



**On approval of the Model Code of Corporate Governance in Joint Stock Companies  
Controlled by the State, except for the National Welfare Fund**

*Unofficial translation*

Order of the Minister of National Economy of the Republic of Kazakhstan dated October 5, 2018 No. 21. Registered with the Ministry of Justice of the Republic of Kazakhstan on November 12, 2018 No. 17726.

*Unofficial translation*

In accordance with paragraph 3 of Article 182 of the Law of the Republic of Kazakhstan of March 1, 2011 “On State Property” I HEREBY ORDER:

1. To approve the attached Model Code of Corporate Governance in the State-Controlled Joint Stock Companies, Except for the National Welfare Fund.

2. In accordance with the procedure established by law, the Department of State Assets Management Policy of the Ministry of National Economy of the Republic of Kazakhstan shall ensure:

1) state registration of this Order with the Ministry of Justice of the Republic of Kazakhstan;

2) within ten calendar days from the date of state registration of this order with the Ministry of Justice of the Republic of Kazakhstan, the direction hereof in electronic form in Kazakh and Russian languages to the Republican State Enterprise on the Right of Economic Management “Republican Center of Legal Information” for official publication and inclusion in the Reference Control Bank of Normative Legal Acts of the Republic of Kazakhstan;

3) placement of this order on the website of the Ministry of National Economy of the Republic of Kazakhstan;

4) within ten working days after the state registration of this order with the Ministry of Justice of the Republic of Kazakhstan, submission to the Legal Department of the Ministry of National Economy of the Republic of Kazakhstan of information on the implementation of measures provided by subparagraphs 1), 2) and 3) of this paragraph.

3. Control over the execution of this order shall be entrusted to the supervising Vice-Minister of National Economy of the Republic of Kazakhstan.

4. The present order shall come into effect upon expiration of ten calendar days after the day of its first official publication.

*Minister of the National Economy  
of the Republic of Kazakhstan*

*T. Suleimenov*

**AGREED**

the Ministry of Finance  
of the Republic of Kazakhstan

# **Model Code of Corporate Governance in State-Owned Joint Stock Companies, Except for the National Welfare Fund**

## **Chapter 1: General provision**

The Model Code of Corporate Governance in Joint Stock Companies under State Control, except for the National Welfare Fund (hereinafter referred to as the “Code”), has been developed in accordance with paragraph 3 of Article 182 of the Law of the Republic of Kazakhstan “On State Property” dated March 1, 2011 (hereinafter referred to as the "State Property Law") and determines the corporate governance approaches in relations within the state-controlled joint stock company (hereinafter referred to as the “Company”) and with other interested parties.

The Code shall be aimed at improving corporate governance in the Company, ensuring transparency and efficiency of management.

2. The following basic concepts shall be used in this Code:

1) A Shareholder (Participant) - a person who is the owner of shares (participatory interest) in the authorized capital of the Company;

2) General Meeting of Shareholders (Participants) - the supreme body of the Company. The procedure for holding the General Meeting of Shareholders (Participants) shall be determined by the laws of the Republic of Kazakhstan dated May 13, 2003 “On Joint Stock Companies” (hereinafter referred to as the Law on Joint Stock Companies), dated April 22, 1998 “On Limited Liability Companies and Additional Liability Companies” (hereinafter referred to as the Law on Limited Liability Companies), the Charter of the Company;

3) partners - suppliers and contractors, partners in joint projects;

4) Management Board – an executive body of the Company acting collectively;

5) Development plan - a document determining the main areas of activity, financial and economic performance indicators and key performance indicators of the Company for a five-year period, approved by the Board of Directors;

6) Development strategy - a document defining and justifying the mission, vision, strategic goals, objectives and key performance indicators of the Company for a ten-year period, approved by the General Meeting of Shareholders (the Sole Shareholder), except for cases when in accordance with the Law on State Property, approval of the development strategy shall be carried out by the Government of the Republic of Kazakhstan or its development shall not be required;

7) Board of Directors - a management body of the Company, which is formed by electing its members at the General Meeting of Shareholders (the Sole Shareholder) of the Company, responsible for the general management and control over the activities of the Company and the Management Board;

8) subsidiary organization - a legal entity, the majority of the authorized capital of which was formed by another legal entity (hereinafter referred to as the parent organization);

9) Institutional investor - a legal entity investing money attracted by it in securities and other financial instruments in accordance with the legislation of the Republic of Kazakhstan;

10) Corporate governance - a set of processes ensuring management and control over the Company's activity and including relations between shareholders, Board of Directors, Management Board, other bodies of the Company and interested parties in the interests of shareholders. Corporate governance also determines the structure of the Company by means of which its goals are set, methods of achieving these goals, as well as monitoring and evaluation of performance results;

11) Corporate events - events that have a significant impact on the Company's operations and affect the interests of shareholders and investors of the Company, as defined by the Law on Joint-Stock Companies, the laws of the Republic of Kazakhstan dated February 28, 2007 "On Accounting and Financial Reporting" and July 2, 2003 "On the Securities Market", as well as the Charter of the Company;

12) corporate conflict - disagreements or disputes between shareholders and bodies of the Company; members of the Board of Directors and the Executive Body, Head of the Internal Audit Service, Corporate Secretary;

13) Corporate Secretary - an employee of the Company who is not a member of the Board of Directors and (or) the executive body of the Company, who is appointed by the Board of Directors of the Company and is accountable to the Board of Directors of the Company, as well as within the scope of his activity controls preparation and holding of meetings of the Board of Directors of the Company, ensures formation of materials on the agenda items of the General Meeting of Shareholders and materials for the meeting of the Board of Directors of the Company, controls provision of access to them. The competence and activities of the Corporate Secretary are determined by the Company's internal documents;

14) Key performance indicators (indicators) (hereinafter referred to as KPIs) - indicators characterizing the level of efficiency of the Company's activity, officials and employees of the Company, which allow to assess the efficiency of their activity. KPIs have a quantitative value approved for the Company as part of the development strategy and/or development plan of the Company, or approved separately for each employee of the Company and corresponding to the results of their activities for the planned and reporting periods;

15) an official - member of the Board of Directors (Supervisory Board), executive body;

16) interested parties - individuals, legal entities, groups of individuals or legal entities that influence or may be influenced by the Company's activities, their products or services

and related actions by virtue of legislation, agreements (contracts) or indirectly (indirectly); the main representatives of interested parties are shareholders, employees, customers, suppliers, government agencies, subsidiaries and affiliates, bondholders, creditors, investors, public organizations

17) Ombudsman - a person appointed by the Board of Directors of the Company, whose role is to advise the Company's employees who have applied to him and assist in the resolution of labor disputes, conflicts, problematic social and labor issues, as well as in compliance with the principles of business ethics of the Company's employees;

18) Sustainable development is a development in which the Company manages the impact of its activities on the environment, economy, society and makes decisions taking into account the interests of interested parties. Sustainable development should meet the needs of the present generation without depriving future generations of the opportunity to meet their own needs;

19) a dependent company - a legal entity shall be deemed to be dependent if another (participating, dominant) legal entity has more than twenty percent of its voting shares (participatory interest);

20) independent director - a member of the Board of Directors, who is not an affiliated person of this Company and was not an affiliated person of this Company and was not an affiliated person of this Company within three years prior to his election to the Board of Directors (except for the case of his tenure as an independent director of this Company), is not an affiliated person of this Company, is not subordinate to the officials of this Company - affiliated persons of this Company and was not subordinate to these persons within three years

21) the authorized body on management of the respective branch (sphere) of state management (hereinafter referred to as the authorized body of the respective branch) - central executive bodies, local executive bodies or their departments to which the rights of possession and use of the state block of shares of the Company have been transferred, as well as the Committee of state property and privatization or its territorial subdivisions performing the functions of a shareholder in relation to it in accordance with the Law on state property;

22) Organizations - legal entities, more than fifty percent of voting shares (stakes) in the authorized capital of which are directly or indirectly owned by the Company on the basis of the right of ownership or trust management;

23) fiduciary obligations - obligations assumed by any person carrying out his professional activity in favor of another person. There are two main fiduciary duties: integrity and reasonableness. The duty of good faith is manifested in the fact that in the event of a conflict of interest, the subject of this duty must act solely in the interests of the Company. In turn, the duty of reasonableness is manifested in the application of skills, knowledge and abilities usually required in such a situation.

The subjects bound by fiduciary obligations to the Company shall include members of the Company's management bodies, its employees, majority and minority shareholders, as well as other interested parties. For example, members of the Company's management bodies, its employees, as well as the controlling shareholder may not use the Company's business opportunities solely in their own interests. The opposite will mean violation of the duty of good faith in relation to the Company.

24) holding company - a company that directly or indirectly owns shares (stakes) in other organizations and has the ability to influence the decisions taken by these organizations.

Other terms used in this Code shall correspond to the terms and definitions used in the legislation of the Republic of Kazakhstan.

3. The joint-stock companies controlled by the state, except for the National Welfare Fund, shall approve corporate governance codes in accordance with the Code, as well as shall conduct an independent assessment of corporate governance at least once every three years, the results of which are posted on the Internet site of joint-stock companies.

This paragraph shall not apply to non-commercial joint-stock companies with state participation, established in accordance with the Law of the Republic of Kazakhstan "On Non-Commercial Organizations" dated 16 January 2011.

The Company shall be recommended to implement this Code in organizations in which the Company owns directly or indirectly more than fifty percent of the voting shares (stakes) (hereinafter referred to as "the Organizations").

4. The Company shall be recommended to implement this Code in organizations in which the Company owns directly or indirectly more than fifty percent of the voting shares (participatory interests) (hereinafter referred to as the "Organization").

5. A company shall be recommended to implement the provisions of this Code to the extent that they do not contradict the Law on Limited Liability Partnerships.

6. When carrying out its activities, the Company shall ensure:

- 1) management of the Company in compliance with the principle of legality and proper level of responsibility, separation of powers, accountability and efficiency;
- 2) Risk management and internal control system;
- 3) exclusion of the conflict of interests.

7. Control over the Company's execution of this Code shall be exercised by the Board of Directors of the Company. Corporate secretaries shall monitor and advise the Boards of Directors and the executive body of the Company on the proper observance of this Code, as well as on an annual basis form a report on compliance/non-compliance with its principles and provisions.

Subsequently, this report shall be submitted for consideration of the Committees of the Board of Directors, approved by the Board of Directors and included in the annual report of the Company.

8. Cases of non-compliance with the provisions of this Code shall be considered at the meetings of committees and boards of directors with decision-making aimed at further improvement of corporate governance in the Company.

## **Chapter 2: Principles of Corporate Governance of the Company**

9. The Company shall consider the corporate governance as a means of increasing the efficiency of the Company's activities, ensuring transparency and accountability, strengthening its reputation and reducing costs of attracting capital. The corporate governance system shall provide for the differentiation of powers and responsibilities between the bodies, officials and employees of the Company.

10. Corporate governance of the Company shall be based on fairness, honesty, responsibility, transparency, professionalism and competence. The structure of corporate governance shall be based on respect for the rights and interests of all persons interested in the Company's activity and shall contribute to the Company's successful activity, including the growth of its value, support of financial stability and profitability.<sup>11</sup>The fundamental principles of this Code shall be as follows:

The principle of separation of powers;

Principle of protection of rights and interests of shareholders;

the principle of effective management of the Company by the Board of Directors and the Management Board;

The principle of sustainable development;

Principle of risk management, internal control and audit;

Principle of corporate conflicts and conflicts of interest regulation;

Principle of transparency and objectivity of information disclosure on the Company's activities.

12. Within the framework of the Company's corporate governance structure, the division of responsibilities between the Company's bodies shall be determined, the consistency and consistency of corporate governance processes shall be ensured.

13. Adherence to the principles of corporate governance set forth in the Code shall contribute to the creation of an effective approach for objective analysis of the Company's activities and obtaining recommendations from analysts, financial advisors and rating agencies.

### **Paragraph 1: Principle of separation of powers**

14. The rights, duties and powers of the shareholders (the Sole Shareholder), the Board of Directors and the Executive Body shall be determined in accordance with the current legislation of the Republic of Kazakhstan.

15. The state body shall distinguish between its powers as a shareholder of the Company and those related to the performance of state functions in accordance with Article 3 of the Law of the Republic of Kazakhstan "On Administrative Procedures" dated 27 November 2000 with the aim of preventing a conflict of interests that does not contribute to the interests of the Company and the shareholder (shareholders). The state body shall perform the functions of the Company's shareholder in order to increase the long-term value (value) of the Company taking into account the stimulation of development of the respective industry and/or region.

16. The Company shall carry out its activities within the framework of its core (core) business. Implementation of new types of activities shall be regulated by the Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015.

17. The Company shall build an optimal structure of assets, simplifying their structure and legal form.

In a holding company, a parent company shall be established in the form of a joint stock company.

When the Company establishes new organizations, the preferred legal form of incorporation shall be a limited liability partnership. Production and financial companies, where it is possible to increase the state assets through the implementation of investment projects and financial operations to attract extra-budgetary investments for the implementation of socio-economic objectives, shall be established in the form of a joint stock company.

When the Company establishes an organization in the form of a limited liability partnership, the participant (partners) in the cases provided for by the charter, limited liability partnership may establish a supervisory board and (or) audit committee (auditor).

18. The state body, as a shareholder, shall participate in the management of the Company exclusively through the exercise of the powers of a shareholder provided for in the Law on Joint-Stock Companies.

