

APPROVED
By resolution of the general meeting of shareholders
JSC "UzKoji" JV
From "___" _____ 201_.

**Regulation
ABOUT INTERNAL CONTROL
OF JSC JOINT-STOCK COMPANY UzKoji JV**

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I. GENERAL PROVISIONS

1. This Regulation on internal control (hereinafter referred to as the Regulations) of the joint-stock company of JSC UzKoji JV (hereinafter - the Company) was developed

In accordance with the current legislation of the Republic of Uzbekistan, the charter of the Company, the Code of Corporate Governance Code of Corporate Governance, approved by the protocol of the meeting of the Commission on increasing the efficiency of joint-stock companies

And improvement of the corporate governance system of December 31, 2015. No. 9 and internal documents of the Company.

2. This Regulation determines the goals and objectives of the internal control system, the principles of its operation, as well as the bodies of the Company and those responsible for internal control.

II. DEFINITION AND OBJECTIVES OF THE INTERNAL CONTROL SYSTEM

3. Internal control is a continuous process that is built into the Company's activities and aimed at improving the effectiveness of risk management, control and corporate governance processes in order to obtain reasonable and sufficient confirmation of the Company's objectives in the following areas:

- efficiency and productivity of activities, including the degree of efficiency of operations, profit generation and asset protection;
- reliability and reliability of financial statements;
- Compliance with legislation and norms of law, which regulate the activities of the Company.

4. The internal control system is a set of organizational structure, controlling measures, procedures and methods of internal control, regulated by internal documents, organized by the Internal Audit Commission, the Supervisory Board, the executive body and other employees at all levels (hereinafter referred to as " Subjects of internal control) and for all functions. Qualification of members of internal control bodies of joint-stock companies can be established in the Regulations on their activities.

5. Internal control procedures are a set of measures carried out by the Audit Commission of the Company, the Supervisory Board of the Audit Committee, the Supervisory Board of the Company, the Company's executive body, and the Company's subdivisions authorized to exercise internal control (hereinafter - the Company's divisions) and aimed at identifying Violations of the legislation and internal documents of the Company in the course of financial and economic activities, to assess the effectiveness of the Company's achievement of the post As well as interaction of subjects of internal control with each other in the process of implementation of internal control procedures.

6. The main purpose of internal control is to ensure the protection of the rights and legitimate interests of all shareholders, including minority shareholders

7. Internal control is designed to ensure on-line:

Safety of assets, economical and efficient use of the Company's resources;

Compliance with the requirements of the current legislation and internal documents of the Company;

Implementation of the company's development strategy for the medium and long term, business plans of the Company;

Completeness and reliability of accounting documents, financial statements and management information of the Company;

Identification, identification and analysis of risks at the time of their occurrence in the activities of the Company;

Planning and risk management in the Company's activities, including timely and adequate risk management decisions;

Establishment and maintenance of good reputation of the Company

In business circles and consumers;

Adequacy, transparency and objectivity of payment of remuneration and compensation, including its size, to members of the executive body, the supervisory board and the audit commission.

III. PRINCIPLES OF THE FUNCTIONING OF THE INTERNAL CONTROL SYSTEM

8. The system of internal control in the Company is based on the following principles:

Uninterrupted operation - the permanent and proper functioning of the internal control system allows the Company to promptly identify any deviations from the norm and prevent their occurrence in the future;

Accountability of all participants in the internal control system - the quality of performance of control functions by each person is controlled by another participant in the internal control system;

Division of duties - the Company seeks to avoid duplication of control functions, and these functions should be distributed among employees in such a way that the same person does not unite the functions associated with approving transactions with certain assets,

Taking into account operations, ensuring the safety of assets and conducting their inventory;

Appropriate approval and approval of operations - The Company seeks to establish the procedure for approving all financial and economic transactions by authorized persons within their respective authorities;

Ensuring the organizational separation of the Company's subdivision, which carries out daily internal control, and its functional accountability directly to the Supervisory Board through the Audit Committee;

