

Annex 14  
to the Minutes of the Management  
Board of  
Baiterek National Managing Holding  
Joint-Stock Company  
as of December 25, 2019, #61/19

"Approved"  
with the Resolution of the Sole  
Shareholder  
of EIC KazakhExport JSC, Minutes of  
the Management Board of  
Baiterek National Managing Holding  
Joint-Stock Company  
as of December 25, 2019, #61/19

**Corporate Governance Code of  
Export Insurance Company KazakhExport Joint-Stock  
Company  
(with amendments and additions dated December 25, 2019,  
#61/19)**

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## Chapter 1. General Provisions

1. The Corporate Governance Code (hereinafter - the "Code") of Export Insurance Company KazakhExport Joint-Stock Company (hereinafter - the "Company") is a set of rules and recommendations that the Company follows in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other stakeholders.

The Code was drawn up to ensure that the Company's corporate governance meets the relevant standards of the Organization for Economic Cooperation and Development (hereinafter – the "OECD").

2. The goals of this Code are to improve corporate governance in the Company, ensure transparency and efficiency of management, and confirm the Company's commitment to follow the standards of good corporate governance.

In particular:

1) the Company is managed in accordance with the principle of legality and the appropriate level of responsibility, clear division of powers, accountability and efficiency in order to maximize the value of the Company and other benefits for the Sole Shareholder;

2) information disclosure and transparency are ensured, including thorough assessment, disclosure and periodic review of the Company's business goals;

3) risk management and internal control systems are functioning properly;

4) minimization of the risk of conflict of interest that may lead to resolutions other than those based in the best interests of the Company and general public.

3. This Code is developed in accordance with the legislation of the Republic of Kazakhstan on joint-stock companies, corporate governance principles, as well as taking into account the best international practices of corporate behavior, professional ethics, needs and conditions of the Company at the current stage of development.<sup>1</sup>

4. The Company is obliged to strictly observe the provisions of the Code in its activities. In case of non-compliance, the Company specifies explanations of the reasons for non-compliance with each of the provisions in the Annual Report, periodically (at least once every two years) conducts an assessment (if necessary, an independent assessment) of corporate governance and posts the corresponding results on the Company's website.

5. The Company's officials and employees assume the obligations stipulated by this Code, including based

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<sup>1</sup> OECD Guidelines on corporate governance of state-owned enterprises dated July 8, 2015. G20/OECD Corporate Governance Principles.

on the relevant agreements with the Company, and undertake to comply with its provisions in the Company.

6. The Company's Board of Directors is responsible for monitoring the Company's compliance with this Code. The Corporate Secretary monitors and advises the Company's Board of Directors and Management Board on proper compliance with this Code, and prepares an Annual Report on compliance/non-compliance with its principles and provisions. Subsequently, this report is submitted for consideration by the relevant Committee under the Board of Directors, approved by the Board of Directors and included in the Company's Annual Report.

7. Cases of non-compliance with the provisions of this Code are considered at the meetings of the relevant Committee under the Board of Directors and the Board of Directors with the adoption of appropriate resolutions aimed at further improving corporate governance in the Company.

8. The following basic concepts are used in this Code:

1) The Sole Shareholder is Baiterek National Managing Holding Joint-Stock Company (hereinafter - the Holding);

2) official is a member of the Board of Directors, a member of the Management Board;

3) stakeholders are individuals, legal entities, groups of individuals or legal entities that influence the Company's activities or may be influenced by the company's activities, its products or services and related actions due to legislation, concluded agreements (contracts) or indirectly (by proxy); the main representatives of stakeholders are shareholders, employees, customers, suppliers, government agencies, subsidiaries, bondholders, creditors, investors, public organizations, and the population of the regions where the Company operates;

4) institutional investor is a legal entity that invests the money attracted by it in securities and other financial instruments in accordance with the legislation of the Republic of Kazakhstan;

5) corporate events are events that have a significant impact on the Company's activities and affect the interests of the company's Sole Shareholder and investors, as defined by the laws of the Republic of Kazakhstan "On Joint-Stock Companies", "On Accounting and Financial Reporting" and "On Securities Market", as well as the Company's Charter;

6) corporate conflict is controversy or dispute between: Sole Shareholder and the Company bodies; Company bodies; members of the Board of Directors and the Management Board, Head of Internal Audit Service, Corporate Secretary;

7) key performance indicators (hereinafter - KPIs) are indicators that characterize the level of efficiency of the Company's activities, the Company's officials, and the Company's employees which

allow to evaluate the effectiveness of their activities. KPIs have a quantitative value approved for the Company in the Company's Development Strategy and/or Development Plan, or approved differentially for each employee of the Company and corresponding to the results of their activities for the planned and reporting periods;

8) Independent Director is a member of the Board of Directors, which is not an affiliate of Company and was not an affiliate during three years preceding his/her election to the Board of Directors (with the exception of his/her tenure as Independent Director of the company), is not an affiliated person with affiliated persons of the Company; is not connected by subordination with officials of Companies or organizations being affiliated persons of the Company and was not bound by subordination with these persons within three years preceding his/her election to the Board of Directors; is not a public servant; is not representative of the Sole Shareholder at the meetings of the Company's bodies and was not during three years preceding his/her election to the Board of Directors; is not involved in the audit as an Auditor working in the audit organization and had not participated in such audit during three years preceding his/her election to the Board of Directors;

9) Ombudsman is a person appointed by the resolution of the Board of Directors, whose role is to advise employees of the Company and assist them in the resolution of labor disputes, conflicts, problematic issues of socio-labor character, as well as in compliance with standards of business conduct of Company's employees;

10) partners are clients of the Company, persons providing assistance and support in the Company's activities, as well as suppliers and contractors of goods, works and services for the needs of the Company, partners in joint projects;

11) development plan is a document defining the main activities, financial and economic performance indicators and key performance indicators of the Company for a five-year period, approved by the Board of Directors;

12) Management Board is the Company's executive body acting collectively;

13) Board of Directors is the management body of the Company which carries out general management of its activity except issues referred by the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and/or the Company's Charter to the exclusive competence of the Sole Shareholder;

14) development strategy is a document that defines and justifies the Company's mission, vision, strategic goals, objectives and key performance indicators for a ten-year period, approved with the resolution of the Company's Board of Directors;

15) sustainable development is the development in which a Company manages the impact of its activities on the environment, economy, society and

makes decisions taking into account the interests of stakeholders. Sustainable development must meet the needs of the current generation, without depriving future generations of the opportunity to meet their needs;

16) fiduciary obligations are obligations assumed by a person who carries out his or her professional activities for the benefit 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 interests, the subject of this duty must act exclusively in the interests of the Company. In turn, the duty of reasonableness manifests itself in the application of skills, knowledge and abilities usually required in such a situation.

Subjects bound by fiduciary obligations to the Company include members of the Company's Board of Directors, employees, the Company's Sole Shareholder, and other stakeholders. In particular, members of the Company's Board of Directors, employees, and the Sole Shareholder of the Company may not use the Company's business opportunities solely for their own interests. The contrary would mean a violation of the duty of good faith towards the Company;

17) Company is a legal entity carrying out its activity in accordance with the Constitution of the Republic of Kazakhstan, Civil Code of the Republic of Kazakhstan, Laws of the Republic of Kazakhstan "On State Property", "On Joint-Stock Companies", "On Insurance Activity" (hereinafter – the Law) and other normative legal acts of the Republic of Kazakhstan and the Charter, and has the status of a national company;

18) authorized body for the management of the relevant branch (sphere) of public administration (hereinafter – the authorized body of the relevant branch) is central executive bodies, local executive bodies or their departments, to which the rights to own and use the state block of shares of the holding are transferred, as well as the State Property and Privatization Committee or its territorial divisions that perform the functions of a shareholder in relation to it in accordance with the Law on State Property.

9. Terms used, but not defined in this Code, are used in the sense in which they are used in the legislation of the Republic of Kazakhstan and the Company's Charter.

9.1. The Company conducts an independent assessment of corporate governance at least once every three years, the results of which are published on the Company's website.

## **Chapter 2. Information about the Company**

10. On May 12, 2003, by Decree of the Government of the Republic of Kazakhstan #442 in accordance with the Address of the Head of State to the people

of Kazakhstan for 2004, the Company was established as one of the new development institutions in order to promote the implementation of the Strategy of Industrial and Innovative Development of the Republic of Kazakhstan, aimed at moving away from the raw material orientation of the state and the development of export-oriented industries in the manufacturing sector of the economy.

The Company is the only specialized insurance organization that performs the functions of the Export Credit Agency of the Republic of Kazakhstan.

In February 2004, the Company became a full member of the Prague Club of the Berne Union, an Association of major international export credit agencies that includes 37 agencies representing 34 countries and 3 multinational organizations.

On November 4, 2004, the Company was one of the first insurance companies in Kazakhstan to receive an international financial stability rating from the Moody's Investors Service Rating Agency (hereinafter - the Agency).