19. The state body, as a shareholder of the Company, shall grant the Company full operational independence and shall not interfere in the operational (current) and investment activities of the Company, except for the cases stipulated by the legislation of the Republic of Kazakhstan, instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

20. Transactions and relations between the Company, shareholders and interested parties shall be carried out on a commercial basis within the framework of the current legislation of the Republic of Kazakhstan, except for cases when one of the main tasks of the Company and the organization is to implement or assist in the implementation of the state policy on the development of certain industries of the Republic of Kazakhstan.

The economic activity of the Company shall meet the market conditions regarding debt and equity finance:

1) relations of the Company with all market participants (including financial and non-financial organizations) shall be based on exclusively commercial basis, except for cases when one of the main objectives of the Company is implementation or assistance in implementation of the state policy on development of the sectors of the Republic of Kazakhstan;

2) the economic activity of the Company does not benefit from any indirect financial support, which gives advantages over private competitors, except for cases stipulated by the legislation of the Republic of Kazakhstan;

3) Compliance with the norms of profit from the economic activity of the Company taking into account working conditions that correspond to the results obtained by competing private enterprises.

22. With the Company's participation in public procurement as a customer, the procedures applied shall be competitive, transparent (taking into account the principle of confidentiality) and shall be non-discriminatory.

23. Relations (interaction) between the state body and the Company, organizations shall be carried out through the Board of Directors and/or the executive body of the Company in accordance with the principles of corporate governance. The role and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company shall be delineated and fixed in the documents of the Company.

The Company shall disclose to the state body as a shareholder and to the Board of Directors of the Company the information on the Company's activity in accordance with the Law on Joint-Stock Companies, the Company's Charter and shall ensure transparency of the Company's activities and organizations to all interested parties.

24. The corporate governance system shall provide for relations between the parties:

- 1) shareholders (participants);
- 2) by the Board of Directors (Supervisory Board);
- 3) the executive body;
- 4) Interested parties;
- 5) other bodies determined in accordance with the Charter.

The Company shall approve regulations on bodies (if such regulations are not provided for by the Charter of the Company) and structural subdivisions, as well as job descriptions. Compliance with the provisions of these documents ensures consistency and consistency of corporate governance processes.

25. The Company shall participate in the management of organizations through the implementation of the functions of a shareholder (participant), as well as through the Board of Directors, in the manner prescribed by the charters of organizations and this Code.

26. The Company shall annually send to the Chairman of the Board of Directors and representatives of the Company in the Board of Directors (Supervisory Board) the expectations of the shareholder for the upcoming financial year.

27. The Company shall hold meetings with the members of the Board of Directors (Supervisory Board) of the organization, all voting shares of which belong to the Company, in the format of the General Meeting of Shareholders.

The Boards of Directors (Supervisory Board) of the organizations shall have full independence in decision-making within their competence established by the Charter of the organizations.

28. In order to ensure sustainable development of the organizations, the Company shall prepare and approve uniform accounting policies, methodological recommendations and corporate standards for the organizations.

The decision on the application of the corporate standards approved by the Company in the field of internal audit and internal control system in the organization shall be made by the Board of Directors of the organization taking into account the compliance of these standards with the specifics of the organization's activities.

The executive body of the Company and the Organisations shall ensure the compliance of the Organisations' development plans submitted for approval to the Organisations' Boards of Directors, strategy and/or development plan of the Company.

The executive body of the Company shall maintain a constant dialogue with the executive body of the organization on the issues of strategy and sustainable development. At the same time, the Company shall not allow interference in the operational (current) activities of the organization, for which the executive body of the organization is responsible.

The Company, organizations and their officials shall ensure the growth of long-term value and sustainable development of the Company and organizations, respectively, and the decisions and actions/inaction taken, in accordance with the procedure established by the legislation of the Republic of Kazakhstan and internal documents of the Company and organizations.

The executive body of the Company shall interact with the executive body of the organization on the issues of strategy and sustainable development. At the same time, the Company shall not interfere in the operational (current) activities of the organization, for which the executive body of the organization is responsible.

29. One of the main strategic objectives of the Company shall be to ensure the growth of long-term value and sustainable development of the Company, which is reflected in their development strategies and/or development plans. All decisions and actions taken shall be consistent with the development strategy and/or development plan.

The main element of assessment of the efficiency of the Company and its executive body shall be the KPI system. Shareholders (the Sole Shareholder) through their representatives on the Board of Directors (or by written notice) shall express strategic guidelines and their expectations on KPIs.

In order to achieve KPIs, the Company shall develop a development strategy and/or development plan in accordance with the legislation of the Republic of Kazakhstan.

The Company's KPIs shall be assessed annually. This assessment shall affect the remuneration of the head and members of executive bodies, shall be taken into account when re-electing them, and shall be one of the grounds for their early removal from office.

In order to assess the achievement of the goals and objectives set out in the development strategy and/or development plan, organizations shall be established KPIs through the following processes:

1) The Company sends its representatives on the Boards of Directors its expectations on the target KPIs of the organizations for the planned period, which are submitted by them for consideration of the Boards of Directors of the organizations;

2) Based on the results of consideration and discussion by the Board of Directors of the Organisations, the list and target KPIs shall be approved and communicated to the Executive Body of the Organisations for the development of appropriate development strategies for a ten-year period and/or five-year development plans;

3) the Company's development plan is approved by the Board of Directors of the organizations.

30. The Company shall approve the uniform rules for the development, approval of development strategies and/or development plans of organizations, the controlling interest in which belongs to the Company, as well as monitoring and evaluation of their implementation.

The Company's executive body shall monitor the implementation of the development strategies and/or development plan and KPIs of the organization.

The results of monitoring and reports on the implementation of the development plan shall be entered into the Company's information system for planning, monitoring and evaluation of activities in the manner prescribed by the Company's documents.

31. The Board of Directors of the holding company shall ensure the efficiency of management, growth of long-term value and sustainable development in all legal entities of its group. The results of effective management in the holding company's group shall be the increase of operational efficiency, improvement of the quality of reporting, improved standards of corporate culture and ethics, openness and transparency, reduction of risks, proper internal control system.

The Board of Directors of the holding company shall be a body responsible to shareholders for the effective management and functioning of the entire group and makes decisions related to the management of the group.

The system of corporate governance in the holding company shall provide:

1) the existence of a management system in the group, delineated powers and decision-making process, absence of duplication of functions and processes;

2) Unified standards, policies and processes, including determination of unified approaches to planning, monitoring and control, performance assessment and application of corrective actions;

3) access to quality information regarding the group's activities;

4) proper risk management of the Group.

Holding companies may adopt other possible group management mechanisms, including centralization of certain functions.

The corporate governance system and the decision-making process in the holding company shall be regulated by the Articles of Association and documents of both the holding company and its group companies.

## **Paragraph 2: Principle of protecting the rights and interests of shareholders**

32. Observance of the rights of shareholders (participants) shall be a key condition for attracting investments into the Company. Corporate governance in the Company shall be based on ensuring protection, respect for the rights and legitimate interests of shareholders (participants) and shall be aimed at contributing to the Company's efficient operations, including the growth of the Company's long-term value, maintenance of their financial stability and profitability.

33. If the Company has several shareholders (participants), including minority shareholders (participants), a fair treatment of each of them shall be ensured.

34. The register of the Company's shareholders shall be kept by a single registrar.

35. The Company shall protect minority shareholders from abuse by persons who are able to directly, indirectly and/or otherwise determine the decisions taken by the Company. Shareholders, including institutional investors, shall participate in discussions with other shareholders and representatives of the Company on the observance of the basic rights of shareholders and the corporate governance policy of the Company.

## **Paragraph 3: Enforcement of shareholder rights**

36. The Company shall ensure the exercise of the rights of the shareholder, including the right to own, use and dispose of shares;

the right to participate in the management of the Company and to elect the Board of Directors in the manner prescribed by the Law on State Property, Article 36 of the Law on Joint-Stock Companies and/or the Charter of the Company;

the right to receive a share of the Company's profit (dividends);

the right to receive a share in the Company's assets in the event of its liquidation;

the right to receive information on the Company's activities, including financial statements of the Company, in accordance with the procedure determined by the General Meeting of Shareholders (the Sole Shareholder) or the Charter of the Company;

the right to submit written requests to the Company with regard to its activities and to receive motivated and comprehensive answers within the terms established by the Charter of the Company;

the right to receive an extract from the Company's registrar or nominee holder confirming its ownership of the securities;

the right to challenge decisions taken by the Company's bodies in court;

when owning independently or in aggregate with other shareholders five or more percent of the voting shares of the Company, to apply to the judicial bodies on their own behalf in the cases provided for by Articles 63 and 74 of the Law on Joint-Stock Companies, with a demand for compensation to the Company by the Company's officials of losses caused to the Company, and return to the Company by the Company's officials and/or their affiliated persons of the profit (income) received by them as a result of making decisions on the conclusion (proposal for conclusion) of major transactions and/or transactions, in co

the right to preemptive purchase of shares or other securities of the Company convertible into its shares in accordance with the procedure established by the Law on Joint-Stock Companies;

the right to participate in the adoption by the General Meeting of Shareholders of a decision to change the number of shares of the Company or change their type in the manner prescribed by the Law on Joint-Stock Companies.

37. Shareholders shall exercise their rights to participate in the management of the organization through participation in general meetings of shareholders.

General meetings of shareholders shall be divided into annual and extraordinary meetings.

38. The General Meeting of Shareholders shall not be held in the Company with the Sole Shareholder. Decisions on the issues referred by the legislation of the Republic of Kazakhstan and the Charter of the Company to the competence of the General Meeting of Shareholders shall be made by such shareholder individually and shall be executed in writing.

39. The Sole Shareholder may hold meetings with the Board of Directors and the Executive Body to summarize the results of the year and make decisions on the issues within its competence. The Sole Shareholder may also hold regular meetings with the Chairman of the Board of Directors during the year to discuss the Company's activities within its competence.

#### **Paragraph 4. Procedure for holding the General Meeting of Shareholders**

40. The organization and procedure for holding the general meeting of shareholders shall meet the following requirements

fair and equal treatment of all shareholders;

availability of participation at the general meeting for all shareholders;

provision of organizational and reporting information;

simplicity and transparency of the General Meeting of Shareholders.

The procedure for holding the General Meeting of Shareholders shall be determined in accordance with the Law on Joint-Stock Companies, the Charter and other internal documents

of the Company regulating the Company's activities, or the resolution of the General Meeting of Shareholders. The date and time of the General Meeting of Shareholders shall be set in such a way that the largest number of persons entitled to participate in it or all persons with regard to the issues requiring unanimous decision-making could take part in the meeting.

41. Information and materials provided to shareholders prior to the General Meeting of Shareholders/hearing of the Board of Directors, as well as the procedure for its provision, shall provide a complete picture of the essence of the issues under discussion with a comprehensive list of clearly defined issues to be discussed, the risks associated with the adoption (or non-adoption) of a decision, the receipt of answers to the questions of interest and the opportunity to make informed decisions on the agenda items.

If the agenda of the General Meeting of Shareholders includes issues related to the election of members of the Board of Directors, full information on candidates for these positions shall be provided in accordance with the Law on State Property, the Law on Joint-Stock Companies, the Charter and internal documents of the Company.

The agenda items shall be set out in detail and interpreted in accordance with the literal meaning of their verbal expression and shall exclude the possibility of their different interpretation. The agenda shall not include issues with the wording "miscellaneous", "other", "other" or "other". At the General Meeting of Shareholders, the Company shall propose a separate resolution on each individual issue submitted for consideration by the shareholders.

A shareholder may submit proposals to the agenda of the general meeting of shareholders, as well as request the convening of an extraordinary general meeting of shareholders in case of their justification.

42. Methods of informing about the convocation of the General Meeting of Shareholders shall ensure timely notification of all shareholders. In order to provide information to shareholders on the Company's activities simultaneously and to ensure their equal treatment, the General Meeting of Shareholders shall determine the mass media.

43. All shareholders shall have the opportunity to familiarize themselves with the list of persons participating in the work of the General Meeting of Shareholders. The process of familiarization with the list of persons entitled to participate in and receive materials of the general meeting of shareholders shall be simple for all shareholders. The list of shareholders participating at the General Meeting of Shareholders shall be compiled by the Company's registrar on the basis of the data of the Company's register of shareholders with disclosure by nominal holders of shares.

44. Information materials distributed during the preparation of the General Meeting of Shareholders shall be systematized in relation to the agenda of the General Meeting of Shareholders. A simple and easy procedure shall be established for receiving and/or familiarizing with these materials.

45. Upon the request of the participants, they shall be provided with additional information on the plans, achievements and problems of the Company's activities, as well as analytical studies and materials of other organizations on the Company's activities.

46. The Company shall bring to the attention of its shareholders timely and in full the information on its activities affecting the interests of shareholders in accordance with the procedure stipulated by the Charter and internal documents of the Company.

47. The Company shall provide its shareholders with reliable information on its financial and business activities and its results. If the tasks of implementing the state policy in the course of the Company's business are combined with the main commercial activities, these tasks shall be disclosed and communicated to all shareholders, including minority shareholders.

48. In case of acquisition of shares (participation interests) in organizations by institutional investors, in order to ensure stability and stability of organizations, the corporate governance policy and regulations of their investment activities, including the existing decision-making procedures in the investor's company, shall be disclosed to institutional investors acting as a trustee.

