

“APPROVED”
by the decision of the sole shareholder of JSC
“Uzbekistan Airways”
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**REGULATIONS ON THE AUDIT COMMISSION
OF THE JOINT STOCK COMPANY
“UZBEKISTAN AIRWAYS”**

City of Tashkent-2019

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I. GENERAL PROVISIONS.

1.1. This Regulation has been developed in accordance with the Law of the Republic of Uzbekistan “On Joint-Stock Companies and Protection of Shareholders' Rights” (hereinafter referred to as the “Law”), recommendations of the Corporate Governance Code (Minutes No. 9 dated 31.12.2015), other legislative acts and the Charter of Uzbekistan Airways Joint-Stock Company (hereinafter - the Company).

1.2. These Regulations determine the status, composition, functions, powers of the Audit Commission (hereinafter - the Audit Commission), the procedure for its work and interaction with other management bodies of the Company.

1.3. The Revision Commission exercises control over the financial and economic activities of the Company and is the control body of the Company.

1.4. The executive body and the Supervisory Board of the Company are not entitled to interfere in the activities of the Audit Commission.

1.5. The Revision Commission reports to the General Meeting of Shareholders of the Company.

1.6. In its activities, the Audit Commission is guided by the laws of the Republic of Uzbekistan, by-laws of state bodies, the Charter of the Company, these Regulations and other documents of the Company adopted by the General Meeting of Shareholders and related to the activities of the Audit Commission and its members.

1.7. Interaction of the Audit Commission in the course of its activities with the management and control bodies, as well as with the shareholders of the Company, is carried out in accordance with the “Regulation on Internal Control” approved by the General Meeting of Shareholders of the Company.

II. COMPETENCE OF THE AUDIT COMMISSION

2.1 The main task of the Audit Commission is to provide the management bodies of the Company and shareholders with reliable information about the financial and economic activities of the Company, make recommendations on eliminating identified shortcomings and violations, and prepare proposals for improving the activities of the Company based on the results of inspections.

2.2. The competence of the Audit Commission is determined by the Law, the Charter of the Company and these Regulations.

2.3. The Audit Commission of the Company:

a) carries out an audit of the financial and economic activities of the Company based on the results of the activities of the Company for the year, including:

- checks the financial documentation of the Company, the conclusion of the property inventory commission, comparing these documents with the data of the primary accounting;

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

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

- analysis of the financial position of the company, its solvency, liquidity of assets, the ratio of own and borrowed funds, identification of reserves to improve the economic condition of the

company and development of recommendations for the management bodies of the company on issues of 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, repayments of other obligations;

- verification of the correctness of the compilation of the company's balance sheets, annual report, profit and loss account, profit distribution, reporting documents for the tax inspectorate, statistical agencies, government bodies;

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

b) checks the financial and economic activities of the Company for a different period at the initiative of the Audit Commission, by the General Meeting of Shareholders decision, the Supervisory Board or at the request of a shareholder (s), who own at least 5 (five) percent of the voting shares of the Company, by prior notice to the Supervisory Board Council of the Company;

- draws up a report and a conclusion on the basis of the audit of the financial and economic activities of the Company based on the results of the activities of the Company for a year or other period;

- brings to the attention of the General Meeting of Shareholders, the Supervisory Board, and the Executive Body of the Company, the results of audits of the financial and economic activities of the Company;

- on the basis of documents submitted by the Executive Body of the Company, analyzes the Company's transactions with affiliates or major transactions of the Company, as well as compliance with the requirements of the law and internal documents of the Company for such transactions;

- draws up a conclusion on the existence of transactions with affiliates or major transactions in the Company for the reporting quarter;

- quarterly submits to the meeting of the Supervisory Board of the Company a conclusion on the existence of transactions with affiliates or major transactions in the Company for the reporting quarter, as well as compliance with the requirements of the law and internal documents of the Company for such transactions;

- submits to the annual General Meeting of Shareholders a conclusion on the existence of transactions with affiliates or major transactions in the Company for the reporting year, as well as compliance with the requirements of the law and internal documents of the Company for such transactions.