Since January 2005, the Company has been operating in the Kazakhstan insurance market as a reinsurance company, carrying out this type of operations, both on a proportional and non-proportional basis.

In September 2010, State Insurance Corporation for Export Credit and Investment Insurance Joint-Stock Company was renamed into "Export Credit Insurance Corporation KazExportGarant joint-stock company (abbreviated name - IC KazExportGarant JSC).

Until August 2013, the Company's Sole shareholder was Sovereign Wealth Fund Samruk-Kazyna Joint-Stock Company.

On August 27, 2013, in accordance with the order of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan #630 - the Sole Shareholder of the Company is Baiterek NMH JSC.

12 August 12, 2014 the Board of of Directors of the Company approved the Development Strategy for 2014-2023 , which was developed in compliance with the Development Strategy of Baiterek NMH JSC, as well as with the strategic and program documents of the Republic of Kazakhstan and defines its mission, vision, strategic directions, goals and objectives. In November 2014, the Company officially became a full member of Aman Union - the Association of the largest export credit agencies in the Islamic States and the Arab world.

In February 2015, the Company was awarded the status of Observer of the Berne Union, established in 1934 and being an unofficial association of companies involved in the insurance of export credits and investments.

In order to meet the needs of Kazakhstan's exporters as much as possible, in 2016 the Company carried out work to expand the range of insurance support tools, under which it received

licenses of the National Bank of the Republic of Kazakhstan for additional classes of insurance, as well as developed rules and introduced new tools, including: voluntary loan insurance, advance payment insurance, trade finance in the national currency and Russian rubles, as well as financial leasing insurance. The introduction of new export support tools will allow exporters to receive more effective support for development of non-primary exports.

In February 2017, according to resolution of the Sole Shareholder of the Company (minutes of the Holding dated February 24, 2017, #09/17), the name of the Company changed from Export and Credit Insurance Corporation KazExportGarant Joint-Stock Company to Export Insurance Company KazakhExport Joint-Stock Company (abbreviated name - EIC KazakhExport JSC) (according to the certificate of the Ministry of Justice of the Republic of Kazakhstan, date of re-registration: March 30, 2017).

On March 10, 2017, in accordance with Decree of the Government of the Republic of Kazakhstan #112, the Company acquired the status of a national company.

On August 25, 2017, the Company was assigned a financial reliability rating from Moody's at the level of Baa3 sovereign rating with a stable outlook.

The purpose of the Company is to support Kazakhstan enterprises when working in foreign markets.

The main activity of the Company is to promote the diversification and modernization of the national economy in order to produce export-oriented products in the non-resource sector through instruments of insurance and trade finance of export of goods and services, and investment abroad.

The Company's mission is to support the growth of exports of non-primary goods, works and services in the priority economic sectors and develop the practice of financial insurance and non-financial support for Kazakhstan enterprises.

The Company's vision by 2023 is to become a key development institution in the implementation of the state foreign economic policy of the Republic of Kazakhstan in the Central Asian region and the countries of the Eurasian Economic Union.

The Company sets the following values as the priority of its activities:

- 1) responsibility: for intentions and actions;
- 2) professionalism: high readiness to perform tasks of professional activity;
- 3) team: collaboration to achieve better results from joint activities;
- 4) integrity: honesty within Society and to its partners; social responsibility: responsibility for the impact of activities of the Companies to stakeholders in the public sphere.



### **Chapter 3. Corporate Governance Principles of the Company**

#### **Definition and principles**

11. Corporate governance is defined as a set of processes that provide management and control over the Company's activities and include relations between the Sole Shareholder, the Board of Directors, the Management Board, other bodies of the Company and interested parties in the interests of the Sole Shareholder. Corporate governance also defines the structure of the Company, which sets the goals of activities, how to achieve these goals, as well as monitoring and evaluating the results of activities.

12. The Company considers corporate governance as a means of improving the Company's performance, strengthening its reputation and reducing the cost of raising capital. The Company considers a proper corporate governance system as a contribution to ensuring the rule of law in the Republic of Kazakhstan and a factor that determines the place of the Company in the modern economy and society as a whole. The corporate governance system provides for a clear division of powers and responsibilities between the Company's bodies, officials and employees.

13. The Company's corporate governance is based on the principles of fairness, integrity, responsibility, transparency, professionalism and competence. An effective corporate governance structure implies respect for the rights and interests of all stakeholders of the Company's activities, compliance with professional ethics in relations between shareholders, bodies and officials, as well as in interaction with third parties, and contributes to the successful operation of the Company. It also implies continuous improvement of the quality of control and management functions of executive employees. Corporate governance should not be used for the purpose of creating unjustified advantages and distorting competition in the market where the Company operates.

14. The fundamental principles of this Code are:

- 1) principle of separation of powers;
- 2) principle of protecting the rights and interests of the Sole Shareholder;
- 3) principle of effective management of the Company by the Board of Directors and the Management Board;
- 4) principle of sustainable development;
- 5) principle of risk management, internal control and internal audit;
- 6) principle of regulating corporate conflicts and conflicts of interest;
- 7) principles of transparency and objectivity of disclosure of information about the Company's activities.

15. Division of responsibilities between bodies should be clearly defined within the framework of corporate governance to ensure the systematic and consistent governance processes.

16. Following the principles of corporate governance set out in the Code it is intended to help in creating an effective approach for conducting an objective analysis of the Company's activities and obtaining appropriate recommendations from analysts, financial consultants and rating agencies, if necessary.

#### **Chapter 4. Principle of Separation of Powers**

17. The rights, duties and competencies of the Sole Shareholder, the Board of Directors and the Management Board are determined in accordance with the current legislation of the Republic of Kazakhstan and constituent documents and are fixed in them.

18. The Sole Shareholder differentiates its powers and those related to the performance of functions in order to prevent conflicts of interest that do not contribute to the interests of the Company and interests of the Sole Shareholder. The Sole Shareholder performs functions in order to ensure the profitability of the Company's activities and the implementation of state and government programs in which the Company participates.

19. The Company carries out its activities within the framework of its main (core) activities.

Implementation of new types of activities is regulated by the Business Code of the Republic of Kazakhstan dated October 29, 2015

20. The Company should build an optimal asset structure, it should strive to simplify the structure of its assets and their organizational and legal forms as much as possible.

When a Company creates new organizations, the preferred legal form is a limited liability partnership.

Production and financial companies where it is possible to increase the state's assets by implementing investment projects and financial operations to attract extra-budgetary investments for the implementation of socio-economic tasks are created in the form of a joint-stock company.

When a Company creates an organization in the form of a limited liability partnership, the participant (participants) independently decides on the need to create Supervisory Boards and whether to elect independent members to its composition, as well as the election of an Audit Commission (Auditor), depending on the scale and specifics of the organization's activities.

21. The Holding, as the Sole Shareholder, participates in the management of the Company solely by exercising the powers of the Sole Shareholder provided for in the legislative acts of the Republic of Kazakhstan, the Company's Charter and representation in the Board of Directors of the Company.

22. The Holding, as the Sole Shareholder of the Company, provides the Company with full operational independence and does not interfere in the Company's operational (current) and investment activities, except in cases stipulated by the legislation of the Republic of Kazakhstan, acts and instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

23. Transactions and relations between the Company, the Sole Shareholder and stakeholders are carried out on an ordinary 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 is to implement or assist in the implementation of the state policy for the development of certain industries of the Republic of Kazakhstan.

The Company is not exempt from applying general laws, tax rules and regulations, except in cases stipulated by the legislation of the Republic of Kazakhstan.

24. The Company's economic activity must meet the market conditions for debt and equity finance, namely:

1) the company's relations with all market participants (including financial and non-financial organizations) should be based exclusively on a commercial basis, except for cases when one of the main tasks of the Company is to implement or assist in the implementation of the state policy for the development of certain industry sectors of the Republic of Kazakhstan;

2) due to limited access to state sources of financing the Company will seek to consider alternative sources of financing in order to replace part of state funds within the framework of the legislation of the Republic of Kazakhstan;

3) the company's financial and economic activities are required to be profitable.

25. When a Company participates in procurement as a customer, the procedures applied must be competitive, transparent (taking into account the principle of confidentiality) and non-discriminatory.

26. The relationship (interaction) between the Sole Shareholder and the Company is carried out through the Board of Directors and/or the Management Board of the Company in accordance with the principles of good corporate governance. The role and functions of the Chairman of the Board of Directors and the Chairman of the management Board of the Company are clearly delineated and fixed in the Company's documents.

At the same time, the Company discloses to the Sole Shareholder and the Board of Directors all necessary information about the Company's activities in accordance with the legislative acts of the Republic of Kazakhstan and the Company's Charter and ensures transparency of the Company's activities to all stakeholders.