Institutional investors acting as trustees shall disclose how they resolve material conflicts of interest that may affect their ownership of their investments.

The Company shall strive not to enter into any interested party transactions. In the event of such transactions, the Company shall disclose the information about the Company's affiliates and transactions.

49. The date and time of the General Meeting of Shareholders shall be set in such a way as to enable the largest number of persons entitled to participate in it to take part in the meeting.

50. The procedure for holding the General Meeting of Shareholders shall provide shareholders with an equal opportunity to exercise their rights to participate in the General Meeting of Shareholders. A shareholder may vote in person or via a representative (by power of attorney issued by the shareholder to its representative in person). Votes cast in person and without personal presence shall have equal force. A power of attorney for participation in the General Meeting of Shareholders and voting on the issues under consideration shall not be required for a person who has the right to act without a power of attorney on behalf of a shareholder or to represent its interests in accordance with the legislation of the Republic of Kazakhstan or the constituent documents.

51. During the period of preparation for the General Meeting of Shareholders/hearing of the Board of Directors of the Company, organizational and technical conditions shall be created to enable the shareholders to ask questions on the agenda and materials. The powers of the Company's officers, corporate secretary (or the person performing his/her functions) and employees of the Company to interact with shareholders and investors, as well as the procedure for providing responses to their requests shall be established in the Company.

52. The Corporate Secretary (or the person performing his functions) shall monitor incoming questions from shareholders and provide answers to them regarding the procedure of holding the General Meeting of Shareholders, explain the provisions of the legislation of the Republic of Kazakhstan and documents of the Company regarding the procedure of participation and voting at the General Meeting of Shareholders, as well as other issues, if such is determined in the internal documents of the Company.

53. The Company, the shares of which are listed on the stock exchange, shall establish special departments for investor relations to maintain communication with investors and shall ensure timely and high-quality answers to shareholders' questions.

54. The Company shall develop and shall approve by the General Meeting of Shareholders the Rules of Procedure of the General Meeting of Shareholders, which defines the procedure for holding the General Meeting of Shareholders, providing for the possibility of proper discussion of the agenda items and adoption of decisions, speeches of officials and other issues.

55. The Chairman of the General Meeting of Shareholders shall ensure that shareholders receive answers to all material questions directly at the General Meeting of Shareholders.

The Chairman shall ensure the attendance of all members of the Board of Directors and the Management Board, heads of the Internal Audit Service and structural subdivisions of the Company in order to give answers to questions at the Annual General Meeting of Shareholders.

Registration time shall be sufficient for all shareholders (their representatives) to be able to register, and shareholders who have not been registered shall not be taken into account when determining the quorum and shall not take part in voting.

In the event of a reasonable absence of the heads of the Internal Audit Service and structural subdivisions of the Company, their deputies and/or persons competent in these matters may be present.

If the questions do not allow to answer them immediately, the person(s) to whom they are asked shall provide written answers to the questions as soon as possible after the general meeting.

56. The procedure for collection and counting of votes shall be simple and transparent, and shareholders shall be assured that there is no possibility of any distortion of the voting results.

57. The results of voting at the General Meeting of Shareholders or the results of absentee voting shall be communicated to shareholders by publishing them in the mass media and on the Company's corporate Internet resource or by sending a written notice to each shareholder within 10 (ten) calendar days after the General Meeting of Shareholders is closed.

The procedure for notification of the results of voting shall be determined by the Charter.

## **Paragraph 5. Dividend policy**

58. Shareholders shall be provided with access to information on the conditions and procedure for payment of dividends, as well as reliable information on the financial position of the Company when paying dividends.

To this end, the General Meeting of Shareholders (the Sole Shareholder) shall approve the Dividend Policy with access for all shareholders.

The holding company shall approve the uniform dividend policy for the group, which is developed taking into account the specifics of the presence in the structure of the group of organizations with several shareholders/participants.

Organizations with several shareholders (participants) may adopt other dividend policy of the Company and organizations approved by the General Meeting of Shareholders (Participants).

59. The dividend policy shall determine the principles that govern the Board of Directors (Supervisory Board and/or Executive Body) in preparing proposals to shareholders (participants) on the distribution of net income of the Company and/or the Organization for the past financial year. The dividend policy shall be based under the following principles

- 1) Observance of interests of shareholders (participants);
- 2) increase of long-term value of the organization;
- 3) ensuring financial stability of the organization;
- 4) provision of financing of the organization's activity, including financing of investment projects implemented at the expense of the organization;
- 5) transparency of the mechanism for determining the amount of dividends;
- 6) Balance of short-term (receipt of income) and long-term (development of the Organization) the interests of shareholders (participants).

60. The dividend policy shall also regulate the procedure for distribution of net income and determination of its part to be used for dividend payment, the procedure for calculating the amount of dividends, the procedure for dividend payment, including the terms, place and form of their payment.

61. The dividend policy shall establish the procedure for determining the share of the Company's net profit to be used to pay dividends.

62. Calculation of the amount of dividends shall be made on the basis of the amount of net income of the organization reflected in the annual audited financial statements of the organization, drawn up in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial statements and international financial reporting standards.

63. In case of payment of dividends on ordinary shares at the end of a quarter or six months or distribution of retained earnings of previous years, as well as in some cases, the

amount of dividends shall be determined by the General Meeting of Shareholders (the Sole Shareholder) in a special manner when considering the issue of approval of the procedure for distribution of profits for the relevant periods.

64. In order to make a decision on payment of dividends, the Board of Directors (Supervisory Board or Executive Body) shall submit for consideration of the General Meeting of Shareholders (the Sole Shareholder)/participant (the Sole Participant) proposals on distribution of the Company's net income for the past financial year and the amount of dividend for the year per one ordinary share of the Organization.

65. When considering the issue of payment of dividends, the current state of the Company, its short-, medium- and long-term plans shall be taken into account.

If there is a shareholder (participant) in the organization who owns fifty percent or more of the voting shares (participatory interests) or who has the right to determine decisions by virtue of agreements with the organization and / or other shareholders (participants), the redistribution of financial resources in favor of such shareholder (participant) shall be carried out through dividend payments.

If there are other mechanisms of redistribution of funds of the organization in favor of the shareholder (participant) who owns fifty and more percent of voting shares (participatory interest), they shall be fixed in the relevant documents of the organization and shall be disclosed to all shareholders.

66. The Company shall disclose to its shareholders (participants) and investors information on any forms and terms of cooperation, agreements and partnership.

## **Paragraph 6: Effective Board of Directors**

67. The Board of Directors shall be a management body accountable to the General Meeting of Shareholders, which provides strategic management of the organization and control over the activities of the Management Board.

68. The Board of Directors shall ensure full transparency of its activities to shareholders, as well as implementation of all provisions of this Code.

69. The Board of Directors shall perform its functions in accordance with the Law on State Property, the Law on Joint-Stock Companies, the Charter of the Company, this Code, the Regulation on the Board of Directors and other internal documents of the Company.

The Board of Directors shall pay special attention to the issues related to:

- 1) Defining the development strategy (directions and results);
- 2) establishment and monitoring of KPIs established in the development strategy and/or development plan;
- 3) organization and supervision of effective functioning of the risk management and internal control system;

4) approval and monitoring of effective implementation of major investment projects and other key strategic projects within the competence of the Board of Directors;

5) election (re-election), remuneration, succession planning and supervision of the Head and members of the Executive Body;

6) Corporate governance and ethics;

7) Compliance of the Company with the provisions of this Code and corporate standards of the Company in the field of business ethics (Code of Business Ethics).

70. Members of the Board of Directors shall perform their functional duties in good faith and shall adhere to the following principles in their activities:

1) to act within the limits of their powers - members of the Board of Directors make decisions and act within the limits of their powers stipulated by the Law on State Property, the Law on Joint-Stock Companies, and the Charter of the Company;

2) to devote sufficient time for participation in meetings of the Board of Directors and its committees and preparation for them. A member of the Board of Directors may hold positions in other legal entities after obtaining the approval of the Board of Directors;

3) to promote the growth of long-term value and sustainable development of the Company - members of the Board of Directors act in the interests of the Company with due regard for fair treatment of all shareholders and the principles of sustainable development; the impact of decisions and actions of members of the Board of Directors can be determined through the following issues: what are the consequences of the decision/action in the long term; what is the impact of the Organization's activities on the Company and the environment; will be ensured fair treatment of all shareholders; impact on the reputation of the Company.

4) to maintain high standards of business ethics - members of the Board of Directors in their actions, decisions and behavior correspond to high standards of business ethics and be an example (example) for the Company's employees;

5) not to create a conflict of interest - members of the Board of Directors do not allow situations to arise in which personal interest may affect the proper performance of his duties as a member of the Board of Directors, in case of situations with conflicts of interest that affect or potentially may affect the impartial decision-making, members of the Board of Directors notify the Chairman of the Board of Directors in advance and do not participate in the discussion and adoption of such decisions. This requirement also applies to other actions of a member of the Board of Directors that may directly or indirectly affect the proper performance of duties of a member of the Board of Directors;

6) to act with due reasonableness, skill and prudence - members of the Board of Directors continuously improve their knowledge of the competence of the Board of Directors and performance of their duties in the Board of Directors and committees, including such areas as legislation, corporate governance, risk management, finance and audit, sustainable

development, knowledge of the industry and specifics of the Company's activities. In order to understand topical issues of the Company's activity, members of the Board of Directors regularly visit key facilities of the Company and hold meetings with employees.

71. Responsibility between the Board of Directors for the provision of its activities, performance of its functions and duties, including (but not limited to) determination of the Company's strategic directions, setting objectives and specific, measurable (digitized) KPIs, and responsibility of the Management Board of the Company for the Company's operating (current) activities, including (but not limited to) performance of the set objectives and achievement of the established KPIs, shall be divided and fixed in the relevant internal documents of the Company.

Members of the Board of Directors shall perform their duties, including fiduciary duties to the shareholder(s) and shall be responsible for decisions made, efficiency of their activities, actions and/or inactions. In case of different opinions, the Chairman of the Board of Directors shall ensure consideration of all acceptable options and proposals expressed by individual members of the Board of Directors in order to make a decision that meets the interests of the Company.

At the annual general meeting of shareholders (hearing), the Chairman of the Board of Directors shall provide the shareholders with the information:

The report of the Board of Directors, which reflects the results of the Board of Directors and its committees' activity for the reporting period, measures taken by the Board of Directors on growth of long-term value and sustainable development of the Company, main risk factors, significant events, considered issues, number of meetings, form of meetings, attendance, as well as other important information - the report of the Board of Directors shall be included in the annual report of the Company;

2) report on the implementation of expectations of the shareholders (the Sole Shareholder)

The Board of Directors shall annually report on compliance with the provisions of this Code to the shareholders (the Sole Shareholder). The Board of Directors shall ensure the implementation of mechanisms that will help to avoid conflicts of interest that prevent the Board of Directors from performing its duties objectively, and shall limit political interference in the Board's processes.

The Sole Shareholder of the Company may hold additional meetings with the Chairman and members of the Board of Directors to discuss development strategy issues, election of the First Head of the Management Board of the Company and other aspects that affect the growth of long-term value and sustainable development of the Company. Such meetings shall be planned and shall be held in advance in accordance with the approved procedures.

72. The Board of Directors and its committees shall maintain a balance of skills, experience and knowledge, ensuring the adoption of independent, objective and effective

decisions in the interests of the Company and taking into account fair treatment of all shareholders and principles of sustainable development.

73. The shareholders (the Sole Shareholder) shall elect (elect) the members of the Board of Directors on the basis of clear and transparent procedures taking into account the competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of the Board of Directors or its full composition for a new term, their contribution to the efficiency of the Company's Board of Directors shall be taken into account.

74. The term of office of the members of the Board of Directors shall expire at the moment when the General Meeting of Shareholders (the Sole Shareholder) makes a decision on election of the new Board of Directors.

75. Members of the Board of Directors of the Company shall be elected for a term of not more than three years, and in the future, subject to satisfactory performance, may be re-elected for a further term of up to three years.

76. Any term of election to the Board of Directors of the Company for a term exceeding six consecutive years shall be subject to special consideration taking into account the need for qualitative renewal of the Board of Directors.

77. It shall be recommended that one and the same person not be elected to the Board of Directors of the Company for more than nine consecutive years. In exceptional cases, election for a term exceeding nine years shall be allowed, however, such person shall be elected to the Board of Directors of the Company annually or within another term determined by the General Meeting of Shareholders (the Sole Shareholder) of the Company, with a detailed explanation of the need to elect such member of the Board of Directors and the impact of this factor on the independence of decision-making.

No one shall participate in decision-making related to their own appointment, election and re-election.

78. When selecting candidates to the Board of Directors, the following shall be taken into account:

- 1) experience in executive positions;
- 2) experience as a member of the Board of Directors;
- 3) length of service;
- 4) education, specialty, including international certificates;
- 5) competencies by area and industry (industries may vary depending on the asset portfolio);
- 6) business reputation;
- 7) presence of a direct or potential conflict of interest.

79. The quantitative composition of the Company's Board of Directors shall be determined by the General Meeting of Shareholders (the Sole Shareholder). The composition of the Company's Board of Directors shall be established individually taking into account the

scale of activities, business needs, current tasks, development strategy and/or development plan and financial capabilities.

