

"APPROVED"

General meeting of shareholders

JSC "UzKoji" JV

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Protocol No. _____

Regulation on the Audit Commission

Joint Stock Company of JSC "UzKoji" JV

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I. ОБЩИЕ ПОЛОЖЕНИЯ

I. GENERAL PROVISIONS

1. This provision determines the status and regulates the work of the audit commission of the joint-stock company JSC "UzKoji" JV (hereinafter - the company), the procedure for its election, as well as the functional duties and authority.
2. The Regulations have been developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights", other regulatory legal acts and the company's charter.
3. The Audit Commission is the body of the company that performs the functions of internal financial and economic and legal control over the activities of the company, its divisions and services, branches and representative offices.
4. In its activities, the Audit Commission is guided by the legislation of the Republic of Uzbekistan, the by-laws of the government, the charter of the company, this provision and other documents of the company.

II. FUNCTIONS AND RESPONSIBILITIES OF THE AUDITING COMMISSION

5. The audit (audit) of the financial and economic activities of the company is carried out based on the results of activities for a year or another period on the initiative of the Audit Commission, the General Meeting of Shareholders, the Supervisory Board or at the request of the shareholder (shareholders) owning in aggregate not less than 5% of the voting shares of the company By prior notice to the supervisory board.

6. In performing its functions, the audit commission performs the following types of work:

- checking the financial documentation of the company, the conclusion of the commission

On inventory of property, comparison of specified documents with data of primary accounting;

- verification of the legality of concluded contracts on behalf of the company, transactions made, settlements with counterparties;

- analysis of compliance of the accounting and statistical accounting with the current regulatory documents;

- Analysis of the financial position of the company, its solvency, liquidity of assets, the ratio of its own and borrowed funds, the identification of reserves to improve the economic condition of the society and the development of recommendations for the management of the company on their financial and economic activities;

- checking the timeliness and correctness of payments by suppliers of products and services, payments to the budget, accruals and payments of wages and dividends, interest on bonds, redemption of other liabilities;

- checking the correctness of the compilation of the company's balances, the annual report, the profit and loss account, profit distribution, reporting documentation for the tax inspection, statistical agencies, government authorities;

- verification of compliance by the company with the requirements of legislative and regulatory acts on securities and joint-stock companies, including the existence of transactions with affiliated persons or major transactions in the company;

- other types of work, including on behalf of the general meeting of shareholders and the supervisory board, referred by the company's charter to the competence of the audit committee.

7. The Audit Commission shall:

- timely deliver to the General Meeting of Shareholders, the Supervisory Board, the executive body the results of audits and checks carried out in the form of a conclusion, written reports, memorandums, reports at meetings of the company's management bodies;

- assess the reliability of data included in the annual report of the company and contained in the company's annual financial statements;

- assess the vulnerability of the company to risks or other circumstances that may affect its financial position;

- carry out an audit of the financial and business activities of the company based on the results of its activities for the year, as well as at any time on the initiative of individuals in accordance with the legislation, the company's charter and this provision;

- to observe commercial secrets, not to disclose information that is confidential, to which members of the Audit Commission have access in the performance of their functions. If persons who are not members of the Audit Commission are involved in the work of the Audit Commission as experts, they should be warned about the observance of trade secrets. Responsibility for their actions rests with the members of the Audit Commission, who involve them in the audit;

- timely consider complaints of shareholders on the actions of management bodies and officials of the company and take appropriate decisions on them;

- demand convocation of meetings of the supervisory board, convocation of an extraordinary general meeting in cases when the revealed violations in the production and economic, financial, legal activities or the emergence of a real threat to the interests of the society require their decision by the management bodies of the company.

8. When conducting inspections, members of the Audit Commission are obliged to carefully study all documents and materials related to the subject of verification. For incorrect conclusions, the members of the Audit Commission bear responsibility, the measure of which is determined by the general meeting of shareholders and the current legislation of the Republic of Uzbekistan.