27. The Company's corporate governance system provides for the relationship between:

- 1) Sole Shareholder;
- 2) Board of Directors;
- 3) Management Board;
- 4) stakeholders;
- 5) other bodies determined in accordance with the Charter. The Corporate Governance System provides, among other things:

1) compliance with the hierarchy of the procedure of consideration of issues and decision-making;

2) clear division of powers and responsibilities between bodies, officials and employees;

3) timely and high-quality decision-making by the Company's bodies;

4) efficiency of processes in the Company's activities;

5) compliance with the legislation, this Code and internal documents of the Company.

The Company approves regulations on bodies (if such provisions are not provided for in the Company's Charter) and structural divisions, as well as job descriptions for the corresponding positions. Compliance with the provisions of these documents ensures consistency and progression of corporate governance processes.

28. The Holding participates in the management of the Company through the implementation of the functions of the Sole Shareholder, as well as through its Board of Directors, in accordance with the procedure established by the Company's Charter, this Code and the legislation of the Republic of Kazakhstan.

The Board of Directors of the Company has full independence in making resolutions within its competence established by the Company's Charter.

The Holding annually sends the expectations of the Sole Shareholder for the upcoming financial year to the Chairman of the Board of Directors of the Company.

29. In order to ensure the Company's sustainable development, the Holding develops and approves common policies, guidelines and corporate standards for the Company.

The resolution to apply the corporate standards approved by the Holding in the area of risk management, internal control and internal audit in the Company is made by the Board of Directors of the Company, taking into account the compliance of these standards with the specifics of its activities.

30. The bodies of the Holding and the Company are recommended to cooperate in a spirit of cooperation in order to ensure that the Strategies and Development Plans of the Holding and the Company are sufficiently ambitious and realistic.

The Management Board of the Holding should maintain a constant dialogue with the Company on strategy and sustainable development issues. At the same time, the Holding does not allow interference in the Company's operational (current) activities, for which the Company's Management Board is responsible.

The Holding, the Company and their officials are responsible for achieving the profitability of the Holding and the Company, respectively, and for making resolutions and actions/omissions in accordance with the procedure established by the legislation of the Republic of Kazakhstan and internal documents.

31. In order to implement its mission and vision, the Company is working on the following three key strategic directions, approved in the framework of the Company's Development Strategy for 2014-2023:

- 1) development of financial and insurance support for Kazakhstan's exports;
- 2) non-financial support for export activities of Kazakhstan enterprises;
- 3) reinsurance.

All decisions and actions taken must comply with the Development Strategy and/or Development Plan.

In order to achieve the goals set for the Company, the Company develops a Development Strategy and/or a Development Plan that includes key performance indicators (hereinafter - KPIs).

The main element of evaluating the effectiveness of the Company and its Management Board is the KPIs system.

On an annual basis, the efficiency of the Company's Management Board members KPIs is evaluated. This assessment affects the remuneration of the Chairman and members of the Management Board, is taken into account when they are re-elected, and may also be the basis for their removal from office ahead of time.

In order to assess the achievement of the goals and objectives set out in the development strategy and/or development plan, the Company sets its efficiency through the following processes:

1) The Holding agrees on the relevant development strategies for the ten-year period and development plans for the five-year period of the Company, including target KPIs, which are submitted by them to the Board of Directors of the Company;

2) the Company's development strategy and plan are approved by the Company's Board of Directors.

The Holding and the Company follow the same rules for developing and approving development strategies and/or development plans, as well as monitoring and evaluating their implementation.

The Company's Board of Directors monitors the implementation of the Company's development strategy, development plan, and KPIs.

32. The Company's Board of Directors ensures effective management, sustainable development and profitability of the Company's operations. The results of effective management in the Company are increased operational efficiency, improved reporting quality, improved standards of corporate culture and ethics, greater openness and transparency, reduced risks, and appropriate internal control system.

The Company's Corporate Governance System provides:

1) There is a clear management system in the Company, differentiated powers and independence of the decision-making process of the Board of Directors, the Management Board, other collegial bodies and senior employees of the Company, and no duplication of functions and processes;

2) standards, policies, and processes, including defining approaches to planning, monitoring, and control, evaluating performance, and applying corrective actions;

3) access to quality information about the Company's activities;

4) proper risk management in the Company.

33. The Sole Shareholder of the Company accepts possible management mechanisms of the Company, including centralized management of certain functions (planning, treasury, interaction with government agencies, risk management, information technology, legal support, internal audit, etc.).

The Company's Corporate Governance System and decision-making process are regulated in the Company's Charter and other internal documents.

## **Chapter 5. Principle of Protecting the Rights and Interests of the Sole Shareholder**

34. Compliance with the rights of the Sole Shareholder is a key condition for attracting investments in the Company. In this regard, corporate governance in the Company is based on ensuring the protection and respect for the rights and legitimate interests of the Sole Shareholder and is aimed at contributing to the effective operation of the Company and achieving profitability.

### **Paragraph 1. Ensuring the Rights of the Sole Shareholder**

35. The Company, in accordance with the established procedure, ensures the implementation of the rights of the Sole Shareholder, including:

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 accordance with the laws of the Republic of Kazakhstan "On

Joint-Stock Companies", "On State Property" and/or the Company's Charter;

- right to receive a share of the Company's profit (dividends);
- right to receive a share in the company's assets upon its liquidation; right to receive information about the Company's activities, including

get acquainted with the Company's financial statements in accordance with the procedure established by the Sole Shareholder or the Company's Charter;

- right to apply to the Company with written requests regarding its activities and receive reasoned and exhaustive responses within the time limits established by the Company's Charter;
- right to receive an extract from the company's Registrar or nominee holder confirming its ownership of securities;
- right to challenge resolutions made by the Company's bodies in court;
- right to apply to the courts on his behalf in the cases provided for by Articles 63 and 74 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies", requirement for compensation to the public officers of the losses caused to the Company and return the Company officers and/or their affiliated persons of profit (income) received by them in the adoption of resolution on conclusion (proposals to conclude) of large transactions and/or related-party transactions;
- right to pre-emptive purchase of shares or other securities of the Company converted into its shares in accordance with the procedure established by the Law of the Republic of Kazakhstan "On Joint-Stock Companies", except for cases stipulated by legislative acts of the Republic of Kazakhstan;
- right to make a resolution on changing the number of shares of the Company or changing their type in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies".

36. In the Company, resolutions on items referred by the legislation of the Republic of Kazakhstan and the Company's Charter to the competence of the Sole Shareholder are made by the Sole Shareholder and are subject to registration in writing.

The Sole Shareholder can hold meetings with the Board of Directors and the Management Board to summarize the results of the year's activities and make resolutions on issues of their competence. The Sole Shareholder may also hold regular meetings with the Chairman of the Board of Directors throughout the year to discuss issues related to the Company's activities within its competence.

37. The Company informs the Sole Shareholder in a timely and complete manner about its activities that affect the interests of the Sole Shareholder in accordance with the procedure provided for in the Charter and internal documents of the Company.

38. The Company provides the Sole Shareholder with reliable information about its financial and economic activities and their results in accordance with the requirements of the legislation of the Republic of Kazakhstan. If the objectives of implementing the state policy are combined with the main business activities of the Company, these goals are disclosed and brought to the attention of stakeholders.

In case of acquisition of shares (interests) in the Company by institutional investors, in order to ensure the stability and sustainability of the Company, institutional investors acting as a Trustee are recommended to disclose their corporate governance policy and regulations for their investment activities, including the current decision-making procedures in the investor's company.

Institutional investors acting as proxies report on how they resolve significant conflicts of interest that may affect ownership of their investments.

The Company seeks to limit the number of related-party transactions. In case of such transactions, the Company discloses information provided for by the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company.

## **Paragraph 2. Dividend policy**

39. The Sole Shareholder must have access to information regarding the terms and procedure for paying dividends, as well as be provided with reliable information about the Company's financial position when paying dividends. For this purpose, the Sole Shareholder approves the Dividend Policy.

The Dividend Policy defines the principles that guide the Board of Directors when preparing proposals to the Sole Shareholder on the distribution of the Company's net income for the past financial year. The Dividend Policy is based on the following principles:

- 1) compliance with the interests of the Sole Shareholder;
- 2) ensuring the profitability of the Company's activities;
- 3) ensuring financial stability of the Company;
- 4) ensuring financing of the Company's activities, including financing of investment projects implemented at the Company's expense;
- 5) transparency of the mechanism for determining the amount of dividends;
- 6) balance of short-term (income generation) and long-term (development of the organization) interests of the Sole Shareholder.



The Dividend Policy also regulates the procedure for distributing net income and determining its part to be used for paying dividends, procedure for calculating the amount of dividends, and procedure for paying dividends, including the terms, place and form of their payment.

The Dividend Policy also sets out the procedure for determining the minimum share of the Company's net profit to be used for paying dividends.

40. The amount of dividends is calculated based on the amount of the company's net income reflected in the Company's annual audited financial statements prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards. At the same time, the amount of payment of dividends is determined taking into account the legislation of the Republic of Kazakhstan.

