

" APPROVED"
JOINT STOCK COMPANY
« Toshkent yo'lovchi vagonlarini
qurish va ta'mirlash zavodi »
GENERAL MEETING OF
SHAREHOLDERS

from 30.06.2022y

POSITION
ABOUT THE AUDIT COMMITTEE
SUPERVISORY BOARD
JSC " Toshkent" yo 'lovchi vagonlarini qurish va ta ' mirlash zavodi "

Tashkent - 2022

GENERAL PROVISIONS

1. These Regulations on the Audit Committee have been developed in accordance with the law of the Republic of Uzbekistan “On joint stock companies and protection of the rights of shareholders”, the Regulations on the internal audit service at enterprises, approved by the resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 16, 2006 No. 215, the Charter of the Joint Stock Company society " Toshkent yo 'lovchi vagonlarini qurish va ta 'mirlash zavodi " (hereinafter referred to as the "Company" or JSC "T YVQ TZ "), the Code of Corporate Governance, approved by the minutes of the meeting of the Commission on Improving the Efficiency of Joint-Stock Companies dated February 11, 2016, No. 9 and is the main document regulating the activities of the Audit Committee of the Supervisory Board JSC "T YVQ TZ " (hereinafter referred to as the Committee).
2. The Committee is an auxiliary body of the Supervisory Board of T YVQ TZ JSC; through the Committee , the Company does not assume civil rights and obligations.
3. The purpose of creating the Committee is to improve the efficiency and quality of work of the Supervisory Board of T YVQ TZ JSC , through a preliminary consideration of individual issues within the competence of the Supervisory Board, and the preparation of recommendations to the Supervisory Board on issues within the competence of the Committee.
4. The Committee helps ensure the actual participation of members of the Supervisory Board in monitoring and establishing their personal awareness regarding the activities of T YVQ TZ JSC , on the issues specified in clause 5 of these Regulations.

COMPETENCE OF THE AUDIT COMMITTEE

5. The competence of the Committee includes preliminary consideration and preparation of recommendations to the Supervisory Board of T YVQ TZ JSC on the following issues:

in the field of accounting (financial) reporting:

- a) control over ensuring the completeness, accuracy and reliability of the accounting (financial) statements of T YVQ TZ JSC ;
- b) analysis of significant aspects of the accounting policy of JSC “T YVQ TZ ” ;
- c) participation in the consideration of significant issues and judgments in relation to the accounting (financial) statements of T YVQ TZ JSC ;
- d) participation in the consideration of the report on key performance indicators (KPIs) of T YVQ TZ JSC ;

in the field of internal and external audit:

- a) ensuring the independence and objectivity of the internal audit function;
- b) consideration of the local document (documents) defining the internal audit system for the financial and economic activities of JSC “T YVQ TZ ” , making changes and additions to the approved document (documents), as well as declaring it (them) invalid;
- c) consideration of the annual work plan of the Internal Audit Service, its adjustment and consideration of the results of its implementation;
- d) consideration of issues regarding the appointment (dismissal) of the Head of the Internal Audit Service and the amount of his remuneration;
- e) consideration of existing restrictions on authority or budget for the implementation of the internal audit function that could negatively affect the effective implementation of the internal audit function;
- f) assessing the effectiveness of the internal audit function;
- g) assessment of the independence, objectivity and absence of conflicts of interest of the external auditors of T YVQ TZ JSC , including the assessment of candidates for auditors, development of proposals for the approval and removal of the Company’s external auditors, payment for their services and the conditions for their engagement;

- h) supervision of the external audit and assessment of the quality of the audit and auditors' reports according to national and international standards;
- i) ensuring effective interaction between the Internal Audit Service and external auditors of JSC "T YVQ TZ " ;
- j) coordinating actions between the management of T YVQ TZ JSC and the independent auditor in relation to the accounting (financial) statements of the Company according to national and international standards;
- k) review and discussion with the independent auditor of the audit results, all information contained in the audit report, before its consideration by the Supervisory Board;
- l) control over the acceptance by the management of T YVQ TZ JSC of the recommendations of an independent auditor.

in the field of risk management, internal control:

- a) analysis and assessment of the implementation of the conflict of interest management policy;
- b) control over compliance with the information policy of T YVQ TZ JSC .

CREATION OF A COMMITTEE

6. The creation of the Committee, the election of members and the Chairman of the Committee, as well as the early termination of their powers are carried out by decision of the Supervisory Board.
7. To manage the activities of the Committee, the Supervisory Board elects the Chairman of the Committee. A member of the Supervisory Board is elected as the Chairman of the Committee. The Chairman of the Committee cannot be elected Chairman of another Committee of the Supervisory Board of T YVQ TZ JSC .
8. In the absence of the Chairman of the Committee, all his functions are performed by one of the members of the Committee.
9. When electing the Chairman and members of the Committee, their education, professional training, work experience in the field of activity of the Committee, as well as the special knowledge necessary for the members of the Committee to exercise their powers should be taken into account. All Committee members must have financial knowledge or acquire such knowledge within a reasonable time after appointment to the Committee.
10. The decision to create the Committee, elect members and the Chairman of the Committee is made by the Supervisory Board. The composition of the Committee may be changed by the Supervisory Board at any time.
11. The functions of the Secretary of the Committee are performed by the Secretary of the Supervisory Board of T YVQ TZ JSC .

