

**“APPROVED” by
the Supervisory Board of
JSC «ANOR BANK»**

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Protocol No __

_____Karimbaev Sh.K.

Chairman of the Supervisory Board

REGULATIONS ON THE AUDIT COMMITTEE OF JSC «ANOR BANK»

This Regulation has been developed in accordance with the laws of the Republic of Uzbekistan "On the Central Bank of the Republic of Uzbekistan", "On banks and banking activities", the Regulation on the requirements of the Central Bank for the internal audit of commercial banks (reg. No. 992-1 of 20.04.2004), Regulation on corporate governance in commercial banks (reg. No. 943 dated 05.07.2000), the Charter of ANOR BANK JSC (hereinafter referred to as the bank) and is the main document governing the activities of the Audit Committee under the Supervisory Board of the bank.

CHAPTER 1. GENERAL PROVISIONS

1.1. The Regulations on the Audit Committee (hereinafter referred to as the Committee) determine the legal status, goals and objectives, the competence of the Committee, the rights and obligations of the Committee members, the procedure for convening and holding meetings of the Committee.

1.2. The Committee is created by the decision of the Bank's Supervisory Board and is an advisory and advisory body that ensures the effective performance by the Bank's Supervisory Board of its functions for general management and control over the financial and economic activities of the bank.

1.3. The committee is not the bank's governing body and is not entitled to act on behalf of the bank.

1.4. The decisions of the Committee are advisory in nature to the Supervisory Board of the bank. The Committee is accountable to the Supervisory Board of the Bank in its activities.

1.5. The Committee acts in accordance with these Regulations and is guided in its activities by the current legislation of the Republic of Uzbekistan, the Charter of the bank, the Regulations on the Supervisory Board of the Bank, decisions of the Supervisory Board of the bank.

CHAPTER 2. AIMS AND PURPOSES OF THE AUDIT COMMITTEE

2.1. The main objectives of the creation of the Committee are to assist in ensuring control by the Bank's Supervisory Board:

- for the qualification and independence of the external audit organization (hereinafter referred to as the Auditor) of the bank;
- monitoring the activities of the bank's Internal Audit Department;
- monitoring the quality and completeness of the bank's financial and accounting statements;

- monitoring the bank's compliance with the requirements of the legislation of the Republic of Uzbekistan and the requirements of competent (supervisory) state bodies.

2.2. The main tasks of the Committee are:

examination of the reports of the Internal Audit Department submitted following the results of each internal audit;

examination of quarterly internal audit reports and their submission to the Supervisory Board of the bank;

assistance to the Supervisory Board of the bank in the development of technical specifications for external auditors;

assistance to the Supervisory Board of the bank in evaluating the proposals of the external auditor, preparation of recommendations to the Supervisory Board of the bank on the selection of an external auditor;

coordination of work on managing the implementation of the recommendations of the Internal Audit Department and External Auditors with the Chairman of the Management Board of the Bank;

consideration of reports of external auditors, including a letter addressed to management, and their submission to the Supervisory Board of the bank;

control over the elimination of problems and shortcomings identified during the audit of the external and internal audit, as well as the implementation of the auditors' recommendations by the bank's Management Board;

ensuring independence and preventing interference by members of the Management Board and other heads of the bank's divisions in the activities of the Internal Audit Department, as well as in the content and scope of inspections.

2.3. As part of the assigned functions, the Committee interacts with the Bank Auditor, the Bank Auditor, the Internal Audit Department, and contributes to the implementation by the management bodies and divisions of the bank of measures for the timely correction of identified deficiencies in the field of accounting, reporting and internal control, elimination of identified violations of the current legislation of the Republic of Uzbekistan.

CHAPTER 3. COMPETENCE OF THE AUDIT COMMITTEE

3.1. The competence of the Committee includes the following issues:

3.1.1. Preliminary consideration, analysis and development of recommendations on the following issues of competence of the Supervisory Board of the Bank:

approval of the bank's annual report;

approval of the bank's annual accounting statements;

consideration of the candidacy of the bank's Auditor;

determination of the amount of payment for the services of the bank's Auditor.

