**" Uzbek Geological Exploration " JSC**

**Appendix No. 1**

**to the decision of the Sole Shareholder**

**from "09" July 2024**

**№ 153/09-2-kr**

**CHARTER**

**JOINT-STOCK COMPANY**

**"** **Uzbek Geological Exploration "**

**(new edition)**

**Tashkent – 2024**

**I. GENERAL PROVISIONS**

**1.1.** The Charter of the Joint Stock Company " Uzbek Geological Exploration " was developed on the basis of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights" (hereinafter referred to as the Law) and other regulatory legal acts.

**1.2.** Joint-Stock Company " Uzbek Geological Exploration " (hereinafter referred to as the Company) was established in accordance with the Resolution of the President of the Republic of Uzbekistan No. PP-5083 dated April 21, 2021 "On additional measures to actively attract investments in the geological industry, transform industry enterprises and expand the mineral resource base of the republic" and the decision of the Sole Shareholder - the Ministry of Finance of the Republic of Uzbekistan No. 1 dated July 24, 2021. In accordance with the Resolution of the President of the Republic of Uzbekistan No. PP-101 dated March 24, 2023, 100% of the state share in the Company was transferred to the State Assets Management Agency.

**1.3.** The Company carries out its activities in accordance with the Civil Code of the Republic of Uzbekistan, the Laws of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders’ Rights”, “On the Securities Market”, other regulatory legal acts and this Charter.

**1.4.** Full name of the Company:

**in the state language** – “ Oʻzbek geology qidiruv ” aksiyadorlik jamiyati (abbreviated name - " Oʻzbek geology qidiruv ” AJ) or in Cyrillic – “Ozbek geology qidiruv” aktsiondorlik jamiyati (abbreviated name - “Uzbek geology qidiruv” AJ);

**on English language** – “Uzbek geological exploration” joint-stock company ( abbreviated name – “Uzbek geological exploration” JSC);

**in Russian** – Joint Stock Company “ Uzbekgeologorazvedka ” (abbreviated name – JSC “ Uzbekgeologorazvedka ”).

**1.5.** Legal address of the Company: Republic of Uzbekistan, Tashkent city, Mirobod district, T. Shevchenko street, house 11a, postal code – 100060.

**1.6.** The Company's e-mail address: info@uzgeo.uz

**1.7.** Official website of the Society: [www.uzgeo.uz](http://www.uzgeo.uz/)

**II. LEGAL STATUS OF THE COMPANY**

**2.1.** The Company is a legal entity and has separate property recorded on its independent balance sheet, including property transferred to it in the authorized capital. The Company has the right to acquire and exercise property and personal non-property rights in its own name, assume obligations, and be a plaintiff and defendant in court.

**2.2.** The Company acquires the status of a legal entity from the moment of state registration. The term of the Company's activity is not limited.

**2.3.** The Company has the right to open bank accounts both in the territory of the Republic of Uzbekistan and outside of it.

**2.4.** The company has the right to have a main seal with the full name in the state language and an indication of the legal address, additional seals, stamps, official forms, an emblem, as well as a trademark registered in the established manner and other means reflecting the individual characteristics of participants in civil circulation, goods, works and services.

**2.5.** The company is liable for its obligations with all its property.

**2.6.** Shareholders are not liable for the obligations of the Company and assume the risk of losses associated with its activities within the limits of the value of the shares they own.

**2.7.** Shareholders who have not fully paid for their shares shall bear joint and several liability for the obligations of the Company within the limits of the unpaid portion of the value of the shares owned by them.

**2.8.** The Company shall not be liable for the obligations of its shareholders.

**2.9.** In the event that the bankruptcy of the Company occurred due to the fault of a person acting as a shareholder who has the right to give mandatory instructions to the Company, such person shall bear subsidiary liability for the obligations of the Company in the event of insufficiency of his property. A shareholder has the right to give mandatory instructions only in cases stipulated by this Charter.

**2.10.** The bankruptcy of the Company shall be considered to be caused by the actions of a shareholder who has the right to give binding instructions to the Company, if this shareholder used his right to have the Company perform certain actions, knowing in advance that this would lead to its bankruptcy.

