

“Approved”
According to 7-appendix
to protocol No. 15 dated
June 17, 2022 of the Supervisory
Board meetings
“Uzkimyosanoat” JSC

REGULATION OF THE COMMITTEE
ON THE AUDIT UNDER THE
SUPERVISORY BOARD
“UZKIMYOSANOAT”
JOINT STOCK COMPANY

(NEW EDITION)

Tashkent 2022

I. General rules

1.1. This Regulation (hereinafter referred to as the Regulation) is in accordance with the Laws of the Republic of Uzbekistan "On the Protection of Joint-Stock Companies and Shareholders' Rights", "On Audit Activities", "On the Business Environment" of the President of the Republic of Uzbekistan on further reforms to create conditions for sustainable economic growth through improvement and development of the private sector" to Decree No. PF-101 dated April 8, 2022, Cabinet of Ministers "Management of state-owned enterprises in 2021-2025 and on approval of the strategy of reform" to "Strategy of management and reform of state-owned enterprises in 2021 - 2025", approved by Appendix 1 of the decision No. 166 of March 29, 2021, "Uzkimyosanoat" joint-stock company (hereinafter - the Company) was developed in accordance with the charter, the Regulation on the Supervisory Board and other regulatory legal documents, the Supervisory Board of the Company determines the legal status, composition, powers and procedure of the Audit Committee (hereinafter referred to as the Audit Committee).

1.2. The audit committee is established based on the decision of the Supervisory Board of the Company to consider the most important issues and prepare recommendations to the Supervisory Board of the Company.

1.3. The Audit Committee performs its activities in accordance with the current legislation, the Charter of the Company and this Regulation.

II. Composition of the audit committee

2.1. The audit committee will be formed only from the members of the Supervisory Board of the Company, consisting of 3 (three) people. At least one independent member of the Supervisory Board must be included in the audit committee.

2.2. The members of the audit committee are elected by the majority of the members of the Supervisory Board for the period of their mandate based on the recommendation of the Chairman of the Supervisory Board of the Company. The Chairman of the Audit Committee is approved by the Supervisory Board of the Company from among the members of the Audit Committee. The chairman of the Audit Committee should not be the chairman of the Supervisory Board of the Company.

2.3. Members of the Supervisory Board elected to the audit committee can be re-elected without limitation.

2.4. The audit committee is headed by an independent member of the Supervisory Board of the Company who has knowledge in the field of financial analysis and accounting.

2.5. The members of the audit committee should have higher education, qualifications and experience corresponding to the goals and tasks of the audit service. At least one member of the audit committee should have several years of experience in auditing, accounting and financial reporting.

2.6. A member of the Audit Committee should not be an employee of the Company's audit organization at the same time. Also, the close relatives of the member of the Audit Committee should not be an employee of the audit organization of the Company.

2.7. The division of duties among the members of the Audit Committee is carried out by the Chairman of the Audit Committee.

2.8. The internal audit service of the company is accountable to the Audit Committee in its activities.

III. The main tasks of the audit committee

3.1. The main tasks of the audit committee are as follows:

- control over the correctness of financial reporting in the company;
- selection of an independent audit organization, monitoring the processes of auditing;
- receiving and studying the results of internal and external audits;
- controlling the presentation, completeness, reliability of control, financial and other reports;
- to prepare information and submit reports to the meetings of the Supervisory Board on issues within its competence;
- Making proposals to the Supervisory Board regarding the organization of the internal audit service in the Company, the appointment and dismissal of its head and employees;
- submit proposals to the Supervisory Board regarding approval of the annual budget of the internal audit service, changes and additions to it;
- to study the quarterly reports of the internal audit service and submit them to the Supervisory Board;

- periodically (at least once a year) assess the level of professional skills of each employee of the Company's internal audit service based on his/her potential for information selection, investigation and preparation of conclusions;

- To ensure the effectiveness and consistency of the company's internal control system and internal audit activities, to evaluate them, to review the plan of internal audit inspections and their periodicity, to participate in the assessment of the extent to which the head of the internal audit service fulfills his duties and obligations, and express their opinions;

- providing practical assistance to the Supervisory Board in evaluating proposals of the audit organization, preparing recommendations for the Supervisory Board in selecting and appointing an external auditor;

- submitting proposals to the Supervisory Board about the maximum amount of fees paid for the services of the auditing organization and the conclusion (cancellation) of the contract with it;

- reviewing the report and conclusions of the audit organization and presenting them to the Supervisory Board;

- in the event that the activity of the audit organization is assessed as unsatisfactory, to make recommendations to the Supervisory Board regarding its change;

- To consider whether the transparency of the Company's activities and the disclosure of information are sufficient and accurate;

- preparing a report to the Supervisory Board on its annual activity;

- determining the conditions and requirements of the tender for attracting the audit organization;

- Performing other tasks assigned by the Supervisory Board.

3.1. In order to control the accuracy of financial statements and ensure the effectiveness of risk management, the audit committee:

- submits the annual work plan of the internal audit to the Supervisory Board for approval;

- initiates audits; - Reports to the Supervisory Board on audit issues.

IV. The procedure for organizing and holding audit committee meetings

4.1. The meeting of the Audit Committee is convened by the Chairman of the Audit Committee at his own initiative, at the request of the members of the

Audit Committee, as well as at the written request of the head of the internal audit service of the Company.

