

REGULATION

On the selection of an organization to provide services

1. General terms

- This Regulation determines the procedure for selecting an independent audit organization to conduct an annual audit of the financial statements of the executive body and consolidated financial statements as a whole on the structure of JSC "Uzbekexpertiza", as well as an independent audit organization or consulting organization to provide consulting services for the transformation of the accounting report of JSC "Uzbekexpertiza" to the International Financial Reporting Standard (hereinafter -IFRS).

2. Procedure for organizing the competition

- The selection of the organization is carried out by means of a competitive selection aimed at identifying the optimal conditions of the contract for the provision of services (hereinafter referred to as the competition).
- The selection of the organization is carried out by means of a competitive selection aimed at identifying the optimal conditions of the contract for the provision of services (hereinafter — competition).
- All organizational events on holding the competition are assigned to the Department of Corporate Relations with Shareholders and Economic Analysis of JSC "Uzbekexpertiza" (hereinafter-DCRSEA).
- DCRSEA shall publish an announcement according to clause 2.6 of these Regulations through the Company's web-site or in the national printed edition not later than 10 (ten) calendar days prior to the contest.
- The announcement of the competition shall contain the following information:
 - name and location of the Company;
 - the required period of time for the audit;
 - the place and time of the tender, as well as the place and deadline for submitting offers for participation in the competition;
 - requirements for participation in the tender;
 - the period during which the bids are valid;
 - names, telephone numbers, room numbers, locations of officials authorized to accept offers, as well as to give explanations on conducting the competition and execution of related documents and materials;
 - other necessary information.
- The final deadline for submission of proposals shall be no later than ten (10) calendar days from the date of publication of the announcement on holding the competition. Proposals submitted after this time shall be considered invalid and shall not be accepted for consideration.
- Participants of the competition

- Audit organizations are allowed to participate in the competition:
- having a license to conduct audits of all business entities and at least 5 years of experience in the field of audit services;
- included in the list of audit organizations authorized to conduct external audit of enterprises with the state's shares (stakes) in the authorized capital exceeding 50% for the relevant year, determined by the State Committee for Competition and the Ministry of Finance of the Republic of Uzbekistan;
- not having negative feedback from the enterprises;
- Consulting organizations are allowed to participate in the competition:
- Having experience in the field of consulting services on International Financial Reporting Standards not less than 3 years;
- having a high rating among competitors;
- having experience in rendering services to large enterprises of RUz;
- have no negative feedback from enterprises;
- Participants of the competition have the right to:
- apply in writing form to the Competitive Commission for explanations concerning the requirements established by the present Regulation, other regulatory and legal acts, but not later than 1 (one) calendar day before the deadline for submission of bids for consideration. The DCRSEA shall respond to the request of the participants of the competition and send a explanation;
- Withdraw your proposal before the deadline for submission of applications.

3. Procedure for submission of offers. Provision of competitive offers

- The participant of the competition, before the deadline for submission of competitive offers, submits an offer prepared in accordance with the tender documentation.
- The competitive offer must contain the following documents:
 - a participant's offer to participate in the competition with a preliminary cost;
 - copy of the license for the right to engage in audit activities (for audit organizations);
 - information about the organization;
 - a list of the organization's largest clients and relevant work experience;
 - copies of auditor qualification certificates and (or) other international certificates;
 - copy of insurance policy (for audit organizations);
 - audit methodology and audit report template (for audit organizations);
 - other documents required to be submitted in accordance with the tender documentation.
- The competition shall be recognized as invalid in cases:
 - if less than two participants took part in it;
 - if the offers of the participants of the competition are recognized as not satisfying the conditions of the competition.

- In case the tender is recognized as invalid, by decision of the Supervisory Board of the Company, an announcement on a repeated competition shall be published.

4. Procedure for determining the winner of the competition

- Determination of the winner of the independent audit organization for the annual audit of the financial reporting of the executive body and consolidated financial reporting as a whole on the structure of JSC "Uzbekexpertiza" is carried out according to the following criteria:

№	Indicators	Score				
		1	2	3	4	5
1	Length of time on the market	Up to 3 years	3<>5	6<>8	8<>10	More than 10 years
2	Number of auditors (for audit organizations)	6	7<>8	9<>10	11<>13	More than 14 years
3	Existence of international certificates	Up to 1	2	3	4	More than 5
4	Experience of providing services to large enterprises of RUz.	1	2	3	4	More than 5
5	Membership in the International Association of Audit Companies (for audit organizations)	If yes	—	—	—	—

6	Participation in the rating of audit organizations for the previous year (for audit organizations)	Below 41	31-40	21-30	11-20	1-10
7	Amount of insurance policy, mln UZS	Up to 400	401 — 600	601 — 800	801 — 999	Over 1 billion
8	Audit methodology and audit report template, which includes: 1. the auditor's analysis and opinion on each account; 2. Financial analysis; 3. Audit provision, instructions, orders, decisions and other regulatory documents; 4. Analysis and implementation of the business plan; 5. Analysis of corporate reporting; 6. Support in case of necessity to resubmit financial statements;	1 section	Up to 2 sections	Up to 3 sections	Up to 4 sections	More than 5 sections
9	Cost of services	over 250 multiples of minimum wage	220<> 250 multiples of	200<> 220 multiples of	150<>200 multiples of minimum wage	Up to 150 multiples of

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- Determination of the winner of the independent audit organization or consulting organization to provide consulting services for the transformation of the accounting report of JSC "Uzbekexpertiza" to IFRS is carried out according to the following criteria:

! №	Indicators	Score				
		1	2	3	4	5
1	Length of time on the market	Up to 3 years	305	608	8010	More than 10 years
2	Existence of international certificates	Up to 1	2	3	405	More than 5
3	Experience of providing services to large enterprises of RUz.	1	2	3	4	More than 5
4	Cost of services	over 250 multiples of minimum wage	220<> 250 multiples of minimum wage	200<> 220 multiples of minimum wage	150<>200 multiples of minimum wage	Up to 150 multiples of minimum wage

- The received scores summarize. If the organizations get the same points the decision is made by the Supervisory Board of JSC "Uzbekexpertiza".

- Following the results of the competition, the DCRSEA shall give an opinion on the competition and prepare a competition list to be submitted for consideration and approval by the Supervisory Board of the Company.
- Once approved by the Company's supervisory board, DCRSEA must notify the winner within 3 days.
- The winner of the competition during 10 days from the moment of receipt of the notification on the recognition of its offer as the winner, shall be required to sign the contract for the provision of services or to notify DCRSEA in writing of any disagreements or refusal to sign the contract.
- If the participant of the competition recognized as the winner of the competition does not sign the contract within the established deadlines, the contract may be signed with another participant of the competition. In this case, DCRSEA has the right to declare the participant whose bid ranks next to the participant previously declared the winner the winner.
- The contract is concluded between the winner of the tender and the executive body of JSC "Uzbekexpertiza".
- Covering the costs associated with the provision of services is carried out at the expense of JSC "Uzbekexpertiza".

5. Final provisions

- All disputes arising in the process of conclusion or execution of the contract shall be resolved in accordance with the laws of the Republic of Uzbekistan.