In case of payment of dividends on ordinary shares based on the results of a quarter or half-year, or distribution of retained earnings of previous years, as well as in some cases, the amount of dividends may be determined by the Sole Shareholder in a special order when considering the approval of the procedure for distributing profits for the corresponding periods.

To make a resolution on the payment of dividends, the Company's Board of Directors submits to the Sole Shareholder proposals on the distribution of net income for the past financial year and the amount of the dividend for the year per ordinary share of the Company.

When considering the issue of paying dividends in accordance with the established procedure, the current state of the Company, its short-, medium- and long-term plans are taken into account.

If there is a shareholder in the Company who owns fifty percent or more of the voting shares or who has the right to determine decisions by virtue of agreements concluded with the Company and/or other shareholders, the redistribution of financial resources in favor of such shareholder is carried out through dividend payments.

If there are other mechanisms for redistributing the Company's funds in favor of a shareholder who owns fifty percent or more of the voting shares, they are fixed in the relevant documents of the Company and disclosed to all shareholders.

The company should disclose information about any forms and conditions of cooperation, agreements and partnerships to the Sole shareholder and investors.

## **Chapter 6. The principle of effective management of the Company the Board of Directors and the Management Board**

### **Paragraph 1. Effective Board of Directors**

41. The Board of Directors is a management body that provides strategic management of the Company and controls the activities of the Management Board.

The Board of Directors ensures full transparency of its activities to the Sole Shareholder, as well as implementation of all the provisions of this Code.

The Board of Directors performs its functions in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter, this Code, the Regulations on the Board of Directors and other internal documents of the Company. At that, the Board of Directors pays special attention to the following issues:

- 1) defining the Development Strategy (directions and results);
- 2) setting and monitoring performance indicators set out in the Development Strategy and/or Development Plan;
- 3) organization and supervision of the effective functioning of the risk management, internal control and internal audit 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) of members of the Management Board, except the Chairman of the Management Board, remuneration, succession planning and control over the activities of the Management Board;
- 6) corporate governance;
- 7) compliance in the Company with the provisions of this Code and the Company's corporate standards in the area of business ethics (Code of Business Ethics).

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

- 1) act within their powers - members of the Board of Directors make resolutions and act within their powers stipulated in the laws of the Republic of Kazakhstan "On Joint-Stock Companies" and "On State Property", as well as the Company's Charter;
- 2) give sufficient time to attend and prepare for meetings of the Board of Directors and its committees;
- 3) contribute to the achievement of profitability and sustainable development of the Company – members of the Board of Directors act in the interests of the Company; the impact of decisions and actions of members of the Board of Directors can be determined by the following questions: what are the consequences of the resolution/action in the long term; what is the impact of the organization's activities on society and the environment; impact on the company's reputation and high standards of business ethics; impact on the interests of stakeholders (this list of questions is minimal, but not exhaustive);

4) maintain high standards of business ethics – members of the Board of Directors must comply with high standards of business ethics in their actions, resolutions and behavior and be an example for the Company's employees;

5) avoid conflict of interest - members of the Board of Directors do not allow the occurrence of situations in which their personal interest may affect the proper performance of their duties as a member of the Board of Directors; in the case of situations with conflicts of interest that affect or could potentially affect impartial resolution-making, Board members should notify the chair of the Board of Directors and not to participate in the discussion and adoption of such resolutions; this requirement also applies to other actions of a member of the Board of Directors that directly or indirectly may affect the proper performance of the duties of a member of the Board of Directors;

6) act with due reasonableness, skill, and discretion

– it is recommended to the members of the Board of Directors to enhance their knowledge on a regular basis in terms of competencies of the Board of Directors and perform 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 business Companies; the Board members regularly visit key sites and conduct meetings with employees in order to understanding relevant issues of the Company.

43. Responsibility of the Board of Directors for ensuring that its activities, its functions and responsibilities, including the determination of the strategic activities of the Company, setting clear objectives and specific, measurable (digitized) efficiency and responsibility of the Management Board of the Company for operating (current) activities of the Company, including clear targets and achievement of efficiency must be clearly separated and fixed in the relevant internal documents of the Company.

Members of the Board of Directors are personally responsible for the performance of their duties, including fiduciary duties and resolutions made, effectiveness of their activities, actions and/or omissions. If there are different opinions, the Chairman of the Board of Directors ensures that all acceptable options and proposals that are expressed by individual members of the Board of Directors are considered in order to make a resolution that meets the interests of the Company.

The Board of Directors reports annually to the Sole Shareholder on compliance with the provisions of this Code. The Board of Directors ensures that mechanisms are put in place to avoid conflicts of interest that prevent the Board of Directors from performing its duties objectively and to limit political interference in the Board of Directors' processes.

The Sole Shareholder of the Company may additionally hold meetings with the Chairman and members of the Board of Directors to discuss the Development Strategy, the election of the First Head of the company's Management Board, and other aspects that affect the Company's profitability and sustainable development. Such meetings are planned in advance and conducted in accordance with approved procedures.

44. The Board of Directors and its committees should maintain a balance of skills, experience, and knowledge to ensure that independent, objective, and effective resolutions are made in the interests of the Company.

45. The Sole Shareholder elects 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 membership for a new term, their contribution to the effectiveness of the Company's Board of Directors is taken into account.

The term of office of the Board of Directors is set by the Sole Shareholder. The term of office of members of the Board of Directors coincides with the term of office of the entire Board of Directors and expires when the Sole Shareholder makes a resolution to elect a new composition of the Board of Directors. The Sole Shareholder has the right to terminate the powers of all or individual members of the Board of Directors prematurely.

No person should participate in making resolutions related to their own appointment, election or re-election.

When selecting candidates for the Board of Directors, the following factors are taken into account:

- 1) experience in management positions;
- 2) experience as a member of the Board of Directors;
- 3) work experience;
- 4) education, specialty, including availability of international certificates;
- 5) competencies in areas and industries (industries may change depending on the portfolio of assets);
- 6) business reputation;
- 7) presence of direct or potential conflict of interest.

The number of members of the Board of Directors is determined by the Sole Shareholder. The composition of the Board of Directors is determined individually, taking into account the scope of activities, current tasks, development strategy and/or development plan, and financial opportunities.

The composition of the Board of Directors should be balanced, which means a combination of members of the Board of Directors (representatives of the Sole Shareholder, Independent Directors, and the Head of the executive body), ensuring decision-making in the interests of the Company and its economic development goals.

A person cannot be elected to the position of a member of the Board of Directors:

1) with outstanding conviction or conviction not expunged in

accordance with the law;

2) previously served as Chairman of the Board of Directors, Chairman of the Management Board, Deputy Chairman of the Management Board, Chief Accountant of another legal entity for a period not exceeding one year prior to the resolution to forcibly liquidate or repurchase shares, or preserve another legal entity declared bankrupt in accordance with the established procedure. The specified requirement is applied within five years after the date of the resolution on compulsory liquidation or compulsory redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure.

46. Independent Directors must be present and participate in the Board of Directors. The number of members of the Board of Directors must be at least three. At least one third of the members of the Company's Board of Directors must be Independent Directors. However, the number of Independent Directors should be sufficient to ensure the independence of resolutions. The recommended number of Independent Directors on the Company's Board of Directors is up to fifty percent of the total number of members of the Board of Directors.

Independent Directors are elected for a term of no more than three years, and may be re-elected for up to three years thereafter, subject to satisfactory performance.

Any term of election to the Board of Directors of Independent Directors for more than six consecutive years (for example, two three-year terms) is subject to special consideration, taking into account the need for qualitative renewal of the Board of Directors.

The same person is recommended not to be elected as an Independent Director to the Board of Directors for more than nine consecutive years. In exceptional cases, an Independent Director may be elected to the Board of Directors for a term of more than nine years, with a detailed explanation of the need to elect this member of the Board of Directors and the impact of this fact on the independence of resolutions making.

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

An Independent Director is a person who has sufficient professionalism and independence to make independent and objective resolutions that are free from the influence of the Sole Shareholder, Executive body and other stakeholders.

Requirements for Independent Directors are established in accordance with the legislation of the Republic of Kazakhstan.

Independent Directors actively participate in discussions where the potential conflict of interests (financial and non-financial reporting, executing related-party transactions,

nomination of candidates to the Management Board, determination of remuneration to members of the Management Board). Independent Directors are elected as chairs of the key audit, appointment and remuneration committees under the Board of Directors, and other committees also recommend that they be elected as chairs.

An Independent Director monitors for possible loss of independence status and must notify the Chairman of the Board of Directors in advance if such situations occur. If there are 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 the Sole Shareholder for making an appropriate resolution.