**2.11.** The State and its bodies shall not be liable for the obligations of the Company, just as the Company shall not be liable for the obligations of the State and its bodies.

**2.12.** The Company has the right to create branches and open representative offices in the manner prescribed by law. The head of a branch or representative office is appointed in the manner prescribed by law and this Charter and acts on the basis of a power of attorney issued by the Company. The Company is responsible for the activities of branches and representative offices. The creation of branches and opening of representative offices outside the Republic of Uzbekistan is carried out in accordance with the legislation of the country of their location, unless otherwise provided by international treaties of the Republic of Uzbekistan.

**2.13.** In accordance with the legislation, the Company has the right to have subsidiaries or dependent business entities registered in the form of a joint-stock company or a limited liability company.

**III. AREA (MAIN DIRECTIONS) AND PURPOSE OF THE COMPANY'S ACTIVITIES**

**3.1.** The Company is a commercial organization whose main goal is to make a profit from financial and economic activities.

**3.2.** The main objective of the Company's activities is to conduct geological exploration work throughout the territory of the Republic, including the search, assessment and exploration of mineral deposits. The Company's activities also cover analytical, thematic, regional geological studies, laboratory analyses, topographic, geophysical and geochemical work, the creation of geological descriptions and maps, the search for and assessment of other minerals, as well as the technical and economic justification of deposits.

JSC " Uzbekgeologiyarazvedka " carries out a range of geological exploration works (services) for strategic types of minerals (gold, silver, copper, tungsten, lead, zinc, etc.) and is engaged in the digitalization of historical geological data. This covers all stages - from the initial stage of geological exploration to the assessment of a mineral deposit and its transfer to the state balance of reserves. The company is a single contractor in the republic for mining and metallurgical plants and other mining organizations.

**3.3.** Based on the main objective, the Company carries out the following types of activities and services:

* Conducting geological exploration work on sites with promising resources of non-ferrous and precious metals to determine their potential.
* Staged exploration (search, evaluation and exploration) of minerals for their extraction.
* Evaluation and exploration of mineral deposits in areas with predicted resources of non-ferrous and precious metals.
* Implementation of modern methods and technologies in geological exploration work.
* Conducting scientific and thematic research and creating small, medium and large scale geological maps in promising areas.
* Conducting regional geological, aerogeophysical, geochemical, stratigraphic and topographic studies to determine the concentration of minerals.
* Development of methodologies for prospecting and exploration of deposits, including non-traditional types of minerals.
* Coordination of directions and volumes of technological, ecogeological , experimental and other works with the Ministry of Mining and Geology.

**3.4.** As part of its activities, the Company carries out the following tasks:

* Develops long-term, medium-term and annual programs for geological exploration of the subsoil and submits them to the Ministry of Mining and Geology of the Republic of Uzbekistan.
* Prepares design and estimate documentation for geological exploration work financed from the state budget and special funds, and submits them for approval.
* Prepares reports on geological exploration work carried out and submits them to the Ministry of Mining and Geology.
* Puts forward additional proposals for the search and evaluation of deposits within the framework of its tasks.
* Concludes contracts for the performance of geological tasks assigned to the Company.
* Carries out geological exploration work on orders from legal entities and individuals, including foreign investors, with the consent of the Ministry of Mining and Geology.
* Creates a scientific and technical council (STC) and approves regulations on its activities.
* Ensures compliance with occupational safety, fire safety, road traffic, sanitary and environmental standards.
* Conducts activities to protect the environment and reduce the negative impact of geological exploration work on the natural environment.
* Ensures the safety of state and commercial secrets.
* Organizes civil defense activities for the Society’s facilities and places of residence.

**3.5.** The Company has the right to carry out other types of activities not prohibited by the legislation of the Republic of Uzbekistan.

**IV. THE SIZE OF THE AUTHORIZED FUND (AUTHORIZED CAPITAL) OF THE COMPANY**

**4.1.** The authorized capital (charter capital) of the Company is formed from the nominal value of the Company’s shares acquired by shareholders and is expressed in the national currency of the Republic of Uzbekistan.

