

**REGULATION ON THE AUDIT COMMITTEE
JOINT STOCK COMMERCIAL BANK “ASAKA” BANK**

This Regulation is developed in accordance with the Laws of the Republic of Uzbekistan “On Banks and Banking activities”, “On Joint Stock Companies and Protection of Shareholder Rights”, Regulation “On Corporate Governance in Commercial Banks”, registered with the Ministry of Justice of the Republic of Uzbekistan under No.943 dated 5 July 2000, other regulatory legal acts of the Republic of Uzbekistan and the Bank`s Charter

1. GENERAL PROVISIONS

1. This Regulation determines the status, members, functions, powers, rules and procedures of the Audit Committee, as well as relations with the Board of the Joint-Stock Commercial Bank “Asaka” (hereinafter the “Bank”).

2. LEGAL STATUS OF THE AUDIT COMMITTEE

2. The Audit Committee is a body of the Bank performing the functions of an internal financial, business and legal control over its operations.

3. The Audit Committee is the main control instrument for Shareholders over the operations of the Bank.

4. The Audit Committee functions in accordance with the laws of the Republic of Uzbekistan, by-laws of state authorities, the Charter of the Bank, the requirements of this Regulation and other documents of the Bank adopted by the General Meeting of Shareholders and concerning the activities of the Audit Committee and its members.

3. MEMBERS OF THE AUDITING COMMITTEE

5. The Audit Committee is elected by the General Meeting of Shareholders. Voting for members of the Audit committee is carried out separately for each candidate. The decision on including a specific person to the Audit Committee is taken by a majority vote of Shareholders participating in the General meeting.

6. The structure of the Audit Committee consists of five member, who are elected for a period of 1 year, the duration of their powers may be extended by decision of the General Meeting of Shareholders.

7. Members of the Audit Committee cannot simultaneously be members of the Council, nor be employed with the Bank under an employment agreement (contract).

8. The qualification requirements to members of the Audit Committee are established by the General Meeting of Shareholders. Same person cannot be elected to the Audit Committee for more than three consecutive terms.

4. FUNCTIONS OF THE AUDIT COMMITTEE

9. Financial and business operations auditing of the Bank is carried out as of year-ended for the period of year or other period at the initiative of the Audit Committee, General Meeting of Shareholders, Council of the Bank or at the request of shareholder (shareholders) holding a minimum of five percent of voting shares of the Bank, by means of prior notification of the Council.

10. At the written request of the Audit Committee, persons, holding positions in the Executive board of the Bank are obliged to submit financial and business operations documents of the Bank to the Audit committee.

11. The Audit Committee has the right to make a written request for convocation of the General Meeting of Shareholders.

12. The convocation of an Extraordinary General Meeting of Shareholders, at the written request of the Audit Committee, is carried out by the Council of the Bank, no later than thirty days from the date of written request to hold an Extraordinary General Meeting of Shareholders.

13. The decision of the Bank's Council to convene an Extraordinary General meeting of shareholders or a reasoned decision on refusal for convocation shall be sent to the Audit Committee no later than three days from the time of decision taking.

14. The decision of the Council to refuse convocation of an Extraordinary General Meeting of Shareholders may be appealed in court.

15. During performance of their function, the Audit Committee carries out the following:

a) prepares an opinion of the Auditing Committee on financial documents, property of the Bank, comparison of these documents with the primary accounting documents;

b) audits compliance with the requirements of legislative enactments over agreements concluded on behalf of the Bank, completed transactions, mutual settlements with counterparties;

c) analyses compliance of accounting and statistical accounting with the provisions of regulatory enactments;

d) audits the compliance by the Bank with the established financial and business indicators and determined regulatory parameters;

e) analyses the financial condition of the Bank, its solvency, liquidity of assets and equity to debt ratio of assets, development of recommendations to the Executive Management of the Bank on improving the economic condition, creating reserves;

f) audits the truthfulness of the Bank's balance sheet, reporting documents, prepared for state tax and statistics authorities, bodies of state administration;

g) audits the correctness of decisions taken by the Executive Board of the Bank, their compliance with the Bank's Charter, the Regulations on the Executive Board of the Bank and decisions of the General Meeting of Shareholders;

h) analyses the decisions of the General Meeting of Shareholders, in case if contradictions are found with the legislation of the Republic of Uzbekistan and other regulatory enactments, makes proposals on their amendment.