3.1.2. Development of recommendations to the Supervisory Board of the Bank on the selection of candidates for external auditors of the bank in accordance with the requirements of the current legislation of the Republic of Uzbekistan, the qualifications of external auditors, the quality of their work and their compliance with the requirements of independence;

3.1.3. Analysis of financial statements and results of internal and external audits for compliance with the current legislation of the Republic of Uzbekistan, international financial reporting standards, legal and methodological foundations of the organization and accounting of banks in the territory of the Republic of Uzbekistan, assessment of the bank's statements, consideration of the comments of the bank's Auditor;

3.1.4. Analysis of the volume and quality of the audit procedures performed, as well as assessment of the degree of objectivity and independence of the Bank's Auditor, submitting recommendations to the Bank's Supervisory Board on the extension or termination of the agreement with the Bank's Auditor;

- 3.1.5. Coordination with the Bank's Auditor of the volume of audit procedures and the approach to the audit for the current year, taking into account the existing needs of the bank and changes in the requirements of regulatory legal acts;
- 3.1.6. Interaction with the Internal Audit Department, review of audit plans and reports of the Internal Audit Department, analysis and evaluation of internal control systems, and development of recommendations for their improvement;
- 3.1.7. Preliminary review of reports, acts and reports of the bank's Auditor on detected violations, development of recommendations for the elimination of detected violations and prevention of similar violations in the future;
- 3.1.8. Analysis of acts of inspections carried out by authorized representatives of the Central Bank of the Republic of Uzbekistan and submission of recommendations for eliminating identified violations and preventing similar violations in the future;
- 3.1.9. Consideration of significant changes in the current legislation of the Republic of Uzbekistan related to the principles and practice of the bank's accounting, and preparation of relevant recommendations to the Bank's Supervisory Board;
- 3.1.10. Preparation of opinions at the request of the Bank's Supervisory Board or recommendations on its own initiative on specific issues within its competence;
- 3.1.11. Other issues directly or indirectly related to the above (with the exception of those falling within the competence of other committees of the bank), as well as other issues referred to the Committee on behalf of the Supervisory Board of the bank.

CHAPTER 4. RIGHTS AND RESPONSIBILITIES OF THE MEMBERS OF THE AUDIT COMMITTEE

- 4.1. Within the scope of their competence for the implementation of the assigned functions, the members of the Committee are granted the following rights:
 - 4.1.1. Request and receive documents, reports, explanations and other information necessary for the implementation of their activities from members of the Bank's Supervisory Board, members of the Bank's Management Board, the Bank's Auditor, employees of the Internal Audit Department, as well as other employees of the bank's structural divisions;
 - 4.1.2. Exercise control and take part in audits over the implementation of decisions and orders of the Bank's Supervisory Board on issues related to its activities;
 - 4.1.3. To involve, if necessary, external experts and consultants to obtain professional services within the framework of their activities;
 - 4.1.4. If necessary, invite to the meetings of the Committee members of the Board of the bank, bank employees, while those invited do not have the right to vote on the agenda of the meeting of the Committee;
 - 4.1.5. Make proposals on amendments and additions to this Regulation.
- 4.2. Members of the Committee are obliged to:
 - 4.2.1. Participate in the work of the Committee and attend all its meetings;
 - 4.2.2. Comply with the requirements of confidentiality, not to disclose information that becomes known to them in the course of the performance of their official duties;
 - 4.2.3. Promptly inform the Supervisory Board of the bank about the risks to which the bank is exposed;
 - 4.2.4. Promptly notify the Supervisory Board of the Bank of any changes in its status as an independent member of the Supervisory Board of the Bank or of a conflict of interest arising in connection with decisions to be taken by the Committee;
 - 4.2.5. To annually assess the activities of the Committee and its members, including the verification of the Committee's compliance with these Regulations.

CHAPTER 5. COMPOSITION OF THE COMMITTEE AND PROCEDURE FOR ELECTING THE MEMBERS OF THE AUDIT COMMITTEE

- 5.1. The number of members of the Committee is determined by the Bank's Supervisory Board and cannot be less than three members.
- 5.2. Only members of the Bank's Supervisory Board can be elected to the Committee.
- 5.3. The term of office of the Committee members coincides with their term of office as members of the Bank's Supervisory Board.
- 5.4. Members of the Bank's Supervisory Board who are members of the Committee should not be appointed as members of other committees of the Supervisory Board responsible for the bank's activities.
- 5.5. The members of the Committee must have higher education and work experience corresponding to the tasks and activities of the internal audit department. At least one member of the Committee must be qualified in financial reporting, accounting or auditing.
- 5.6. The committee is formed no later than 30 (thirty) calendar days from the date of election of the new Supervisory Board of the bank. The committee is elected for a period until the election of the new Supervisory Board of the bank by the General Meeting of Shareholders of the bank.
- 5.7. The decision to elect members of the Committee is made by a simple majority of votes of the total number of members of the Bank's Supervisory Board.
- 5.8. The members of the Committee can be elected an unlimited number of times. By decision of the Bank's Supervisory Board, the powers of all or part of the members of the Committee may be terminated early.
- 5.9. If the number of members of the Committee becomes less than the quorum defined by these Regulations for holding Committee meetings, the Chairman of the Bank's Supervisory Board is obliged to convene an extraordinary meeting of the Bank's Supervisory Board to elect members of the Committee or include the issue of electing members of the Committee in the agenda of the next scheduled meeting of the Bank's Supervisory Board.