**4.2.** The authorized capital (charter capital) of the Company amounts to 313,655,272,500 (three hundred thirteen billion six hundred fifty-five million two hundred seventy-two thousand five hundred) soums and is divided into 3,136,552,725 (three billion one hundred thirty-six million five hundred fifty-two thousand seven hundred twenty-five) ordinary shares with a par value of 100 (one hundred) soums each.

**4.3.** The authorized capital (charter capital) of the Company may be increased by placing additional shares.

**4.4.** Additional shares shall be placed by the Company only within the limits of the number of declared shares stipulated by this Charter. The declared number of shares that the Company may additionally issue to increase the authorized capital is 10,000,000,000 (ten billion) ordinary registered shares with a par value of 100 (one hundred) soums each.

**4.5.** The decision of the sole shareholder to increase the authorized capital by placing additional shares must determine the total cost, quantity, type, par value, procedure, method, placement period, placement price (bringing shares to the over-the-counter market), as well as the procedure for paying for the shares.

**4.6.** Additional shares issued are placed through open and closed subscription.

**4.7.** When placing shares and equity securities convertible into shares and paid for in cash, shareholders who are owners of voting shares have a preemptive right to acquire them in proportion to the number of shares of this type that they own.

**Reduction of the Company's authorized capital**

4.8. The authorized capital (charter capital) of the Company may be reduced by reducing the par value of shares or reducing the total number of shares.

4.9. The company has no right to reduce the authorized capital (authorized fund) to an amount below the minimum established by law.

4.10. When a sole shareholder makes a decision to reduce the authorized capital (authorized fund), the general meeting of shareholders shall indicate the reasons for the reduction and determine the procedure for its implementation.

4.11. Changes to the constituent documents (Charter) related to the emergence or change of the state share are subject to state registration only if there is a corresponding order from the Agency for State Assets Management.

**V. TYPES OF SHARES OF THE COMPANY AND THE PROCEDURE FOR PAYING DIVIDENDS**

5.1. The Company’s shares are registered securities and may be ordinary or preferred.

5.2. The right of ownership of shares is confirmed by an extract from the depository account.

5.3. Dividends are paid from the Company's net profit remaining at its disposal and/or from undistributed profits from previous years. Dividends on preferred shares may also be paid from funds of the Company specifically designated for this purpose.

5.4. Payment of dividends on ordinary shares is made in compliance with the equal rights of shareholders to receive them.

5.5. In accordance with the decision of the general meeting of shareholders, dividends may be paid in cash, other legal tender or shares and other securities of the Company. The decision to pay dividends must specify the start and end dates of payments. The term and procedure for paying dividends are established by the decision of the general meeting of shareholders. The term for paying dividends must not exceed sixty days from the date of the adoption of the relevant decision.

5.6. The Company pays dividends once a year based on the results of the financial year, except in cases provided for by law.

5.7. The decision on the payment of dividends, their amount, form and payment procedure is made by the general meeting of shareholders based on the recommendation of the Supervisory Board of the Company, financial statement data and the availability of an auditor's report on the reliability of the financial statements.

**VI. RESERVE FUND OF THE COMPANY**

6.1. The Company shall create a reserve fund, as well as other funds necessary for its activities, from net profit in the manner determined by the general meeting of shareholders.

6.2. The Company's reserve fund is intended to cover losses, buy back corporate bonds, pay dividends on preferred shares and buy back the Company's shares in the absence of other funds. The use of the reserve fund for other purposes is prohibited.

6.3. The size of the reserve fund is set at no less than 15% of the Company's authorized capital. The Company annually allocates 5% of its net profit to the reserve fund until the established amount is reached.

6.4. In the event of full or partial expenditure of the reserve fund, its restoration is carried out through mandatory deductions from net profit.

**VII. STRUCTURE OF THE MANAGEMENT BODIES OF THE COMPANY**

7.1. The management bodies of the Company are:

* General meeting of shareholders;
* Supervisory Board;
* Executive body (Accounting department).