III. PROCEDURE OF INSPECTIONS CONDUCTING

3.1. The 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, at the initiative of the Audit Commission, by decision of the General Meeting of Shareholders, the Supervisory Board of the Company or at the request of a shareholder (s) who own at least 5 (five) percent of the voting shares of the Company , by prior notice to the Supervisory Board of the Company.

3.2. The requirement to conduct an audit of the financial and economic activities of the Company shall be sent by persons entitled to demand an audit to the Chairman of the Audit Commission.

3.3. Within ten days from the date of submission of a request by the shareholder (shareholders) who own at least five percent of the voting shares of the company to audit the financial and economic activities of the Company, the Chairman of the Audit Commission, after prior notice to the Supervisory Board, must decide to conduct an inspection or refuse from its holding.

3.4. The decision to refuse to verify the financial and economic activities of the Company at the request of a shareholder (shareholders), who owns at least five percent of the voting shares of the company, may be taken if the shareholder (shareholders) requiring the convocation of an extraordinary general meeting of shareholders is not the owner the corresponding number of voting shares of the company.

3.5. The initiators of the audit of the financial and economic activities of the Company shall have the right at any time before the Audit Commission makes a decision to conduct the audit, withdraw its request by notifying the Audit Commission in writing.

3.6. When conducting an audit of financial and economic activities, the Revision Commission is obliged to study all available documents and materials related to the subject of the audit.

3.7. Based on the results of the audit of the financial and economic activities of the Company, the Revision Commission of the Company draws up a report and conclusion, which should contain:

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

- information on violations of the accounting and presentation of financial statements, as well as legislation in the implementation of the financial and economic activities of the Company.

3.8. The Revision Commission submits to the Supervisory Board of the Company a conclusion on the results of the annual audit of the financial and economic activities of the Company no later than the date of adoption by the Supervisory Board of a decision to convene the annual General Meeting of Shareholders of the Company.

3.9. The Revision Commission submits to the Supervisory Board of the Company a conclusion based on the results of the audit of the financial and economic activities of the Company for a different period, conducted at the initiative of the Revision Commission, the General Meeting of Shareholders, the Supervisory Board of the Company or at the request of a shareholder (shareholders) who own at least 5 (five) percent of voting shares of the Company, no later than 1 (one) business day after approval of the opinion.

IV. ELECTION OF THE AUDIT COMMISSION MEMBERS

4.1. The quantitative composition of the Audit Commission of the Company is determined by the Charter of the Company and is 5 people.

4.2. The members of the Audit Commission are elected by the General Meeting of Shareholders for a period of 1 (one) year until the next annual General Meeting of Shareholders.

In case of improper fulfillment by members of the Audit Commission of their duties, early termination of their powers is carried out by decision of the General Meeting of Shareholders.

4.3. Shareholders (a shareholder) holding in aggregate at least 1 (one) percent of the Company's voting shares, within 90 days after the end of the financial year of the Company, are entitled to nominate candidates to the Audit Commission of the Company, the number of which cannot exceed the quantitative composition of this body.

Shareholders (a shareholder) shall have the right to amend the list of candidates nominated by them for the Audit Commission of the Company no later than 3 (three) business days from the date of publication of the notice on the behavior of the annual General Meeting of Shareholders.

During the period when all ordinary shares of the Company belong to one shareholder, the list of candidates for the Audit Commission, is determined by the sole Shareholder of the Company independently, or at the initiative of the Supervisory Board of the Company.

4.4. In the event that within the period established by Clause 4.3. of these Regulations, the shareholders have not submitted proposals for nominating candidates for members of the Audit Commission, the Supervisory Board of the Company has the right to independently determine the list of candidates for election to the Audit Commission of the Company.

4.5. One and the same person may not be elected to the Audit Commission of the Company more than 3 (three) times in a row.

4.6. Members of the Audit Commission of the Company cannot simultaneously be members of the Supervisory Board of the Company, and work under an employment agreement (contract) in the same Company.

4.7. Members of the Audit Commission may not be members of the Counting Commission of the Company (in case of holding General Meetings of Shareholders).

4.8. As a rule, shareholders of the Company are elected to the composition of the Audit Commission (shareholders - individuals and authorized officials from shareholders - legal entities).

