

**Regulations  
on the procedure for conducting internal  
audits on corrupt actions and cases of  
violation of the rules of corporate ethics  
and conduct committed by employees of  
JSC “Almalyk MMC”**

## **I chapter. General**

1. This Regulation is the main internal regulatory document that establishes the procedure for conducting an internal audit (hereinafter referred to as the Internal Audit) in cases of violation of the requirements of the legislation of the Republic of Uzbekistan on combating corruption or internal regulatory documents of the Anti-Corruption Works by employees of the executive office and structural divisions of JSC Almalyk Mining and Metallurgical Combine" (hereinafter referred to as the Combine).

2. This regulation has been developed in order to:

establishing a unified approach in the procedure for conducting internal audits at the plant;

establishing requirements and rules for documenting the process and results of internal audits;

identifying and eliminating the causes and conditions leading to the commission of offenses at the plant, causing damage to its interests;

identifying shortcomings in internal regulations and control procedures adopted at the plant, as well as developing recommendations for their elimination in order to avoid such violations in the future;

reducing the risks of bringing the plant's employees to responsibility for violating the requirements of current legislative acts.

3. The employees of the Plant, who have the right and authority to participate in an internal audit, are personally responsible for compliance with the requirements established by these Regulations.

4. Internal inspections at the plant are carried out in accordance with the following principles:

legality;

observance of the rights, freedoms and legitimate interests of the workers of the plant;

ensuring and protecting the rights and freedoms of citizens;

guarantee of confidentiality of information and materials received in the course of an internal audit;

strict observance of the rules of legality, transparency, honesty, collegiality, neutrality and impartiality during internal audits by authorized employees of the plant;

ensuring the presumption of innocence of an employee who is the object of an internal audit.

## **II chapter. Appointment of internal audit**

5. Internal audits are appointed by the employees of the Plant in the presence of reliable information about violations of the legislation of the Republic of Uzbekistan on combating corruption or internal regulations of the Republic of Uzbekistan on combating corruption.

6. Detailed information can be obtained from the following sources:

Orders of the Administration of the President of the Republic of Uzbekistan, the Chambers of the Oliy Majlis, the Cabinet of Ministers, the Accounts Chamber, the Supervisory Board and other authorized government bodies;

Based on the information provided by the employees of the Plant in written or oral form directly to the manager or other authorized person;

on the basis of anonymous requests, including messages sent by individuals and legal entities through special communication channels of the plant;

on the basis of appeals of individuals and legal entities;

on the basis of information in the media, also in social networks;

on the basis of data obtained from the results of the survey, including social and statistical studies;

on the basis of the conclusions of the internal audit and financial control units, as well as the state financial control bodies and the Accounts Chamber of the Republic of Uzbekistan;

on the basis of the results of control measures carried out by the internal control structure of the plant for combating corruption (hereinafter referred to as the Compliance Control Service) to monitor and comply with the requirements of internal anti-corruption regulations;

appointed in accordance with the relevant order of the Chairman of the Board on the basis of reports of corruption offenses received through other communication channels or sources.

7. At the plant, the following persons have the right to initiate an internal audit:

chairman of the board, also members of the board;

the first head of the subdivision of the executive apparatus or structural subdivision;

Commission on Ethics and Conduct of JSC Almalyk MMC;

Compliance control service (internal control structure of the plant for combating corruption);

the first head of the structural unit of the plant responsible for Internal Audit and Financial Control;

head of the legal department of the plant;

Head of the HR Service of the Executive Office of the plant.

8. With regard to any information about acts of corruption, as well as offenses received from the sources specified in paragraph 6 of this Regulation, the Compliance Control Service carries out work on preliminary study and analysis in terms of determining the existence of sufficient grounds and information for conducting an internal audit, also has whether the attitude of the received information to the employees of the plant (is it a relevant message).

9. At the same time, it is strictly forbidden to involve in the process of preliminary study of employees in respect of which an internal audit can be carried out or who have a conflict of interest.

10. Preliminary study is carried out within no more than 10 (ten) business days from the date of receipt of the relevant information.

11. Preliminary study is not considered an internal audit.

12. If, based on the results of the preliminary study, it is revealed that the plant has sufficient grounds to assume that an offense has been committed, possibly committed or is being committed, the head of the Compliance Control Service shall submit an official notice in writing to the chairman of the board.

13. In case of appointment of an internal audit in relation to a member of the Board, the head of the executive office or the head of the structural unit or their deputies, an internal notice is submitted to the Chairman of the Board, also the Deputy Chairman of the Board for Security.