**VIII. GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY**

8.1. The General Meeting of Shareholders is the highest governing body of the Company.

8.2. The company is obliged to hold an annual (regular) general meeting of shareholders annually. The annual meeting is held no later than six months after the end of the financial year. It is usually held in May-June of each year.

8.3. Owners of ordinary shares constituting at least one percent have the right to make proposals for the agenda of the meeting, to propose candidates for the management and control bodies (with the possibility of replacement before the meeting). Such proposals are submitted no later than 90 days after the end of the financial year.

8.4. General meetings of shareholders, except for the annual one, are extraordinary.

8.5. If all ordinary shares belong to one shareholder, holding a general meeting is not required. In this case, decisions on issues within the competence of the general meeting are taken solely by this shareholder and are executed in writing, except for cases provided by law.

8.6. The competence of the general meeting of shareholders includes:

* Making amendments and additions to the Company's Charter or approving its new version;
* Reorganization and liquidation of the Company, appointment of a liquidator (liquidation commission) and approval of the interim and final liquidation balance sheets;
* Determination of the number of members and election of the members of the Supervisory Board, including independent members, and early termination of their powers;
* Establishing the maximum number of declared shares;
* Increase or decrease of the authorized capital of the Company;
* Purchase of outstanding shares of the Company;
* Approval of the organizational structure of the Company;
* Formation of the executive body, election (appointment) of its head and early termination of its powers;
* Election of members of the Audit Commission and early termination of their powers;
* Approval of the annual report, business plan, as well as the medium-term and long-term development strategy of the Company;
* Distribution of profits and losses of the Company;
* Establishing the amount of remuneration and/or compensation for members of the Supervisory Board;
* Consideration of the reports of the Supervisory Board and the opinions of the Audit Commission;
* Approval of rules and internal documents regulating the activities of the Company's management bodies;
* Making decisions on major transactions related to property, the value of which exceeds 50% of the Company’s net assets;
* Making decisions on transactions with affiliates of the Company;
* Acceptance of obligations to comply with the recommendations of the Corporate Governance Code;
* Establishing the procedure for providing sponsorship (charitable) assistance;
* Determination of the terms and costs of maintaining the minority shareholders committee;
* Approval of an audit organization to conduct a mandatory audit and making decisions on the terms of the agreement with it.

8.7. Participation in the general meeting of shareholders is carried out in person or through a representative on the basis of a written power of attorney.

8.8. The decisions of the general meeting are published on the corporate website of the Company, the Unified Portal of Corporate Information and, if necessary, on the official website of the stock exchange.

8.9. The General Meeting of Shareholders shall be convened and held in accordance with the Regulation on the General Meeting of Shareholders of the Company.

**IX. SUPERVISORY BOARD OF THE COMPANY**

9.1. The Supervisory Board of the Company exercises general management of the Company’s activities, with the exception of issues falling within the competence of the general meeting of shareholders.

9.2. The members of the Supervisory Board of the Company are elected by the general meeting of shareholders for a term of three years. The composition of the Supervisory Board includes 5 (five) persons, of whom at least one must be a qualified foreign specialist.

9.2.1. The Supervisory Board shall include at least one independent member (at least 15% of the established number of members). The following persons may not be independent members of the Supervisory Board:

* Persons who have worked for the Company or its affiliates in the last three years.
* Shareholders who directly or indirectly own 5% or more of the Company’s voting shares.
* Persons in civil law relations with the Company or its affiliates, if the contract amount exceeds 2000 times the base calculation indicator.
* Employees of audit organizations that provided services to the Company or its affiliates in the last three years.
* Persons who have been members of the Supervisory Board for six consecutive years.
* Relatives or relatives of members of the management and internal control bodies of the Company.
* Civil servants and employees of state-owned enterprises.
* Persons who do not meet the requirements established by the Charter or decisions of the general meeting of shareholders.

Candidates for independent members are nominated by the Supervisory Board, shareholders or specialized recruiting companies. The company maintains a register of independent members and publishes it on its official website.