80. The composition of the Board of Directors shall ensure decision-making in the interests of the Company and taking into account fair treatment of shareholders through a balanced combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the Executive Body).

81. No person shall be elected to the position of a member of the Board of Directors of the Company:

1) A person with a criminal record that has not been expunged or removed in accordance with the procedure established by law;

2) previously held the position of Chairman of the Board of Directors, Chief Executive Officer (Chairman of the Management Board), Deputy Chief Executive Officer, Chief Accountant of another legal entity for a period not exceeding one year prior to making a decision on compulsory liquidation or compulsory redemption of shares, or preservation of another legal entity declared bankrupt in accordance with the established procedure. This requirement shall be applied for five years after the date of making a decision on forced liquidation or forced redemption of shares, or preservation of another legal entity declared bankrupt in accordance with the established procedure.

The provisions specified herein shall be set forth in the Articles of Association of the Company.

82. Independent directors shall be present and shall participate in the Board of Directors. The number of members of the Board of Directors shall be at least three. At least one third of the members of the Company's Board of Directors shall be independent directors. The number of independent directors shall be sufficient to ensure the independence of the decisions made and fair treatment of all shareholders. The recommended number of independent directors on the Board of Directors of the Company shall be up to fifty percent of the total number of members of the Board of Directors.

Independent members of the Board of Directors shall be free from any material interests or relations with the Company, its management or its property, which could jeopardize the objective judgment.

An independent director shall be a person who has sufficient professionalism and independence to make independent and objective decisions free from the influence of individual shareholders, the executive body and other interested parties.

Requirements for independent directors shall be established in accordance with the legislation of the Republic of Kazakhstan and the Company's Charter.

Independent directors shall actively participate in the discussion of issues where a conflict of interest is possible (preparation of financial and non-financial statements, conclusion of related-party transactions, nomination of candidates to the Management Board, establishment of remuneration for members of the Management Board). Independent Directors shall be

elected as Chairmen of the key committees of the Board of Directors, i.e. the Audit Committee, Nominations and Remuneration Committee, and of other committees they are elected as Chairmen.

The Independent Director shall monitor possible loss of independence and shall notify the Chairman of the Board of Directors in advance if such situations exist. In the event of circumstances affecting the independence of a member of the Board of Directors, the Chairman of the Board of Directors shall immediately bring this information to the attention of shareholders for a decision.

83. Relations between the members of the Board of Directors and the Company shall be formalized by contracts taking into account the requirements of the legislation of the Republic of Kazakhstan, provisions of this Code and internal documents of the Company.

The contracts shall specify the rights, obligations, responsibilities of the parties and other material conditions, as well as the obligations of the director to comply with the provisions of this Code, including to pay sufficient time for the performance of their functions, the obligation not to disclose internal information about the Company after the termination of their activities for a period established by the Board of Directors and additional obligations arising from the requirements to the status and functions of independent directors.

Contracts may stipulate the terms of performance of certain duties by members of the Board of Directors.

84. The Company shall ensure the availability of succession plans for the members of the Board of Directors to maintain continuity of activities and progressive renewal of the Board of Directors.

85. The Board of Directors shall approve the induction program for newly elected members of the Board of Directors and the professional development program for each member of the Board of Directors. The Corporate Secretary shall ensure the implementation of this program.

86. Members of the Board of Directors elected for the first time, after their appointment, shall undergo an induction programme. During the induction process, members of the Board of Directors shall be familiarized with their rights and duties, key aspects of their activities and documents of the Company and the Organization, including those related to the greatest risks.

87. The Chairman of the Board of Directors shall be responsible for the overall management of the Board of Directors, ensuring full and effective implementation of the Board of Directors' core functions and building a constructive dialogue between the members of the Board of Directors, major shareholders and the Management Board of the Company.

The Chairman of the Board of Directors shall create a single team of professionals who are committed to the growth of long-term value and sustainable development of the Company, who shall be able to respond to internal and external challenges in a timely manner and at a proper professional level.

In order to perform the role of the Chairman of the Board of Directors, the candidate, along with professional qualification and experience, shall have special skills, such as leadership, ability to motivate, understand different views and approaches, shall have skills to resolve conflict situations.

The functions of the Chairman of the Board of Directors and the Head of the Management Board of the Company shall be divided and enshrined in the Charter of the Company. The Head of the Management Board may not be elected Chairman of the Board of Directors of the Company.

The key functions of the Chairman of the Board of Directors shall include:

- 1) Planning of meetings of the Board of Directors and formation of the agenda;
- 2) Ensuring timely receipt by members of the Board of Directors of complete and up-to-date information for decision-making;
- 3) ensuring that the Board of Directors focuses its attention on strategic issues and minimizes current (operational) issues to be considered by the Board of Directors;
- 4) ensuring efficiency of holding meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of agenda items, stimulating open discussions, and achieving agreed decisions;
- 5) building proper communication and interaction with shareholders, including organization of consultations with major shareholders when making key strategic decisions;
- 6) Ensuring monitoring and supervision of proper execution of the adopted resolutions of the Board of Directors and the General Meeting of Shareholders (the Sole Shareholder);
- 7) in the event of corporate conflicts, taking measures to resolve them and minimize the negative impact on the Organization's operations, and timely informing major shareholders (the Sole Shareholder), in the event of inability to resolve such situations by their own efforts.

### **Paragraph 7: Remuneration of members of the Board of Directors**

88. The level of remuneration of the members of the Board of Directors shall be established by the General Meeting of Shareholders (the Sole Shareholder) in the amount sufficient to attract and motivate each member of the Board of Directors at the level required for successful management of the Company. The Human Resources and Remuneration Committee of the Company's Board of Directors shall make proposals on the amount of remuneration of candidates for independent directors.

89. No person shall take part in making decisions related to his/her own remuneration.

90. Remuneration shall fairly reflect the expected contribution of a member of the Board of Directors to improving the efficiency of the entire Board of Directors and the Company's operations.

91. When determining the amount of remuneration of a member of the Board of Directors, the expected positive effect for the Company of this person's participation in the Board of

Directors shall be taken into account. The duties of the Board of Directors members, the scope of the Company's activity, long-term goals and objectives defined by the development strategy, complexity of the issues considered by the Board of Directors, the level of remuneration in similar companies of the private sector (benchmarking, review of remuneration) shall be also taken into account.

92. The level of remuneration shall be balanced and justified in order to exclude potential negative reaction from the public caused by excessively high level of remuneration.

93. Disclosure of information on remuneration of the members of the Board of Directors and the executive body of the Company shall be carried out by placing them on the corporate website.

94. As a rule, members of the Board of Directors shall be paid a fixed annual remuneration, as well as additional remuneration for chairmanship in the Board of Directors, participation and chairmanship in the Committees of the Board of Directors. Remuneration of a member of the Board of Directors shall not include options or other elements related to the Company's performance.

At the same time, no remuneration shall be paid to the members of the Board of Directors who are government officials.

95. The General Meeting of Shareholders (the Sole Shareholder) of the Company shall determine the amount and terms of payment of remuneration and compensation of expenses to the member(s) of the Board of Directors of the Company. At the same time, the terms of remuneration of directors shall be reflected in the contracts concluded with them and, if necessary, in the internal document of the Company.

## **Paragraph 8: Board Committees**

96. The Boards of Directors shall establish committees responsible for the consideration of issues related to audit, strategic planning, risk management, human resources and remuneration, as well as other issues stipulated by the Company's internal documents. Organisations which operations are associated with the risk of technological catastrophes shall establish safety and environmental protection committees. In order to improve the efficiency of investment decision-making, the competence of one of the committees under the Board of Directors shall include the issues related to the investment activities of the organization, consideration of which is within the competence of the Board of Directors. The Committee shall consist of at least 3 (three) members.

97. The existence of committees shall not relieve members of the Board of Directors from responsibility for decisions made within the competence of the Board of Directors.

98. Committees shall be established for detailed analysis and development of recommendations on a range of the most important issues prior to their consideration at a

meeting of the Board of Directors. The final decision on the issues considered by the committees shall be made by the Board of Directors.

99. The activities of all committees shall be regulated by internal documents approved by the Board of Directors, which contain provisions on the composition, competence, procedure for electing members of the committee, procedure for the work of the committees, as well as the rights and obligations of their members. Shareholders (the Sole Shareholder) may familiarize themselves with the provisions on committees.

100. To organize the work of the Committee, the Committee or the Board of Directors, the Secretary of the Committee shall be appointed from among the employees of the Corporate Secretary Service. The Secretary of the Committee shall ensure preparation of the Committee meetings, collection and systematization of materials for the meetings, timely sending to the members of the Committee and invited persons of notices on holding the Committee meetings, agenda of meetings, materials on the agenda items, minutes of meetings, preparation of draft resolutions of the Committee, as well as subsequent storage of all relevant materials.

101. The Board of Directors shall decide on the establishment of the committees, shall determine the composition of the committees, terms of office and powers.

Committees shall consist of members of the Board of Directors who possess professional knowledge, competences and skills to work in the Committee. Potential conflicts of interest shall be taken into account when forming the composition of the Committees. The Chairmen of the Committees, along with their professional competences, shall possess organizational and leadership qualities, good communication skills for effective organization of the Committee's activities.

102. The Committees shall approve their work plan (before the beginning of the calendar year), which shall be coordinated with the work plan of the Board of Directors, indicating the list of issues to be considered and dates of meetings. Committee meetings shall be held at least four times a year. Meetings of the Committees shall be held in presentia, with minutes drawn up. In order to create favorable conditions and reduce the cost of Committee meetings, members of the Committees may participate by means of technical means of communication.

103. Chairmen of the Committees shall prepare a report on their activities and shall report to the Board of Directors following the results of the year at a separate meeting. The Board of Directors shall have the right at any time during the year to request the Committees to submit a report on their current activities within the terms established by the Board of Directors.

## **Paragraph 9. Strategic Planning Committee**

104. The Chairman of the Strategic Planning Committee shall be elected from among the members of the Board of Directors for the term of office of the Board of Directors at one of

the first meetings of the Board of Directors. The decision on election shall be made by a simple majority of votes of the total number of members of the Board of Directors.

105. The Strategic Planning Committee shall have the right to engage experts with relevant experience and competence to properly organize its activities. Members of the Committee who are not members of the Board of Directors shall be appointed by the Board of Directors upon recommendation of the Chairman of the Committee.

106. The functions of the Strategic Planning Committee shall be to develop and submit to the Board of Directors of the Company recommendations on the development of priority areas of the Company's business and its development strategy, including the development of measures to improve the efficiency of the Company's operations, its long-term value and sustainable development.

### **Paragraph 10. Audit Committee**

107. The Audit Committee shall consist of independent directors with the knowledge and practical experience in accounting and audit, risk management and internal control. The Chairman of the Audit Committee shall be an independent director. The functions of the Audit Committee shall include internal and external audit, financial reporting, internal control and risk management, compliance with the legislation of the Republic of Kazakhstan, internal documents and other issues on behalf of the Board of Directors.

108. The Audit Committee shall evaluate the candidates for the position of the Company's auditors, as well as preliminarily shall analyze the opinion of the audit organization before its submission to the Board of Directors and at the General Meeting of Shareholders.

109. A member of the Board of Directors who is not independent shall be elected to the Committee, if the Board of Directors decides, on an exceptional basis, that the membership of this person in the Audit Committee is in the interests of shareholders and the Company and provides the relevant justifications.

### **Paragraph 11. Personnel and Remuneration Committee**

110. The Human Resources and Remuneration Committee shall include the majority of independent directors in order to develop objective and independent decisions and shall prevent the influence of interested parties (representatives of shareholders, the head of the Management Board, employees and other persons) on the judgments of the Committee members.

111. The members of the Committee shall have knowledge and practical experience in the field of human resources management and assessment, as well as in the field of corporate governance. The Chairman of the Committee shall be an independent director.

112. The Human Resources and Remuneration Committee shall determine the criteria for selection of candidates to the Board of Directors, candidates for top managers, shall develop

the Company's policy in the field of remuneration of these persons, shall carry out regular assessment of the activities of the Board members and top managers.

The Committee's functions shall include appointment (election), setting motivational KPIs , performance assessment, remuneration and succession planning for the head and members of the Management Board, appointment and remuneration of the Corporate Secretary and employees of the Internal Audit Service, as well as participation in the consideration of these issues in respect of the composition of the Board of Directors itself, in cases where such powers are granted by the General Meeting of Shareholders (the Sole Shareholder). In this case, the members of the Human Resources and Remuneration Committee shall be prohibited to have a conflict of interest and shall not take part in the consideration of their own appointment and/or remuneration.

## **Paragraph 12. Organization of the activities of the Board of Directors**

113. Preparation and holding of meetings of the Board of Directors shall contribute to the effectiveness of its activities. Members of the Board of Directors shall have access to complete, up-to-date and timely information to perform their duties.

114. The Board of Directors shall observe the procedures established by the documents of the Company for preparation and holding of meetings of the Board of Directors.

115. Meetings of the Board of Directors shall be held in accordance with the work plan approved by the Board of Directors before the beginning of the calendar year, including the list of issues under consideration and the schedule of meetings.

Meetings of the Board of Directors and its committees shall be held by in-person or by absentee voting. The Board of Directors shall be recommended to reduce the number of meetings with absentee voting.

116. Consideration and adoption of decisions on strategic issues shall be carried out only at the meetings of the Board of Directors with in-person voting.

