JSC sets responsibilities of repairing them regularly and maintenance of the communicative infrastructure and so on.

Depending on the financial state of "UzRCE" JSC, it has been planned to repair the building in Djizak City and Navoi City.

4. FINANCIAL AND ECONOMIC AREA

Increase of the profit and improvement of the economic indexes of Company, creating favorable conditions for the shareholders, are the main priorities "UzRCE" JSC.

It has been planned to increase the incomes from the main area for 13,46 % in

2017.

The income of the Exchange from the main functioning area is the amount of commission charges, which are taken for the services rendered by the Exchange:

on guaranteed bargains;
clearing services;
bargains in the system of sales exhibition ;
bargains in the system of government purchase;
bargains in the system of corporate purchases ;
putting the announcement on the special information portal;
giving the informational and analytical materials .

In income from rendering the services to the members of the Exchange:

the charge for automatized work place ;
the charge for the broker's place;
deposit for connection of trade sections.

Other incomes from the main functioning area :

short-term renting.

The incomes from financial area:

The percents from allocation of surplus funds;
positive rate margin.

Incomes flow planned according to the incomes item, shown quarterly:

(thousand sums)

Incomes item	I quarter	II quarter	III quarter	IV quarter	Total
Earnings from the commission charges	9 606 441	10 479 754	10 916 410	12 663 036	43 665 642
Incomes from the services rendered to the members of the Exchange and to the participants of the sales (giving the broker's place and connection of the communication line)	184 987	201 804	210 212	243 846	840 850
Other incomes from main functional area	121 000	132 000	137 500	159 500	550 000
Incomes from the financial area	858 000	936 000	975 000	1 131 000	3 900 000
In total	10 770 428	11 749 558	12 239 123	14 197 383	48 956 492

Prices of the services of the exchange

1. The amount of the commission charges on the services related to the exchange bargains, on the services related to the exchange related to the system of the exchange sales, on the services of calculations-clearing chamber and also on informational services, are regulated by the Declaration of marginal profits for the services of “UzRCE” JSC which was registered in the Ministry of Finance of the Republic of Uzbekistan and numbered as MM/15-04-Uz-2015/15 and dated as 04.01.2016. (without VAT)

2. The amount of the commissions for bargains in the system of government purchases is 0,05% from a bargain of each participant of the sales basing on the Decree of the Republic of Uzbekistan which was numbered as PP-1948 and dated as 05.04.2013 (VAT is included)

3. The amount of the charges, for the bargains in the system of corporate purchases, except the subjects of small business, is 0,1035 % from the amount of the bargains of each participant of the sales on the basis on the Declaration of marginal tariffs, for the services of “UzRCE” JSC which was registered in the ministry of Finance of the Republic of Uzbekistan numbered as MM/15-04-Uz 2015/15 and dated as 04.01.2016 (without VAT)

4. The amount of the commission charges for the bargains in the system of corporate for the subjects of small business is 0,05 % from the amount of the bargains from each participant of the sales on the basis of the paragraph 48 of the Decree of the Cabinet of Ministers of the Republic of Uzbekistan “About additional measures of improvement of the process of government and corporate purchases which is numbered as 166 and dated as 11.06.2013” (VAT is included)

5. The amount of the charges, for putting the advertisement on the special information portal of corporate purchases is 3622,5 sums on the basis of the Declaration letter on marginal tariffs for the services of “UzRCE” JSC registered in the Ministry of Finance of the Republic of Uzbekistan and numbered as MM/15-04-Uz-2015/15 and dated as 04.01.2016 (without VAT)

The regulations, “About putting and disclosing the information on the special portal of “UzRCE” JSC, were confirmed by the Decree of the Cabinet of Ministers of the Republic of Uzbekistan “About the measure on further improvement of the special information portal of “UzRCE”JSC and the realization process of government and corporate purchases” adopted on the 27th of July, 2016 and numbered as 242. Following information must be given on the portal of “UzRCE” JSC:

1. Time-schedule of government and corporate purchases.
2. Announcement about realization of government and corporate purchases.
3. Information about the results of government and corporate purchases.