9. Members of the Audit Commission are required to attend the General Meeting of Shareholders and answer questions from the meeting participants within the limits of their competence.

II. RIGHTS AND POWERS OF THE AUDITING COMMISSION

1. The Audit Commission for the proper performance of its functions has the right:

- to check any financial documentation of the company, including documents of the commission on the inventory of the company, to compare the specified documents with the data of primary accounting;

- to demand and receive from the management bodies of the company, its departments and services, officials necessary for the implementation of its activities documents. These documents and materials are submitted to the Audit Commission within two days after the request;

- demand convocation (by unanimous decision) of the general meeting of shareholders in cases when violations are found in production and economic, financial, legal activities or there is a different threat to the interests of the company;

- Require the convening of a meeting of the supervisory board. The Chairman of the Supervisory Board has no right to refuse to revise the Audit Commission in convening a meeting of the Supervisory Board on its request;

- attend meetings of the supervisory board at the invitation of any of its members;

- to put before the governing bodies of the company, its subdivisions and services the issue of the responsibility of the company's employees, including officials, in case of violations of the regulations, rules and instructions adopted by the company;

- participate in the work of the working group on the organization of the transition of the company to the publication of financial statements in accordance with International Financial Reporting Standards;

- to receive remuneration and (or) compensation of expenses for work in the audit commission in the manner established by the legislation and internal documents of the company;

- other rights in accordance with the law and the charter of the company.

2. A member of the Audit Commission shall have the right:

- demand convocation of an emergency commission meeting in case of revealing violations that require an urgent decision of the Audit Commission;

- in writing, express their disagreement with the conclusions of the Audit Commission and bring it to the attention of the general meeting of shareholders of the company.

III. THE ORDER OF CARRYING OUT CHECKS (AUDITS)

3. The audit (audit) of the company's financial and economic activities is carried out based on the results of the company's activities for the year.

4. The Audit Commission submits to the Supervisory Board a report with its findings on the results of the audit (audit) of the financial and business activities of the company for the year and a conclusion confirming or refuting the reliability of data included in the annual report of the company and contained in the annual balance sheet no later than 3 days prior to the date of the meeting of the supervisory board, where the report on the preliminary approval of the company's annual report is considered.

5. An unscheduled audit (audit) of the company's financial and economic activities is carried out by:

- decision of the general meeting of shareholders;

- the decision of the supervisory board;

- the requirement of the shareholder (shareholders) of the company that owns (in aggregate) at least 5 percent of the company's voting shares;

- the initiative of the Audit Commission itself.

6. The decision on an unscheduled audit (audit) is made at the general meeting of shareholders by a simple majority of votes of the shareholders owning the voting shares of the company participating in the meeting. The Audit Commission starts the audit (audit) after receiving the relevant minutes of the General Meeting of Shareholders.

7. The decision on an unscheduled audit (audit) is made by the supervisory board by a majority vote of its members present at the meeting, in the case of absentee voting (by poll) by all members of the supervisory board unanimously. This decision is sent to the chairman of the Audit Commission and is signed by all members of the supervisory board who voted for its adoption.

8. A member of the Audit Commission shall, in case of revealing violations, send a written description of the revealed violations requiring the decision of the Audit Commission to the Chairman of the Audit Commission.

Within 3 working days after receipt of the request, the chairman of the audit commission must convene a meeting of the Audit Commission.

When the audit commission makes a decision to conduct an audit (audit), the chairman of the audit commission must organize the audit (audit) and proceed with its implementation.

1. Nomination of requirements for an unscheduled audit (audit) by shareholders of the company:

A) Shareholders - initiators of the audit (audit) shall submit to the Audit Commission a written request that must contain:

- FULL NAME. (Name) of the shareholders;
- information about their shares (number, category, type);
- Motivated justification for this requirement.

The demand is signed by the shareholder or his authorized representative. If the request is signed by a trustee, a power of attorney is attached.

If the initiative comes from shareholders - legal entities, the signature of the representative of the legal entity acting in accordance with its charter without a power of attorney, is certified by the seal of this legal entity. If the request is signed by a representative of a legal entity acting on its behalf by proxy, a power of attorney is attached to the request.