9.3. The Supervisory Board's competence includes:

* Determination of priority areas of the Company’s activities.
* Convening a general meeting of shareholders.
* Formation of the agenda of the general meeting of shareholders.
* Organization of assessment of market value of property.
* Approval of the amount of remuneration for management bodies.
* Appointment of a corporate secretary and approval of the regulations for his activities.
* Organization of internal audit and regular review of its reports.
* Approval of major transactions and transactions with affiliates.
* Making decisions on the issue of shares, bonds and their repurchase.
* Creation of branches, representative offices and subsidiaries.
* Determination of the policy for the use of the reserve fund.
* Approval of the internal regulatory documentation of the Company.
* Approval of the strategy and organizational structure of the Company.

9.4. Members of the Supervisory Board are elected by cumulative voting.

9.5. The Chairman of the Supervisory Board shall be elected from among its members by a majority of votes and may be re-elected.

9.6. The Chairman organizes the work of the council, convenes and holds its meetings, signs employment contracts with the management of the executive body.

9.7. In the absence of the chairman, his duties are performed by one of the members of the council.

9.8. Meetings of the Supervisory Board shall be held at least once per quarter. Meetings at which reports are heard may not be held in absentia.

9.9. Owners of at least 1% of shares have the right to demand the convening of a meeting of the Supervisory Board.

9.10. Decisions are made by a majority of votes, unless otherwise provided by law.

9.11. Council members may participate in meetings via videoconference.

9.12. The Chairman and members of the Council are obliged to act in the interests of the Company.

9.13. The Supervisory Board acts on the basis of the Regulation on the Supervisory Board, approved by the general meeting of shareholders.

**X. EXECUTIVE BODY OF THE COMPANY**

10.1. The management of the current activities of the Company is carried out by a collegial executive body – the Management Board. The Management Board consists of 6 (six) members who are elected (appointed) for a term of three years.

10.2. The Management Board manages the day-to-day activities of the Company and carries out operational management in accordance with the legislation of the Republic of Uzbekistan, the Charter of the Company, as well as decisions of the general meeting of shareholders and the Supervisory Board.

10.3. The Management Board is accountable to the General Meeting of Shareholders and the Supervisory Board.

10.4. The Chairman of the Management Board is elected by the general meeting of shareholders, and his deputies are elected by the Supervisory Board. The appointment of members of the Management Board is usually carried out on a competitive basis with the involvement of foreign managers. The Management Board must include at least three qualified foreign specialists.

Employment contracts with the Chairman and his deputies are signed on behalf of the Company by the Chairman of the Supervisory Board. The same person may not hold the position of Chairman of the Management Board for more than two consecutive terms.

10.5. The amount of remuneration of the Chairman and members of the Management Board depends on the efficiency of the Company's activities and is determined in the employment contract. The employment contracts provide for their subsidiary liability for losses and damages caused by actions or inactions, as well as fines and other mandatory payments incurred by the Company due to their fault.

10.6. The competence of the Management Board includes all issues related to the management of the Company’s current activities, with the exception of issues within the competence of the general meeting of shareholders and the Supervisory Board.

10.7. The Management Board organizes the implementation of decisions of the general meeting of shareholders and the Supervisory Board.

10.8. The powers of the Chairman of the Board include:

* Managing the activities of the Company within the scope of its powers.
* Representation of the interests of the Company without a power of attorney.
* Issuance of powers of attorney on behalf of the Company.
* Conclusion of transactions on behalf of the Company.
* Hiring, firing employees, concluding and terminating employment contracts.
* Approval of the staffing schedule and structure of the Company.
* Issuance of mandatory orders, instructions and guidelines.
* Participation in meetings of the Supervisory Board.
* Opening bank accounts in national and foreign currencies.
* Ensuring timely submission of reports.
* Compliance with social guarantees and labor protection standards.

10.9. The powers of the Management Board include:

* Management of property and financial resources of the Company.
* Approval of regulations on structural divisions, job descriptions of employees.
* Approval of internal regulatory documents of the Company (except for those within the competence of the general meeting of shareholders and the Supervisory Board).
* Appointment and dismissal of branch managers.
* Development and control of the implementation of development programs and business plans of the Company.
* Organization of accounting and reporting in accordance with the legislation.
* Preservation of commercial secrets.
* Ensuring shareholders' rights to dividends.
* Preventing risks associated with the Company’s reputation.