5. RIGHTS AND POWERS OF THE AUDIT COMMITTEE

16. In order to perform its functions properly, the Audit Committee has the following rights and powers:

a) receive, at the written request from the Executive bodies of the Bank, its subdivision and officials, all documents necessary for their work on finances and business operations of the Bank, corresponding to the functions and powers of the Audit Committee;

b) if facts of violations are revealed in the financial and business operations of the Bank or in the event of actions that harm the interests of the Bank, request officials to convene meetings of the Executive Board of the Bank, the Council of the Bank, and the General Meeting of Shareholders;

c) during auditing, use the audit materials prepared by the internal audit service or independent auditors. In cases when necessary, the Audit Committee refers to the primary accounting documents;

d) request personal clarifications from employees of the Bank, including any officials, concerning issues within the competence of the Audit Commission;

e) raise before the Executive Board of the Bank an issue of responsibility of employees, in particular officials in case of violation of the current regulatory-legal documents, internal Regulations, procedures and rules of the Bank;

f) payment of an annual remuneration to each Member of the Audit Committee in the amount 17 times the Minimum wage rate.

6. RESPONSIBILITIES OF THE AUDIT COMMITTEE

17. The main responsibilities of the Audit Committee include auditing of financial statements prepared by the Bank, preparation of an objective opinion on the general financial standing of the Bank and preparation of a Committee activities report for consideration at the General Meeting of Shareholders and before it is held.

18. During the audit, the Members of the Audit Committee must check all documents and materials in detail, related to audit subject. Members of the Audit Committee are liable for submission of an incorrect opinion in the manner prescribed by the current legislation of the Republic of Uzbekistan.

19. In the event if, during the term of validity of presented powers, a member of the Audit Committee expresses a desire to terminate the performance of his functions, he must notify the Council of the Bank about such event, one month before termination of work as a Member of the Audit Committee. In this case, the General Meeting of Shareholders shall consider the issue on replacing the Member of the Audit Commission during its next meeting.

20. The Auditing Committee is obliged to:

a) provide, in a timely manner, audits and inspections results to the General Meeting of Shareholders, the Council of the Bank, the Executive Body in the form of written reports and information reports;

b) keep commercial and banking a secret, keep the confidential information available to Members of the Audit Committee during performance of their functions as confidential;

c) In cases of a specific risk to the interests of the Bank or finding facts of breach by officials, request the Executive body to convene an Extraordinary General Meeting of Shareholders.

21. The Audit Committee shall, in accordance with the established procedure, submits the opinions on the annual reports and balance sheets to the Council of the Bank in accordance with the rules and procedure for maintaining financial and accounting statements, for further approval by the General Meeting of Shareholders. Upon non-availability of such an opinion, the General Meeting of Shareholders is not entitled to approve the balance sheet.

22. Following the Bank's financial and business operations audit results, the Audit Committee prepares an opinion, which shall contain:

a) assessment of truthfulness of data contained in the reports and other financial documents of the Bank;

b) information about the acts of violation in the accounting and financial reporting procedure, as well as violations in the execution of financial and business operations.

23. The Audit Committee, on a quarterly basis, submits an opinion to the meeting of the Council on existence of transactions with affiliated persons or major transactions, also on compliance in them with the requirements set for such transactions by the requirements of legislative enactments and local regulations of the bank. The opinion containing an information specified in subclauses a) and b) of clause 23 herein is heard at the Annual General Meeting of Shareholders.

24. The Audit Committee, upon written request of Shareholders holding minimum 10% of voting shares of the Bank and the majority of the members of the Bank's Council, conducts unscheduled audits.

7. MEETINGS OF THE AUDIT COMMITTEE

25. The Audit Committee takes decisions on all issues during its meetings. Meetings of the Audit Committee are held in accordance with the approved agenda, as well as prior to commencement of audit and after audit results. If facts of violations are revealed, requiring an urgent decision taking by the Audit Committee, a member of the Audit Committee has the right to request an urgent convocation of the Committee meeting.

26. Meeting of the Audit Committee is considered as qualified if minimum 50% of Committee members participate in such a meeting.

27. Each member of the Audit Committee has one vote. Acts and opinions of the Audit Committee are approved by a simple majority of votes present in the meeting. In case of equality of votes during decision taking, the vote of the Chairman of the Audit Committee shall be decisive.

28. If the members of the Audit Commission do not agree with the decision of the Committee, they have the right to reflect their opinions in the minutes of meeting and inform the Executive Board of the Bank, the Council of the Bank and the General Meeting of Shareholders.

29. The Audit Committee elects a Chairman and a Secretary from among its members.

30. The Chairman of the Audit Committee convenes and holds Meetings of the Committee, organizes the current activities of the Committee, represents the Audit Committee at meetings of the Executive Board of the Bank, the Council of the Bank, at the general meeting of shareholders, signs documents issued on behalf of the Audit Commission.

31. The Secretary of the Audit Committee keeps of minutes of the meeting, communicates acts and opinions of the Audit Committee to the appropriate addressees, signs documents issued on behalf of the Audit Committee.

8. FINAL PROVISIONS

32. As from the date of this Regulation approval , the Regulation “On the Audit Committee of the Joint-Stock Commercial Bank Asaka”, approved by the Minutes of the General Meeting of Shareholders of the Bank Asaka No. 01 dated 10 June 2016, registration No. 646, shall become null and void.