B) The request of the initiators of the audit (audit) is sent by registered mail to the company in the name of the chairman of the Audit Commission with a notice of delivery or submitted to the company's office.

The date of the request is determined by the date of notification of its delivery or the date of delivery to the office of the company.

C) Within 10 working days from the date of presentation of the request, the audit commission must decide on conducting an unscheduled audit (audit) of the financial and business activities of the company or give a reasoned refusal to conduct an audit.

D) Refusal from inspection (audit) can be given by the Audit Commission in the following cases:

- the shareholders who submitted the demand do not own the required number of voting shares, giving the right to vote on all matters of the competence of the general meeting as of the date of the request;
- the initiators of the claim are persons who are not registered in the register of shareholders or do not have the representative powers of the respective shareholders;
- the request does not specify the motive for conducting the audit (audit);

- on the facts that are the motives for conducting the audit (audit), the audit (audit) was carried out and the Audit Commission approved the conclusion;
- the request contains incomplete information;
- the requirement does not comply with the legislation and regulatory legal acts of the Republic of Uzbekistan or the charter of the company.

2. When conducting inspections (audits), members of the Audit Commission are obliged to examine all available and received documents and materials relating to the subject of verification.

3. Based on the results of the audit of the financial and business activities of the company, the audit commission of the company draws up an opinion, including on the basis of recommendations of the Corporate Governance Code, which should contain:

- assessment of the reliability of data contained in the reports and other financial documents of the company;
- information on the facts of violation of the order of accounting and presentation of financial statements, as well as legislation in the implementation of financial and economic activities.

This conclusion is heard at the annual general meeting of shareholders.

4. The initiators of the audit (audit) of the financial and economic activities of the company are entitled at any time before the audit commission makes a decision to conduct an audit (audit) to withdraw its demand by notifying the audit commission in writing.

5. The Audit Commission quarterly submits to the meeting of the Company's Supervisory Board a conclusion on the existence of transactions with affiliated persons or major transactions in the company, as well as compliance with the requirements of the legislation and internal documents of the company to commit such transactions.

II. ELECTION AND PREVENTIONAL TERMINATION OF AUTHORITIES

MEMBERS OF THE AUDITING COMMISSION

6. The procedure for submitting proposals for the nomination of candidates to the Company's Audit Commission, consideration and adoption of a decision by the Supervisory Board on the proposals submitted, shall be implemented in accordance with Articles 63 and 65 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholder Rights" and the company's charter.

7. The proposal to nominate candidates to the Audit Commission shall be made in writing, by sending a registered letter to the company or handed over to the office of the company.

The date of the proposal is determined by the date of the postal item or by the date of its delivery to the office of the company.

The proposal is signed by the shareholder or his authorized representative, if the offer is signed by a trustee, a power of attorney is attached.

If the initiative comes from a shareholder - a legal entity, the signature of the representative of the legal entity acting in accordance with its charter without a power of attorney, is certified by the seal of this legal entity. If the request is signed by a representative of a legal entity acting on its behalf by proxy, a power of attorney is attached to the request.

1. The Audit Commission shall be elected in the number of 2 persons by the general meeting of shareholders for a period of one year, by a majority of votes of the shareholders owning the voting shares of the company (by a simple majority) participating in the meeting. Members of the audit commission of the company can not simultaneously be members of the supervisory board of the company, and also work under an employment contract (contract) in the same company. The same person can not be elected to the Audit Commission more than three times in a row.

2. The Audit Commission elects the chairman and secretary from its composition. The Chairman and the Secretary of the Audit Commission are elected at a meeting of the Audit Commission by a majority of votes of the total number of elected members of the Commission.

The Audit Commission may at any time re-elect its chairman and secretary by a majority vote of the total number of elected members of the commission, with the exception of the votes of the outgoing members of the Audit Commission.