10.10. The Chairman and members of the Management Board are obliged to act in the interests of the Company and are responsible to the Company and its shareholders in accordance with the law and the Charter.

In the event of damage caused to the Company due to violation of procedures for concluding major transactions or transactions with affiliated persons, the guilty persons bear subsidiary liability.

The activities of the Management Board are regulated by the "Regulations on the executive body of the Company", approved by the general meeting of shareholders.

**XI. INTERNAL AUDIT SERVICE**

11.1. An internal audit service shall be created in the Company if the book value of the Company's assets exceeds 100,000 times the minimum wage. The internal audit service shall report to the Supervisory Board of the Company.

The composition of the internal audit service must be sufficient to effectively achieve the internal audit objectives and fulfill the assigned tasks. The service staff includes at least two certified internal auditors approved by the Supervisory Board.

11.2. The Internal Audit Service exercises control and assessment of the activities of the Management Board of the Company, its branches and representative offices through inspections and monitoring:

* Compliance with legislation, the Company's Charter and other regulatory documents.
* Reliability and completeness of accounting data and financial reporting.
* Compliance with established rules and procedures when carrying out business transactions.
* Preservation of the Company’s assets, as well as transactions with legal entities in which the Company owns at least 50% of the authorized capital.
* Compliance with legal requirements governing the management of the Company.

11.3. The Internal Audit Service carries out its activities in accordance with the legislation, this Charter and the Regulation "On the Internal Audit Service of the Company", approved by the Sole Shareholder.

**XII. CONTROL OF THE COMPANY'S ACTIVITIES**

12.1. To control the financial and economic activities of the Company, the general meeting of shareholders elects the Audit Commission for a term of one year. The Audit Commission consists of 3 (three) persons.

12.2. At the request of the Audit Commission, the executive body of the Company is obliged to provide documents related to financial and economic activities.

12.3. The audit commission has the right to demand the convening of an extraordinary general meeting of shareholders in accordance with current legislation.

12.4. Members of the Audit Commission may not simultaneously be members of the Supervisory Board or hold other positions in the executive bodies of the Company. The same person may not be elected to the Audit Commission of the same Company for more than three consecutive terms.

12.5. An audit of the financial and economic activities of the Company shall be carried out at the initiative of the Audit Commission, the general meeting of shareholders, the Supervisory Board, or at the request of shareholders owning at least 5% of the voting shares, with prior notification of the Supervisory Board.

12.6. Based on the results of the audit of financial and economic activities, the Audit Commission shall draw up a conclusion, which must contain:

* Assessment of the reliability of the data provided in the reports and other financial documents of the Company.
* Information on violations of accounting procedures, submission of financial statements, as well as facts of violation of legislation in the implementation of financial and economic activities.

12.7. Additional requirements for the content of the conclusion of the Audit Commission may be established by the general meeting of shareholders.

12.8. The conclusion of the Audit Commission on the existence of transactions with affiliated persons or major transactions, as well as compliance with the requirements of legislation and the Company's internal documents when concluding them, is submitted to the Supervisory Board quarterly and at the annual general meeting of shareholders.

12.9. The Audit Commission carries out its activities on the basis of the Charter and the Regulation "On the Audit Commission of the Company", approved by the general meeting of shareholders. Members of the commission are paid remuneration in accordance with the established procedure.

12.10. The Company shall introduce the position of corporate secretary, reporting to the Supervisory Board and monitoring compliance with corporate legislation.

12.11. The activities of the corporate secretary are regulated by the Regulation approved by the Supervisory Board.

**XIII. FINAL PROVISIONS**

13.1. All disputes and disagreements arising in connection with this Charter shall be resolved by mutual consent of the shareholders in accordance with current legislation and this Charter.

13.2. If disputes and disagreements cannot be resolved through negotiations, they shall be resolved in court.

13.3. This Charter and amendments and additions made to it shall enter into force from the moment of their state registration in accordance with the procedure established by law.

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| **Joint-stock company****" Uzbek Geological Exploration "****Chairman of the Board** | **Sh. Alimov** |