

APPROVED

By the decision of the extraordinary general meeting of the  
shareholders in August 2014  
JSC «BIOKIMYO».

E.Uralov, Chairman of the General Meeting

**PROVISION  
«ON AUDIT COMMISSION»  
OF THE JOINT-STOCK COMPANY  
«BIOKIMYO»**

**(new edition)**

Yangiyul district – 2014

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## **1. General Provisions**

1.1. This provision determines the status, powers, duties, as well as the procedure for the election and work of the Audit Commission of the joint-stock company BOKIMYO (hereinafter referred to as the Company).

1.2. This Regulation was developed in accordance with the Law of the Republic of Uzbekistan dated May 6, 2014 No. ZRU-370 "On Joint Stock Companies and Protection of Shareholders Rights" (hereinafter referred to as the "Law"), as well as the Company's Charter.

1.3. The Auditing Committee of the Company carries out its activities in accordance with the legislation, this provision "On the Audit Commission" approved by the Charter and by the decision of the General Meeting of Shareholders of the Company.

1.4. To monitor the financial and economic activities of the Company by the general meeting of shareholders, in accordance with the Company's Charter, the Audit Commission is elected.

## **2. Powers of the Audit Commission of the Company**

2.1. The competence of the Audit Commission includes:

It is free to use the company's documents on the financial and economic activities of the company and upon a written request of the company's audit commission, persons holding posts in the company's executive body are required to submit to it documents on the financial and economic activities of the company. Received documents can be used by the Audit Commission only on official business.

Based on the results of the audit of the financial and economic activities of the company, the audit commission (auditor) of the company draws up the conclusion and passes it to the audition of the annual General Meeting of Shareholders;

The Audit Commission submits to the meeting of the Company's Supervisory Board a conclusion on the existence of transactions with affiliated persons or major transactions in the company, as well as compliance with the requirements of the legislation and internal documents of the company for the performance of such transactions;

Require the convocation of an extraordinary General Meeting of Shareholders in accordance with the legislation and this Charter;

Require the convening of a meeting of the Supervisory Board in accordance with the legislation and this Charter;

The powers of the Audit Commission under the legislation and this Charter may include the solution of other tasks.

2.2. The Audit Commission issues a quarterly opinion to the meeting of the Company's Supervisory Board on the availability of transactions with affiliated persons or major transactions in the Company, as well as compliance with the requirements of the legislation and internal documents of the Company for the performance of such transactions.

## **3. Composition of the Audit Commission**

3.1. The Audit Commission is elected by the General Meeting of Shareholders. Voting for membership in the Audit Commission is held separately for each candidate.

3.2. The quantitative composition of the Audit Commission is established in the Company's Charter.

3.3. Qualification requirements for the auditor or members of the company's audit commission are established by the general meeting of shareholders.

3.4. The same person can not be elected to the Audit Commission of the same company more than three times in a row.

3.5. Members of the audit commission of the company can not simultaneously be members of the supervisory board of the company, and also work under an employment contract (contract) in the same company.

3.6. The members of the Management Board of the Joint-Stock Company may not be members of the Audit Commission.

#### **4. Chairman of the Audit Commission**

4.1. The Chairman of the Audit Commission is elected by a majority of votes from the total number of members of the Audit Commission elected to the Company's Audit Commission. Members of the Audit Commission of the Company at any time have the right to re-elect the Chairman of the Audit Commission by a majority of votes from the total number of members elected to the Audit Commission of the Company.

4.2. The Chairman of the Audit Commission organizes his work, convenes meetings of the Audit Commission and presides over them, organizes the keeping of the minutes at meetings.

#### **5. Rights and duties of the members of the Audit Commission**

5.1. The Audit Commission of the Company in the exercise of its powers follows only the legislative documents of the Republic of Uzbekistan, the Charter of the Company and the requirements of the decisions of the General Meeting of Shareholders of the Company.