Responsibility of all subjects of internal control working in the Company for the proper performance of control functions;

Implementation of internal control based on a clear interaction of all divisions of the Company;

Continuous development and improvement - the Company strives to provide conditions for flexible adjustment of the internal control system so that it can be adapted taking into account the need to solve new tasks, expand and improve the system itself;

Timeliness of transfer of reports on deviations - the Company has established the shortest possible time for the transfer of relevant information to persons authorized to take decisions on eliminating deviations;

Determination of the priority areas of the Company's activities in which control is established - the strategic directions covered by the internal control system are singled out, even if the effectiveness of their functioning (cost-benefit ratio) is difficult to measure.

IV. COMPONENTS OF THE INTERNAL CONTROL SYSTEM

9. The internal control system includes the following interrelated components:

A control environment that includes the ethical values and competence of the Company's employees, management policy, the way in which the management assigns authority and responsibility, the structure of the organization and the development of staff skills, and the management and management of the supervisory board;

Risk assessment - which is the identification and analysis of the relevant risks when certain tasks are achieved, connected at different levels and internally consistent;

Monitoring activities, summarizing policies and procedures that help ensure that management decisions are being executed, and includes a variety of activities, such as: issuing approvals, sanctions, confirmations, inspections, monitoring ongoing operations, ensuring asset security and sharing power;

Information support and information exchange activities aimed at the timely and effective identification of data, their registration and exchange, including, among other things, the creation of effective channels for information exchange in order to create an understanding among all subjects of internal control of the internal control policies and procedures adopted by the Company Their execution. The Company takes measures to protect against unauthorized access to information;

Monitoring is a process that includes management and oversight functions, during which the quality of the system's performance is assessed over time. Evaluation of the internal control system is conducted to determine the probability of errors that affect the reliability of financial statements, clarify the materiality of these errors and determine the ability of the internal control system to ensure the fulfillment of the assigned tasks. To assess the effectiveness of the internal control system in the AO, the decision of the general meeting of shareholders may, on the basis of the proposal of the Supervisory Board, involve an independent professional organization - a consultant.

V. BODIES AND PERSONS RESPONSIBLE FOR INTERNAL CONTROL

10. Internal control is exercised by the Audit Commission, the Audit Committee under the Supervisory Board, the Supervisory Board of the Company, the Chief Executive Officer, the Internal Audit Service, and other employees of the Company at all levels, and everyone is responsible for internal control in accordance with the established procedure.

11. Functions, rights and obligations, responsibility, procedure for calculating compensation and remunerations paid for the units operating in the Company are provided for by internal documents of the Company. These documents, as well as other documents that directly or indirectly affect the issues of internal control can not contradict this Statute.

12. In order to ensure the systematic nature of control over the Company's financial and business operations, the internal control procedures are carried out by the authorized division of the Company - the Internal Audit Service, and in the absence of such service, the Internal Audit Commission responsible for internal control, in cooperation with other bodies and divisions of the Company.

13. The functions of the Supervisory Board include:

Determining the direction of development and approval of certain operations and strategies of the internal control system;

Annual report to the annual general meeting of shareholders of the Company on the results of the analysis and assessment of the reliability and effectiveness of the internal control system based on the regular reports of the head of the executive body of the Company, internal and external audits, the audit committee, information from other sources and own observations on all aspects of the internal Control, including: financial control, operational control, compliance monitoring, control of internal policies and edur;

Determination of the structure and composition of the division of the Company responsible for internal control;

continuous improvement of internal control procedures.

14. The responsibility for organizing control over the reliability and completeness of financial reporting, reliability and efficiency of the Company's internal control system is assigned to the Audit Committee of the supervisory board, the role, goals, tasks and powers of which are reflected in the Regulations on the Audit Committee of the Company's Supervisory Board.