COMMITTEE MEETING

12. The Committee's decision may be made at a meeting (including using videoconferencing or conference calls) or by absentee voting.
The quorum for holding meetings of the Committee is at least 2/3 of the number of elected members of the Committee. All decisions at a Committee meeting are made by a majority vote of the Committee members participating in it.
13. Meetings (absentee voting) of the Committee must be held regularly in accordance with the work plan approved by the Committee, but at least once every 3 (three) months, including for a meeting with the Head of the Internal Audit Service of T YVQ TZ JSC on issues related within the competence of the Internal Audit Service. If necessary, the Committee considers issues not included in the work plan. The Committee's work plan is approved by the Committee on the basis of the Supervisory Board's work plan, based on the need for the Committee to prepare recommendations to the Supervisory Board within its competence.

14. A meeting (absentee voting) of the Committee is convened by the Chairman of the Committee on his own initiative, at the request of a member of the Committee, at the request of bodies and persons who have the right to demand the convening of a meeting of the Supervisory Board, as well as on behalf of the Supervisory Board.

15. When making decisions of the Committee at a meeting, members of the Committee present at the meeting are required to express their opinion on the issues on the agenda by voting.

If a Committee member cannot personally attend a meeting, he has the right to present his written opinion on the issues on the agenda.

16. When holding a meeting, when determining the quorum, the written opinions of absent Committee members, submitted no later than the start time of the meeting, are taken into account.

17. Minutes are kept at the meeting (in case of absentee voting) of the Committee.

The minutes of the meeting (absentee voting) of the Committee are drawn up no later than 3 (three) working days after the meeting (completion of voting by the Committee members in the case of absentee voting).

The minutes of the meeting and the minutes of absentee voting of the Committee are signed by all members participating in the meeting and the secretary of the committee.

18. Copies of the minutes (extracts from the minutes) of the Committee meetings at which proposals were developed to the Board of JSC T YVQZ must be sent to the Chairman of the Board of the Company.

19. With the consent of the Chairman of the Committee, persons who are not members of the Committee may be invited to Committee meetings.

20. Any information about a conflict of interest of a Committee member in considering a particular issue must be disclosed at a meeting of the Committee and brought to the attention of the Supervisory Board in accordance with the Corporate Governance Code and other local documents of T YVQZ JSC .

21. The Committee may authorize any member of the Committee to study in detail a specific issue within the competence of the Committee and report the conclusions drawn as a result of such study at a meeting of the Committee.

RIGHTS AND RESPONSIBILITIES OF COMMITTEE MEMBERS

22. Members of the Committee have the right:

- request information and documents related to issues within the competence of the Committee from the Executive Body of JSC “T YVQZ ” ;
- demand that your opinion on the agenda items and decisions made be included in the minutes of the Committee meeting;
- exercise other rights provided for by these Regulations.

23. Members of the Committee are obliged to:

- participate in the decision-making of the Committee by voting on issues on the agenda of its meetings;
- study documents submitted for the meeting and at the meeting of the Committee;
- not to disclose information about the activities of T YVQZ JSC that became known to him while performing the functions of a member of the Committee , which is not publicly available, access to which is limited in accordance with the legislation of the Republic of Uzbekistan and local documents of T YVQZ JSC ;
- avoid actions that may compromise the Committee or call into question the professionalism of its members;
- when performing its functions, act reasonably, in good faith in the interests of JSC “T YVQZ ” ;

- immediately inform the Committee about the presence of a conflict of interest when making a decision;
- perform other duties provided for by these Regulations.

COMMITTEE REPORTS

24. A report on the implementation of the Committee's work plan is provided to the Supervisory Board once a year for information and contains, in particular, information on:

- does the Committee confirm, based on the results of discussions with the executive bodies of T YVQTZ JSC and the independent auditor, that the accounting (financial) statements of T YVQTZ JSC are reliable in all material aspects and comply with applicable accounting (financial) reporting standards;
- whether the independent auditor discussed with the Committee his professional judgment on issues relating to the accounting (financial) statements of T YVQTZ JSC , as well as other information that the independent auditor must discuss with the audit committee in accordance with the requirements of applicable law;
- whether the members of the Committee discussed these issues and other information at their meetings in the absence of the executive bodies of T YVQTZ JSC and the independent auditor.

ENSURING THE COMMITTEE'S ACTIVITIES

25. JSC "T YVQTZ " bears the costs associated with the activities of the Committee. For the performance of their functions as members of the Committee, annual remuneration may be paid based on the decision of the General Meeting of Shareholders.

26. External experts (specialists, organizations) may be involved in the work of the Committee. The decision on the need to attract an external expert is made at a meeting of the Committee upon the proposal of any member of the Committee.

27. External experts are involved on a reimbursable basis by concluding relevant agreements with them, provided that the corresponding costs were planned in the business plan of T YVQTZ JSC .

FINAL PROVISIONS

28. These Regulations and all amendments to it are approved by the Supervisory Board.

29. These Regulations and also all changes to it are posted on the corporate website of T YVQTZ JSC , which provides free access to this information.

30. Persons guilty of violating the requirements of this provision are liable in accordance with the established procedure.