

**«Approved»**  
**By decision of the Supervisory Board of**  
**JSCB«ASIA ALLIANCE BANK**  
**No. \_\_\_\_\_ dated**  
**« \_\_\_\_\_ » \_\_\_\_\_ 2023**

**Appendix No. 1**  
**To the minutes of the meeting of the**  
**Supervisory Board of**  
**JSCB «ASIA ALLIANCE BANK**  
**No. \_\_\_\_\_ dated**  
**« \_\_\_\_\_ » \_\_\_\_\_ 2023**

**REGULATION**  
**on the Audit Committee of**  
**JSCB “ASIA ALLIANCE BANK”**

**Tashkent - 2023.**

This Regulation was developed in accordance with the Laws of the Republic of Uzbekistan «On the Central Bank of the Republic of Uzbekistan» and «On Banks and Banking Activity», the Regulation «On Corporate Governance at Commercial Banks» registered by the Ministry of Justice No. 3254 dated June 30, 2020, as well as other applicable legal acts regulating banking and auditing activities in the Republic of Uzbekistan, the Charter and internal documents of the Bank.

## **I. General provisions**

1.1. The Audit Committee shall be established by resolution of the Supervisory Board of the Joint-Stock Commercial Bank «ASIA ALLIANCE BANK» (hereinafter referred to as the Bank) and shall be formed in accordance with this Regulation.

1.2. This Regulation defines the status, quantitative composition, competence and powers of the Audit Committee of the Bank and regulates its work.

1.3. The main objective of the Audit Committee is to protect the interests of shareholders and depositors of the Bank by controlling the proper level of reliability of the Bank's operations and minimizing the risks of banking activities.

## **II. Composition of the Audit Committee**

2.1. The Audit Committee consists of 3 members of the Supervisory Board of the Bank. The Chairman and members of the Audit Committee are approved by the Supervisory Board of the Bank on the recommendation of its Chairman. Most members of the Audit Committee must not be related to the Bank, except for their membership in the Supervisory Board. The Chairman of the Audit Committee must not be the Chairman of the Supervisory Board.

2.2. Members of the Audit Committee must have higher education, qualifications and work experience appropriate to the tasks and activities of the audit service.

2.3. The Audit Committee must include at least one member with at least five years of experience in auditing, accounting and financial reporting.

2.4. The Secretary of the Audit Committee is the Head of the Internal Audit Department of the Bank (Chief Auditor) appointed by the Supervisory Board of the Bank.

2.5. The distribution of functions among the members of the Audit Committee is carried out by its Chairman.

## **III. Main tasks of the Audit Committee**

3.1. The main tasks of the Audit Committee are:

- participation in the development and approval of financial reporting and internal audit policies;
- supervising the provision, completeness and accuracy of supervisory, financial and other reports;
- preparation of materials for the meetings of the Bank's Supervisory Board, including reports and recommendations of the Audit Committee on the issues within the scope of its responsibility;
- oversight of the Bank's interaction with internal and external auditors;
- making recommendations (proposals) to the Supervisory Board of the Bank on the appointment and/or dismissal of the Head and employees of the Internal Audit Department;

- in case of temporary absence of the Head of Internal Audit Department (vacation, temporary disability, etc.), making a decision on assignment of his functions to one of the heads of departments of this Department;
- reviewing quarterly reports of the Internal Audit Department and submitting them to the Supervisory Board;
- evaluating the internal control system and activities of the Internal Audit Department to ensure their adequacy and effectiveness, reviewing audit plans as well as the frequency of audits, expressing an opinion or participating in the evaluation of the extent to which the Head of the Internal Audit Department performs his or her duties;
- periodically (at least once a year) assessing the professionalism of each employee of the Internal Audit Department, taking into account the results of his/her activities in the process of selecting information, conducting audits, evaluation and preparation of conclusions;
- organizing the meetings with the head of the Internal Audit Department at least once a quarter to discuss issues related to the activities of the Internal Audit Service;
- making recommendations to the Supervisory Board on the results of the study of the annual budget of the Internal Audit Department;
- providing practical assistance to the Supervisory Board in evaluating the proposals of the external auditor, preparing recommendations to the Supervisory Board in the selection of the external auditor;
- making proposals to the Supervisory Board on the maximum amount of remuneration for the services of external auditors and the conclusion (termination) of a contract with them;
- providing practical assistance to the Supervisory Board in developing technical tasks for external auditors;
- receipt of internal and external audit reports and control of timely implementation by the Management Board of the Bank of actions to eliminate violations, inconsistencies and deficiencies;
- reviewing external audit reports and opinions, and submitting them to the Supervisory Board;
- making recommendations to the Supervisory Board to change the external auditors if their performance is assessed as unsatisfactory;
- consideration of the adequacy and accuracy of information disclosure and transparency of banking activities;
- preparing a report on your own activities;
- performance of other tasks in accordance with the Charter, internal documents and decisions of the Supervisory Board of the Bank.