15. Responsibility for its functioning, in accordance with the Company's internal control policy approved by the Supervisory Board, is vested in the head of the executive body. The head of the executive body of the Company introduces the procedures of the internal control system and ensures its effective functioning, timely informing the supervisory board of all risks of the Company, significant shortcomings of the internal control system, as well as plans and results of measures to eliminate them.

16. Employees (including managers) of departments of any level within their competence directly participate in the detailed development of control strategies and procedures.

Their responsibility is to cope with non-standard situations and problems as they arise. On significant issues or arising on a particular transaction risks, employees report to the higher-level management of the Company.

17. The responsibility for exercising control over the financial and economic activities of the Company and its separate subdivisions is vested in the permanent internal control body - the Audit Commission, the role, objectives, tasks, whose powers are reflected in the Regulations on the Audit Commission.

18. Responsibility for exercising regular control over the implementation of internal control procedures, namely the compliance of the financial and business operations of the Company with the legislation of the Republic of Uzbekistan and the Company's Charter as a whole, its separate subdivisions, and the completeness and reliability of accounting and financial reporting lies with the internal Audit, role, goals, tasks, whose powers are reflected in the Regulation on the Internal Audit Service.

The Regulations on the Internal Audit Service are approved by the Supervisory Board of the Company.

19. The Internal Audit Service of the Company reports to the Audit Committee of the Audit Committee on the results of internal audit, internal control system. The Internal Audit Service of the Company is subject to the Audit Committee of the Supervisory Board.

20. The following persons are not entitled to hold positions in the Internal Audit Service of the Company:

- persons who have outstanding convictions for economic crimes or crimes against order;

- persons who are the head or members of the executive body of the Company;
- persons who are founders (shareholders, participants), the head or members of the executive body or employees of another legal entity that is a competitor to the Company;

Other requirements for persons who are members of the internal audit service may be established by the audit committee of the supervisory board.

21. The proper functioning of the internal control system also depends on the professionalism of the staff. The Company makes efforts to ensure that the system of recruitment, hiring, training, training and promotion of employees ensures their high qualification and compliance with high ethical standards.

VI. PROCEDURES AND METHODS OF INTERNAL CONTROL

22. The Company's internal control procedures include:

Determination of interrelated and consistent goals and objectives at various levels of the Company's management;

Identification and analysis of potential and existing operational, financial, strategic and other risks that may hinder achievement of the Company's business objectives;

assessment of the essential components of the internal control;

Evaluation of the effectiveness of the internal control system of business processes;

Determination of criteria and evaluation of the effectiveness of the work of structural units, officials and other employees of the Company;

Consideration of financial and other information in comparison with comparable information for prior periods or with expected performance results;

Use of adequate ways of accounting for events, transactions and transactions;

Verification of the safety of assets;

Proper documentation of internal control procedures;

Regular assessments of the quality of the internal control system;

Bringing to all employees of the Company their responsibilities in the field of internal control;

Distribution of key responsibilities between the Company's employees (including duties for approving and approving transactions, accounting operations, issuing, storing and receiving resources, analyzing and verifying transactions);

Approval and implementation of transactions only by those persons who are vested with the appropriate powers;

Other procedures necessary to achieve the objectives of internal control.

23. When conducting internal control procedures, methods of inspection, surveillance, confirmation, recounting, as well as other methods necessary for the implementation of internal control procedures are applied.

VII. FINAL PROVISIONS

24. This Regulation, as well as amendments and additions thereto, shall be approved by the decision of the General Meeting of Shareholders.

25. Additions and changes to this Regulation shall be made upon the proposal of the members of the Company's Supervisory Board, the Company's external auditor, the Company's Audit Commission, the Internal Audit Service of the Company, the head of the Company's executive body.

26. If, as a result of changes in legislation and regulations of the Republic of Uzbekistan, certain articles of these Regulations conflict with them, these articles

become invalid, and until the changes are made to the Regulations, the Company is guided by the legislation and regulatory acts of the Republic of Uzbekistan.