47. Relations between Independent Directors and the Company are 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, duties, responsibilities of the parties and other essential terms and obligations of Independent Directors of the Board of Directors to comply with the provisions of this Code, including to devote sufficient time to perform their mandated functions, not to disclose internal information about the Company after the termination of its activities for a period specified by the Board of Directors and additional obligations arising from the requirements to the status and functions of Independent Directors (in terms of timely declaration of loss of independence, etc.).

Contracts may set deadlines for members of the Board of Directors to perform certain duties.

The Company should ensure that there are succession plans for members of the Board of Directors in order to maintain business continuity and update the composition of the Board of Directors.

The Board of Directors approves the induction program for newly elected members of the Board of Directors and the professional development program, if necessary. The Corporate Secretary ensures the implementation of this program.

Members of the Board of Directors who are elected for the first time, after their appointment, undergo an induction program. During the induction process, members of the Board of Directors are familiarized with their rights and responsibilities, key aspects of the Company's activities and documents.

48. The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation of its main functions by the Board of Directors, and builds a constructive dialogue between the members of the Board of Directors, Sole Shareholder, and the Company's Management Board.

The Chairman of the Board of Directors should strive to create a unified team of professionals who are committed to achieving the following goals:

profitability and sustainable development of the Company, who are able to respond to internal and external challenges in a timely and professional manner.

The role and functions of the Chairman of the Board of Directors and the Chairman of the management Board of the Company are clearly delineated and fixed in the Company's documents. The Chairman of the Management Board may not be elected to the position of the Chairman of the Board of Directors of the Company.

Key functions of the Chairman of the Board of Directors include:

- 1) planning meetings of the Board of Directors and setting the agenda;
- 2) ensuring that members of the Board of Directors receive complete and up-to-date information for resolutions making in a timely manner;
- 3) ensuring that the Board of Directors focuses on strategic issues and minimizes current (operational) issues that are subject to consideration by the Board of Directors;
- 4) ensuring maximum effectiveness of meetings of the Board of Directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of item on the agenda, stimulating open discussions, and reaching agreed resolutions;
- 5) ensuring monitoring and supervision of the proper execution of resolutions made by the Board of Directors and the Sole Shareholder;
- 6) in case of corporate conflicts, take measures to resolve them and minimize the negative impact on the Company's activities, and promptly inform the Sole Shareholder if it is impossible to resolve such situations on their own;
- 7) building proper communication and interaction with the Sole Shareholder, including organizing consultations when making key strategic resolutions.

## **Paragraph 2. Remuneration of Members of the Board of Directors**

49. It is recommended to set the level of remuneration for members of the Board of Directors in an amount sufficient to attract and motivate each member of the Board of Directors to the level required for successful management of the Company. The Nominations, Remuneration and Social Issues Committee under the Board of Directors of the Company makes proposals on the amount of remuneration for candidates for Independent Directors.

No person should participate in resolutions related to their own remuneration.

Remuneration should 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.

When establishing the amount of remuneration of a member of the Board of Directors it is necessary to take into account the duties of Board members, the extent



of the Company's activities, long-term goals and objectives defined by the Development Strategy, the complexity of issues considered by the Board of Directors and, if necessary, the level of remuneration in similar private sector companies (benchmarking, remuneration review).

Members of the Board of Directors are paid a fixed annual remuneration, as well as additional remuneration for participating in and chairing committees under the Board of Directors. Remuneration of a member of the Board of Directors should not include options or other elements related to the Company's performance.

At that, members of the Board of Directors of the Company who are civil servants and/or representatives of the Sole Shareholder, as well as the Chairman of the Management Board (if he is a member of the Board of Directors), remuneration for membership in the Board of Directors is not paid.

The Sole Shareholder of the Company determines the amount and conditions for payment of remuneration and compensation of expenses to members of the Board of Directors of the Company. At that, the terms of remuneration of Directors are reflected in the contracts concluded with them and/or, if necessary, in the Company's internal document.

### **Paragraph 3. Committees Under the Board of Directors**

50. The Company's Board of Directors has established committees that are responsible for reviewing issues related to audit (and risk management), strategic planning, human resources, remuneration, and social issues. In order to improve the efficiency of making investment resolutions, the strategic planning Committee pre-examines strategic investment projects. The concept of a strategic investment project is defined in the Company's internal documents.

The existence of committees does not exempt members of the Board of Directors from responsibility for resolutions made within the competence of the Board of Directors.

Committees are created to conduct a detailed analysis and make recommendations on the most important issues before they are considered at a meeting of the Board of Directors. The final resolution on issues considered by the committees is made by the Board of Directors.

The activities of the committees are 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 on the rights and obligations of their members. The Sole Shareholder has the right to read the regulations on the committees upon request.

To organize the work of the Committee, the Corporate Secretary is appointed as the Secretary of the Committee in accordance with the resolution of the Committee or the Board of

Directors. The Secretary of the Committee provides for the preparation of Committee meetings, collection and systematization of materials for meetings, timely sending to Committee members and invited persons notifications of Committee meetings, the agenda of meetings, materials on agenda items, recording of meetings, preparation of draft resolutions of the Committee, as well as subsequent storage of all relevant materials.

51. The Board of Directors decides on the creation of committees, determines the composition of committees, terms and powers.

Committees consist of members of the Board of Directors who have the necessary professional knowledge, competencies and skills to work in the Committee. Potential conflicts of interest are taken into account when forming the composition of committees. Along with professional competencies, Committee chairs should have organizational and leadership skills and good communication skills to effectively organize the Committee's activities.

Only Committee members should be present at Committee meetings. Other persons may only be present at the invitation of the Committee. If necessary, the Committees may involve experts and consultants.

The Committees approve their Action Plan (recommended before the beginning of the calendar year), which is coordinated with the Action Plan of the Board of Directors, indicating the list of issues under consideration and the dates of meetings. The frequency of Committee meetings is at least four meetings per year. The Committee meetings are held in presentia, with formalization of the minutes. In order to create favorable conditions and reduce the cost of holding Committee meetings, Committee members may participate through technical means of communication.

The Committee chairs prepare a report on the Committee's activities and report to the Board of Directors at a separate meeting on the results of their activities for the year during the meeting of the Board of Directors. The Board of Directors has the right to request the Committees to submit a report on current activities at any time during the year. The terms of preparation and submission of such a report are determined by the Board of Directors.

#### **Paragraph 4. Strategic Planning Committee**

52. The Chairman of the strategic planning Committee is elected from among the independent 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 resolution on election is made by a simple majority of votes of the total number of members of the Board of Directors.

If necessary experts with the appropriate experience and competence may be involved in the Strategic

Planning Committee. Members of the Committee who are not members of the Board of Directors are appointed by the Board of Directors on the recommendation of the Chairman of the Committee.

The main functions of the Strategic Planning Committee are to develop and submit recommendations to the Company's Board of Directors on issues related to the development of priority areas of the Company's activities and its development strategy, including issues related to the development of measures that contribute to improving the Company's efficiency and profitability. The detailed goals and objectives of the Committee are provided for in the Regulations on the Committee.

### **Paragraph 5. Audit Committee**

53. The audit Committee consists of Independent Directors who have the necessary knowledge and practical experience in accounting and auditing, risk management, and internal control. The Audit Committee is chaired by an Independent Director. The main functions of the Audit Committee 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.

In addition, the Audit Committee evaluates candidates for external auditors of the Company, as well as pre-analyzes the conclusion of the audit organization before submitting it to the Board of Directors and the Sole Shareholder.

A member of the Board of Directors who is not independent may be elected to the Committee if the Board of Directors, on an exceptional basis, decides that this person's membership in the Audit Committee is necessary in the interests of the Sole Shareholder and the Company. When this appointment occurs, the Board of Directors should disclose the nature of the person's dependency and justify such a resolution.

### **Paragraph 6. Nominations, Remuneration and Social Issues Committee**

54. The Nominations, Remuneration and Social Issues Committee consists of a majority of Independent Directors in order to make objective and independent resolutions and to avoid the influence of stakeholders (representatives of the Sole Shareholder, Chairman of the Management Board, employees and other persons) on the judgments of the Committee members.

Members of the Committee should have the necessary knowledge and practical experience in the area of personnel management and assessment of their

activities, as well as in the area of corporate governance. The Committee is chaired by an Independent Director.

The Nominations, Remuneration and Social Issues Committee determines the selection criteria for candidates to the Board of Directors and top managers, develops the Company's remuneration policy for these individuals, and regularly assesses the performance of members of the Board of Directors and top managers.

The main functions of the Committee include appointment (election), setting motivational KPIs, performance evaluation, remuneration and succession planning of the Chairman and members of the Management Board, appointment and remuneration of the Corporate Secretary, as well as participation in the consideration of these issues in relation to the composition of the Board of Directors itself, in cases when such powers are granted by the Sole Shareholder. In this case, members of the Nominations, Remuneration and Social Issues Committee are advised not to allow a conflict of interest situation to arise and not to participate in the consideration of their own appointment and/or remuneration.

