

"APPROVED"

**Chairman of the Supervisory Board
of the joint stock company «Kvarts»
Deputy Chairman of the State
Committee of Competition of the
Republic of Uzbekistan**

_____ **A.H. Khimmatov**

**Decision of Supervisory board
on 22 .06.2017 Minutes № 5**

"REGISTERED"

**Center for Coordination and
Development of the Securities
Market of the Republic of
Uzbekistan**

Chairman

_____ **B. Atakhanov**

**"05" 07 _____ 20 '17
P0413-7**

**DECISION
on additional share issue at
Joint Stock Company «Kvarts»**

Identification number assigned:

| | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|---|---|
| <i>Shares of ordinary registered non-documentary</i> | R | U | 1 | 0 | 7 | P | 0 | 4 | 1 | 3 | T | 2 |
|--|---|---|---|---|---|---|---|---|---|---|---|---|

Stock is a simple, registered and non-documentary - 21785 400 pieces;

Nominal value for per share - 1715 soums

Shares are placed according to a closed-type subscription.

This is the seventh share issue.

Approved by the Supervisory Board of the "Kvarts"JSC, held on 22 June 2017 (Protocol No.5 in 2017, 22th of June) on the basis of decision made by the Supervisory Board of "Kvarts" JSC, held on June 22, 2017 (Protocol No.5th of June 22, 2017).

Location of the issuer, postal address, contact phone numbers and e-mail:
2a, Mustaqillik str., Kuvasai, Fergana region, Republic of Uzbekistan.

Phones: (373) 373-27-64 **Fax:** (373) 373-37-14 **e-mail:** qvartznew@[mail.ru](mailto:qvartznew@mail.ru)

Head of the issuer _____ **A.A. Pulatov**

Chief accountant _____ **A.A. Isaboev**

Date : June 22, 2017

Consultancy services during preparation of the issuance documents were provided to the issuer by the State Enterprise "Central Securities Depository".

The contract for providing consultancy services: No. 126/K on 12.06.2017

**General Director of SE "Central Securities
Depository"** _____ **Sh. Abdujabbarov**

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M.P.

1. Type of registered shares of this issue (simple or privileged): simple registered shares.

2. Form of this share issue: non-documentary

3. Nominal value of the shares of this issue (UZS): 1715 soums

4. Number of shares of this issue (pcs.): 21 785 400 pieces

5. Total amount of the shares issued (UZS) : 37 361 961 000 soums

6. Rights of shareholders of this issue:

- registering as a shareholder of the joint-stock company;
- receiving an extract from the depo account;
- receiving the profit part of the company in the form of dividends;
- to receive the property part of the company in case of company liquidation, according to amount of owned share;
- participate in the company management through voting at the general meeting of shareholders;
- getting a complete and reliable information on the results of the company's financial and economic activities, in accordance with the established procedure;
- free disposal of the dividends received;
- protection of their rights in the authorized government body for regulation of the securities market, as well as in court;
- a claim for compensation for damages, in accordance with the established procedure;
- unite in associations and other non-profit organization to represent and protect their interests;
- insurance of risks associated with possible losses, including lost profits when acquiring securities.

Shareholders may have other rights, in accordance with the law and the charter of the company.

7. Any restrictions on obtaining shares of this issue in the company's charter and/or in the decision to issue: There are no limits mentioned in the Company's Charter.

The additional share issue is placed by the close-type subscription to shareholders, who are included in the register of shareholders of the Company and are entitled to participate in the annual general meeting and shareholders as of 02.06.2017 in accordance with the decision of the next General Meeting of Shareholders.

8. Size of authorized capital of the company (in soums): 41 098 157 100 (forty one billion ninety eight million one hundred and fifty seven thousand one hundred) soums.

9. Number of the last placed shares (indicated by type): The total number of the last placed shares is 23 963 940 (twenty three million nine hundred and sixty-three thousand nine hundred and forty) of ordinary registered uncertificated shares.

10. Number of previously placed corporate bonds (shown by type and type): Corporate bonds were not issued by the Company.

11. The terms and procedure of placing the shares in this issue

11.1. Method of placement of shares of this issue (public or private subscription) (*In the case of private offering there indicates the number of potential shares purchasers*): All shares are placed under private subscription to shareholders, which are included in the register of shareholders, having the right to participate in the Annual General meeting of shareholders as of 02.06.2017, each shareholder should receive shares of the same type as the shares itself that it owns in accordance with the following proportion - for every 11 shares were added additional 10 units of shares.

11.2. The term of placement of shares in this issue (*there should be specified: the start date and the end date of share placement or the procedure for determining the share placement. If*

the placement period of shares is determined by the date of disclosure of any information on the issue of shares, the disclosure of such information should also be indicated):

The share placement period of this issue is 90 (ninety) days from the State registration date of this shares. Placement start date is the state share registration date of the additional issue. The end date of placement is the date on which the last share of this issue will be placed, but not later than ninety days from the date of state registration of this issue shares in the registering body.