The price for putting the above mentioned information is given as 3 622,5 sums (without VAT) according to the letter of the Ministry of Finance of the Republic of Uzbekistan written on 18.08.2016 and numbered as 15-04-32-10/132-2191 and the Protocol of the meeting of the Board of Supervisors dated as 20.08.16. (VAT is included)

6. Charges for automatized work place of the broker is priced in the central hall of the Exchange as 62 % to current minimal salary, and 41 % to current minimal salary in the regional trade halls monthly according to the Protocol of the meeting of the Board of supervisors written on 20.08.16. (without VAT)

7. Charges for broker's place as per the tariff and according to the 102 % to minimal amount of salary for each trader on the basis of the protocol of the meeting of the Board of supervisors held on 20.08.16 (VAT is included)

8. Charges for connecting one trade section:

In Tashkent City - 10 minimal salaries for a month;

In regional centre - 7 minimal salaries for a month ;

in the cities and districts of the regions – free.

Expenses on giving the salary

Production wages include calculated salary for production and administration for the actually completed work basing on the tariffs and position wages according to the form of timely system of the payment for labor, including the stimulation payments stipulated by the attachments “”About stimulating the workers at the end of the year” which was confirmed by the Collective agreement” of the Exchange.

Two leveled indexation of the salary of the employees of “UzRCE” JSC in foreseen in total volume of 18-20%

Thus the payment for labor comprise in total 6 876 333 thousand sumns, including production 4 719 854 thousand sumns, for the administration 20 441 191 thousand sumns on realization 112 288 thousand sumns.

Amortization of main assets

The amount of amortisation deductions (calculate deterioration), calculated according to the initial (restored) price of main production assets confirmed by the regulated norm, is included in the expences for amortization of main assets and non-material assets for production.

According to the prices of main assets regulated on the moment preparation of the Business Plan, the amortization of the main asstes meant for production will comprise 842 420 thousand sumns (765 836 thousand sumns in 2016), 98 679 thousand

sums meant for administration (42 160 thousand sums in 2016), in total 941 099 thousand sums (807 996 thousand sums in 2016)

Deduction to non-budget fund of the Ministry of Finance and the Ministry of Economy

According to the Decree of the Cabinet of Ministers adopted on the 31st of May, 2004, and numbered as 251 “About the additional measures on improving the function of Commodity exchanges”, in case of declaring the marginal amounts of the commission charges of “UzRCE” JSC which are collected from the exchange bargains, the commission charges are taken to account as 0,01 % for the services of “UzRCE” JSC on realization of high liquid goods which are calculated as in equal share to the non-budgetary funds of the Ministry of Economy and the Ministry of Finance of the Republic of Uzbekistan.

The amount, planned earlier, will comprise 7749698 thousand sums (2016 – 5398605 thousand sums)

Including:

Non-budgetary fund of the Ministry of Finance – 50% or 3 874 849 thousand sums

Non-budgetary fund of the Ministry of Economy – 50 % or 3 874 849 thousand sums

Usage of borrowed assets and their return

To the moment of making up the Business Plan, the exchange doesn't use the borrowed assets and is not planning to receive loans in 2017.

Taxes and obligatory payments

The exchange pays the established taxes, including the obligatory payments to the budget, taxes, charges, deductions according to the current laws.

Tax payment is done according to the laws of the Republic of Uzbekistan:

VAT – 20 %;

Income taxes – 7,5 %;

Tax for accomplishment and development of the infrastructure – 8 %;

Tax for using the water resources (by calculation);

for Land (by calculation);

Tax for property – 5 %;

Tax for the incomes which are paid as dividends – 10 %;

Tax for the incomes of individuals;

Deduction for nonbudgetary funds:

Pension fund:

ESP from the wages fund – 25 %;

From the rendered services – 1,6 %;

Obligatory insurance deposits of civils – 7%;

Republican highway fund – 1,4 %;

Fund for reconstruction, capital repairs and equipment of the education and medical institutions – 0,5 %.