CHAPTER 6. PROCEDURE FOR ELECTION AND FUNCTIONS OF THE CHAIRMAN OF THE AUDIT COMMITTEE

- 6.1. The management of the Committee and the organization of its activities is carried out by the Chairman of the Committee.
- 6.2. The Chairman of the Committee is elected by the Bank's Supervisory Board from among the members of the Bank's Supervisory Board elected to the Committee, by a majority vote of the total number of members of the Bank's Supervisory Board.
- 6.3. The Chairman of the Committee organizes the work of the Committee, in particular:
 - convenes meetings of the Committee and chairs them;
 - develops a plan of meetings of the Committee, controls the implementation of decisions and work plans of the Committee;
 - approves the agenda of meetings of the Audit Committee;
 - distributes responsibilities among the members of the Committee;
 - maintains constant contacts with the executive bodies, the Supervisory Board of the bank, the auditor, the Auditor of the bank, structural divisions of the bank and with the employees of the bank in order to obtain the most complete and reliable information necessary for the Committee to make decisions, as well as to ensure effective interaction with the Supervisory Board of the bank;
 - initiates the introduction of issues on the agenda of meetings of the Supervisory Board of the bank within the competence of the Committee;
 - organizes the keeping of protocols of the Committee's meetings;
 - ensures compliance with the requirements of the legislation of the Republic of Uzbekistan, the Bank's Charter, internal documents of the bank and these Regulations in the course of the Committee's activities;
 - performs other functions that are provided for by the current legislation, the Charter of the bank, this Regulation and other internal documents of the bank, within the competence of the Committee.

CHAPTER 7. PROCEDURE FOR CONVENING AND HOLDING THE MEETINGS OF THE COMMITTEE

- 7.1. The meetings of the Committee are held as required, but at least once a quarter.
- 7.2. The decision to convene a regular meeting of the Committee, the date, time and place of the meeting, and the issues on the agenda, as well as the decision on the list of persons invited to the meeting, is made by the Chairman of the Committee.
- 7.3. The notice of the Committee meetings and the agenda of the meetings are sent to each member of the Committee by e-mail at least 3 (three) business days prior to the date of the meeting. If the agenda of the meeting of the Bank's Supervisory Board includes issues within the competence of the Committee, the meeting of the Committee shall be held no later than 2 (two) business days prior to the corresponding meeting of the Bank's Supervisory Board.
- 7.4. Preparation of Committee meetings, distribution of materials to Committee members is carried out by the Secretary of the Supervisory Board of the Bank on behalf of the Chairman of the Committee.
- 7.5. A meeting of the Committee is valid (has a quorum) if at least half of the members of the Committee took part in it. The presence of a quorum is determined by the Chairman of the Committee at the opening of the meeting.
- 7.6. When making decisions on the agenda items of the Committee's meetings, each member of the Committee has one vote. Transfer of voting rights by a member of the Committee to other persons, including other members of the Committee, is not allowed.
- 7.7. Decisions at meetings of the Committee are made by a simple majority of votes of the total number of all members of the Committee present. In case of equality of votes of the members of the Committee, the vote of the Chairman of the Committee is decisive.
- 7.8. A member of the Committee who is absent from a meeting has the right to submit in advance to the Chairman of the Committee his opinion on the issues submitted for discussion by the Committee, set out in writing. The written opinion submitted by the member of the Committee shall be attached to the minutes of the meeting of the Committee and taken into account when counting votes.