117. If members of the Board of Directors (not more than 30% of the total number of members of the Board of Directors) are unable to attend a meeting of the Board of Directors in person, a combination of both forms of meeting of the Board of Directors and its committees shall be possible.

An absent member of the Board of Directors may participate in the discussion of the issues under the consideration using technical means of communication and provide his or her opinion in writing.

118. The frequency of holding meetings of the Board of Directors shall not be less than six meetings per year.

In order to ensure thorough and comprehensive discussion and timely and high-quality decision-making, the issues to be considered during the year shall be evenly distributed.

119. Materials for meetings of the Board of Directors shall be sent at least ten calendar days in advance, and on more important issues determined by the Charter of the Company, at least fifteen working days in advance, unless other terms are established by the Charter of the Company.

120. The list of important issues shall include, inter alia, the development strategy and/or development plan, KPI for the Head and members of the Management Board, the annual report and participation in the creation of other legal entities.

121. The agenda of the meeting of the Board of Directors shall not include the issues, the materials on which were provided with a delay. In the event of inclusion of any items on the agenda in a timely manner, the Chairman of the Board of Directors shall be provided with an exhaustive justification of this need. Circumstances related to the inclusion of items on the agenda with delays shall be taken into account when assessing the performance of the Company's corporate secretary.

122. The Board of Directors shall make decisions based on complete, reliable and qualitative information. In order for the Board of Directors to make effective and timely decisions, the following conditions shall be observed:

1) high quality of materials, information, documents submitted to the Board of Directors (including, if necessary, translation into other languages depending on the language proficiency of the members of the Board of Directors);

2) obtaining the opinion of experts (internal and external) if necessary. Involvement of experts shall not relieve the Board of Directors of responsibility for the decision made;

3) time devoted to discussions at the board of directors, especially for important and complex issues;

4) timely consideration of issues;

5) Decisions provide for a plan of further actions, terms and responsible persons.

The following factors shall have a negative impact on the quality of decisions of the Board of Directors:

1) dominance of one or more directors at the meeting, which may limit their full participation in discussions of other directors;

2) formal attitude to risks;

3) pursuit of personal interests and low ethical standards;

4) formal decision-making at a meeting of the board of directors, without real and active discussions;

5) uncompromising position (lack of flexibility) or lack of aspiration for development (contentment with the current position);

6) weak organizational culture;

7) lack of information and/or analysis.

Members of the Board of Directors may request additional information on the agenda items necessary for making a decision.

123. Each member of the Board of Directors shall participate in the meetings of the Board of Directors and the committee to which he or she belongs. This provision may be waived in exceptional cases stipulated by the Regulation on the Board of Directors.

124. The quorum for holding a meeting of the Board of Directors shall be determined by the Charter of the Company, but no less than half of the members of the Board of Directors.

125. Decisions at a meeting of the Board of Directors of the Company shall be taken by a majority vote of the members of the Board of Directors attending the meeting, unless otherwise provided by the legislation of the Republic of Kazakhstan, the Charter of the Company or its internal documents governing the procedure for convening and holding meetings of the Board of Directors.

126. Each member of the Board of Directors of the Company shall have one vote when resolving issues at a meeting of the Board of Directors of the Company. Transfer of the voting right by a member of the Board of Directors of the Company to another person, including another member of the Board of Directors of the Company, shall not be allowed, except in cases stipulated by the legislation of the Republic of Kazakhstan or the Charter of the Company.

127. When the Board of Directors of the Company shall make decisions, in case of equality of votes of members of the Board of Directors, the Chairman of the Board of Directors of the Company shall have the casting vote.

128. A member of the Board of Directors who has an interest in the issue submitted for consideration of the Board of Directors shall not participate in the discussion and voting on this issue, which is recorded in the minutes of the meeting of the Board of Directors.

129. The Board of Directors may audit previously adopted decisions. The decision and the process of its adoption shall be subject to analysis. Revision of previously adopted decisions shall be carried out when the Board of Directors evaluates its activities.

### **Paragraph 13. Evaluation of the Board of Directors' performance**

130. The Board of Directors, committees and members of the Board of Directors shall be assessed on an annual basis. At the same time, at least once every three years, the assessment shall be carried out with the involvement of an independent professional organization.

131. The assessment shall allow determining the contribution of the Board of Directors and each of its members to the growth of long-term value and sustainable development of the Company, as well as identifying areas for improvement and recommending measures for improvement. The assessment results shall be taken into account when re-electing or early terminating the powers of the Board of Directors members.

132. The assessment shall be one of the main tools to improve the professionalism of the Board of Directors and its individual members. The assessment shall be carried out both for independent directors and for representatives of shareholders (the Sole Shareholder).

The assessment shall be carried out according to the principles of regularity, comprehensiveness, continuity, realism and confidentiality.

The process, terms and procedure of assessment of the Board of Directors' activity, its committees and members of the Board of Directors shall be regulated by the Company's internal documents.

133. The evaluation shall include, inter alia, consideration of the following issues:

1) Optimal composition of the Board of Directors (balance of skills, experience, diversity of composition, objectivity) in the context of the challenges faced by the Company;

2) clarity of vision, strategy, main tasks, problems and values of the Company;

3) Succession and development plans;

4) functioning of the Board of Directors as a single body, the role of the Board of Directors and the Head of the Management Board in the Company's activity;

5) efficiency of interaction of the Board of Directors with shareholders (the Sole Shareholder), Management Board and officials of the Company;

6) efficiency of each member of the Board of Directors;

7) efficiency of activities of the committees of the Board of Directors and their interaction with the Board of Directors and members of the Management Board;

8) quality of information and documents submitted to the Board of Directors;

9) quality of discussions at the Board of Directors and committees;

10) efficiency of the Corporate Secretary's activities;

11) clarity of processes and competencies;

12) process of identification and assessment of risks;

13) interaction with shareholders and other interested parties.

134. Assessment shall be carried out by the Board of Directors on an annual basis taking into account the relevant assessment of the Human Resources and Remuneration Committee. Methods of assessment shall include self-assessment or engagement of an independent consultant to improve the quality of assessment. An independent external consultant shall be engaged at least once every three years.

135. The results of the assessment shall be the basis for the General Meeting of Shareholders (the Sole Shareholder) to re-elect the entire Board of Directors or a single member thereof, review the composition of the Board of Directors and the amount of remuneration to the members of the Board of Directors. In the event of serious deficiencies in the performance of individual members of the board of directors, the Chairman of the Board of Directors shall hold consultations with major shareholders (the sole shareholder).

In the annual report, the Board of Directors shall reflect the way in which the Board of Directors is assessed and the measures taken based on its results.

136. The Sole Shareholder may conduct its own assessment of the Board of Directors independently or with the assistance of an independent consultant. In the course of the assessment conducted by the Sole Shareholder, the results of the assessment conducted by the

Board of Directors, the results of the Company's activity, and the achievement of KPIs shall be taken into account.

#### **Paragraph 14. Corporate Secretary of the Company**

137. In order to effectively organize the activities of the Board of Directors and interaction of the Management Board with shareholders, the Board of Directors shall appoint the Corporate Secretary.

138. The Board of Directors shall appoint the Corporate Secretary, shall determine the term of office of the Corporate Secretary, functions and procedures, the amount of salary and remuneration, shall decide on the establishment of the Corporate Secretary's (Secretariat's) service and shall determine the budget of the said service. The Corporate Secretary shall be accountable to the Board of Directors of the Company and shall be independent of the Management Board of the Company.

139. The main duties of the Corporate Secretary shall include:

Assistance in timely and high-quality corporate decision-making by the Board of Directors, the Sole Shareholder;

Acting as an advisor to members of the Board of Directors on all matters related to their activities and application of the provisions of this Code, as well as monitoring the implementation of this Code and participation in improving corporate governance in the Company and organizations.

The Corporate Secretary shall also prepare a report on compliance with the principles and provisions of this Code, which shall be included in the annual report of the Company. This report shall reflect the list of principles and provisions of the Code, which are not complied with, with appropriate explanations.

139. The main duties of the Corporate Secretary shall include:

Assistance in timely and high-quality corporate decision-making by the Board of Directors, the Sole Shareholder;

Acting as an advisor to the Board of Directors on all matters related to their activities and application of the provisions of this Code, as well as monitoring the implementation of this Code and participating in the improvement of corporate governance in the Company and organizations.

The Corporate Secretary shall also prepare a report on compliance with the principles and provisions of this Code, which shall be included in the annual report of the Company. This report shall reflect the list of principles and provisions of the Code, which are not complied with, with appropriate explanations.

140. The main functions of the Corporate Secretary in terms of ensuring the activities of the Board of Directors shall include, inter alia:

- 1) Assisting the Chairman of the Board of Directors in forming the work plan and agendas of meetings;
- 2) organization of meetings of the Board of Directors and its committees;
- 3) ensuring that members of the Board of Directors receive relevant and timely information sufficient to make decisions on agenda items and within the competence of the Board of Directors;
- 4) Minutes of meetings of the Board of Directors and committees, storage of minutes, transcripts, audio-video recordings, materials of meetings of the Board of Directors and committees;
- 5) consulting the members of the Board of Directors on the issues of legislation of the Republic of Kazakhstan, the Charter of the Company, this Code, internal documents, monitoring of the changes and timely informing the members of the Board of Directors;
- 6) organization of introduction of newly elected members of the Board of Directors into office;
- 7) organization of training of members of the Board of Directors and attraction of experts;
- 8) organization of interaction between members of the Board of Directors and shareholders, the Management Board.

In terms of ensuring interaction with shareholders (the sole shareholder):

- 1) organization of general meetings of shareholders;
- 2) timely submission of materials on issues submitted for consideration of the General Meeting of Shareholders/Single Shareholder for adoption of relevant decisions;
- 3) Minutes of the General Meeting of Shareholders, storage of minutes, transcripts, materials of meetings of the General Meeting of Shareholders (decisions of the Sole Shareholder);
- 4) ensuring proper interaction of the Organization with shareholders, including control over provision of information to shareholders on a timely basis.

In terms of implementation of good corporate governance practices:

- 1) Monitoring of implementation and compliance with the principles and provisions of this Code;
- 2) preparation of a report on compliance with the principles and provisions of this Code;
- 3) identification of violations in terms of corporate governance standards stipulated by the legislation, the Charter and other documents of the Company in the course of performing its functions;
- 4) consultation of shareholders, officials, employees of the Company on corporate governance issues;
- 5) monitoring of the best world practice in the sphere of corporate governance and making proposals on improvement of corporate governance practice in the Company.

141. In the event of a conflict of interest, the Corporate Secretary shall bring this information to the attention of the Chairman of the Board of Directors.

142. In order to perform his/her duties, the Corporate Secretary shall have knowledge, experience and qualification, as well as a bona fide business reputation. Depending on the size of the Company and the scale of its activities, the Corporate Secretary Service may be established.

143. The position of the Corporate Secretary shall be held by a person having higher legal or economic education with at least five years of work experience and practical knowledge in the field of corporate governance and corporate law.

144. In order to improve the efficiency of preparation and holding of meetings, the Board of Directors shall periodically discuss the completeness and usefulness of the materials provided to members of the Board of Directors. The results of these discussions shall serve as a basis for assessing the performance of the Corporate Secretary.

145. With regard to the Corporate Secretary, the Company shall develop an induction and succession planning programme. Appointment of the Corporate Secretary shall be carried out on the basis of open and transparent procedures set forth in the Company's internal documents

146. The Corporate Secretary shall carry out his/her activities on the basis of a regulation approved by the Board of Directors, which specifies the functions, rights and obligations, the procedure for interaction with the Company's bodies, qualification requirements and other information.

147. To perform his/her functions, the Corporate Secretary shall be vested with the following powers

1) request and receive from the Company's officers and employees materials sufficient for making decisions at the meetings of the Board of Directors and materials on the agenda items of the General Meeting of Shareholders;

2) take measures to organize meetings of the Board of Directors and the General Meeting of Shareholders;

3) directly interact with the Chairman and members of the Board of Directors, the First Head and members of the Management Board, employees of the Company, shareholders.

The Management Board of the Company shall provide the Corporate Secretary with all-round assistance in the performance of his powers.

## **Paragraph 15. Society's Ombudsman**

148. In order to comply with the principles of business ethics and optimal regulation of social and labor disputes arising in the Company and organizations, an ombudsman shall be appointed.

149. The Ombudsman shall be appointed by the decision of the Board of Directors of the Company and Organizations and shall be subject to re-election every two years. The role of the Ombudsman shall be to advise employees, participants of labor disputes, a conflict and

shall assist them in developing mutually acceptable, constructive and implementable solutions taking into account the observance of the legislation of the Republic of Kazakhstan (including confidentiality), shall assist in solving problematic social and labor issues of both employees and the Company and organizations.

150. The Ombudsman shall submit for consideration of the relevant bodies and officials of the Company and organizations the problematic issues identified by him/her, which are of systemic nature and require adoption of relevant decisions (comprehensive measures), and shall put forward constructive proposals for their resolution.

151. The Ombudsman shall submit a report on the results of his or her work to the Human Resources and Remuneration Committee and the Audit Committee of the Board of Directors of the Company and organizations, which evaluate the results of his or her activities, at least once a year.

152. The Board of Directors of the Company and Organizations shall evaluate the results of the Ombudsman's activity and shall make a decision on prolongation or termination of the powers of the person holding the position of the Ombudsman.