Thus, the payments to the budget are resource taxes (tax for property, land tax and the tax for using water resources will be 841 370 thousand sums (2016 – 755 117 thousand sums), deduction to non-budgetary funds (pension, highway, for the development of education at schools) which are calculated from realization of the services, will be 1 557 727 thousand sums (2016 – 1 092 792 thousand sums), income tax 1 020 487 thousand sums (2016 – 984 991 thousand sums), and the tax for accomplishment and development of the infrastructure – 758 738 thousand sums (2016 – 575 103 thousand sums)

Prediction of profits and losses

Financial results of the Exchange are described as follows:

gross profit from realization of the function which is defined as the margin between net earnings from realization of the production cost of the realized production is equal to 31 502 431 thousand sums (2016 – 21 698 122 thousand sums)

the profit from the main area of occupation is defined as the margin between gross profits and from realization of the products and expenses of the period and plus other incomes or minus other losses from the main area of occupation is equal to 9 055 865 thousand sums (2016 – 6 932 772 thousand sums).

the profit from common sectoral area which is calculated as the amount of profit the main area of occupation plus profits and minus costs on financial area is equal to 10 505 865 thousand sums.

the profit before the tax, which is defined as the profit from common sectoral areas plus extreme profit and minus extreme losses, comprising 10 505 865 thousand sums, it's equal to the profit from common sectoral area of occupation whereas the planning extreme profits and losses isn't included.

the profit of the year which is still at the disposal of the Exchange after paying taxes, means the profit before paying the taxes excluding the the income tax and minus the tax for infrastructure. The profit planned by calculation will comprise 8 726 640 thousand sums (2016 – 6 887 580 thousand sum) in 2017.

The report about profits and losses is presented in the estimation list of incomes and expenses.

ESTIMATION OF THE INCOMES AND EXPENCES OF “UzRCE” JSC IN 2017

(thousand sums)

INDEXES		Budget 2016	Expected in 2016	Budget 2017	INCLUDING THE QUARTERS			
					1 quarter	1 half of the year	9 months	2017
I	INCOMES IN TOTAL	34 768 413	43 148 623	48 956 492	10 770 428	22 519 986	34 759 109	48 956 492
	INCLUDING:							
	1.1. Incomes from the main functioning area	31 405 553	39 131 264	44 506 492	9 791 428	20 472 986	31 599 609	44 506 492
	including:							
	Earnings from the commission charges	30 517 136	38 419 480	43 665 642	9 606 441	20 086 195	31 002 606	43 665 642
	Incomes from the services rendered to the members of the Exchange	888 417	711 784	840 850	184 987	386 791	597 003	840 850
	- for the work place (user charge)	404 204	394 381	441 707	97 176	203 185	313 612	441 707
	- for connection of trade section	183 515	176 638	194 302	42 746	89 379	137 954	194 302
	- for the right of the access to the system of ECBT	235 578	135 765	149 341	32 855	68 697	106 032	149 341
	- sms information service	65 120	0	50 000	11 000	23 000	35 500	50 000
	- contracts	0	5 000	5 500	1 210	2 530	3 905	5 500
	1.2. Other incomes from the main functioning area (fines, rent)	350 327	517 359	550 000	121 000	253 000	390 500	550 000
	1.3. Incomes from the financial area	3 012 533	3 500 000	3 900 000	858 000	1 794 000	2 769 000	3 900 000
II	Expenses in total	26 528 295	33 600 855	38 450 627	9 748 855	18 659 919	28 367 249	38 450 627
	Including:							
	1. Production net cost in total	9 524 518	9 160 878	13 004 060	3 845 504	6 831 587	9 932 055	13 004 060
	1.1. Material expenses	1 386 377	1 692 418	1 031 660	206 512	443 960	786 875	1 031 660
	- purchased material (paper)	24 577,35	36 150	33 137,17	7 290	15 243	23 527	33 137
	- purchased material (stationary)	23 320,08	10 054	28 000,00	6 160	12 880	19 880	28 000
	- purchased material (household inventory)	556 100,00	500 000	25 600,00	5 632	11 776	18 176	25 600
	- purchased material (for office)	22 005,00	21 883	47 000,00	10 340	21 620	33 370	47 000
	- purchased material (water in capsules)	22 402,80	19 524	26 510,00	5 832	12 195	18 822	26 510
	- purchased material (fuel)	5 940	3 298	6 000	1 320	2 760	4 260	6 000
	- purchased material (others)	98 072,04	85 752	0,00	0	0	0	0
	- renting and using the building	340 327	625 100	380 518	83 714	175 038	270 168	380 518
	- communication services	129 987,00	136 001	150 000,00	37 500	75 000	112 500	150 000
	- electricity	163 645,68	153 657	194 895,01	48 724	97 448	146 171	194 895
	- regular repair of the building		101 000	140 000,00	0	20 000	140 000	140 000
	1.2. Salary expenses	5 304 441	4 306 030	6 933 342	1 874 344	3 560 677	5 247 010	6 933 342
	- salary	3 624 932	3 395 052	4 419 854	1 104 964	2 209 927	3 314 891	4 419 854
	- rewards in production	1 504 287	910 977	2 213 488	694 381	1 200 750	1 707 119	2 213 488
	- salary ГИД	175 221	0	300 000	75 000	150 000	225 000	300 000
	1.3. Deductions for social insurance	1 326 110	1 076 507	1 733 336	468 586	890 169	1 311 752	1 733 336