4.9. Persons who are not shareholders of the Company but who have professional experience in the financial or economic sphere may be elected to the composition of the Audit Commission.

4. 10. Qualification requirements for members of the Audit Commission:

- Higher or secondary economic education in the specialties of "Accounting and Reporting", "Audit", "Finance" or in the economic specialty;

- at least 3 years of work experience in accounting, auditing, finance or the economic field.

4.11. The Revision Commission by a majority vote of its members shall elect the Chairman of the Revision Commission from among its members.

4.12. Chairman of the Audit Commission:

- organizes the work of the Audit Commission;

- convenes and holds meetings of the Audit Commission;

- Signs the minutes of meetings of the Audit Commission, reports and conclusions based on the results of the audit of the financial and economic activities of the Company, conclusions

on the presence of transactions with affiliates or major transactions in the Company and other documents;

- represents the Revision Commission at meetings of the Supervisory Board and at the General Meeting of Shareholders of the Company;

- Performs other functions stipulated by applicable law, the Charter of the Company, these Regulations and other internal documents of the Company.

4.13. The Revision Commission is entitled at any time to re-elect the Chairman by a majority of the total number of members of the Revision Commission.

4.14. In the absence of the Company Audit Commission Chairman, his functions shall be performed by one of the Audit Commission members.

4.15. A member of the audit commission has the right to withdraw from its composition at any time on his own initiative, having notified the audit commission and the supervisory board in writing one month before termination of his work in the audit commission. In this case, the general meeting of shareholders at the next meeting replaces a member of the audit commission.

4.16. The powers of individual members or the entire composition of the audit commission may be terminated ahead of schedule by a decision of the general meeting of shareholders, adopted by a majority of votes of shareholders - owners of voting shares of the company participating in the meeting, for the following reasons:

- failure to participate in the work of the audit committee more than 3 times for disrespectful reasons;

- during the inspection, the members (member) of the audit commission improperly studied all the documents and materials related to the subject of the audit, which entailed incorrect conclusions of the audit committee of the company;

- the commission of other actions (inaction) by members of the Audit Commission, which entailed adverse effects on society..

4.17. In the event that the number of members of the audit committee becomes less than half of the number provided for by the charter of the company and this regulation, the supervisory board must convene an extraordinary general meeting of shareholders to elect a new composition of the audit commission in the manner prescribed by law.

V. MEETINGS AND DECISIONS OF THE AUDIT COMMISSION

5.1. Meetings of the Audit Commission of the Company shall be held at least 1 (one) time per quarter, before the audit and after the audit of the financial and economic activities of the Company, as well as at any other time as necessary.

5.2. Meetings of the Audit Commission are convened independently by the Audit Commission Chairman, at the request of members of the Audit Commission or persons entitled to demand an extraordinary audit of the financial and economic activities of the Company, in accordance with applicable law, the Charter of the Company and these Regulations.

5.3. Meetings of the Audit Commission are held in person.

5.4. To conduct a meeting of the Audit Commission of the Company, at least 2 (two) members of the Audit Commission must be present.

5.5. In the event that 1 (one) person remains in the composition of the Audit Commission, the Company shall convene an extraordinary General Meeting of Shareholders to elect a new composition of the Audit Commission of the Company.

5.6. When resolving issues, each member of the Audit Commission has one vote. Decisions of the Audit Commission (including on the issue of approving conclusions based on the results of the audit of the financial and economic activities of the Company) are adopted by a majority of votes of the members of the Audit Commission.

5.7. The decision of the Audit Commission is drawn up by the minutes of the meeting of the Audit Commission, which indicates:

- date, place and time of the meeting;

- a list of members of the Audit Commission who participated in the meeting;
- issues put to a vote, and voting results on them (indicating the result of voting of each member of the Revision Commission who participated in the meeting);
- decisions taken.

5.8. Conclusions, reports and other materials prepared by the Revision Commission are attached to the protocol.

5.9. A member of the Audit Commission, in case of disagreement with the decision of the Audit Commission, is entitled to demand that his dissenting opinion be entered into the minutes of the meeting and brought to the attention of the management bodies of the Company and (or) shareholders.