### **Paragraph 7. Organization of the Board of Directors' activities**

55. Preparation and holding of meetings of the Board of Directors should contribute to the maximum effectiveness of its activities. To perform their duties, members of the Board of Directors must have access to complete, up-to-date and timely information.

The Board of Directors should follow the procedures established by the Company's documents for preparing and holding meetings of the Board of Directors.

56. Meetings of the Board of Directors are held in accordance with the Action Plan approved by the Board of Directors before the beginning of the calendar year, which includes a list of issues under consideration and a schedule of meetings with dates. Meetings of the Board of Directors and its committees are held in person or by absentee voting, and the number of meetings with absentee voting should be minimized. Consideration and decision-making on issues of important and strategic nature is carried out only at meetings of the Board of Directors with voting in person.

If members of the Board of Directors (no 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 meetings of the Board of Directors and its committees is possible. At that, an absent member of the Board of Directors can participate in the discussion of the issues under consideration using technical means of communication and provide his/her opinion in writing.

The recommended frequency of meetings of the Board of Directors is at least six meetings per year. It is recommended

to distribute the number of issues planned for consideration during the year evenly to ensure thorough and complete discussion and timely and high-quality resolutions.

57. Materials for the meetings of the Board of Directors are sent in advance – at least 10 calendar days in advance, unless other terms are established by the Company's Charter.

The agenda of the meeting of the Board of Directors does not include items on which materials were provided in violation of deadlines. If items are included in the agenda in violation of deadlines, the Chairman of the Board of Directors is provided with an exhaustive justification for this need, and this circumstance is taken into account when evaluating the activities of the Company's Corporate Secretary.

58. The Board of Directors makes resolutions based on complete, reliable and high-quality information. In order for the Board of Directors to make effective and timely resolutions, the following conditions must be met:

- 1) high quality of materials, information, and documents provided to the Board of Directors (including, if necessary, translation into English);
- 2) obtaining the opinion of experts (internal and external) if necessary (please note that the involvement of experts does not relieve the Board of Directors of responsibility for the resolution);
- 3) time devoted to discussions by the Board of Directors, especially for important and complex issues;
- 4) timely consideration of issues;
- 5) resolutions provide for a plan of further actions, deadlines and responsible persons.

The following factors may have a negative impact on the quality of resolutions of the Board of Directors:

- 1) dominance of one or more Directors at the meeting, which may limit the full participation of other Directors in discussions;
- 2) formal attitude to risks;
- 3) pursuit of personal interests and low ethical standards;
- 4) formal making of resolutions at a meeting of the Board of Directors without real and active discussions;
- 5) position of uncompromising (lack of flexibility) or lack of desire for development (contentment with the current situation);
- 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 resolution.

59. Each member of the Board of Directors participates in meetings of the Board of Directors and the Committee of which he/she is a member. Deviation from this rule is allowed in exceptional cases stipulated in the Regulations on the Board of Directors.

The quorum for holding a meeting of the Board of Directors is determined by the Company's Charter, but it is not less than half of the number of its members.

60. Resolutions at a meeting of the Company's Board of Directors are made by a majority votes of the members of the Board of Directors participating in the meeting, unless otherwise provided by the legislation of the Republic of Kazakhstan, the Company's Charter or its internal documents defining the procedure for convening and holding meetings of the Board of Directors.

When resolving issues at a meeting of the Company's Board of Directors, each member of the Company's Board of Directors has one vote. Transfer of voting rights 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 is not allowed.

Upon making of resolutions by the Board of Directors with equality of votes of the members of the Board of Directors, the casting vote belongs to the Chairman of the Board of Directors.

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

62. The Board of Directors may conduct an audit of previously made resolutions. Both the resolution itself and the process of making a resolution are subject to analysis. It is recommended to conduct an audit of previous resolutions when the Board of Directors evaluates its performance.

### **Paragraph 8 Assessment of the Board of Directors' activities**

63. The Board of Directors, committees and members of the Board of Directors are assessed on an annual basis in accordance with the Company's internal documents. Assessment is carried out with the involvement of an independent professional organization at least once every three years. The assessment allows to determine the contribution of the Board of Directors and each of its members to achieving the Company's strategic development goals, as well as to identify areas and recommend measures for improvement. The assessment results are taken into account when members of the Board of Directors are re-elected or at early termination of their powers.

Assessment is one of the main tools for improving the professionalism of the Board of Directors and its individual members. Assessment is mandatory for both Independent Directors and representatives of the Sole Shareholder.

Assessment is based on principles such as regularity, complexity, continuity, realism, and confidentiality.

The process, terms and procedure for assessing the activities of the Board of Directors, its committees and members of the Board of Directors should be clearly regulated in the Company's internal documents.

64. The Assessment includes, but is not limited to, consideration of the following issues:

1) optimal composition of the Board of Directors (balance of skills, experience, diversity of members, objectivity) in the context of the tasks facing the Holding;

2) clear understanding of the Holding's vision, strategy, main objectives, problems, and values;

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 Chairman of the Management Board in the Company's activities;

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

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

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

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

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

10) performance of the Corporate Secretary;

11) clarity in understanding processes and competencies;

12) risk identification and assessment process;

13) interaction with the Sole Shareholder and other interested parties.

65. Assessment methods include self-assessment or engaging an independent consultant to improve the quality of the assessment. An Independent External Consultant is engaged at least once every three years.

The results of the assessment may serve as a basis for re-election of the entire Board of Directors or its individual member, review of the composition of the Board of Directors and the amount of remuneration to members of the Board of Directors. If there are serious shortcomings in the performance of individual members of the Board of Directors, the Chairman of the Board of Directors shall consult with the Sole shareholder.

The Board of Directors in its annual report reflects the way the Board of Directors is assessed and the measures taken based on its results.

66. The Sole Shareholder can assess the Board of Directors independently or with the assistance of an Independent Consultant. The results of an independent assessment conducted by the Board of Directors, the results of the Company's activities, the performance of the KPI, and other factors are taken into account.

### **Paragraph 9 Corporate Secretary of the Company**

67. In order to effectively organize the activities of the Board of Directors and the interaction of the Management Board with the Sole Shareholder, the Board of Directors appoints a Corporate Secretary.

The Board of Directors decides on the appointment of the Corporate Secretary, determines the term of office, functions and operating procedures, the amount of official salary and remuneration conditions, and decides on the establishment of the Corporate Secretarial (Secretariat) Service (if necessary) and determines the budget of the specified service. The Corporate Secretary is accountable to the Board of Directors of the Company and is independent of the Management Board of the Company. The main responsibilities of the Corporate Secretary include assistance in timely and high-quality corporate decision-making by the Board of Directors, the Sole Shareholder, acting as an adviser to the members of the Board of Directors on all issues related to their activities and the application of the provisions of this Code, as well as monitoring the implementation of this Code and participating in improving corporate governance in the Company. The Corporate Secretary also prepares a report on compliance with the principles and provisions of this Code, which is included in the Company's Annual Report. This Report should include a list of principles and provisions of the Code that are not being followed, with appropriate explanations.

68. The main functions of the Corporate Secretary include, but are not limited to:

In terms of ensuring the activities of the Board of Directors:

1) assistance to the Chairman of the Board of Directors in forming the work plan and meeting agendas;

2) organization of meetings of the Board of Directors and its committees;

3) ensuring that members of the Board of Directors receive up-to-date and timely information necessary for making decisions on issues on the agenda and within the competence of the Board of Directors;

4) recording of meetings of the Board of Directors and committees, ensuring storage of minutes, transcripts, audio-video recordings, materials of meetings of the Board of Directors and committees;

5) advising members of the Board of Directors on the legislation of the Republic of Kazakhstan, the Charter of the Company, this Code, internal documents, monitoring ongoing changes and timely informing members of the Board of Directors;

6) organization of the appointment of newly elected members of the Board of Directors;

7) organizing training for members of the Board of Directors and attracting experts;

8) organization of interaction between members of the Board of Directors and the Management Board.

69. In terms of ensuring interaction with the Sole Shareholder, the Corporate Secretary provides quarterly monitoring of the execution of resolutions of the Sole Shareholder and provides information to requests of the Sole Shareholder on a timely basis.



In terms of implementing good corporate governance practices, the Corporate Secretary ensures that:

- 1) monitoring the 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) detection of violations of corporate governance norms stipulated by the legislation, the Charter and other documents of the Company in the course of performing its functions;
- 4) advising shareholders, officers, and employees of the Company on corporate governance issues;
- 5) monitoring the best global practices in corporate governance and making suggestions for improving corporate governance practices in Companies.

70. In the event of a conflict of interest, the Corporate Secretary brings this information to the attention of the Chairman of the Board of Directors.

71 For the performance of his duties, the Corporate Secretary has knowledge, experience and qualifications, a good business reputation. Depending on the size of the Company and the scope of its activities, a Corporate Secretarial Service may be created.