5.2. Members of the Audit Commission have the following rights:

To take personal part in the meetings of the Auditing Commission, to speak within the time allocated by the regulations on the discussed issue at the meeting;

To receive information on the activities of the company, including receiving written explanations on issues arising from the audit of the heads and colleges of the Company's structural executive bodies of officers of the Company's management body;

To receive monetary remuneration and (or) compensation of expenses for work in the Audit Commission (if payment of cash awards is provided by the decision of the General Meeting of Shareholders of the Company);

Other rights in accordance with the legislation, the Charter of the Company and this Regulation.

5.3. The distribution of obligations among the members of the Audit Commission is carried out by the Chairman of the Audit Commission for each member of the Audit Commission specifically. The amount of remuneration for each member of the Audit Commission, taking into account the effectiveness of the work, the amount of material compensation is established by the General Meeting of Shareholders.

5.4. Members of the Audit Commission of the Company are obliged:

To take personal part in the meetings of the Audit Commission, in the audit of the Company's financial and economic activities;

Ensuring compliance with the secrecy of the information received and not allowing the disclosure of information that became known to them in the course of auditing;

Members of the Audit Commission are required to perform their duties in good faith, as well as in the manner they deem best in the interests of the Company;

Other obligations under the legislation, the Charter of the Company and this Regulation.

5.5. Members of the Audit Commission are not entitled to receive, directly or indirectly, remuneration for influencing the adoption of certain decisions by the Audit Commission.

5.6. Members of the Audit Commission have no right to use the Company's capabilities (property or non-property rights, business opportunities, information on the activities and plans of the Company) for personal enrichment purposes.

## **6. Meetings of the Audit Commission of the Company**

6.1. Meetings of the Audit Commission of the Company are convened by its Chairman with notification of other members.

6.2. The meeting of the Audit Commission of the Company is considered to be authorized in case of a quorum of the meeting of the Company's Audit Commission. Quorum for the meeting of the Audit Commission is valid, if at least sixty percent of the elected members of the Audit Commission participate in the meeting.

6.3. If another rule is not provided for in the documents of the law, the decision is made by a majority of votes present at the meeting of the Audit Commission

6.4. When resolving issues at a meeting of the Company's Audit Commission, each member of the Company's Audit Commission has one vote. It is not allowed to transfer the vote of one member of the Company's Audit Commission to another member of the Audit Commission. In case of a tie in the vote in taking a decision by the members of the Management Board, the Chairman of the Audit Commission of the Company has the right to vote.

6.5. The minutes is kept at the meeting of the Company's Audit Commission. The minutes of the meeting of the Audit Commission shall be drawn up no later than three days after the meeting. The minutes of the meeting indicates the following.

- the place and time of the meeting;
- persons present at the meeting;
- agenda of the meeting;
- Issues put to vote, results of voting;
- taken decisions.

6.6. The minutes of the meeting of the Audit Commission shall be signed by the Chairman of the Audit Commission, who is responsible for the correct execution of the minutes of the meeting. An extract from the minutes of the meeting of the Audit Commission is signed by the Chairman of the Audit Commission, he is responsible for the authenticity of the minutes of the meeting.

## **7. The procedure for carrying out the audit**

7.1. The audit of the financial and economic activities of the company is carried out based on the results of activities for a year or other period on the initiative of the audit commission (auditor), the general meeting of shareholders, the supervisory board of the company or at the request of a shareholder (shareholders) owning not less than five percent of the voting shares of the company by sending the preliminary notice to the supervisory board of the company.

7.2. The requirement on conducting the audit is addressed to the Chairman of the Audit Commission of the Company.

7.3. The inspection shall include checking all documents and materials related to the subject of inspection of the Audit.

7.4. The initiators of the audit of the Company's financial and economic activities are entitled at any time, before the decision of the Audit Commission to make an audit, withdraw their demands in writing, notifying the Audit Commission about this.

7.5. Based on the results of the audit of the financial and economic activities of the company, the audit commission of the company draws up a conclusion, which must contain:

The assessment of the reliability of the data contained in the reports and other financial documents of the company;

Information on the facts of violation of the order of accounting and presentation of financial statements, as well as legislation in the implementation of financial and economic activities.

# BLG TRANSLATIONS

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**OF THE JOINT-STOCK COMPANY**  
**«BIOKIMYO»**

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