

**«Approved»  
by decision of the sole shareholder of  
Uzbekiston Temir Yullary Joint Stock  
Company  
dated « 10 » February 2020. № 54**

**REGULATIONS  
on the Audit Commission of  
Uzbekiston Temir Yullary Joint Stock Company**

**I. General Provisions**

1. These Regulations have been developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights", other regulations and the charter of Uzbekistan Temir Yollari joint stock company (hereinafter - the Company).

2. These Regulations determine the tasks and procedures for the activity of the Audit Commission of the Company, regulate the issues of its interaction with the management bodies and structural subdivisions of the Company.

3. The Audit Commission of the Company is an internal control body of the Company that regularly monitors the financial and business activities of the Company, its management bodies, divisions and services, branches and representative offices from the standpoint of protecting the interests of the Company's sole shareholder.

4. In its activities, the Audit Commission of the Company shall be guided by the legislative acts of the Republic of Uzbekistan, the by-laws of the government, the charter of the Company, and other internal documents of the Company.

5. The main tasks of the Company's Audit Commission are:

control over the financial and economic activities of the Company;

control over compliance with the legislation of the Republic of Uzbekistan of the financial and economic operations performed by the Company;

an independent assessment of information on the financial condition of the Company.

**II. Procedure for election, composition and organization of work  
of the Audit Commission**

6. The procedure for submitting proposals for the nomination of candidates to the Audit Commission of the Company shall be carried out in accordance with Article 63 of the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders' Rights" and the Company's Charter.

7. Applicants for membership in the Audit Commission must have at least 3 years of work experience and higher education.

8. The Audit Commission shall be elected at the annual meeting of the sole shareholder of the Company, in the number of 3 persons, for a period of one year.

9. One and the same person can not be elected to the Audit Commission of the Company more than three times in a row.

10. Members of the Audit Commission of the Company can not simultaneously be members of the Company's Council, and also work under an employment contract (agreement) at the Company.

11. The Audit Commission of the Company shall elect the chairman of the Company's Audit Commission by a simple majority vote from among its membership. Members of the Audit Commission of the Company shall have the right at any time to re-elect the Chairman of the Audit Commission of the Company. The Chairman of the Audit Commission of the Company shall organize convocation, holding of meetings, ongoing work, keeping minutes of meetings of the Company's Audit Commission, signing documents on its name, communicating the acts and conclusions of the Company's Audit Commission to the addressees.

12. Meetings of the Audit Commission of the Company shall be held according to the approved plan, before and after the audit, or to resolve organizational issues of the Audit Commission of the Company.

13. A member of the Audit Commission of the Company may request convocation of an extraordinary meeting of the Company's Audit Commission in case of revealing violations that require an urgent decision of the Company's Audit Commission.

14. The meeting of the Company's Audit Commission shall be considered eligible if at least 50% of members of the Audit Commission of the Company are present. The acts and opinions of the Audit Commission of the Company shall be approved by a majority of votes. Each member of the Audit Commission of the Company shall have one vote. In the event of a tie, the chairman's vote shall be decisive.

15. In case of disagreement with the decision made, each member of the Audit Commission of the Company may require the inclusion of its special opinion in the minutes, while it is not responsible for the decision taken place.

16. The audit of the financial and economic activities of the Company shall be carried out based on the results of activities for the year. And also on the initiative of the sole shareholder, the Council, the Audit Commission (auditor) of the Company.

17. Following the results of the audit of the Company's financial and economic activities, the Audit Commission of the Company shall draw up and submit to the sole shareholder or the Company's Council an opinion containing:

assessment of reliability of the data contained in the reports and other financial documents of the Company;

information on the facts of violation by the Company of the procedure for accounting and presentation of financial statements, as well as legislation in the implementation of financial and economic activities;

information about the presence of errors or misconduct in the expenditure of funds, recordkeeping and other at the Company.

18. The Audit Commission of the Company shall quarterly submit to the Board of the Company a conclusion on the presence at the Company of transactions with affiliated persons or major transactions, as well as compliance with the requirements of the legislation and internal documents of the Company to perform such transactions. The conclusion containing the information specified in the sixteenth article of these Regulations shall be heard by the sole shareholder at the annual meeting.

### **III. Competence of the Audit Commission**

19. To carry out its activities, the Audit Commission (auditor) of the Company shall have the right to request for the necessary documents in writing from officials of the Company, its departments and services. The requested documents and materials shall be submitted to the Audit Commission of the Company within two days after requesting it.

20. The Audit Commission of the Company shall:

perform a selective audit of the consolidated financial statements of the Company, information from the conclusion of the commission on inventory of property, comparison of these documents with the data of primary accounting;

verify 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 parties or major transactions;

studies and verify compliance with the established standards in financial, economic and production activities;

give written recommendations on improving and increasing the management efficiency of the Company and its structural enterprises;

in case of identifying discrepancies in the Company's documents with the current legislation of the Republic of Uzbekistan, make proposals for their modification and/or addition.

### **IV. Rights and obligations of members of the Audit Commission**

21. The Audit Commission of the Company shall:

carry out inspections according to the work plan;

study in detail all documents related to the subject of inspection;

timely deliver information to attention of the sole shareholder, the Council, the Management Board of the Company on the results of carried out audits (inspections) in the form of written reports, report notes;

maintain confidentiality. In case of occurrence of the reasons and the occurrence of circumstances that endanger the information security of the Company, as well as its structural divisions, the Company shall have the right to limit the access of the Audit Commission of the Company to confidential information;

request for convocation of the meeting of the sole shareholder in the event of a real threat to the interests of the Company;

provide objective, reliable information about the results of the audit, avoiding bias and distortions;

not interfere with the normal operation of the inspected object, not interfere with the activities of officials.

22. All conclusions and proposals shall be official decisions of the Company's Audit Commission, and not individual members. Each member of the Audit Commission of the Company shall have the right to express its dissenting opinion, which shall be recorded in the minutes.

23. The Audit Commission of the Company shall conduct an audit of the Company's activities at least once a year, and conduct inspections on behalf of the sole shareholder or the Company's Council, or on its own initiative.

24. The members of the Audit Commission of the Company shall attend the meeting of the sole shareholder or the Board of the Company and answer the questions of the meeting attendees within the limits of their competence.

25. Wrongful actions of the Audit Commission of the Company or its individual members may be appealed. Complaints shall be considered by the sole shareholder of the Company and the necessary decisions shall be made on them.

#### **V. Remuneration and compensation to members of the Audit Commission**

26. The amount of quarterly remuneration to members of the Audit Commission for the performance of their functions and duties (at the rate of 1 member of the Audit Commission) is equal to 10.5 minimum monthly wages paid quarterly (as of the date of payment of remuneration).

27. The results of the work of the Company's Audit Commission and the provision of a report (conclusion) shall serve as the basis for determining the amount of remuneration. In the event that the Audit Commission of the Company does not submit a report (conclusion) on a quarterly basis (within 30 days after the submission by the executive body of the financial statements to the State Tax Inspectorate of the Republic of Uzbekistan) on the existence of transactions with affiliated persons or major transactions at the company and the conclusion on the results of the audit of financial and economic activities of the company for the year for consideration by the Council of the Company, or does not make it in a timely manner, remuneration shall not be paid.