4.2. The audit committee should hold its meetings at the end of each quarter, and if necessary, every month, with the personal participation of the members of the committee or by using other communication networks. The audit committee may invite the executive body of the Company and other persons to participate in the meetings of the committee, as well as request information from them if necessary.

4.3. The members of the audit committee may request to convene an urgent meeting of the committee in case of violations of the rules that require the immediate resolution of a specific issue.

4.4. The audit committee holds its meetings before the meetings of the Supervisory Board of the Company.

4.5. The chairman of the audit committee creates opportunities for all participants in the committee meeting to prepare for its proper conduct and actively participate in the discussion of the issues raised in it. The members of the audit committee should allocate enough time to prepare for holding committee meetings and participate in them.

4.6. If at least 2/3 of its members participate in the meeting of the audit committee, the meeting is considered authorized, and the chairman of the committee must participate in it.

4.7. Decisions at the meeting of the audit committee are made by the majority of those present at the meeting.

4.8. Each member of the Audit Committee shall have one vote when matters are resolved at the meeting of the Audit Committee. In case of equal votes, the vote of the chairman of the committee is decisive. A member of the committee who does not agree with the decision of the audit committee has the right to record his special opinion, which is attached to the minutes of the meeting in a mandatory manner, and to bring it to the attention of the Supervisory Board.

4.9. The decision of the Audit Committee is formalized with the Minutes of the Audit Committee meeting. This report is kept by the secretary of the committee and signed by the members of the committee who participated in the voting.

4.10. The secretary of the audit committee meetings is performed by the head of the internal audit service of the Company.

4.11. The chairman of the audit committee: - organizes the work of the audit committee;

- Convenes audit committee meetings and presides over them; - organizes minutes of audit committee meetings;

- The Company implements internal regulatory documents and other actions provided for in this Regulation.

V. Rights and obligations of audit committee members

5.1. A member of the audit committee has the following rights:

- to demand from the members of the executive body of the Company and other officials of the Company to provide all the necessary documents and materials for their activities;

- request and use documents and materials from the audit organization and internal audit service;

- to demand the convening of a meeting of the executive body if violations of the rules that have caused or may cause serious material damage to the Company are detected;

- To request comments on the issues under consideration from the employees of the structural units of the Company, including their leaders;

- presenting issues of disciplinary, property and other types of accountability of guilty employees to the management for consideration;

- Use of the initial accounting, financial and other documents of the Company;

- Periodically or regularly invite the leading persons of the Company and other members of the Supervisory Board of the Company by the decision of the chairman of the committee in cases where it is necessary to fulfill the decisions and tasks within the scope of the powers of the audit committee, to participate in the meetings of the committee;

- If, according to the opinion of the Audit Committee, it is necessary to study the issue in depth, on its own initiative, on the issue related to the powers of the Committee, requesting the opinion of other committees of the Supervisory Board of the Company get;

- To speak on the issue discussed at the audit committee meeting within the time allotted by the regulation, to demand to include his/her own opinion on the issues on the agenda, the decisions being made in the minutes of the committee meeting;

- Making proposals for amendments and additions to this Regulation for approval by the Supervisory Board of the Company;

- based on the submitted documents, develop appropriate conclusions and suggestions and submit them to the discussion of the Supervisory Board of the Company;

- Proposing issues to be included in the agenda of the Audit Committee meeting.

5.2. Responsibilities of the members of the audit committee:

- submitting the accounting policy to the Supervisory Board for approval and controlling its execution;

- submission of candidates for the approval of the Supervisory Board for the appointment of internal audit service employees and submission of a proposal on their dismissal;

- To fulfill the tasks assigned to him and conduct his activities seriously based on the laws of the Republic of Uzbekistan, the Charter, the Charter of the enterprise and internal documents;

- Control of the purchases made by the Company in the amount stipulated by the legislation;

- controlling the work of the internal audit service, including by analyzing its reports and evaluating its effectiveness;

- analysis and control of compliance with accounting standards and accounting policies of financial reporting, including consolidated reporting;

- To operate based on the principles of protecting the rights, interests and interests of the company's shareholders;

- Non-disclosure of commercial and service secrets of the Company and fulfillment of confidentiality requirements;

- ensuring the conduct of an external audit.

The members of the audit committee must attend the meeting of the committee in person.

If it is not possible to participate in the meeting, the member of the committee shall inform the Audit Committee about it, indicating the reasons.

The audit committee is obliged to provide oral and written explanations on issues arising during the audit and to provide additional information necessary for the audit, at the request of the audit organization of the Company.

The audit committee must be informed in writing by the audit organization of the Company about the identified violations of the legislation on accounting or about the facts that clearly confirm the violations related to corruption.

VI. Responsibility of members of the audit committee

6.1. The members of the audit committee should act in the interests of the Company in exercising their rights and fulfilling their obligations and be responsible in the prescribed manner.

6.2. Members of the Audit Committee who did not participate in voting on the decision that caused damage to the Company or voted against this decision shall not be held responsible.

VII. Final provisions

7.1. This Regulation shall enter into force on the date of its approval by the Supervisory Board of the Company.

7.2. This Regulation, as well as amendments and additions to it, are approved by the Supervisory Board of the Company. Proposals for amendments and additions to the Charter may be made by the Chairman of the Supervisory Board of the Company and members of the Audit Committee.

7.3. Starting from the date of approval of this Regulation, the Regulation on the Audit Committee of the Supervisory Board of the "Uzkimyosanoat" joint-stock company, approved by the Supervisory Board of the Company with the decision of the report No. 10 dated February 17, 2021, shall become invalid.