



**Approved by
The General Meeting of FBA members
on March 6, 2020**

REGULATIONS OF AUDIT COMMISSION

**«Financial & Business Association of Euro-Asian Cooperation»
(FBA EAC)**

1. General provisions

- 1.1 Audit Commission of Financial & Business Association of Euro-Asian Cooperation (hereinafter – Audit Commission) is an in-home audit body of Financial & Business Association of Euro-Asian Cooperation (hereinafter – Association).
- 1.2 Audit Commission controls financial activity of Association, but shall not overturn decisions of executive body of Association.
- 1.3 Audit Commission works in accordance with the Regulations of Audit Commission approved by the General Meeting of Association members.
- 1.4 The present Regulations is worked out in accordance with applicable legislation of the Russian Federation and the Charter of FBA EAC. The present Regulations is a corporate regulatory document obligatory to all members of Association.

2. Competence of Audit Commission

- 2.1 Audit Commission controls financial activity of Association.
- 2.2 Competence of Audit Commission is determined by the Charter of FBA EAC and the Regulations of Audit Commission. Competence of Audit Commission includes:
 - 2.2.1 statutory compliance audit;
 - 2.2.2 business analysis of Association including paying capacity and debt ratio;
 - 2.2.3 business plan preview for the following year;
 - 2.2.4 detecting of economic reserves of Association and recommendations to executive body;
 - 2.2.5 validity audit of:
 - agreements on behalf of Association, deals, calculations;

- payments for services;
 - payments to the budget;
 - additional and statutory payments of Association members;
 - settlement of liabilities of Association;
 - 2.2.6 statutory and the General Meeting's decision compliance audit;
 - 2.2.7 analysis of the General Meeting decisions, amendment proposals in case of discrepancy with legally binding documents;
 - 2.2.8 complains investigation and relevant decisions;
 - 2.2.9 compliance audit of previous improvement notice.
- 2.3 Audit Commission is authorized:
- to examine financial documents and asset inventory results, to compare them to the original accounting;
 - to examine funds and assets of Association;
 - to examine records of meetings of all bodies of Association;
 - to recommend an item for inclusion in the agenda of the General Meeting of Association members.
- 2.4 Management bodies, officials and staff of Association shall give assistance to Audit Commission and provide all necessary information and documents.
- 2.5 Requested documents shall be provided within 15 days after a written request of Audit Commission.
- 2.6 Audit Commission shall have the right to request personal representations from the staff of Association on relevant issues.

3. Composition of Audit Commission

- 3.1 Only a member of Association can become a member of Audit Commission.
- 3.2 Members of executive body cannot be members of Audit Commission at the same time.
- 3.3 The number of Audit Commission members is determined by the General Meeting of Association members but it cannot be less than three.
- 3.4 The Chairman and the Secretary of Audit Commission are elected at the first meeting.
- 3.4.1 The Chairman of Audit Commission shall:
- call and conduct the meetings of Audit Commission;
 - organize current activity of Audit Commission;
 - represent Audit Commission at the meetings of Coordinating Council and the General Meeting of Association members;
 - sign documents on behalf of Audit Commission.
- 3.4.2 The Secretary of Audit Commission shall:
- keep records of the meetings of Audit Commission;
 - provide relevant bodies and officials with acts and decisions of Audit Commission;
 - together with the Chairman sign the documents on behalf of Audit Commission.

4. Election of members of Audit Commission

- 4.1 Audit Commission is elected by the General Meeting of Association in accordance with the Charter of FBA EAC.

- 4.2 Members of Audit Commission are elected for the period of five years with the right of extension by the decision of the General Meeting of Association.
- 4.3 The General Meeting of Association shall have the right to withdraw a member of Audit Commission in case of failure to perform his duties or abuse of his rights.
- 4.4 Nomination and voting on candidates to Audit Commission are held at the General Meeting of Association on a cumulative voting basis or by voting for a single candidate.
- 4.5 A member of Audit Commission can terminate his duties after 30 days prior notice. The exiting member is replaced at the General Meeting of Association members. During the period before such meeting Audit Commission can involve in its work any member of Association. Before the regular meeting he abdicates, but can be elected by the decision of the General Meeting of Association.

5. Working process of Audit Commission

- 5.1 5. Working process of Audit Commission is approved by the General Meeting of Association.
- 5.2 Audit Commission performs inspections (complete or selective) at least once every year or extraordinary on request.
- 5.3 Extraordinary inspection is performed by Audit Commission:
- by order of the General Meeting of Association members;
 - on written request of the President of Association, Coordinating Council or General Director of Association.
- 5.4 Inspections and audit shall not upset normal working process of Association.
- 5.5 Inspection reports are provided to those who requested inspection and to the General Meeting of Association.
- 5.6 Reports of Audit Commission are presented in the form of written reports, inter-office memorandum and announcements.
- 5.7 All documents on behalf of Audit Commission shall be signed by its Chairman on each page and stitched up.
- 5.8 After the financial inspection the report of Audit Commission includes:
- validation or contradiction of data in reports or other financial documents;
 - violation data of accounting rules set by the Russian Federation legislation.

6. Audit Commission meetings

- 6.1 Audit Commission meetings are held as and when required but at least once every year. Audit Commission meetings can be held before inspection or after to discuss its results. Any member of Audit Commission can request an extraordinary meeting if necessary.
- 6.2 Audit Commission meetings are eligible if more than a half of its members are present.
- 6.3 All members of Audit Commission have equal rights.
- 6.4 Decisions, acts and reports are approved by simple majority.
- 6.5 Any member of Audit Commission can have special opinion and include it in meeting records, bring it to the notice of executive body and the General Meeting of Association members.
- 6.6 Audit Commission keeps records of all meetings accompanied by all reports, opinions and announcements of Audit Commission members.

- 6.7 Records shall be kept at the premises of Association and be available to Association members. Records can also be copied.

7. Rights of Audit Commission

- 7.1 Audit Commission works in accordance with the Russian legislation, the Charter of FBA EAC, the present Regulations, decisions of the General Meeting of Association members and other documents approved by the General Meeting of Association members and related to its activity.

8. Responsibility of Audit Commission members

- 8.1 Audit Commission members are responsible for failure to fulfill their obligations in accordance with the Russian legislation and statutory acts of Association.
- 8.2 During inspections Audit Commission members will duly examine relevant documents and materials. Audit Commission members are responsible for careless reports, punishment for which is determined by the General Meeting of Association.
- 8.3 Audit Commission shall present the results of its inspections to the General Meeting of Association members and to the executive body of Association, followed by relevant comments and proposals on effectiveness of Association.
- 8.4 Audit Commission shall not disclose the results of inspections before proper approval.
- 8.5 If Association interests are threatened or abuse of officials is revealed Audit Commission members shall request an extraordinary meeting of the General Meeting of Association members.
- 8.6 Audit Commission members shall not disclose confidential business information.

9. Approval and amendments to the Regulations of Audit Commission

- 9.1 Regulations of Audit Commission is approved by the General Meeting of Association members. The decision is taken by simple majority.
- 9.2 The present Regulations is amended at the General Meeting of Association members according to the normal procedure as proposals to the agenda.
- 9.3 The present Regulations, including its amendments come into force once approved by the General Meeting of Association members.
- 9.4 If amendments to Russian legislation do not coincide with the provisions of the present Regulations such provisions become invalid. Members of Association shall act in accordance with Russian legislation until amendments to the present Regulations are approved.
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