14. If it is necessary to appoint an internal audit in relation to one of the deputy chairmen of the Board (in cases of suspicion of committing circumstances related to corruption, as well as acts regarding the concealment of a conflict of interest provided for by the legislation of the Republic of Uzbekistan, as well as the internal regulations of the plant), then the Compliance Service - control at the same time immediately sends relevant information to the chairman of the board, deputy chairman of the security department, as well as to law enforcement agencies, the state body authorized to combat corruption in the prescribed manner.

15. Председатель правления в течение 3 (трех) рабочих дней с даты получения служебного уведомления принимает решение (приказ или распоряжение) о проведении или не проведении служебной проверки.

16. The Chairman of the Board, on the basis of an official notice, has the right to decide on the provision of relevant materials to law enforcement agencies of the Republic of Uzbekistan without conducting an internal audit.

17. Simultaneously with the decision to conduct an internal audit, the Chairman of the Board appoints the head of the Working Group for an internal audit and entrusts him with the task of forming the composition of the Working Group and preparing a draft order for an internal audit.

18. The order to conduct an internal audit must indicate:

subject (topic) of an internal audit;

the reason or condition that is the basis for conducting an internal audit;

Employee(s), suspect(s) of committing an offense that entailed an internal check, his (their) name and position (name of subdivision, service, management, department, personnel number), if known;

personnel of the Working Group, which is responsible for conducting an internal audit (consisting of at least 5 people, in an odd number, who must be objective and neutral);

Rights and obligations of members and head of the Working Group;

The term for conducting an internal audit and presenting the results.

19. The draft order to conduct an internal audit must be submitted for signature to the chairman of the board of the plant within 3 (three) business days from the date of the decision to conduct an internal audit.

### **III chapter. Creation of a working group to conduct an internal audit**

20. The composition of the Internal Audit Working Group is formed at the suggestion of the head of the Working Group, as a rule, it may include the first heads or deputies of the divisions of the executive apparatus, the head of the Human Resources Service, the head of the Legal Department, the head or his deputy of the internal audit department and financial control.

21. As necessary, the composition of the working groups organized by the structural divisions of the plant may also include employees of the executive office of the plant.

22. The following employees are not allowed to be included in the Working Group:

close relatives of the employee in respect of whom an internal audit is being carried out;

employees who are directly subordinate to the employee in respect of whom the internal audit is carried out;

the immediate supervisor of the employee in respect of whom the internal audit is being carried out (with the exception of the head of the structural unit of the plant);

deputy chairman of the board, head and deputy subdivision of the executive apparatus or the head of the subdivision in its composition and his deputies, who are responsible for the direction in which the internal audit is carried out;

also, the working group does not include other employees suspected of direct or indirect interest as a result of the audit (for example: who received a joint education, is from the same region, is in a love relationship, is in open conflict with the employee in respect of whom the internal audit is being carried out etc.).

23. Responsibility for the formation of the staff of the Working Group rests with the head of the Working Group. He is obliged to check the members of the group for the presence of a state of potential conflict of interest specified in paragraph 22 of these Regulations.

#### **IV chapter. Conduct of internal audit**

24. An internal audit must be carried out no more than 30 (thirty) calendar days from the date of adoption of the relevant order.

25. In the event that in the course of an internal audit, additional procedures are required (including additional surveys and questionnaires among employees and other persons), requesting additional documents leading to an extension of the period specified in paragraph 24 of these Regulations, then the head of the Working group will notify the chairman of the board without fail as soon as he learns about it.

26. The period of temporary incapacity for work of the employee, in respect of which an internal check is carried out, the time of his stay on vacation provided for by labor legislation and other regulatory documents, other periods that are absent from work for good reasons (vacation, illness, business trip, etc.), are not included in the period of the inspection, in such cases the inspection is temporarily suspended, and the inspection period is automatically extended for the period of absence from work of this employee.

If the employee was absent from work for more than 30 (thirty) calendar days or deliberately refused to participate in an internal audit of any other form, then the internal audit can be carried out without the participation of the employee (employees) being audited in agreement with the Chairman of the Management Board of the plant, and the present situation it is noted separately in the documents (results) of the internal audit.

27. Restrictions on the use of certain information systems, specific documents may be imposed on an employee who conducts an internal audit in relation to him, on the recommendation of the head of the Working Group, by order of the chairman of the board. With the order accepted in this case, the employee in respect of whom the internal check is carried out, on the same day, gets acquainted by signing the order. In case of refusal to familiarize with the order, the head of the working group draws up an act about this.