11.3. Procedure of shares placement in this issue *(It is specified: the procedure and conclusion conditions of the civil transactions during the share placement, the markets through which the placement will take place.*

In case, the placement of shares is carried out by the issuer with the involvement of professional participants of the securities market that provide services to the issuer for the placement of shares (underwriters), for each such person additionally stated:

full and abbreviated company name, location;

number, date of issue and period of validity of the license for conducting professional activities, the authority that issued the license;

the main functions of this person, and if the contract between the issuer and the person providing services for the placement of shares provides for the acquisition by the latter of shares at their own expense that are not placed within the time period established by such agreement - also this period or the procedure for determining it.) : All The shares of this issue are placed by private subscription to shareholders included in the register of shareholders of the Company entitled to participate in the annual general meeting and shareholders as of 02.06.2006. Each shareholder is allocated shares of the same type as the shares which belong to him in accordance with the following proportion - for every 11 pieces of shares, an additional 10 shares are added.

The placement of additional shares among shareholders is carried out on the unorganized over-the-counter securities market without the conclusion of civil-law contracts.

Attraction of underwriters for placement of shares of this issue is not mentioned.

11.4. Full company name, including organizational and legal form, location, postal address, telephone number of the Central Securities Depository and investment intermediary that records the rights to securities:

Information about SE "Central Securities Depository" :

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|---------------------------------------|--|
| Full name: | State enterprise "Central Securities Depository" |
| Organizational and legal form: | State Unitary Enterprise |
| Location: | 100000 , 10, Bukhoro st., Tashkent |
| Mailing address: | 100000 , 10, Bukhoro st., Tashkent |
| Phone fax: | 236-14-34; 233-13-57 |

Information on the investment intermediary, which records the rights to shares:

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|--|---|
| Full name : | «FARG'ONA VAQT» LLC |
| Organizational and legal form : | Limited Liability Company |
| Location: | 35, B.Marginoniy street, Fergana city, Fergana region |
| Mailing address: | 35, B.Marginoniy street, Fergana city, Fergana region |
| Phone fax: | 0 373 244-46-62 |

11.5. Procedure of managing a privileged right to obtain the placed shares of this issue *(In case of granting the privileged right to purchase placed shares, following should be indicated:*

date (procedure of determining date) of made list of persons having such a preferential right;

procedure for notification of the possibility of exercising the privileged right to purchase placed shares;

procedure for exercising the privileged right to purchase the shares being placed.)

Application of privileged rights to acquire the offered shares is not mentioned.

11.6. Price (prices) or procedure of determining the price of the shares placement of this issue *(The price (prices) or the procedure for determining the price of the share placement is indicated. In case if the privileged right to purchase shares is given during the share placement, there should also be indicated the price or procedure for determining the price of the share placement to persons having such a privileged right):* Shares of this issue are placed at nominal cost of 1715 soums.

11.7. Terms and procedure of payment to share: *(conditions, procedure for payment of shares, including the form of payment, full and abbreviated names of credit institutions, their location, bank details of accounts, on which funds from received shares must be transferred, addresses of payment points (in the case of a cash form payment for shares).*

In case of cash payment there should be shown the property that can be paid for shares, payment terms, including documents to be issued with such payment (acts of acceptance and transfer of property, etc.), as well as following information about the estimator (estimators) determination of the market value of such property:

full and abbreviated company name, location of the estimator;

number, date of issue and period of validity of the license to perform valuation activities, the authority that issued the license.)

The payment to shares of the additional issue will be done by own capital in the amount of 3 736 196 100 soums (1 969 679 111 soums - undistributed profit of previous years; 12 136 807 544 soums - net profit for the year of 2015; 23 255 474 345 soums - net profit according to the results of 2016). Payment will be transferred from the account "Undistributed earnings" to the account of "Authorized capital".

11.8. Procedure for returning funds received by the Issuer as payment for shares, in case of recognition of this issue invalid: in case of recognition of this issue invalid, the funds allocated to pay for the additional issue of shares will be returned in accordance with the legislation in a period not more than 10 days from the date of recognition of an additional issue of shares is failed.

12. Procedure of disclosing information by the issuer on securities issue (additional issue) in accordance with the legislation of the Republic of Uzbekistan:

Information about this issue of shares will be disclosed in the manner and terms established by law, the official website of the authorized State body on regulation of securities market of Uzbekistan: www.openinfo.uz, on web-site "RSE Toshkent": <http://www.uzse.uz> and on the corporate website of the Company: www.kvarts.uz

Any interested person can get information with the original decision on the additional issue of shares and/or a copy of it at the address: 2a., Mustaqillik str., Kuvasai, Ferghana region, Republic of Uzbekistan, as well as on the official website of the company: www.kvarts.uz

13. Other information: Information on a legal entity of the Unified State Registering Enterprise and Organization:

Codes:

INN - 200124765

OPF - 1150

CFS 144

OKPO - 05576905

SOATO - 1730408

OKED - 23130

SOOU - 07154