- from salary	906 233	848 763	1 104 964	276 241	552 482	828 723	1 104 964
- from the rewards in production	376 072	227 744	553 372	173 595	300 187	426 780	553 372
- Salary GPD	43 805		75 000	18 750	37 500	56 250	75 000
1.4. Amortization of main assets and non-material assets	765 836	1 171 569	842 420	210 605	421 210	631 815	842 420
1.5. Other production expenses	741 755	914 354	2 463 303	1 085 457	1 515 571	1 954 603	2 463 303
- technical service and repair of main assets	79 200	177 310	198 600	43 692	91 356	141 006	198 600
- renting the channel	223 608	243 455	267 800	66 950	133 900	200 850	267 800
- serving the office devices	25 000	33 961	52 500	11 550	24 150	37 275	52 500
- communication services	48 840	49 435	55 000	13 750	27 500	41 250	55 000
- posting expenses	2 268	2 162	3 000	750	1 500	2 250	3 000
- the Internet	211 221	156 636	203 627	50 907	101 814	152 720	203 627
- the expenses for maintaining and modernizing the IT and safety in IT	65 000	213 056	600 000	132 000	276 000	426 000	600 000
- updating the furniture and the internal обновление мебели и внутреннего contents after repairmen	-	-	604 176	604 176	604 176	604 176	604 176
-payment for the trade sections	-	-	250 000	62 500	125 000	187 500	250 000
-SMS information service	-	-	33 000	8 250	16 500	24 750	33 000
- transport services	20 000	1 430	10 000	2 000	5 000	8 000	10 000
- fire extinguishing and security (video supervision, fire extinguishing gloves and others)	5 000	0	100 000	80 000	90 000	100 000	100 000
Serving the UPS and the generators	-	-	45 000	0	0	0	45 000
- travel expenses	61 618	36 909	40 599	8 932	18 676	28 826	40 599
2. Expenses of the period	15 553 777	20 031 993	22 996 566	5 364 351	10 701 333	16 695 694	22 996 566
2.1. Realization expenses	394 570	380 634	486 470	61 618	138 235	309 853	486 470
- salary	92 092	45 556	112 288	28 072	56 144	84 216	112 288
- reward in production	38 764	0	48 088	12 022	24 044	36 066	48 088
Deductions for social insurance	32 714	10 730	40 094	10 024	20 047	30 071	40 094
- advertisement	60 000	35 796	30 000	5 000	20 000	25 000	30 000
- press-conference	6 000	4 320	6 000	1 500	3 000	4 500	6 000
- participation in sales exhibition	130 000	239 532	200 000	0	0	100 000	200 000
- printed production	20 000	29 700	30 000	5 000	15 000	20 000	30 000
- souvenirs and gifts	15 000	15 000	20 000	0	0	10 000	20 000
2.2. Administrative expenses	3 585 891	3 255 823	4 966 245	1 235 625	2 475 207	3 716 768	4 966 245
- salary	1 676 538	1 577 546	2 044 191	511 048	1 022 096	1 533 143	2 044 191
- award in production	971 040	800 373	1 613 781	403 445	806 890	1 210 336	1 613 781
- deductions for social insurance	574 894	556 584	914 493	228 623	457 246	685 870	914 493
- amortization of main assets meant for the administration	42 160	89 708	98 679	24 670	49 339	74 009	98 679
- expenses for maintenance of the transport	60 721	39 989	79 486	17 487	36 564	56 435	79 486
-expenses for transport (fuel)	81 648	82 126	97 215	24 304	48 607	72 911	97 215
- communication services	6 000	17 909	23 400	5 148	10 764	16 614	23 400
- travel expenses	96 590	61 588	65 000	14 300	29 900	46 150	65 000
- representation expenses	76 300	30 000	30 000	6 600	13 800	21 300	30 000
2.3. Other operative expenses	11 573 315	16 395 536	17 543 851	4 067 109	8 087 890	12 669 074	17 543 851
- payments to the budget	781 517	2 261 179	1 041 370	260 343	520 685	781 028	1 041 370
including the tax for property	710 775	652 973	783 567	195 892	391 784	587 675	783 567
Including the land tax	43 342	46 055	55 266	13 816	27 633	41 449	55 266
Including the tax for water	1 000	2 114	2 537	634	1 268	1 903	2 537
Including в т.ч. НДС (торговые площадки по областям)	26 400	203 273	200 000	50 000	100 000	150 000	200 000
- deduction for government purpose funds	1 099 194	1 356 764	1 557 727	342 700	716 555	1 105 986	1 557 727