28. An order to impose restrictions on the use of certain information systems and documents in relation to an employee should not exceed the period for conducting an internal audit.

#### **V chapter. Data to be studied during the internal audit**

29. In the course of an internal audit, the Working Group collects, analyzes and documents information related to the offense, including:

what is the offense, the reasons for its commission;

legislative norms of the Republic of Uzbekistan, requirements and norms of the rules of internal regulatory documents of the plant, in which the rules are violated;

time, place, method, form of the offense;

The circle of persons suspected of participating in the commission of an offense (along with employees of the plant and its system, as well as third parties);

the severity of the offense;

the type and scale of the material and non-material, prestigious damage caused to the plant and its system;

Other information that may be related to the commission of an offense is revealed.

30. The source of information that will be obtained in the course of an internal audit may be:

written or oral explanations of the employee, other employees of the plant, third parties in respect of which an internal audit is being carried out;

supporting documents (in written and electronic form);

data from the Internet, as well as sources of information publicly posted on social networks;

audio recordings, photo and video filming;

other documents and materials related to the offense.

31. All of the above, including confidential information, must be obtained and used by the Working Group using all procedures adopted at the Plant, also in accordance with the internal regulatory documents of the plant and the legislation of the Republic of Uzbekistan.

32. The process of interviewing with the employees of the Plant or other persons involved must be recorded by audio or video recording, an interview protocol must be drawn up (audio or video recording is added to the materials of the Internal Audit).

Before performing audio and video filming, the consent of the person being interviewed must be obtained. In case of failure to obtain consent, the use of audio and video recording equipment is not allowed.

33. In case of deviation from giving an explanation or an interview by an employee or other employee in respect of whom an internal check is carried out, an act is drawn up in the form specified in Appendix 1 to these Regulations.

34. The head of the working group informs the employee about the need to sign to confirm his familiarization with the act. If the employee refuses to sign the document, then the head of the Working Group puts a corresponding note in the document.

35. Non-signing of the act (or other documents) by the employee in respect of whom the verification is carried out does not relieve him from the application of the appropriate measure of responsibility.

## **VI charter. Rights and obligations of the head and members of the Working Group**

36. The head of the Working Group is responsible for the efficiency and effectiveness of the internal audit, as well as for the compliance of the members of the Working Group with the requirements established by these Regulations.

37. During the internal audit, the head of the Working Group performs the following tasks:

Determines the directions for conducting an internal audit, the activities carried out, sets tasks for the members of the working group that are mandatory for implementation, sets deadlines for completion, gives instructions;

Organizes and coordinates the conduct of an internal audit by the Working Group;

Controls the conduct of an internal audit by the Working Group in accordance with these regulations;

draws up a list of employees for whom it is necessary to conduct an interview, require clarification;

ensures that the necessary measures are taken for an objective and efficient internal audit (for example, requires the suspension of data destruction processes in the Mill, certain information systems during the period during which the audit is carried out in relation to the relevant employees, recommends limiting the use of certain documents, if necessary, prepares a proposal for an extension the maximum time for the inspection;

ensures that the results of the internal audit are presented to the chairman of the board.

**38. When conducting an internal audit, the head and members of the Working Group have the right to:**

Conducting interviews with the employees of the Plant (including the deputy chairmen of the board), obtaining an explanatory note, inviting third parties to the internal audit process, as well as external experts with their consent, who may have information about the nature of the audit. The issue of involving third parties and external experts must be agreed in advance with the Chairman of the Board;

Registration of the interview in writing or, if necessary, with the consent of the person giving the explanation - use of audio and video recording equipment;

without any obstacles and directly request and receive documents and materials from the personnel of the Plant (including the Deputy Chairman of the Board), which may be related to the subject of an internal audit;

conducting an inventory and audit of the integrity of the property of the plant and structural divisions;

The implementation of photo and video recordings to perform their duties as part of the ongoing internal audit.

**39. Responsibilities of the leader and members of the Working Group:**

compliance with the requirements of this Regulation, other internal regulations of the plant and the legislation of the Republic of Uzbekistan during an internal inspection;



collection of all available materials and documents on the nature of the internal audit;

taking measures to preserve the integrity of information (documents, electronic data, etc.) that is important for the purposes of an internal audit;

preservation and non-disclosure of absolute confidentiality of information received as part of an internal audit in addition to the conditions provided for by this Regulation, other internal regulations of the plant and the legislation of the Republic of Uzbekistan;

drawing up the results of the investigation in accordance with the requirements of this Regulation, including the development of measures of responsibility, as well as proposals for the application of measures to eliminate the causes of the offense and the conditions that prompted the commission of the offense.