The position of Corporate Secretary is assigned to a person who has a higher legal or economic education, with at least 5 years of experience, and practical knowledge in the field of corporate governance and corporate law.

In order to increase the efficiency of preparation and holding of meetings of the Board of Directors, it is recommended to periodically discuss the completeness and usefulness of the materials provided to members of the Board of Directors. The results of these discussions serve as a basis for evaluating the performance of the Corporate Secretary.

In relation to the Corporate Secretary of the company is currently developing a program of induction and succession planning. The search and appointment of the Corporate Secretary is carried out on the basis of open and transparent procedures stipulated in the Company's internal documents.

The Corporate Secretary carries out its activities on the basis of the regulations approved by the Board of Directors, which specify the functions, rights and obligations, the procedure for interaction with the Company's bodies, qualification requirements and other information.

72. For the performance of its functions, the Corporate Secretary shall have the following powers:

- 1) request and receive from the Company's bodies, officials and employees documents and information necessary for making resolutions at meetings of the Board of Directors and resolutions of the Sole Shareholder;
- 2) take measures to organize meetings of the Board of Directors and to bring information on the decisions taken to the officials of the Company

The Board of Directors and the Sole Shareholder, as well as subsequent control of their execution;

3) directly interact with the Chairman and members of the Board of Directors, Chairman and members of the Management Board, employees of the Company, the Sole Shareholder.

The Management Board of the Company provides the Corporate Secretary with all-round assistance in the exercise of his powers.

73. With resolutions of the Board of Directors of the Company, the duties of the Corporate Secretary of the Company may be assigned to the Head of the Office of the Prime Minister of the Republic of Kazakhstan, who is not an employee of the Company and is not subject to labor relations and remuneration. At the same time, the Head of the Office of the Prime Minister of the Republic of Kazakhstan does not participate in the management of the Company.

### **Paragraph 10. The Ombudsman of the Company**

74. In order to comply with the principles of business ethics, optimal regulation of social and labor disputes arising in the Company, an Ombudsman is appointed from among the employees of the Company/Sole Shareholder.

The candidate for the position of Ombudsman should have an impeccable business reputation, high authority, and the ability to make impartial decisions.

The Ombudsman is appointed by the Company's Board of Directors and is subject to re-election every two years. The role of the Ombudsman is to advise the employees who have contacted him, participants in labor disputes, conflicts and assist them in developing a mutually acceptable, constructive and implementable solution, taking into account compliance with the norms of the legislation of the Republic of Kazakhstan (including compliance with confidentiality, if necessary), assistance in solving problematic social and labor issues of both employees and the Company.

The Ombudsman submits for consideration of the relevant bodies and officials of the Company the problematic issues identified by him that are of a systemic nature and require appropriate resolutions (comprehensive measures), puts forward constructive proposals for their solution. The Ombudsman at least once a year submits a report on the results of the work performed to the Nominations, Remuneration and Social Issues Committee under the Board of Directors, the Board of Directors of the Company, which assess the results of his activities.

The Board of Directors of the Company evaluates the results of the Ombudsman's activities and makes a decision on the extension or termination of the powers of the person holding the position of the Ombudsman.

## **Paragraph 11. Internal Audit Service**

75. The Internal Audit Service has been established and is functioning in order to carry out internal audit as an activity aimed at providing independent and objective guarantees and advice aimed at improving the Company's performance. Internal audit helps to achieve objectives by applying a systematic and consistent approach to assess and improve the effectiveness of risk management, control and corporate governance processes.

The Board of Directors determines the quantitative composition and term of powers of Internal Audit Service, appoint its head and employees, as well as prematurely terminates their authorities, determines the order of its work, the amount and terms of remuneration and bonuses of the Internal Audit Service, as well as the budget of the Internal Audit Service.

The employees of the Internal Audit Service may not be elected to the Board of Directors and Management Board.

The Internal Audit Service reports directly to the Board of Directors of the Company and is independent from the Management Board of the Company. The tasks and functions of the Internal Audit Service, its rights and responsibilities are determined by the regulations on the Internal Audit Service approved by the Board of Directors of the Company.

The key responsibilities of the Internal Audit Service include evaluating the quality of the Company's internal control, risk management, and corporate governance systems and communicating information about the adequacy and effectiveness of these systems to the Board of Directors. The main task of the Internal Audit Service is to help improve the Company's performance.

76. The regulations on the Internal Audit Service define and fix the following:

1) commitment to the principles and regulations adopted by the International Institute of Internal Auditors;

2) status, goals and objectives of the Company's internal audit;

3) conditions for ensuring the independence, objectivity and professionalism of the Internal Audit Service in order to achieve the goals and objectives of internal audit and effectively perform its functions and responsibilities by the Internal Audit Service;

4) qualification requirements for the head and employees of the Internal Audit Service;

5) scope and content of internal audit activities;

6) the right of access to documents, employees and tangible assets in carrying out their respective tasks;

7) procedure for interaction of the Internal Audit Service with the Board of Directors and the Management Board of the Company and reporting to the Audit Committee and the Board of Directors of the Company.

The Regulation on the Internal Audit Service also provides for the following tasks and functions:

1) assistance to the Management Board and employees of the Company in the development and monitoring of the implementation of procedures and measures to improve the risk management, internal control and corporate governance systems;

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) preparation and submission to the Board of Directors and the Audit Committee of periodic reports on the performance of the Internal Audit Service and the implementation of the (annual) audit plan (including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified deficiencies, results of assessment of the actual state, reliability and effectiveness of the risk management system, internal control and corporate governance);

4) verification of compliance by 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 the fight against corruption, compliance with ethical requirements;

5) monitoring the implementation of the external auditor's recommendations;

6) providing consultations within the framework of the work plan approved by the Board of Directors on the organization and improvement of internal control, risk management, corporate governance and internal audit, as well as on other issues within the competence of the Internal Audit Service.

77. Assessment of the effectiveness of the Internal Audit Service and its Head and employees by the Board of Directors based on consideration of the reports of the internal audit, compliance deadlines (annual) audit plan and reporting, assessment of compliance with reporting standards and internal regulatory documents of the Internal Audit Service.

## **Paragraph 12. Management Board**

78. The management of the current activities of the Company is carried out by the Management Board. The Chairman and members of the Management Board have high professional and personal characteristics, a good business reputation, and adhere to ethical standards. The Chairman of the Management Board has high organizational skills, works in active interaction with the Sole Shareholder and constructively builds a dialogue with the Board of Directors, employees and other interested parties.

79. The Management Board is accountable to the Board of Directors and manages the day-to-day operations of the Company, is responsible for implementing the development strategy and/or development plan and decisions made by the Board of Directors and the Sole Shareholder.

80. The Board of Directors shall elect the members of the Board (excluding the Chairman of the Board) determines the terms, the rate of official salary, conditions of their remuneration and bonuses. The Nominations, Remuneration and Social Issues Committee under the Board of Directors of the Company plays a key role in the process of searching for and selecting candidates to the Management Board and determining their remuneration.

Proposals for candidates for election to the Management Board are submitted by the Chairman of the Management Board for consideration by the Nominations, Remuneration and Social Issues Committee under the Board of Directors. If the Board of Directors rejects a candidate proposed by the Chairman of the Management Board for the same vacant position to the Management Board for the second time, the right to submit a proposal on a candidate for this vacant position shall pass to the Board of Directors.

The Board of Directors may terminate the powers of members of the Management Board (except for the Chairman of the Management Board) at any time.

It is recommended to elect members of the Management Board of the Company for a term of up to three years. The terms of office of the Chairman and members of the Management Board coincide with the term of office of the Management Board as a whole.

To increase the transparency of the processes of appointment and remuneration of members of the Management Board of the Company, it is recommended that the Board of Directors approve and strictly observe the rules for the appointment, remuneration, assessment and succession of members of the Management Board of the Company.

81. The Management Board, under the guidance of the Board of Directors, develops the Company's Development Strategy and/or Plan.

The Management Board provides:

1) implementation of activities in accordance with the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, decisions of the Sole Shareholder, the Board of Directors;

2) proper risk management and internal control;

3) allocation of resources for implementation of decisions of the Sole Shareholder, the Board of Directors;

4) occupational safety of the Company's employees;

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

The Board of Directors exercises control over the activities of the Company's Management Board. Control can be implemented by the Management Board providing regular reports to the Board of Directors and hearing the Management Board on the implementation of medium-term development plans and results

achieved at least once a year.

82. The Management Board holds in-person meetings and discusses the implementation of the development strategy and/or development plan, decisions of the Sole

Shareholder, the Board of Directors and operating activities. Meetings of the Management Board are held on a regular basis. Cases of holding absentee meetings are limited and are defined in the Charter and internal documents of the Company.

The Management Board forms a work plan for the upcoming year with a list of issues before the start of the calendar year. Members of the Management Board are provided in advance with materials for consideration of appropriate quality. When considering issues such as development strategies and/or development plans, investment projects, and risk management, several meetings are allowed.