3. A member of the Audit Commission may, on his own initiative, withdraw from its membership at any time by notifying the Audit Commission and the Supervisory Board in writing one month before the termination of his work in the Audit Commission. In this case, the general meeting of shareholders at the next meeting shall replace the member of the Audit Commission.

4. The powers of individual members or the entire composition of the Audit Commission may be terminated early by a resolution of the General Meeting of Shareholders, adopted by a majority of votes of shareholders holding voting shares of the Company participating in the meeting on the following grounds:

- failure to participate in the work of the Audit Commission more than 3 times for disrespectful reasons;
- during the inspections, the members (members) of the Audit Commission inappropriately examined all documents and materials related to the subject of the inspection, which resulted in incorrect conclusions of the Company's Audit Commission;
- failure of individual members of the Audit Commission or the Audit Commission as a whole to comply with clause 23 of this provision;
- the commission of other actions (inaction) by members of the Audit Commission, which resulted in unfavorable consequences for society.

5. In the event that the number of members of the Audit Commission becomes less than half of the number provided for by the company's charter and this provision, the supervisory board shall convene an extraordinary general meeting of shareholders to elect a new composition of the audit commission.

In the event of early termination of the powers of the Audit Commission, the powers of newly elected members of the Audit Commission shall remain in force until the election of the Audit Commission by the next Annual General Meeting of Shareholders.

6. If the extraordinary general meeting has terminated the powers of the entire composition of the audit commission as a whole or its individual members ahead of schedule, as a result of which their number has become less than half of the elected membership, within no more than three working days from the moment of adopting this decision, the supervisory board is obliged to adopt Decision to convene an extraordinary general meeting with an agenda item on the election of a new composition of the Audit Commission.

Shareholders who have the right, in accordance with the law and the charter of the company, to nominate candidates to the management and control bodies of the company may submit proposals on candidates to the audit commission.

II. MEETING OF THE AUDIT COMMISSION

7. The Audit Commission shall resolve all issues at its meetings. The meetings of the Audit Commission are held according to the approved plan, as well as before the commencement of the audit or audit and on their results.

8. A meeting of the Audit Commission shall be considered competent if at least two thirds of its members are present. All meetings of the Audit Commission are held in full-time.

9. Each member of the Audit Commission has one vote. Acts and conclusions of the Audit Commission are approved by a simple majority of votes present at the meeting. If the votes are equal, the vote of the chairman of the Audit Commission is decisive.

Members of the Revision Commission, in case of their disagreement with the decision of the Commission, have the right to fix a dissenting opinion in the minutes of the meeting and bring it to the attention of the Supervisory Board and the General Meeting of Shareholders.

10. Chairman of the Audit Commission:

- convene and hold meetings;
- organizes the current work of the Audit Commission;
- represents it at the meetings of the Supervisory Board, the General Meeting of Shareholders;
- signs documents originating on her behalf.

11. In the absence of the chairman, its functions are exercised by one of the members of the Audit Commission, as decided by the majority of the members of the Audit Commission present at the meeting.

12. Secretary of the Audit Commission:

- organizes keeping the minutes of its meetings;
- informs the addressees of the acts and conclusions of the Audit Commission.

II. PROCEDURE FOR DETERMINING THE REMUNERATION AMOUNT TO MEMBERS OF THE AUDITING COMMISSION

1. Members of the Audit Commission shall be paid remuneration for the work they perform and the provision of reports (conclusions) established by the legislation and this provision.

2. The results of the work of the Audit Commission and the provision of reports (conclusions) serve as the basis for determining the amount of remuneration paid to the chairman and members of the Audit Commission.

3. The amount of remuneration (at the rate of 1 member of the Audit Commission

For 1 calendar month) is determined in the amount of ____ MZP and paid quarterly.

4. In the event that, the opinions of the Audit Commission quarterly

Not paid to the supervisory board, remuneration is not paid.

5. At the same time, an incremental coefficient is established for the remuneration paid to the chairman of the Audit Commission in the amount not exceeding 1.2 times the amount paid to a member of the Audit Commission.