#### **Paragraph 16. Internal Audit Service under the Board of Directors of the Company**

153. In order to exercise control over financial and economic activities of the Company, to assess the internal audit and control, risk management, compliance with the legislation of the Republic of Kazakhstan, the Company shall establish an internal audit service. The Company's Board of Directors shall determine the quantitative composition of the internal audit service, the term of office of its employees, shall appoint its head, as well as early termination of his/her authority, shall determine the procedure for its operation, the amount and terms of remuneration and bonuses for employees of the internal audit service, as well as the budget of the internal audit service.

154. Employees of the Internal Audit Service may not be elected to the Board of Directors and the Management Board of the Company.

155. The Internal Audit Service shall report directly to the Board of Directors of the Company and shall be independent of the Management Board of the Company. The tasks and functions of the Internal Audit Service, its rights and responsibilities shall be determined by the Regulations on the Internal Audit Service approved by the Board of Directors of the Company.

156. Key responsibilities of the Internal Audit Service shall include the assessment of the quality of the internal control and risk management system in the Company and reporting to the Board of Directors of information on sufficiency and efficiency of this system. The main task of the Internal Audit Service shall be to contribute to the improvement of the Company's performance.

157. The Regulation on the Internal Audit Service shall define and consolidate it:

- 1) adherence to the principles and regulations adopted by the Institute of Internal Auditors ;
- 2) status, goals and objectives of the internal audit of the Company;
- 3) conditions for ensuring independence, objectivity and professionalism of the internal audit service in order to achieve the goals and objectives of internal audit and effective performance of functions and duties by the internal audit service;
- 4) qualification requirements to the head and employees of the Internal Audit Service;
- 5) scope and content of internal audit activities;
- 6) the right of access to documentation, employees and tangible assets in the course of performance of relevant tasks;
- 7) procedure of interaction of the internal audit service with the Board of Directors and the Management Board of the Company and submission of reports to the Audit Committee and the Board of Directors of the Company.

158. The internal audit regulations shall also provide for the following tasks and functions :

- 1) assistance to the Management Board and employees of the Company in development and monitoring of procedures and measures to improve the risk management and internal control system, corporate governance;
- 2) coordination of activities with the external auditor of the Company, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;
- 3) carrying out internal audit of subsidiaries within the established procedure;
- 4) preparation and submission to the Board of Directors and the Audit Committee of quarterly and annual reports on the results of activities of the Internal Audit Department and implementation of the annual audit plan (including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified deficiencies, the results of assessment of the actual state, reliability and efficiency of the risk management system, internal control and corporate governance);
- 5) inspection of compliance by the members of the Management Board of the Company and its employees with the provisions of the legislation of the Republic of Kazakhstan and internal documents related to insider information and fight against corruption, compliance with ethical requirements;
- 6) monitoring the implementation of recommendations of the external auditor;
- 7) provision of consultations to the Board of Directors, Management Board, structural subdivisions and subsidiaries on organization and improvement of internal control, risk management, corporate governance and organization of internal audit (including development of internal regulations and projects in these areas), as well as on other issues within the competence of the Internal Audit Service.

159. The Board of Directors shall assess the efficiency of the Internal Audit Service, its Head and employees based on the consideration of the reports of the Internal Audit Service, compliance with the deadlines for the execution of the annual audit plan and submission of reports, and assessment of compliance of the reports with the requirements of standards and internal regulations of the Internal Audit Service.

### **Paragraph 17. Board of Directors**

160. The Company's day-to-day operations shall be managed by the Management Board.

The Head and members of the Management Board shall have high professional and personal characteristics, a good business reputation, and shall adhere to ethical standards.

The Head of the Management Board shall have organizational skills, as well as active interaction with shareholders and constructive dialogue with them, the Board of Directors, employees and other interested parties.

161. The Management Board shall be accountable to the Board of Directors and shall manage the daily operations of the Company, shall be responsible for the implementation of the development strategy and/or the development plan and decisions made by the Board of Directors and the General Meeting of Shareholders.

162. The Board of Directors shall elect the Head and the members of the Management Board, shall determine the terms of office, the size of the official salary and the terms of their remuneration. The key role in the process of search and selection of candidates to the Management Board and determination of their remuneration shall be played by the Human Resources and Remuneration Committee of the Company's Board of Directors.

163. Proposals on candidates for election to the Management Board shall be submitted by the Head of the Management Board for consideration by the Human Resources and Remuneration Committee of the Board of Directors. In case the Board of Directors rejects a candidate proposed by the Head of the Management Board for the same vacant position in the Management Board for the second time, the right to make a proposal on the candidate for this vacant position shall pass to the Board of Directors.

164. The Board of Directors may at any time terminate the powers of the Head and members of the Management Board.

165. The head and member of the Management Board of the Company shall be elected for a term of up to three years. The terms of office of the Head and members of the Management Board shall coincide with the term of office of the Management Board.

166. In order to increase the transparency of the appointment and remuneration processes of the Head and members of the Management Board of the Company, the Board of Directors shall approve and shall strictly observe the rules of appointment, remuneration, assessment and succession of the Head and members of the Management Board of the Company.

167. The Management Board, under the direction of the Board of Directors, shall develop the development strategy and/or development plan of the Company.

The Management Board shall ensure:

1) carrying out activities in accordance with the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, decisions of the General Meeting of Shareholders and the Board of Directors;

2) proper risk management and internal control;

3) Allocation of resources for implementation of decisions of the General Meeting of Shareholders (the Sole Shareholder) and the Board of Directors;

4) occupational safety of the Company's employees;

5) creation of an atmosphere of interest and loyalty of the Company's employees, development of corporate culture.

168. The Board of Directors shall exercise control over the activities of the Management Board of the Company. Control may be exercised through regular reporting by the Management Board to the Board of Directors and hearing the Management Board on the implementation of medium-term development plans and achieved results at least once a quarter.

169. The Management Board shall holds in-person meetings and shall discuss the implementation of the development strategy and/or development plan, decisions of the General Meeting of Shareholders (the Sole Shareholder), the Board of Directors and operational activities. Meetings of the Management Board shall be held on a regular basis. Cases of absentee meetings shall be limited and shall be defined in the Charter and internal documents of the Company.

170. The Management Board shall prepare a work plan for the coming year with a list of issues prior to the beginning of the calendar year. Members of the Management Board shall be provided with materials for consideration and proper quality in advance. Several meetings may be held to consider such issues as development strategies and/or plans, investment projects, and risk management.

When considering each issue, a separate discussion shall be devoted to the risks associated with decision-making and their impact on the value and sustainable development of the Company.

All issues submitted for consideration of the Board of Directors and the General Meeting of Shareholders (the Sole Shareholder) upon the initiative of the Management Board shall be preliminary considered and shall be approved by the Management Board.

171. The Head and members of the Management Board shall not allow a conflict of interest situation to arise. If a conflict of interest arises, they shall notify the Board of Directors or the Head of the Management Board in advance, shall record it in writing and shall not participate in decision-making on the issue.

The Head and members of the Management Board may hold positions in other organizations only with the approval of the Board of Directors. The Head of the Management Board shall not hold the position of the Head of the Management Board of another legal entity.

173. The Management Board shall ensure the creation of an optimal organizational structure of the Company.

The organizational structure shall be aimed at:

- 1) efficiency of decision-making;
- 2) increase of the Company's productivity;
- 3) efficiency of decision-making;
- 4) organizational flexibility.

Candidates for vacant positions of the Company shall be elected on the basis of open and transparent competitive procedures. Career promotion and material incentives for the Company's employees shall be carried out in accordance with the principles of meritocracy, taking into account the level of knowledge, competence, work experience and achievement of set objectives. The Company shall form a pool of employees in the personnel reserve, from which they can be subsequently appointed to senior positions in middle and senior management. Employees shall be assessed on an annual basis.

Selection procedures shall be implemented in accordance with the following requirements: openness and absence of restrictions for a wide range of positions, ensuring the principle of equality of opportunities, which contributes to the increase of competition and selection of worthy candidates meeting the requirements of professionalism and competence;

Unbiased selection of personnel and a complete lack of protectionism and patronage system (based on loyalty, ethnicity, kinship and personal friendship);

Legal regulation, including the establishment of principles and criteria for evaluating candidates, excluding conditions for subjectivity in decision-making.

## **Paragraph 18. Evaluation and remuneration of members of the Management Board**

174. The Head and members of the Management Board shall be assessed by the Board of Directors. The main assessment criterion shall be the achievement of the KPIs set.

The KPIs of the Head and members of the Management Board shall be approved by the Company's Board of Directors. Proposals regarding the KPIs of the members of the Management Board shall be submitted by the Head of the Management Board for consideration by the Board of Directors.

175. The assessment results shall influence the amount of remuneration, incentives, re-election (appointment) or early termination of powers.

176. Remuneration of the Head and members of the Management Board shall consist of a permanent and variable part. When establishing the official salary, the complexity of the tasks

to be performed, personal competence of the employee and his/her competitiveness in the market, the contribution made by this person to the development of the Company, the level of official salaries in similar companies, the economic situation in the Company shall be taken into account.

177. In case of early termination of the employment contract, remuneration shall be paid in accordance with the internal documents approved by the Company's Board of Directors.

### **Paragraph 19: Principle of sustainable development**

178. The Company shall be aware of the importance of its influence on the economy, ecology and society, striving for growth of long-term value, shall ensure its sustainable development in the long term, observing the balance of interests of interested parties. The approach of responsible, thoughtful and rational interaction with interested parties will contribute to the sustainable development of the Company.

179. The Company shall strive for growth of long-term value, shall ensure sustainable development, and shall maintain a balance of interests of interested parties. Sustainable development activities shall comply with the best international standards.

In the course of its activities, the Company shall influence or shall be influenced by its interested parties.

Interested parties can have both positive and negative impact on the Company's activities, namely on the growth of the Company's value, sustainable development, reputation and image, create or reduce risks. The Company shall pay great attention to proper interaction with interested parties.

180. When identifying interested parties and engaging with them, the Company shall use international standards for identification and interaction with interested parties (Standard AA 1000, Standard of Accountability Principles (Associated Principles Standard 2008 "Standard of Stakeholder Engagement Standard 2011" (AA 2011 Stakeholder Engagement Standard 2011), ISO 26000 Guidance on Social Responsibility, GRI (Global Reporting Initiative), given in accordance with Annex 1 to this Code).

The Company shall take measures to establish a dialogue and long-term cooperation with interested parties.

181. The Company shall prepare a map of interested parties taking into account the risks and ranking taking into account the dependence (direct or indirect), obligations, situation (paying special attention to high-risk areas), influence, different (various) prospects.

182. Holding companies shall have a consolidated stakeholder map for their group and draw up an appropriate stakeholder engagement plan.

183. The methods of stakeholder engagement shall include the following forms (AA 1000 "Stakeholder Engagement Standard 2011" 2011 (AA 2011 Stakeholder Engagement Standard 2011), which are provided in accordance with Annex 2 to this Code.

184. The Company shall ensure the consistency of its economic, environmental and social goals for sustainable development in the long term, which include, inter alia, the growth of long-term value for shareholders and investors. Sustainable development in the Company shall consist of three components: economic, environmental and social.

185. The economic component shall direct the Company's activities towards the growth of long-term value, ensuring the interests of shareholders and investors, increasing the efficiency of processes, increasing investments in the creation and development of advanced technologies, and increasing labor productivity.

186. The environmental component shall ensure minimization of the impact on biological and physical natural systems, optimal use of limited resources, application of environmentally friendly, energy and material-saving technologies, creation of environmentally acceptable products, minimization, recycling and destruction of waste.

187. The social component shall be based on the principles of social responsibility, which, among other things, shall include ensuring occupational safety and health of employees, fair remuneration and respect for employees' rights, individual development of personnel, implementation of social programs for personnel, creation of new jobs, sponsorship and charity, and carrying out environmental and educational activities.

188. The Company shall carry out an analysis of its activities and risks in relation to these three aspects, and shall strive to prevent or reduce the negative impact of its activities on interested parties.

189. International GRI 4 standards shall provide a classification of categories and aspects of sustainable development of the Companies in accordance with Annex 3 to this Code.

190. The Company shall build a management system in the field of sustainable development, which includes, inter alia, the following elements:

1) adherence to the principles of sustainable development at the level of the Board of Directors, executive body and employees;

2) analysis of internal and external situation on three components (economy, ecology, social issues);

3) determination of sustainable development risks in the social, economic and environmental spheres;

4) building a map of interested parties;

5) determination of objectives and KPIs in the field of sustainable development, development of an action plan and identification of responsible persons;

6) integration of sustainable development into key processes, including risk management, planning, human resources management, investments, reporting, operating activities and others, as well as into development strategy and decision-making processes;

7) improving the skills of officials and employees in the field of sustainable development;

8) regular monitoring and evaluation of sustainable development activities, assessment of achievement of goals and KPIs, taking corrective measures, introduction of a culture of continuous improvement.

191. The Board of Directors and the Management Board of the Company shall ensure the formation of an appropriate system in the field of sustainable development and its implementation.

All employees and officials at all levels shall contribute to sustainable development.

Holding companies shall be responsible for the implementation of sustainable development principles throughout the group.

