

REGULATION

on the Audit Committee of JSC “Aloqabank”

This Regulation is developed by JSC “Aloqabank” (hereinafter, the “Bank”) pursuant to the Laws of the Republic of Uzbekistan “On banks and banking”, “On auditing”, Decree of the President of the Republic of Uzbekistan No. VII-1500 of 24 July 1996 “On measures for developing bank audit in the Republic of Uzbekistan”, Regulation No.571 “On requirements imposed by the Central Bank to internal audit of commercial banks” approved by the Board of the Central Bank of the Republic of Uzbekistan on 13 March 2004 as amended, and other laws and regulations governing banking and audit activity.

This Regulation (hereinafter, the “Regulation”) defines the key objectives, competency and authority of the Audit Committee of the Bank’s Supervisory Board (hereinafter, the “Board”) as well as the procedure of the Audit Committee’s establishment and activity.

1. General provisions

1.1 The Audit Committee is a collegial consultative body established to assist the Board in exercising control over the Bank’s operations.

1.2 To develop and maintain the efficient internal control system the Bank’s Board establishes the Audit Committee, which consists of the members of the Board only.

1.3 The Audit Committee consists of 3 (three) members approved by the Board.

1.4 The Chairman and members of the Audit Committee are approved by the Board upon the recommendation of the Board’s Chairman.

1.5 The Chairman of the Audit Committee is an independent member of the Board.

1.6 Taking into account the issues considered by the Audit Committee, persons other than members of the Audit Committee may attend the Audit Committee meetings only if invited by the Chairman of the Audit Committee.

2. Key tasks of the Audit Committee

2.1. The main tasks of the Audit Committee include the following:

- 2.1.1. development of internal audit and financial reporting policies;
- 2.1.2. control over financial reporting;
- 2.1.3. control over the Bank's communication with internal and external auditors;
- 2.1.4. approval or provision of recommendations to the Bank's Board on appointing external auditors, including their fees and termination of contracts;
- 2.1.5. analysis and approval of the volume of information to be audited and the schedule of audits;
- 2.1.6. receipt of the audit reports and monitoring of the timeliness of actions performed by the Bank's Executive Board and functional leaders to eliminate the deficiencies related to internal controls, non-compliance with policies, laws and regulations as well as other deficiencies identified by auditors and supervisory bodies; Reporting to the Chairman of the Bank's Board on the progress of the deficiency elimination process;
- 2.1.7. implementation of the accounting policy;
- 2.1.8. review of the external experts' opinions on the structure and efficiency of the risk management and internal control systems within the Bank;
- 2.1.9. review of the reports issued by the Bank's internal audit service based on the results of internal audits;
- 2.1.10. review of the quarterly internal audit reports and their presentation to the Board;
- 2.1.11. control over the performance of the annual and semiannual work schedules of the Bank's internal audit service;
- 2.1.12. ensuring independence of the internal audit service and prevention of interference of the Bank's Management Board and other senior management in internal audit activities and scope of audits.

3. Requirements to members of the Audit Committee

3.1 Members of the Board being members of the Audit Committee should not be appointed as members of other Board committees.

3.2 Members of the Audit Committee should have higher education and reasonable experience corresponding with the objectives of the Bank's audit service;

3.3 At least one member of the Audit Committee should be qualified to prepare financial statements and be an accounting or audit specialist.