	- payments for compensation and stimulation	1 654 101	1 566 149	2 547 543	606 581	1 005 581	1 816 043	2 547 543
	- deduction for social insurance	413 525	314 450	636 886	151 645	251 395	454 011	636 886
	- expenses for the Trade union	86 934	86 934	95 627	23 907	47 814	71 721	95 627
	-audit, services of the bank and depositaries, evaluation and consulting services	236 633	230 000	280 000	80 000	160 000	210 000	280 000
	- sponsoring services	1 718 520	2 893 418	3 000 000	750 000	1 500 000	2 250 000	3 000 000
	- necessary insurance	5 992	12 113	20 000	1 000	13 000	19 000	20 000
	- expenses for current repairmen of the buildings	0	0	0	0	0	0	0
	- preparation and requalification if the employees	158 294	37 409	65 000	10 000	35 000	50 000	65 000
	- subscription	16 000	6 414	15 000	0	0	5 000	15 000
	- other expenses (membership deposit, washing the front side, countryside house "Bostanlik", archiving)and others)	0	503 637	500 000	125 000	250 000	375 000	500 000
	- creating the reserves for uncoverable debts	0	1 500 000	0	0	0	0	0
	- deductions to non-budget funds of the Ministry of Finance and the Ministry of Economy	5 398 605	6 981 710	7 749 698	1 704 933	3 564 861	5 502 285	7 749 698
	Translation of the document into 3 languages	-	-	30 000	10 000	20 000	25 000	30 000
	- litigation costs	4 000	2 124	5 000	1 000	3 000	4 000	5 000
	3. Expenses for the financial functioning	1 450 000	4 407 985	2 450 000	539 000	1 127 000	1 739 500	2 450 000
III	Financial result before paying the taxes	8 240 118,5	9 547 767,4	10 505 865	1 021 573	3 860 067	6 391 860	10 505 865
IV	Tax base	10 049 572	14 030 243,6	13 606 492	1 796 480	5 410 881	8 717 580	13 606 492
	Income tax	753 717,9	1 052 268,3	1 020 487	134 736	405 816	653 819	1 020 487
	Other taxes (infrastructure)	598 820,2	679 639,9	758 738	70 855	276 248	458 951	758 738
V	Net profit	6 887 580,4	7 815 859,2	8 726 640	815 982	3 178 003	5 279 090	8 726 640