## **VII chapter. The rights of employees to conduct an internal audit**

40. An employee who is subject to an internal audit has the following rights:

be aware of the fact of an internal audit;

providing written and oral explanations with the right to express their opinion on the causes and conditions of the offense, the course of an internal audit, as well as the presentation of evidence that can confirm his explanations;

refuse to provide clarifications - in this case, an act is drawn up, provided for in paragraph 33 of these Regulations;

demand that the documents and materials provided by him be added to the documents and materials related to the materials of the ongoing internal audit;

Receipt of a notice of the completion of an internal audit and familiarization with the relevant part of the internal audit report before its approval within 2 (two) business days after receiving such notification (with the exception of confidential information that he does not have the right to use and add his own reviews);

In case of dissatisfaction with the results of the internal audit, including the measure of responsibility proposed by the Working Group based on the results of the audit, appeal to the Chairman of the Board or to higher standing bodies over this decision.

## **VIII chapter. Rights and obligations of other employees involved in the internal audit**

41. Employees participating in the internal audit are obliged to provide comprehensive assistance to the Working Group during the internal audit, including providing the necessary clarifications, information and documents on the internal audit, and also personally participate in conversations organized by members of the Working Group.

42. Employees participating in an internal audit are not entitled to disclose information that became known to them in connection with their participation in the audit without the permission of the head of the Working Group.

43. Employees participating in an internal audit have the right to:

not testify against themselves and close relatives;

appeal against the actions (inaction) of the Chairman of the Board, the head of the Working Group and its members;

has other rights established by the relevant legislation of the Republic of Uzbekistan.

### **IX chapter. Drawing up the results of an internal audit**

44. Based on the results of the internal audit, an act is drawn up, which is signed by the head of the Working Group, all its members, and the employee in respect of whom the internal audit is carried out.

45. The certificate is drawn up in accordance with the form given in Appendix 2 to these Regulations and consists of four parts, that is, an introduction, a presentation, a conclusion and a proposed part.

46. A member of the Working Group, dissatisfied with the certificate or its individual points, may also sign the certificate drawn up in writing with a note that he has a dissenting opinion and entered in the case.

47. In case of refusal to sign the certificate by the employee in respect of whom the internal check is carried out, an act is drawn up. In addition to the members of the Working Group, this act must be signed by at least two impartial persons who are not interested in the results of the internal audit.

48. Based on the results of studying the certificate of the results of an internal audit, the chairman of the board may take one of the following decisions:

termination of an internal audit due to non-confirmation of information about the offense;

return of the materials of the internal audit for additional study, indicating the reasons (reasons) and terms, and, if necessary, to change the composition of the Working Group;

bringing the guilty employee to disciplinary responsibility;

the use of other measures of a preventive, preventive nature (such as rotation, reduction in position, reduction in the amount of material incentives, dismissal) in relation to the employee;

approval of appropriate measures to prevent the commission of similar offenses in the future;

in cases of confirmation of signs of an offense or crime, give the Compliance Control Service a written instruction (chip) on the immediate submission of relevant materials to law enforcement agencies and the authorized state body for combating corruption.

49. One copy of the certificate based on the results of an internal audit is transferred to the internal control structure for combating corruption of the Plant, the second copy is transferred to the personnel service of the plant.

50. Persons who provided information that caused an internal audit will be notified in the general manner about the approval or non-approval of the offense, as well as about the measures taken.

## **X chapter. Procedure for storing documents related to internal audit and their use**

51. Employees of the plant participating (involved) in an internal audit ensure the confidentiality of information and information that became known to them during the audit (except as provided by the legislation of the Republic of Uzbekistan).

52. The right to use data within the framework of the conducted internal audit within the scope of their authority is reserved exclusively to the chairman of the board, the internal control structure for combating corruption and members of the working group (within the framework of audits in which a member of this working group participated).

53. In order to perform their duties, employees who need to use information about the conducted internal audits must obtain written permission (chip) from the chairman of the board by submitting a memo addressed to the chairman of the board members.

54. The internal audit materials are numbered and filed in a separate folder, and submitted by the head of the Working Group for storage to the Compliance Control Service, as well as the Human Resources Service.