5.10. The minutes of the Company Audit Commission meeting shall be signed by the Company Audit Commission members, participating in the meeting who are responsible for the correctness of the protocol.

5.11. Minutes of the meeting, reports and conclusions of the Audit Commission and other materials attached to the minutes of the Audit Commission shall be submitted to the Supervisory Board of the Company.

5.12. Minutes of the meeting, reports and conclusions of the Audit Commission and other materials attached to the minutes of the Audit Commission are stored in the Company in the manner prescribed by law.

VI. RIGHTS AND OBLIGATIONS OF MEMBERS OF THE AUDIT COMMISSION

6.1. Members of the Audit Commission of the Company have the rights to:

- check any financial documentation of the company, including the documents of the company's inventory committee;
- compare these documents with the data of the primary accounting;
- demand and receive from the governing bodies of the company, its divisions and services, officials the documents necessary for the implementation of their activities. The specified documents and materials are provided to the Audit Commission within two days after its request;
- demand the convocation (by unanimous decision) of the general meeting of shareholders in cases where violations in production, business, financial, legal activities are revealed or there is another threat to the interests of the company;
- demand the convening of a meeting of the supervisory board. The Chairman of the Supervisory Board does not have the right to refuse the Audit Commission to convene a meeting of the Supervisory Board at its request;
- attend meetings of the supervisory board at the invitation of any of its members;
- raise before the governing bodies of the company, its divisions and services the issue of responsibility of employees of the company, including officials, in case of violation of the provisions, 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;

- receive remuneration and (or) compensation for expenses for work in the audit commission in the manner prescribed by law and internal documents of the company.

Members of the Audit Commission may have other rights in accordance with the law.

6.2. Members of the Audit Commission are required to:

- timely inform the general meeting of shareholders, the supervisory board, executive body of the results of audits and inspections in the form of conclusions, written reports, memos, messages at meetings of the company's management bodies;

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

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

- to audit the financial and economic activities of the company based on the results of its activities for the year, as well as at any time at the initiative of persons in accordance with the legislation, the charter of the company and these regulations;

- observe commercial secrets, do not 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 must be warned about the observance of trade secrets. Responsibility for their actions lies with the members of the audit commission, attracting them to participate in the audit;

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

- demand the convening of meetings of the supervisory board, the convening of an extraordinary general meeting in cases where the identified violations in the production, business, financial, legal activities or the occurrence of a real threat to the interests of society require a decision by their management bodies.

- take part in the annual general meeting of shareholders.

Members of the Audit Commission may also bear other duties in accordance with the law.

VII. RESPONSIBILITY OF MEMBERS OF THE AUDIT COMMISSION

7.1. Members of the Audit Commission shall act in the interests of the Company and its shareholders.

7.2. Members of the Audit Commission are liable in the prescribed manner for the improper performance of their duties.

VIII. REMUNERATIONS AND COMPENSATIONS TO MEMBERS OF THE AUDIT COMMISSION

8.1. By decision of the General Meeting of Shareholders, members of the Audit Commission may be paid remuneration and (or) reimbursed for the expenses associated with the performance of their duties during the performance of their duties.

8.2. The amounts of remuneration and compensation to members of the Audit Commission are established by decision of the General Meeting of Shareholders on the recommendation of the Supervisory Board of the Company in accordance with the "Procedure for Remuneration of Members of Management and Control Bodies" approved by the General Meeting of Shareholders.

IX. INFORMATION DISCLOSURE

9.1. Information on the activities of the Audit Commission is posted on the corporate website of the Company, including:

- composition of the Audit Commission;
- “Regulation on the Audit Commission”, as well as amendments and additions to it;
- conclusions of the Audit Commission on the basis of audits of the financial and economic activities of the company;
- other information in accordance with the requirements of the law.

X. FINAL PROVISIONS

10.1. These Regulations shall enter into force upon approval by the General Meeting of Shareholders.

10.2. This Regulation may be amended and / or supplemented in connection with a change in the current legislation and amendments and (or) supplements to the Charter of the Company.

10.3. Changes and additions to these Regulations enter into force after their approval by the General Meeting of Shareholders.