Predicted balance for year 2017

(тыс. сум)

Description of the index	To the beginning of the period	To the beginning of the period	Description of the index	To the beginning of the period	To the end of the period
ASSETS			LIABILITIES		
<i>Long-term assets</i>			<i>Sources of own assets</i>		
Main assets at balance-sheet value	26 500 000	32 000 000	Authorized capital	15 741 268	15 741 268
Main assets at depreciated cost	17 500 000	22 000 000	Added capital	564 835	564 835
Non-material assets at balance-sheet value	458 726	958 726	Reserve capital	6 515 289	7 166 818
Non-material assets at depreciated cost	334 690	642 945	Purchased own shares		
Long-term investments	41 500	41 500	Unallocated profit	6 874 064	9 084 085
Equipment for installation			Purposeful flow	-	

Capital investment	1 500 000	0	Reserves for the upcoming expenses and payments	357 445	
<i>Current assets</i>			<i>Obligations</i>		
Production reserves	275 058	135 300	Current accounts payable	337 192 884	437 556 977
Expenses of the periods in future	16 000	16 000	Long-term loan		
Deferred charge	0	0			
Receivables	18 672 300	18 372 000	Long-term bank credits		
Cash assets	328 906 237	428 906 237			
Short-term investments	0	0			
Other current assets	0	0			
Balance	367 245 785	470 113 982		367 245 785	470 113 982

It's necessary to note that the balance sheet accounts like, "funds" and "obligations" include the funds of the customers and the members of the Exchange (deposits of the participants of the sales) on returning those assets after making bargains on the credit balance.

Activities on recovery of receivables and decreasing the accounts payable

"UzRCE" JSC works permanently on decreasing the debts and obligations to the suppliers by making analysis of fulfilment of the agreements on the inventory holdings and services and also doing mutual settlements with the suppliers and customers regularly. In case of non-regulation of the debts on voluntary basis, it will be given to the court for consideration.

Dividend policy

"UzRCE" JSC leads its dividend policy basing on the interests of the company and its investment attractiveness, on the respect and following strictly the rights of the shareholders which are stipulated by current Laws of the Republic of Uzbekistan and the regulations and local documents of "UzRCE" JSC.

It's fair that the shareholders also must expect the competitive incomes from the Company. Steady regulations of the Exchange helps to create and reallocate the prices to the shareholders of the Exchange.

The last 4 years the Company paid to the shareholders 17,2 billion sums as dividends including 4,5 billion sums.

According to the dividend policy confirmed by the common meeting of the share holders on 27.05.2016, the dividend profitability may reach up to 30 % in 2016. The company is intending to allocate 60 % of net profit or 47 billion sums as

dividends. It's being planned to assign the amount of the dividends on the level of 215 sums per 1 simple share in 2016, 160 sums per share in 2015).

5. The criterias of estimating the function of the company

According to the Regulations about the criteria of estimation of the effectiveness of the joint-stock companies and other entities with government share (the attachment to the Decree of the Cabinet of Ministers, adopted on 28.07.2015 and numbered as 207), prediction values of main and additional indexes of the effectiveness of "UzRCE" JSC.

