

"APPROVED"
By the General Meeting of
Shareholders of
«UZBEKGEOFIZIKA» JSC
on March 31, 2023

REGULATION
ABOUT THE EXECUTIVE BODY
"UZBEKGEOFIZIKA" JOINT-STOCK COMPANY



2023 year

I. GENERAL PROVISIONS

1.2. The management of the current activities of the company is carried out by the collegial executive body - the board, the competence of which is determined by the charter of the company and these Regulations.

1.3. This Regulation has been developed in accordance with the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights”, the Corporate Governance Code, approved by the minutes of the meeting of the Commission on improving the efficiency of joint stock companies and improving the corporate governance system dated December 31, 2015. No. 9 (reg. No. 02-02/1-187 dated February 11, 2016), the charter of the company.

II. PROCEDURE FOR ELECTION (APPOINTMENT) AND TERMINATION OF THE POWERS OF THE BOARD

2.1. The Board consists of 5 people: Chairman of the Board, First Deputy Chairman of the Board for Production and Innovation, 2 Deputy Chairmen of the Board (Deputy Chairman of the Board for Geology and Geophysical Works, Deputy Chairman of the Board for Economics and Finance) and the Head of the Department, who is elected for a period of three years.

At the same time, if there is a state share of 50 percent or more in the authorized capital of the company, the person appointed (reappointed) as the head of the executive body cannot be the head of the executive body for more than two consecutive terms.

By agreement with the General Meeting of Shareholders, the quantitative composition of the Management Board may be increased by the number of foreign specialists involved.

2.2. The election (appointment) of the chairman of the board is carried out by the general meeting of shareholders by a majority of votes of the shareholders - owners of voting shares of the company (by a simple majority) participating in the meeting.

Election (appointment) of members of the board is carried out by the supervisory board of the company by a majority vote of those present. At the same time, the decision to appoint the chairman and members of the board of the company is made, as a rule, on the basis of a competitive selection, in which foreign managers can take part.

At the suggestion of shareholders, owners of voting shares, qualified international specialists may additionally be included in the board on the basis of an international competition of foreign specialists in this field (including from among

compatriots), the number of which can reach 3 senior positions in the management apparatus.

2.3. A candidate for the position of chairman or member of the board is obliged to inform the company about the facts of bringing him to criminal responsibility.

2.4. A candidate for the position of chairman of the board of the company may be present at the general meeting of shareholders when considering his candidacy, candidates for members of the board of the company also have the right to attend a meeting of the supervisory board when considering their candidacies.

2.5. After the election (appointment) of a candidate for the position of chairman or member of the board, the supervisory board concludes with him an agreement to perform the duties of chairman or member of the board for a period of three years, with an annual decision on the possibility of its extension or termination. The contract on behalf of the company is signed by the chairman of the supervisory board or a person authorized by the supervisory board of the company. The agreement to be concluded with the chairman of the board must provide for his obligations to improve the efficiency of the company and the frequency of his reports to the general meeting of shareholders and the supervisory board of the company on the progress of the annual business plan of the company, subsidiary liability for any damage and losses, fines, penalties and other mandatory payments caused to the interests of the enterprise as a result of their actions (inaction).

2.6. The amount of wages and remuneration of the chairman and members of the board are directly dependent on the efficiency of the company and are determined by the contract. The payment of wages and remuneration to the chairman and members of the board is carried out in accordance with the internal regulations of the company, which regulate the procedure for remuneration of the executive body.

2.7. Combining the functions of the chairman and members of the board of the company with a position in the management bodies of other organizations is allowed only with the consent of the supervisory board of the company.

2.8. The general meeting of shareholders has the right to terminate (terminate) the contract with the chairman of the board of the company if he violates the terms of the contract.

2.9. The Supervisory Board has the right to terminate (terminate) the contract with the members of the management board of the company if they violate the terms of the contract.

2.10. The Supervisory Board has the right to early termination (cancellation) of the contract with the chairman and members of the board of the company if they commit gross violations of the company's charter or cause losses to the company by its actions (inaction).

2.11. The decision to terminate (terminate) the agreement with the chairman of the board on the part of the general meeting of shareholders and terminate (terminate) the agreement with the chairman and members of the board on the part of the supervisory board of the company is made by a simple majority of votes.

2.12. If the general meeting of shareholders of the company decides to terminate the powers of the chairman of the board, the issue of transferring the powers of the chairman of the company to another person may be resolved at the same meeting or left for consideration at the next general meeting of shareholders with the appointment of an acting chairman of the board of the company.

2.13. The supervisory board of the company, which has decided to terminate the powers of the chairman of the board of the company, decides on the appointment of a temporary acting chairman of the board, and also convenes an extraordinary general meeting of shareholders to resolve issues on the chairman of the board of the company.

III. COMPETENCE OF THE BOARD

3.1. The competence of the board of the company includes all issues of managing the current activities of the company, with the exception of issues related to the competence of the general meeting of shareholders or the supervisory board of the company. The Management Board independently makes decisions on issues within its competence, for the unconditional fulfillment of the tasks set by the Supervisory Board, the General Meeting of Shareholders, the charter and development plans of the company.

3.2. The rights and obligations of the chairman and members of the board are established by law, the charter of the company and the agreement concluded by each of them with the company.

3.3. The board of the company ensures the implementation of decisions of the general meeting of shareholders and the supervisory board of the company.