3.2. The Audit Committee monitors the work of the Department for assurance of:

- integrity of the Bank's assets and protection of the Bank from potential losses;
- compliance of the Bank's activities with the Bank's internal policies, regulations and procedures;
- timely review of the Bank's internal policies and operating procedures and processes to ensure that they protect the Bank from existing risks due to fraud or error.

#### **IV. Powers of the Audit Committee**

4.1. The Audit Committee uses the results of the external (independent) audit and the materials of the Internal Audit Department in its work and decision-making. If necessary, the Audit Committee may refer to primary accounting, financial and other documents.

4.2. The Audit Committee shall have the right, within its competence:

- to request from the management bodies and officials of the Bank all documents and materials necessary for its work;
- to demand the convening of a meeting of the Management Board of the Bank, if violations have been revealed, as a result of which significant material damage has been or may be caused to the Bank;
- to demand explanations from employees, including heads of structural divisions of the Bank, on the issues under consideration;
- to submit for consideration to the management of the Bank the issues of bringing to disciplinary, property and other types of responsibility of guilty employees;
- to receive remuneration for work in the Audit Committee in accordance with the internal documents of the Bank and/or by decision of its Supervisory Board.

## **V. Responsibilities of members of the Audit Committee**

5.1. Members of the Audit Committee shall be liable for improper performance of their duties in accordance with the legislation of the Republic of Uzbekistan and the Charter of the Bank.

5.2. The members of the Audit Committee who did not take part in voting at the committee meeting, or who voted against the decision that led to the Bank's losses and/or violation of the law, are exempt from liability.

## **VI. Meetings of the Audit Committee**

6.1. The Audit Committee meets quarterly, semi-annually, and annually.

6.2. Members of the Audit Committee may request that an emergency committee meeting be convened in the event of violations requiring urgent resolution of a particular issue, or if there is another urgent issue within the competence of the committee.

6.3. Meetings of the Audit Committee are considered to be legally competent if at least 2/3 of its members are present, and the presence of its Chairman is mandatory. Decisions are taken by a simple majority of votes.

6.4. The decision of the Audit Committee shall be recorded in the minutes of the Audit Committee meeting, which shall be kept by the secretary of the Committee and signed by its members who took part in the voting.

6.5. Each member of the Audit Committee has one vote. In case of equality of votes, the vote of the Chairman of the Audit Committee shall be decisive. Any member of the Audit Committee who disagrees with the decision of the Audit Committee may record his/her dissenting opinion, which shall be necessarily attached to the minutes of the meeting and communicated to the Supervisory Board of the Bank.

6.6. The Chairman of the Audit Committee:

- organizes the work of the Audit Committee;
- Convenes and presides over meetings of the Audit Committee;
- performs other actions stipulated by the legislation of the Bank and this Regulation.

6.7. The Secretary of the Audit Committee;

- keeps and executes the minutes of the Audit Committee meetings;
- prepares and submits to the Audit Committee materials on the issues under consideration;
- communicates the decisions, conclusions and minutes of the Audit Committee to the addressees.

## **VII. Concluding provisions**

7.1. This Regulation shall enter into force on the day following the day of its approval by the Supervisory Board of the Bank.

7.2. In connection with the approval of the new version of the Regulation on the Audit Committee of the bank, consider the «Regulation on the Audit Committee of JSCB “Asia Alliance Bank”», approved by the Bank Council Minutes No. K-1/2 of January 18, 2016, as no longer valid.

7.3. In case of amendments to the legislation of the Republic of Uzbekistan or the Charter of the Bank, as a result of which some provisions of this Regulation will come into conflict with the legislation or the Charter of the Bank, this Regulation shall continue to operate in the part that does not contradict.

7.4. The provisions of the Regulation, which are in conflict with the legislation of the Republic of Uzbekistan or the Charter of the Bank, shall become invalid, and the activities of the Audit Committee in this part shall be governed by the relevant provisions of the legislation of the Republic of Uzbekistan.