Calculation of key indexes of effectiveness (KIE) is done on quarterly basis. Information sources for calculation of KIE can be the data which the organization has, and the things included in:

- the documents of accounting;

- reports which are presented to government bodies (financial, statistics, taxation and etc);

- in the business plan;

In other materials, which were received or elaborated according to the regulation.

Average weighted value on all KIE is understood as an integral coefficient of effectiveness (ICE) of the executive body.

The list of main and additional indexes of effectiveness of "UzRCE" JSC is shown in the Attachment 1 given to the Business plan.

Attachment 1 for the business plan of “UzRCE” JSC in 2017

**LIST
OF KEY INDEXES OF EFFICIENCY**

N	Index	1 quarter of 2017		1 half of 2017		9 months of 2017		2017	
		Unit weight	Predicted (purposeful) value	Unit weight	Predicted (purposeful) value	Unit weight	Predicted (purposeful) value	Unit weight	Predicted (purposeful) value
MAIN KEY INDEXES									
1	EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization, million sums							10%	9 048
2	CIR - Cost Income Ratio							9%	0,76
3	Рентабельность акционерного капитала ROE - Return On Equity							5%	0,06
4	TSR - Total Shareholders Return							5%	0,3
5	Profitability of the assets	30%	0,015	30%	0,016	30%	0,017	18%	0,017
6	Coefficient of absolute liquidity	25%	0,95	25%	0,95	25%	0,95	17%	0,95
7	Coefficient of financial independence	23%	0,08	23%	0,08	23%	0,08	15%	0,08
8	Velocity of the payables in days	3%	2 002	3%	1 974	3%	1947	2%	1920
9	Velocity of receivables in days	3%	175	3%	179	3%	184	2%	188
10	Coverage ratio (ability to pay)	16%	1,04	16%	1,04	16%	1,04	12%	1,04
11	Dividend withdrawal							5%	0,6
	Total	100%		100%		100%		100%	
ADDITIONAL KEY INDEXES									
1	Coefficient of accumulated depreciation	13%	0,37	13%	0,37	13%	0,37	13%	0,37
2	Coefficient of updating main assets	7%	0,02	7%	0,02	7%	0,02	7%	0,02
3	Productivity of labor (thousand sums)	9%	54 397	9%	113 739	9%	175 557	9%	247 258
4	yield of capital investments	6%	1,27	6%	1,5	6%	1,8	6%	1,9
5	Efficiency of the energy (share of expenses for the energy in the structure of the production)	3%	0,02	3%	0,02	3%	0,02	3%	0,02

6	Expenses for training the employees, as for one employee (thousand sums)	5%	50	5%	175	5%	250	5%	325
7	Coefficient of the turnover of human resources	3%	1,02	3%	1,02	3%	1,02	3%	1,02
8	Coefficient of profitability of net incomes	12%	0,218	12%	0,218	12%	0,218	12%	0,13
9	Profitability of the assets (without deposited cash of the customers)	10%	0,15	10%	0,16	10%	0,16	10%	0,17
10	Coefficient of absolute liquidity (without deposited cash of the customers))	10%	1,3	10%	1,3	10%	1,33	10%	1,3
11	Velocity of payables in days (without the deposited cash of the customers)	3%	98	3%	105	3%	111	3%	118
12	Velocity of payables in days (without the deposited cash of the customers)	3%	15	3%	15	3%	15	3%	15
13	Coefficient of the growth of in turnover of the sales	10%	0,11	10%	0,11	10%	0,11	10%	0,11
14	Share of the employees with high education (except the servicing staff)	3%	0,9	3%	0,9	3%	0,9	3%	0,9
15	Net profit per each employee (thousand sums)	3%	4 533	3%	17 656	3%	29 328	3%	48 481
	Total	100%		100%		100%		100%	

* completed after the publishment about international standards of financial reports

** is a dynamic result