192. The Company shall develop plans of measures in the field of sustainable development by means of:

1) analysis of the current situation in three main areas: economic, environmental and social. In carrying out this analysis, it is important to ensure the reliability, timeliness and quality of information;

2) determination of sustainable development risks. Risks are distributed in accordance with the three areas of sustainable development, may also affect related areas and capture other risks. To determine the risks, both internal and external factors of impact on the Company shall be analyzed;

3) determination of interested parties and their influence on the activity;

4) determination of goals, as well as, if possible, target indicators, measures to improve and improve the organization's activities in three components, responsible persons, resources and terms of execution;

5) regular monitoring and evaluation of the implementation of goals and measures to achieve the targets;

6) systematic and constructive interaction with interested parties, receiving feedback;

7) implementation of the developed plan;

8) continuous monitoring and regular reporting;

9) analysis and evaluation of the plan performance, summarizing and taking corrective and improving measures.

Sustainable development shall be integrated into the plan:

1) management system;

2) development strategy;

3) key processes, including risk management, planning (long-term (strategy), medium-term (five-year development plan) and short-term (annual budget) periods), reporting, risk management, human resources management, investments, operations and other, as well as in decision-making processes at all levels, starting from the bodies (General Meeting of Shareholders (Sole Shareholder), Board of Directors, Management Board) and ending with ordinary employees.

193. The sustainable development management system shall define and consolidate the roles, competence and responsibility of each body and all employees for the implementation of the principles, standards and relevant policies and plans in the field of sustainable development.

194. The Board of Directors of the Company shall carry out strategic management and control over implementation of sustainable development. The Management Board of the Company shall prepare an appropriate action plan and shall submit it for consideration of the Board of Directors.

In order to prepare sustainable development issues, a committee shall be established or these functions shall be delegated to the competence of one of the existing committees under the Board of Directors of the Company on sustainable development issues.

The Company shall implement special training and professional development programs on sustainable development issues. Training shall be a permanent element in the implementation of sustainable development. The Company's officers shall promote the involvement of employees in sustainable development on the basis of understanding and commitment to the principles of sustainable development and change of culture, behavior in the conduct of business and performance of duties.

195. Benefits from the implementation of sustainable development principles shall include :

1) investment attraction - in the world practice, when determining the investment attractiveness of investors, the efficiency in the field of sustainable development is taken into account;

2) improvement of management efficiency and minimization of risks - integration of environmental and social aspects into the management decision making process allows expanding planning horizons and taking into account a more diverse range of risks and opportunities, which creates prerequisites for sustainable business development;

3) efficiency improvement - introduction of modern technologies allows to create innovative products and services, while increasing its competitiveness and efficiency;

4) strengthening of reputation - improvement of corporate image is a direct result of sustainable development activities, which increases the value of the brand and forms a credit of trust, as well as has a positive impact on the quality of interaction with business partners;

5) increase of loyalty on the part of internal and external interested parties - creation of attractive working conditions, opportunities for professional and career growth allows to attract and retain promising qualified specialists; building an effective dialogue with interested parties contributes to the formation of a positive environment around the Company's activities, which contributes to the improvement of business efficiency through understanding and support from clients, shareholders, investors, government agencies, local communities

196. The Company, whose shares are listed on the stock exchange, shall annually develop and shall publish reports on sustainable development. When preparing the report on sustainable development, it shall be necessary to be guided by the generally accepted international standards: International Standard for Integrated Reporting (IIRC), Guidelines for Reporting in the Field of Sustainable Development of the Global Reporting Initiative (GRI), Standards of AA1000 Social and Ethical Accountability series in the field of management of economic, social and environmental aspects of activities, as well as to take into account its impact on the interests of interested parties, taking into account the protection of information that constitutes official, commercial and other legally protected information.

It shall be allowed to present information on sustainable development in the form of a separate report or in the annual report of the Company.

Holding companies may prepare a single consolidated report for the organizations of their group.

197. The Sustainable Development Report shall be approved by the Board of Directors and shall be brought to the information of interested parties by posting on the corporate website and/or providing it on paper.

In order to bring the sustainable development policy to the attention of interested parties, the Company's and organizations' Internet resources shall have a separate section dedicated to this area of activity.

198. The Company and the Organisations shall discuss the inclusion of and compliance with the principles and standards of sustainable development in the relevant contracts (agreements, contracts) with partners.

If the Company or an organization identifies a risk associated with the negative impact of its partners on the economy, environment and society, the Company and/or the organization shall take measures aimed at stopping or preventing such impact.

If a partner fails to accept or improperly fulfils the principles and standards of sustainable development, the importance of this partner for the Company and the organization shall be taken into account, and whether there are any measures to influence him or her and the possibility of his or her replacement.

## **Paragraph 20. Risk management**

199. The Company shall establish an efficient risk management and internal control system aimed at ensuring that the Company achieves its strategic and operational goals, which shall be a set of organizational policies, procedures, standards of conduct and actions, methods and mechanisms of management created by the Board of Directors and the Management Board of the Company to ensure their implementation:

1) the optimal balance between the growth of the Company's value, profitability and risks associated with it;

2) efficiency of financial and economic activities and achievement of financial stability of the Company;

3) safety of assets and efficient use of the Company's resources;

4) completeness, reliability and reliability of financial and management reporting;

5) compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company;

6) proper internal control to prevent fraud and provide effective support for the functioning of the main and auxiliary business processes and analysis of the results of activities.

200. The Board of Directors of the Company shall approve internal documents defining principles and approaches to organization of risk management and internal control system based on the objectives of this system.

Organization of an effective risk management and internal control system in the Company shall be aimed at building a management system capable of ensuring the understanding of the reasonableness and acceptability of the level of risks by employees, management, and bodies of the Company in their decision-making, to respond quickly to risks, to control the main and auxiliary business processes and daily operations, as well as to immediately inform the management of the appropriate level of any significant deficiencies.

201. The principles and approaches to the organization of an effective risk management and internal control system shall include:

1) determination of goals and objectives of the risk management and internal control system;

2) organizational structure of the risk management and internal control system covering all levels of decision-making and taking into account the role of the respective level in the process of development, approval, implementation and evaluation of the risk management and internal control system;

3) requirements to the organization of the risk management process (approaches to risk identification, risk identification and assessment procedure, determination of response methods, monitoring);

4) requirements to the organization of the internal control system and control procedures (description of key areas and main components of the internal control system, the procedure for assessing the effectiveness and reporting in the field of internal control).

202. The internal documents of the Company shall stipulate the responsibility of the Board of Directors and the Management Board of the Company for organization and provision of effective functioning of the risk management and internal control system on a consolidated basis.

203. Each person of the Company shall ensure proper consideration of risks when making decisions.

The Management Board of the Company shall ensure the implementation of risk management procedures by employees with relevant qualifications and experience.

204. Management Board of the Company shall:

1) ensure the development and implementation of internal documents approved by the Board of Directors in the field of risk management and internal control;

2) ensure the creation and effective functioning of the risk management and internal control system through practical implementation and continuous implementation of the principles and procedures of risk management and internal control assigned to it;

3) be responsible for the implementation of decisions of the Board of Directors and recommendations of the Audit Committee in the field of organization of risk management and internal control system;

4) monitor the risk management and internal control system in accordance with the requirements of internal documents;

5) ensure the improvement of risk management and internal control processes and procedures taking into account changes in the external and internal business environment.

205. In order to implement the principles of internal control and ensure the effectiveness of the risk management and internal control system, the Management Board of the Company shall allocate powers, duties and responsibilities for specific risk management and internal control procedures among the managers of the following level and/or heads of structural units

206. Heads of structural subdivisions, in accordance with their functional duties, shall be responsible for the development, documentation, implementation, monitoring and development of the risk management and internal control system in their respective functional areas of the Company.

207. The organizational structure of the risk management and internal control system in the Company (depending on the scale and specifics of its activities) shall provide for the existence of a structural unit responsible for risk management and internal control (or these functions may be assigned to the internal audit service), the which tasksshall include:

1) general coordination of risk management and internal control processes;

2) development of methodological documents in the field of risk management and internal control and provision of methodological support to owners of business processes and employees in the process of identification, documentation of risks, implementation, monitoring and improvement of control procedures, formation of action plans to respond to risks and action plans to improve the risk management and internal control system, reports on their implementation;

3) organization of training of employees in the field of risk management and internal control;

4) analysis of the risk portfolio and development of proposals for response strategy and redistribution of resources in relation to the management of relevant risks;

- 5) formation of consolidated risk reporting;
- 6) implementation of operational control over the risk management process by structural subdivisions;
- 7) preparation and informing the Board of Directors and/or the Management Board of the Company on the status of the risk management system, existing threats and proposals for their prevention/mitigation.

The manager in charge of risk management and internal control shall not be the owner of the risk, which ensures its independence and objectivity. It shall be impossible to combine risk management and internal control functions with the functions related to economic planning, corporate financing, treasury, and investment decision-making. Combination with other functions shall be allowed if there is no significant conflict of interest.

208. The risk management and internal control system shall provide for the identification, assessment and monitoring of all significant risks, as well as timely and adequate risk mitigation measures.

Risk management procedures shall ensure prompt response to new risks, their identification and identification of risk owners. In case of any unforeseen changes in the competitive or economic environment of the Company, the risk map shall be reassessed and its compliance with the risk appetite.

209. The Board of Directors shall approve the general level of risk appetite and tolerance levels in respect of key risks, which are fixed in the Company's internal documents.

210. Tolerance levels for key risks shall be reviewed in case of occurrence of significant events. Limits shall be established that limit the risks in daily operations.

211. To ensure a comprehensive and clear understanding of inherent risks, the Company shall annually identify and shall evaluate risks, which are reflected in the risk register, risk map, and risk response plan (process improvement, minimization strategies) approved by the Board of Directors.

212. When considering the list of risks, the Board of Directors shall ensure that they include risks that may actually affect the implementation of strategic objectives, and when considering the risk response plan, make sure that the measures are useful. The Board of Directors and the Management Board of the Company shall regularly receive the information on key risks, their analysis in terms of their impact on the strategy and business plans of the Company.

Risk reports shall be submitted to meetings of the Board of Directors at least once a quarter and shall be properly discussed in full.

213. The Company shall implement transparent principles and approaches in the field of risk management and internal control, training of employees and officials on the risk management system, as well as the process of documentation and timely communication of information to officials.

214. Employees of the Company and organizations shall be trained/introduced to familiarize themselves with the adopted risk management and internal control system on an annual basis, as well as during hiring.

Based on the results of such training, knowledge testing shall be conducted.

215. Within the framework of the risk management and internal control system, a safe, confidential and accessible way of informing the Board of Directors, Audit Committee and internal audit subdivision about the facts of violations of the legislation of the Republic of Kazakhstan, internal procedures, Code of Business Ethics by any employee and official of the Company shall be organized.

## **Paragraph 21. Internal control and audit**

216. The Company shall establish an internal audit service for systematic independent assessment of the reliability and efficiency of the risk management and internal control system and corporate governance practices.

217. In the form of a joint-stock company, a separate structural subdivision, the Internal Audit Service, shall be created in the organizations being part of the Company.

218. The Internal Audit Service shall operate on the basis of a risk-oriented annual audit plan approved by the Company's Board of Directors.

219. The results of audit reports, key findings and relevant recommendations shall be submitted to the Board of Directors for consideration on a quarterly basis.

220. When carrying out its activities, the Internal Audit Service shall evaluate the efficiency of the internal control and risk management systems, shall assess corporate governance using generally accepted standards of internal audit and corporate standards.

Assessment of the efficiency of the internal control system shall include:

1) analysis of compliance of business processes, projects and structural subdivisions with the Company's goals, verification of reliability and integrity of business processes (activities) and information systems, including reliability of procedures to counteract illegal actions, abuses and corruption;

2) verification of reliability of accounting (financial), statistical, management and other reporting, identification of results of business processes and structural subdivisions for compliance with the goals set;

3) determination of adequacy of the criteria established by the Management Board of the Company for analysis of the degree of execution (achievement) of the set goals;

4) identification of deficiencies in the internal control system that prevented (do not allow) achieving the set goals;

5) evaluation of the results of implementation (implementation) of measures to eliminate violations, deficiencies and improvement of the internal control system implemented at all levels of management;

- 6) verification of efficiency and expediency of resources use;
- 7) inspection of safety of the Company's assets;
- 8) inspection of compliance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company.

Assessment of the efficiency of the risk management system shall include:

- 1) verification of sufficiency and maturity of elements of the risk management system for effective risk management (goals and objectives, infrastructure, organization of processes, regulatory and methodological support, interaction of structural subdivisions within the risk management system, reporting);

- 2) inspection of completeness and correctness of risk assessment by the executive body at all levels of its management;

- 3) inspection of efficiency of control procedures and other risk management measures, including efficiency of use of resources allocated for these purposes;

- 4) analysis of information on implemented risks (violations revealed by internal audits, failure to achieve the set goals, facts of legal proceedings).

Corporate governance assessment shall include a review:

- 1) compliance with ethical principles and corporate values of the Company;

- 2) procedure for setting goals, monitoring and control over their achievement;

- 3) the level of regulatory support and procedures of information interaction (including internal control and risk management) at all levels of management, including interaction with interested parties;

- 4) ensuring the rights of shareholders, including the controlled organizations, and the effectiveness of relations with interested parties;

- 5) procedures for disclosure of information on the activities of the Company and organizations controlled by it.

221. The Company shall carry out an annual audit of financial statements by engaging an independent auditor, who provides an objective opinion to interested parties on the reliability of financial statements and its compliance with the requirements of the International Financial Reporting Standards.