3.4. Powers (rights) and duties of the chairman of the board of the company:

- management of the company's activities within its competence;
- without a power of attorney to act on behalf of the company, including representing its interests;
- issuance of a power of attorney on behalf of the company;
- conclusion of transactions on behalf of the company within the competence;
- hiring employees, concluding and terminating employment contracts with them, applying disciplinary measures against them, ensuring that employees comply with labor and performance discipline;
- appointment and dismissal of heads of branches and representative offices;

- publishing, in agreement with the members of the board, decisions, orders and orders, binding for the branches and representative offices;
- state approval;
- issuance of orders and issuance of instructions binding on all employees;
- participation, in agreement with the supervisory board, in its work with an advisory vote;
- opening current accounts in banks in national and foreign currencies;
- powers of the first signature on banking and financial documents;
- ensuring complete and timely submission of statistical and accounting reports to the relevant state bodies;
- Ensuring compliance with social guarantees and safe working conditions for employees.

The chairman of the board may have other powers (rights) and duties in accordance with the legislation of the Republic of Uzbekistan, the charter and internal documents of the company.

3.5. Powers (rights) and duties of the board of the company:

- within the framework of his authority to dispose of the property and funds of the company;
- approval of regulations on structural subdivisions of the company and job descriptions of the company's employees;
- approval of internal regulatory documents of the company, with the exception of internal regulatory documents, the approval of which is within the competence of the general meeting of shareholders or the supervisory board;
- development of strategies and business plans for the development of society and control over their implementation;
- ensuring that the company receives profit in the amount provided for by the business plan;
- ensuring the organization, proper condition and reliability of accounting and reporting in the company, as well as information about the company's activities sent to shareholders, creditors and other recipients of information;
- unhindered provision of documents on the financial and economic activities of the company at the request of the supervisory board, the audit commission (if any) or the company's auditor;
- conclusion of transactions related to the alienation or acquisition of property, or the possibility of alienation (if the members of the board do not reach unanimity, the issue of concluding this transaction is submitted to the decision of the supervisory board). At the same time, if there is a state share of 50 percent or more in the authorized capital of the company, the following issues are resolved after agreement with the supervisory board:

the acquisition or construction of new real estate, the acquisition of shares in the authorized capital of business entities and the implementation of additional activities corresponding to the main activity of the enterprise;

coordinating the conclusion of an agreement (transactions, contracts, memorandums, etc.)

on the alienation, forms and mechanisms for the sale of property, making investments in the authorized capital of enterprises with the participation of the state and enterprises in their composition by third parties;

- ensuring the storage of information containing official and commercial secrets of the company;

- observance of all the rights of shareholders on accrual and payment of dividends;

- ensuring the efficient and stable functioning of society;

- compliance with the requirements of the current legislation, by-laws and internal regulations of the company;

- insurance of the company's business risks and liability of the executive body;

- professional development through participation in training courses , seminars , etc.

The Board may have other powers (rights) and obligations in accordance with the legislation of the Republic of Uzbekistan, the charter and internal documents of the company.

IV. WORKING ORDER OF THE BOARD

4.1. Meetings of the board of the company are held as needed, but at least once a month. Issues submitted by the board for decision by the supervisory board or the general meeting of shareholders are discussed in advance at a meeting of the board of the company without fail. The point of view of the board of the company at the meeting of the supervisory board and the general meeting of shareholders is reported and defended by the chairman of the board or a member of the board authorized by him.

4.2. Meetings of the board of the company are held by the chairman of the board, or one of his deputies according to the affiliation of the issues under consideration.

4.3. The secretary of the board of the company organizes the keeping of minutes of the meetings of the board of the company. Extracts from the minutes of the board meetings are issued:

- the head of the supervisory board and the head of the audit commission without fail;

- at the request of other officials and the auditor only with the permission of the chairman of the board;

- other persons and bodies (including state ones) in cases stipulated by the legislation.

V. RESPONSIBILITY OF THE BOARD

5.1. When exercising their rights and fulfilling their duties, the chairman and member of the board must act in the interests of society and bear responsibility in accordance with the established procedure. The chairman and members of the board carry out their duties on a professional basis, the reasonable fulfillment by them of all obligations arising from the legislation, the charter and decisions of the company's management bodies.

5.2. The chairman and members of the board of the company during their work in this capacity have no right to establish or take part in the establishment of enterprises whose activities create difficulties in selling products or in providing services to the company. The chairman and members of the management board are obliged to suspend their participation in similar enterprises upon appointment to a position in the company and inform the supervisory board of the company about this suspension.

5.3. The chairman and members of the board of the company are liable to the company for damage caused to it as a result of failure to perform or improper performance of their functions, in full to compensate for the damage caused to the company, in accordance with the current legislation of the Republic of Uzbekistan and the charter of the company.

At the same time, members of the management board who did not take part in the in voting or voting against a decision that caused losses to the company, except as provided for in Article 90 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights".

5.4. The company or a shareholder (shareholders) who owns at least one percent of the placed shares of the company has the right to apply to the court with a claim against the chairman and a member of the board of the company on compensation for losses caused to the company.

5.5. Disciplinary measures may be applied to members of the executive body in accordance with the legislation of the Republic of Uzbekistan.

5.6. If, as a result of violation by the executive body of the company of the procedure for concluding a major transaction or a transaction with affiliates, damage was caused to the company and the fault of the chairman of the board or members of the board of the company (or trustee) is proved in accordance with the procedure established by law, they bear subsidiary liability for the obligations of the Company on compensation of debts to creditors in case of insufficiency of his property.

VI. PAYMENT OF THE BOARD

6.1. The conditions and amounts of remuneration are stipulated in the employment contract. The remuneration of the executive body is regulated by the

Regulation “On the procedure for remuneration of the executive body”, as well as other internal documents adopted by the supervisory board or the general meeting of shareholders.

6.2. The maximum amount of wages and other payments of each member of the executive body should not exceed 2,000 minimum wages established in the Republic of Uzbekistan for a calendar year. In this case, the minimum wage is taken into account for the calculation. at the time of payment.