

Information on the principle "comply or explain"
("Comply or explain")

In accordance with paragraph 8 of the Code of Corporate Governance, in case of impossibility to comply with certain recommendations of the Code, the joint-stock company discloses in detail the reasons for it in the media, following the international principle of “comply or explain” (“comply or explain”).

In accordance with paragraph 18 of the Code, joint-stock companies include at least one independent member in the supervisory 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 supervisory board.

According to paragraph 23 of the corporate governance rules for enterprises with state participation, independent members are included in the supervisory board in the amount of at least one person from the total number provided for by the company's charter.

There are currently no independent members on the Supervisory Board.

Article 76 of the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights” determines that the supervisory board of a company whose shares are included in the exchange quotation list of the stock exchange must have at least one independent member who can be re-elected annually. At the same time, in companies with a predominant share of the state and (or) a business association, the nomination and voting for an independent member of the supervisory board are carried out by representatives of the state and (or) business association.

Article 63 determines that shareholders who in the aggregate own at least one percent of the company's voting shares have the right to nominate candidates to the supervisory board, the number of which cannot exceed the quantitative composition of this body.

The Uzbekgeofizika Joint Stock Company reports that in 2023, the number of independent members of the Supervisory Board did not reach 15% of the Board due to the lack of candidates nominated by shareholders who meet the criteria of independent members of the Supervisory Board in accordance with paragraph 19 of the Code.