222. The external auditor shall be selected on the basis of a competitive bidding process. The opinion of the Audit Committee of the Company's Board of Directors, whose members are included in the Tender Committee, shall be taken into account during the selection process.

The following key parameters shall be taken into account when determining the independence of the members of the Committee for selection of the external auditor:

The nature of financial or business relations of each member of the Committee with the external auditor;

The nature of kinship between each member of the commission and the external auditor.

223. The external auditor involved shall not provide the Company with consulting services that may become a threat to the independence of the external auditor, and shall not employ former members of the audit team in executive positions earlier than two years after their dismissal from the audit firm.

The Company shall ensure disclosure of detailed information on the external auditor engaged.

The Company shall regulate the issues of selection and interaction with the external auditor.

224. Interested parties shall verify the reliability of the Company's financial statements by engaging an external auditor that meets the following criteria

High level of qualification of the audit firm's specialists; considerable experience and positive reputation (in the Kazakhstan and international markets (if necessary);

availability of experience in the industry;

compliance of the audit organization with international auditing standards, legislation of the Republic of Kazakhstan in the field of auditing, Code of Ethics for Professional Accountants of the International Federation of Accountants;

efficiency of the work on identification of defects and submission of recommendations on improvement of internal controls over the process of preparation of financial statements.

225. The Company shall approve the documents regulating the procedure of audit and relations with the external auditor, including the process of selection of the external auditor, powers and functions of the tender commission, provision of consulting services by the audit organization not related to the audit of financial statements and other information, rotation of the audit organizations and senior staff of the audit organization, employment of former employees of the audit organization.

226. Rotation of partners and senior staff responsible for the audit of financial statements shall be carried out at least once every five years, if the audit firm renders audit services to the Company for more than five consecutive years.

## **Paragraph 22. Management of corporate conflicts**

227. Members of the Board of Directors and the Management Board of the Company, as well as employees of the Company, shall perform their professional functions reasonably and in good faith in the interests of shareholders and the Company, avoiding conflicts.

If there are (are) corporate conflicts, the participants shall find ways to resolve them through negotiations in order to ensure effective protection of the Company's and interested parties' interests.

The Company's officers shall promptly inform the Corporate Secretary and/or Ombudsman of the existence (occurrence) of a conflict.

Efficiency of work on prevention and settlement of corporate conflicts shall presuppose full and prompt identification of such conflicts and coordination of actions of all bodies of the Company.

228. Corporate conflicts with the assistance of the corporate secretary and/or ombudsman shall be considered by the Chairman of the Board of Directors of the Company. If the Chairman of the Board of Directors is involved in a corporate conflict, such cases shall be considered by the Human Resources and Remuneration Committee

229. In order to prevent state bodies from interfering with the Company's operations and to increase the responsibility of the Board of Directors for decisions made, shareholders (the Sole Shareholder) shall avoid electing members of the Board of Directors who are representatives of state bodies.

230. In order to ensure the objectivity of corporate conflict assessment and create conditions for its effective settlement, persons whose interests are affected or may be affected by the conflict, shall not take part in its settlement.

If it is impossible to resolve corporate conflicts through negotiations, they shall be resolved strictly in accordance with the laws of the Republic of Kazakhstan.

231. The Board of Directors shall develop and periodically review the policy and rules of corporate conflicts settlement, under which their resolution will be in the interests of the Company and shareholders.

232. The Board of Directors shall settle corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman shall be responsible for ensuring that the Board of Directors is aware of the essence of the corporate conflict and shall act as an intermediary in resolving the corporate conflict.

233. The Chairman of the Management Board, on behalf of the Company, shall settle corporate conflicts on all issues that are not within the competence of the Board of Directors of the Company, as well as independently determine the procedure for the settlement of corporate conflicts.

234. The Board of Directors shall consider certain corporate conflicts within the competence of the Management Board.

### **Paragraph 23. Management of conflict of interest**

235. A conflict of interest shall be defined as a situation in which the personal interest of an employee of the Company influences or may influence the impartial performance of his or her official duties.

236. The Company's employees shall not allow a situation in which a conflict of interest may arise, either in relation to themselves (or related persons) or in relation to others.

In order to avoid conflicts of interest that prevent the Board of Directors from performing its duties objectively and to limit political interference in the processes of the Board of

Directors of the Company, mechanisms for their prevention and regulation shall be introduced

237. The basic principles of prevention of conflicts of interest, methods of their identification, assessment and resolution shall be set forth in the Code of Business Ethics of the Company approved by the Board of Directors.

#### **Paragraph 24. Principle of transparency and objectivity of information disclosure on the Company's activities**

238. In order to comply with the interests of the interested parties, the Company shall disclose the information stipulated by the legislation of the Republic of Kazakhstan and the Company's internal documents, as well as the information on its activities, including financial standing, performance results, ownership and management structure, in a timely and reliable manner.

239. The Company shall approve internal documents defining principles and approaches to information disclosure and protection, the list of information to be disclosed to interested parties, terms, procedure, method and form of information disclosure, responsible officials and employees with indication of their functions and duties, as well as other provisions regulating information disclosure processes.

In accordance with the legislation of the Republic of Kazakhstan and the Company's Charter, the Company shall determine the procedure for classifying information into categories of access, and the conditions of storage and use of information.

The Company shall determine the circle of persons having the right of free access to information constituting commercial and official secrets and shall take measures to protect its confidentiality.

240. The Company, which shares are traded on the stock exchange, shall establish a structural subdivision or assign to a structural subdivision the functions of relations with shareholders and investors, the competence of which includes the collection, analysis and preparation of information to be placed on the Company's Internet resource.

241. A person with practical experience in the financial sphere, who understands the specifics of the industry in which the Company operates, shall be appointed as the head of this division.

242. The Company's Internet resource shall be structured, user-friendly and shall contain the information sufficient for interested parties to understand the Company's activities. The information shall be placed in separate thematic sections of the Internet resource.

243. The Internet resource shall be updated at least once a week. The Company shall regularly monitor the completeness and relevance of the information posted on the Internet resource, and shall determine the compliance of this information posted in the Kazakh, Russian and English versions of the Internet resource., Competent persons (structural

subdivision) responsible for completeness and relevance of information on the Internet resource shall be assigned for this purpose.

244. The Company's Internet resource shall contain the following information:

1) general information on the Company, including information on the mission, main objectives, goals and types of activities, amount of equity capital, amount of assets, net income and number of personnel;

2) development strategy and/or development plan (strategic goals); priority areas of activity;

3) the Charter and internal documents of the Company regulating the activity of bodies, committees, corporate secretary;

4) on ethical principles;

5) on risk management;

6) on dividend policy;

7) on members of the Board of Directors, including the following information: photo (upon agreement with the member of the Board of Directors), surname, first name, patronymic, date of birth, citizenship, status of the member of the Board of Directors (independent director, shareholder's representative), indication of functions of the member of the Board of Directors, including membership in committees of the Board of Directors or performance of functions of the Chairman of the Board of Directors, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree obtained), experience

8) on the members of the Management Board, including the following information: photograph, surname, name, patronymic, date of birth, citizenship, position and functions, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree obtained), work experience over the last five years, professional qualification, positions held concurrently, number and percentage of shares in affiliated organizations;

9) on financial reporting;

10) on annual reports;

11) on the external auditor;

12) on procurement activity, including rules, announcements and results of procurement;

13) on the structure of the authorized capital, including the following information: number and nominal value of the issued shares (participatory interests), description of the rights granted by the shares, number and nominal value of the declared but unplaced shares, composition of shareholders (participants), number and share of common shares (participatory interests) owned by them, procedure for disposal of the ownership rights;

14) on the structure of assets, including information on affiliated organizations of all levels with a brief indication of the scope of their activities;

15) on annual calendar of corporate events;

16) on related-party transactions, including information on the parties to the transaction, material terms of the transaction (subject of the transaction, transaction price), and the body that made the decision to approve the transaction;

17) on major transactions, including information on the parties to the transaction, material terms of the transaction (subject of the transaction, transaction price), and the body that made the decision on approval of the transaction;

18) on sustainable development activities;

19) on the amount of approved dividends;

20) on news and press releases.

245. The Company shall prepare an annual report in accordance with the provisions of this Code and information disclosure practices.

The annual report shall be approved by the Board of Directors.

246. The annual report shall be a structured document and shall be published in Kazakh, Russian and English (if necessary).

The Annual Report shall be prepared and posted on the Internet before the Annual General Meeting of Shareholders (the Sole Shareholder).

247. The requirements to the content of the annual report shall assume the following information:

1) address of the Chairman of the Board of Directors of the Company;

2) appeal of the Head of the Management Board;

3) about the Company: general information; structure of the authorized capital, including the following information: number and nominal value of the issued shares (participation interests), description of the rights granted by the shares, number and nominal value of the declared but unplaced shares, number and nominal value of the authorized but unplaced shares, composition of the shareholders (participants) and number and share of the ordinary shares (participation interests) owned by them, the procedure for disposition of the property rights; mission; development strategy, results of its realization; market overview and market position;

4) results of financial and operating activities for the reporting year: review and analysis of activities in relation to the set objectives; operational and financial performance indicators; main significant events and achievements; information on significant transactions; any financial support, including guarantees received/received from the state and any obligations to the state and the company assumed by the Company (if not disclosed in accordance with the IFRS);

5) structure of assets, including subsidiaries/affiliates at all levels, review, main results of their financial and production activities;

6) goals and plans for future periods;

7) main risk factors and risk management system;

8) corporate governance: structure of corporate governance; composition of shareholders and ownership structure; composition of the Board of Directors, including qualification, selection process, including selection of independent directors with indication of criteria for determination of their independence; report on activities of the Board of Directors and its committees; information on compliance of corporate governance practices with the principles of this Code and, in case of its non-compliance, explanations on the reasons for non-compliance with each of the principles; composition of the Management Board of the Company; report on activities of the Management Board; policies

9) sustainable development (in case of preparation of a separate report in the field of sustainable development, it is possible to provide a reference to this report);

10) auditor's report and financial statements with notes;

11) analytical indicators and data included in the annual report shall reflect the comparative analysis and achieved progress (regression) in relation to the previous period (comparison with the values of similar indicators specified in the previous annual report). In order to compare the indicators with international companies operating in the same industry, the company shall publish performance indicators, which will allow to conduct industry benchmarking analysis.

The holding company may prepare an annual report on a consolidated basis for the entire group.

Annex 1  
to the Model Code of Corporate  
Governance in the Joint-Stock  
Companies, Controlled  
by the State  
With the Exception of  
the National Welfare Fund

## **International Standards for Identification and interaction with interested parties**

Interested parties	Input, impact	Expectations, interest.
Investors, including shareholders, second-tier banks	Financial resources (own capital, borrowed funds)	Return on investment, timely payment of dividends, principal debt and remuneration
Employees, officials	Human resources, loyalty	High wages, good working conditions, professional development
Professional associations	Promoting social stability, labour relations and conflict resolution	Respect for employees' rights, good working conditions
Clients	Financial resources by purchasing products (goods and services) of the organization	Obtaining high-quality, safe goods and services at an affordable price
Suppliers	Supply of resources (goods, works and services) for value creation	Reliable sales market, permanent solvent buyer

Local communities, local communities, communities of operation, NGOs	Support in the field; loyalty and support of local authorities; benevolent attitude; cooperation	Creation of additional jobs, regional development
Government, state bodies, the Parliament	Government regulation	Taxes, social duties

Annex 2  
to the Model Code of Corporate  
Governance in Joint-Stock  
Companies Controlled by the State  
with the Exception of  
the National Welfare Fund

## Interaction methods with interested parties

Level of interaction	Methods of interaction
Consultations: bilateral interaction; interested parties answer questions from the Company and organizations	Questionnaires; focus groups; meetings with interested parties; public meetings; workshops; provision of feedback by means of communication; advisory councils
negotiations	Collective negotiations based on the principles of social partnership
Engagement: Bilateral or multilateral engagement; building expertise from all parties, interested parties and organizations acting independently	Multilateral forums; consultation panels; consensus building process; joint decision-making process; focus groups; feedback loops
Cooperation: Bilateral or multilateral cooperation; joint capacity building, decision-making and measures	Joint projects; joint ventures; partnerships; joint stakeholder initiatives
Empowerment of interested parties (if applicable) involved in governance	Integration of stakeholder engagement issues into management, strategy and operations

Annex 3  
to the Model Code of Corporate  
Governance in Joint-Stock  
Companies Controlled by the State  
With the Exception of  
the National Welfare Fund

## Classification of sustainable development categories and aspects

Category	Aspects
Economical	Economic performance; market presence; indirect economic impacts; procurement practices
Ecological	Materials; energy; water; biodiversity; emissions; discharges and waste; products and services; compliance; transport; general information; environmental supplier assessment; environmental grievance mechanisms
Social	Labour practices and decent work shall include, but not limited to, suppliers, grievance mechanisms for labour practices
	Human rights shall include, but not limited to, investment, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, security practices, indigenous and minority rights, supplier compliance with human rights, human rights grievance mechanisms

The Company shall includes, inter alia, local communities, anti-corruption, government policy, compliance with requirements, assessment of suppliers' impact on society, mechanisms for filing complaints on the impact on society

Product responsibility shall include, but not limited to, consumer health and safety, product and service labeling, marketing communications, consumer privacy, compliance with requirements