55. The Compliance Control Service, as well as the units entrusted with conducting internal audits, ensure the maintenance of an electronic register of internal audits in accordance with the form given in Appendix 3 to this Regulation, and must submit an electronic register of all internal audits performed and supporting documents to the Compliance Control Service before the fifth day of the month following the reporting period.

56. All documents relating to an internal audit must be kept for 10 (ten) years from the date of approval, unless otherwise established by the legislative acts of the Republic of Uzbekistan.

## **XI chapter. Final provisions**

57. This Regulation should be reviewed and amended in the event of changes to the legislative acts of the Republic of Uzbekistan in the field of combating corruption or the need to improve procedures related to internal audits.

58. Employees found guilty of violating the provisions of these Regulations are subject to disciplinary and other forms of liability in the manner and on the grounds established by the legislation of the Republic of Uzbekistan, as well as internal regulations of the Plant.

Appendix 1  
to the Regulations on the procedure for conducting internal  
audits on corrupt actions and cases of violation of the rules  
of corporate ethics and conduct committed by employees of  
JSC Almalyk Mining and Metallurgical Company

**CERTIFICATE**

\_\_\_\_\_ 20\_\_

We, the undersigned

\_\_\_\_\_  
(name, position)

\_\_\_\_\_  
(name, position)

\_\_\_\_\_  
name, position)

drew up this act stating that "\_\_\_" "\_\_\_\_\_" 202\_\_, it was proposed to give a written explanation about the commission of an offense consisting of

\_\_\_\_\_,  
but the Employee (full name, position) refused to give a written explanation of the offense.

The employee (full name, position) explained the reasons for refusing to give a written explanation as follows:

\_\_\_\_\_  
\_\_\_\_\_.

Signatures of persons who executed the Certificate:

\_\_\_\_\_

\_\_\_\_\_

(signature)

(name)

\_\_\_\_\_

\_\_\_\_\_

(signature)

(name)

\_\_\_\_\_

\_\_\_\_\_

(signature)

(name)

Acquainted with the Certificate\*: (full name, position, date, signature) \_\_\_\_\_

In case of refusal to sign the Certificate, the head of the Working Group shall make the inscription "refused to sign" and put his signature.

Appendix 2  
to the Regulations on the procedure for conducting internal  
audits on corrupt actions and cases of violation of the rules of  
corporate ethics and conduct committed by employees of JSC  
Almalyk Mining and Metallurgical Company

**Information of the Results of Internal Audit**

No. \_\_\_\_

1. Reason: order of the Chairman of the Board of the Plant (date and number)
2. Composition of the working group:

Team Leader

\_\_\_\_\_  
(position, full name)

Members of working group

\_\_\_\_\_  
(position, full name)

3. The term for conducting an internal audit:
4. Grounds for conducting an internal audit (summary of the message received):

\_\_\_\_\_  
5. Part of the presentation (facts revealed during the internal audit):

Whether an offense has been committed and how it is reflected;

Place, time, method of committing the offense and other details of the commission of the offense;

Data on the employee (s) (full name, position, (name of the structural unit, personnel number) in respect of which the internal audit is being carried out, the date of conclusion of the employment contract, was the internal audit carried out earlier in relation to this employee?);

The circle of persons related to the commission of the offense;

The goals and reasons that have become a prerequisite for the commission of the offense;

Analysis of the collected data confirming the guilt of a particular employee or testifying innocence;

The facts cited by the employee in relation to whom an internal audit is being carried out are cited for their own protection, the results of their verification.

**6. Conclusions and proposals:**

a) in the final part:

conclusion on the presence or absence of an offense in the action (s) (omissions), in respect of which an internal audit was carried out;

if the fact of the offense is committed, the specific norm of the legislation of the Republic of Uzbekistan, the requirements of which are violated, or the name, date and content of the violated internal regulatory documents of the plant;

the nature and extent of the damage caused as a result of the offense (if any);  
b) proposals to bring the perpetrator(s) to justice in the proposed part;  
recommendations aimed at eliminating the causes and conditions leading to the  
commission of an offense;  
the need to provide materials of an internal audit to law enforcement agencies.  
Signatures of members of the Working Group:

Acquainted with the Information \*:

\_\_\_\_\_  
(name, position, employee identification number)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

In case of refusal to sign the Certificate, the head of the Working Group shall make the inscription "refused to sign" and put his signature.

to the Regulations on the procedure for conducting internal audits on corrupt actions and cases of violation of the rules of corporate ethics and conduct committed by employees of JSC Almalyk Mining and Metallurgical Company

### Form of the electronic register of internal audit

[illegible]