CHAPTER 8. PROTOCOLS OF THE COMMITTEE MEETINGS

- 8.1. Protocol is kept at the meeting of the Committee. The protocol of the Committee meeting is kept by the Secretary of the Supervisory Board of the bank.
- 8.2. The protocol of the Committee meeting shall be drawn up no later than 3 (three) working days after the meeting.
- 8.3. The protocol of the meeting of the Committee shall indicate:
 - place, date and time of its holding (or the date of absentee voting);
 - members of the Audit Committee present at the meeting and invited persons;
 - presence of a quorum;
 - persons performing the functions of the chairman and secretary of the meeting;
 - the agenda of the meeting;
 - the names of speakers and speakers on the agenda items, a summary of the discussion of the issues;
 - questions put to the vote and the results of voting on them;
 - the wording of the decisions taken.
- 8.4. Each of the members of the Committee has the right to express his or her special opinion on the issues on the agenda of the meeting of the Committee, which must be included in the protocol of the meeting.
- 8.5. The protocol of the meeting of the Committee is signed by the Chairman of the Committee and the members of the Committee present. The Chairman and members of the Committee who

signed the protocol are responsible for the correctness of the protocol. The protocol is kept in the archives of the Bank's Supervisory Board.

CHAPTER 9. REPORTING

9.1. The Audit Committee reports on the results of its activities to the Bank's Supervisory Board once a year. The report is submitted to the Bank's Supervisory Board in writing no later than 5 (five) business days prior to the date of the meeting of the Bank's Supervisory Board, at which it is planned to consider the Committee's report.

9.2. The report of the Committee must contain the following information on the activities of the Committee:

on the meetings of the Committee held;

on the recommendations made on the candidacy of the Bank's Auditor;

on the recommendations prepared by the Committee and conclusions to the Bank's Supervisory Board on the issues of its competence;

on the identified violations in the preparation and presentation of financial statements, as well as on violations in the work of internal control mechanisms and recommendations for the prevention of such violations. The report of the Committee may contain other material information at the discretion of the Committee.

9.3. The Chairman of the Committee submits the report of the Committee to the Supervisory Board of the Bank.

9.4. The issue of the expediency of taking into consideration the recommendations of the Committee sent to the Supervisory Board of the Bank in accordance with these Regulations is decided at a meeting of the Supervisory Board of the bank.

9.5. The Supervisory Board of the Bank has the right to request the Committee to provide a report on the current activities of the Committee at any time during the year. The terms of preparation and submission of such a report are determined by the decision of the Supervisory Board of the bank.

CHAPTER 10. INTERACTION OF THE COMMITTEE WITH DIVISIONS, GOVERNING BODIES OF THE BANK AND OTHER PERSONS

10.1. In order for the Committee to perform its functions effectively, Committee members should have access to all necessary information. Members of the Bank's Supervisory Board, members of the Management Board, the Bank's Auditor, the Bank's Auditor, as well as the heads and employees of the bank's divisions, by the decision of the Committee, are obliged, within the timeframe established by it, to provide complete and reliable information and documents on issues within the competence of the Committee. The request to provide information and documents is drawn up in writing and signed by the Chairman of the Committee.

10.2. Information and documents specified in clause 10.1. of these Regulations are submitted to the secretary of the Bank's Supervisory Board for transfer to the Committee.

10.3. If necessary, as well as in order to effectively perform its functions by the Committee, members of the collegial executive body, as well as heads and employees of the bank's divisions with appropriate professional knowledge, may be involved in the work of the Committee to consider certain issues within the competence of the Committee.

CHAPTER 11. RESPONSIBILITY OF THE MEMBERS OF THE COMMITTEE

11.1. The members of the Committee are responsible within the functions assigned to them.

11.2. During the term of office of the members of the Committee, as well as the end of the term of office in the Committee, persons who are (were) members of the Committee are obliged to observe the strict confidentiality requirement in relation to information received by them in connection with their activities in the Committee.

CHAPTER 12. FINAL PROVISIONS

12.1. This Regulation, as well as all amendments and changes to it, are approved by the Bank's Supervisory Board by a majority vote of the total number of members of the Bank's Supervisory Board.

12.2. Issues that are not reflected in this Regulation are regulated by the Bank's Charter, the Regulation on the Bank's Supervisory Board and other internal documents of the bank, as well as the current legislation of the Republic of Uzbekistan.

12.3. If, as a result of amendments to the current legislation of the Republic of Uzbekistan, certain articles of the Regulations come into conflict with them, prior to the approval of the amendments to this Regulations in the prescribed manner, legislative and regulatory acts have priority of application.

Introduced:

Chairman of the Audit Committee Sh.Nosirov

Agreed:

Chairman of the Board Sh. Akramov

Deputy Chairman of the Board E. Nadjimitdinov

Deputy Chairman of the Board M. Nurutdinova

Chief Accountant B. Shamansurova

Head of Legal Department T. Zanakhov

Head of Internal Audit Department U. Babaev