When considering each issue, a separate discussion is devoted to the risks associated with making/not making a decision and their impact on the company's profitability.

All issues submitted at the initiative of the Management Board for consideration by the Board of Directors and the Sole Shareholder are previously considered and approved by the Management Board.

83. The Chairman and members of the Management Board do not allow a conflict of interest situation to arise. If there is a conflict of interest, they notify the Board of Directors or the Chairman of the Management Board in advance of the need to record this in writing and not participate in making a decision on the issue.

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

85. The Management Board ensures the creation of an optimal organizational structure of the Company.

The organizational structure should focus on:

- 1) the effectiveness of decision-making;
- 2) increasing the productivity of the Company;
- 3) efficiency of decision-making;
- 4) organizational flexibility.

The selection of candidates for the Company's vacant positions is based on open and transparent competitive procedures. Career promotion and financial incentives for the Company's employees are carried out in accordance with the principles of meritocracy, taking into account the level of knowledge, competencies, work experience and achievement of the tasks set. The Company forms a pool of employees of the personnel reserve, from which appointments to senior positions of middle and top management can be made in the future. Employees undergo a comprehensive performance assessment on an annual basis.

Personnel selection procedures are implemented according to the following requirements:

preference for the development of internal resources of the Company, and in the absence of such opportunities – openness and lack of restrictions for

employment of positions for a wide range of people, ensuring the principle of equal opportunities, which contribute to increased competition and selection of worthy applicants who meet the requirements of professionalism and competence;

unbiased recruitment and complete absence of protectionism, patronage system of admission (based on the principle of loyalty, ethnicity, family ties and personal friendship);

legal regulation, including in matters of fixing the principles and criteria for evaluating candidates, excluding conditions for subjectivity in making a decision.

### **Paragraph 13. Assessment and remuneration of members of the Management Board of the Company**

86. The Chairman and members of the Management Board are evaluated by the Board of Directors. The main assessment criterion is the achievement of the set efficiency.

Motivational KPIs of the Chairman and members of the Management Board are approved by the Company's Board of Directors. The Chairman of the Management Board makes proposals regarding the motivational efficiency of members of the Management Board for consideration by the Board of Directors.

The results of the assessment have an impact on the amount of remuneration, promotion, re-election (appointment) or early termination of powers.

The remuneration of the Chairman and members of the Management Board consists of a constant and variable part. When setting the official salary, the complexity of the tasks performed, the employee's personal competence and competitiveness in the market, the contribution made by this person to the development of the Company, the level of official salaries in similar companies, and the economic situation in the Company are taken into account.

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

## **Chapter 7. Sustainable Development Principle**

87. The Company is aware of the importance of its influence on the economy, environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company.



88. The Company strives for profitability, ensures sustainable development, and maintains a balance of interests of interested parties.

In the course of its activities, the company exerts influence or experiences the influence of interested parties. Activities in the field of sustainable development meet the best international standards.

Stakeholders can have both a positive and negative impact on the Company's activities, such as achieving profitability, sustainable development, reputation and image, and creating or reducing risks. The Company attaches great importance to proper interaction with stakeholders.

89. The Company uses international standards for identifying and interacting with stakeholders when identifying and interacting with them.

The list of stakeholders includes, but is not limited to:

<b>Interested parties</b>	<b>Contribution, influence</b>	<b>Expectations, interest</b>
Investors, including Sole Shareholder, international financial	Financial resources (equity, borrowed funds)	Profitability investments made, timely payment of dividends, principal and remuneration
Employees, officials	Human resources, loyalty	High wages, good working conditions, professional development
Union	The promotion of social stability, regulation of labor relations and conflict resolution	Respect for workers' rights, good working conditions
Clients	Financial resources by purchasing the organization's services	Getting high-quality services at an affordable price
Suppliers/service providers	Supply of resources (goods, works, and services) to create value	Reliable sales market, permanent paying customer
Local communities, population in places of implementation of activities of public organizations	Support in the field of activity; loyalty and support of local authorities; favorable attitude; collaboration	Creation of additional jobs, development of the region
The government, public authorities, the Parliament	State regulation, return of allocated funds from the national budget and the Republic of Belarus	Taxes, solving social problems

Company should take measures to establish dialogue and long-term cooperation and manage relationships with stakeholders.

90. The Company draws up a map of stakeholders, taking into account risks and ranking them based on dependence (direct or indirect),

obligations, situations (paying particular attention to high-risk areas), impacts, and different perspectives.

Methods of interaction with stakeholders include, but are not limited to, the following forms:

Level of interaction	Method of interaction
Consultations: two-way interaction; interested parties answer questions from Society and organizations	Questionnaires; focus groups; meetings with stakeholders; public meetings; seminars; providing feedback through means of communication; advisory boards
Conversation	Collective bargaining based on the principles of social partnership
Involvement: Bilateral or multilateral interaction; building experience and knowledge from all sides, with stakeholders and organizations acting independently	Multi-stakeholder forums; consultation panels; consensus-building process; collaborative decision-making process; focus groups; feedback schemes
Cooperation: Bilateral or multilateral interaction; joint development of experience and knowledge, decision-making and action	Joint projects; joint ventures; partnerships; joint multi-stakeholder initiatives
Empowerment Stakeholders (if applicable) participate in the management of	Integrating stakeholder engagement into management, strategy, and operations

91. The Company ensures that its economic, environmental and social goals are consistent for long-term sustainable development. Sustainable development in the Company consists of three components: economic, environmental and social.

The economic component directs the Company's activities to the profitability of its activities, ensuring the interests of the Sole shareholder and investors, improving the efficiency of processes, increasing investment in the creation and development of better technologies, and increasing labor productivity.

The environmental component contributes to minimizing the impact on biological and physical natural systems, optimal use of limited resources, and the use of environmentally friendly, energy - and material-saving technologies.

The social component is focused on the principles of social responsibility, which include, among other things, 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, environmental and educational campaigns.

The Company selects employees based on transparent competitive procedures in accordance with the Company's internal documents.

The Company conducts an analysis of its activities and risks in these three aspects, and also strives to prevent or reduce the negative impact of the results of its activities on interested parties.

International standards provide the following classification of categories and aspects of sustainable development:

<b>Category</b>	<b>Aspects</b>
<b>Economic</b>	Economic effectiveness; presence on markets; indirect economic impacts; procurement practices
<b>Environmental</b>	Materials; energy; water; biodiversity; emissions; discharges and wastes; products and services; compliance; transport; General information; environmental assessment of suppliers; environmental complaint mechanisms
<b>Social</b>	Employment practices and decent work include, but are not limited to, employment, health and safety in the workplace, training and education, employee-management relationships, diversity and equal opportunities, equal remuneration for women and men, evaluation of supplier employment practices, and complaint mechanisms for employment practices
	Human rights include, but are not limited to, investment, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, security practices, rights of indigenous and small peoples, assessment of suppliers ' compliance with human rights, and complaint mechanisms for human rights violations
	Society, includes, including local communities, corruption, public policy preventing competition, compliance, assessment of the impacts of suppliers on society, grievance mechanisms for impacts on society
	Product responsibility includes, but is not limited to, consumer health and safety, product and service labeling, marketing communications, consumer privacy, and compliance

92. The principles in the field of sustainable development are openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance of corruption, and inadmissibility of conflicts of interest.

The principles should be understood as follows:

1) openness – we are open to meetings, discussions and dialogue; we strive to build long-term cooperation with stakeholders based on consideration of mutual interests, respect for rights and balance between the interests of the Company and stakeholders;

2) accountability - we are aware of our accountability for the impact on the economy, environment and society; we are aware of our responsibility to the Sole Shareholder and investors; long-term profitability of the Company; we strive to minimize the negative impact of our activities on the environment and society by conserving resources (including energy, raw materials, water), consistently reducing emissions, waste, and introducing high-performance, energy and resource-saving technologies; we pay taxes and other fees provided by

law to the state budget; we save and create jobs as part of our development strategy and opportunities; we strive to contribute to the development of the area in which we carry out activities within the framework of our strategy and within the available financial capabilities; we thoughtfully and reasonably make decisions and take actions at every level, starting from the level of officials and ending with employees; we strive to introduce innovative technologies aimed at the careful and responsible use of resources, increasing labor productivity; our products, goods and services must meet the health and safety standards of consumers established by law and be of proper quality; we value our clients;

3) transparency – our decisions and actions should be clear and transparent to stakeholders. We promptly disclose information required by law and our documents, taking into account the rules for protecting confidential information;

4) ethical behavior - our decisions and actions are based on our values, such as respect, honesty, openness, team spirit and trust, integrity and fairness;

5) respect – we respect the rights and interests of interested parties that result from legislation, concluded contracts, or indirectly within the framework of business relationships;

6) legality – our decisions, actions and behavior comply with the legislation of the Republic of Kazakhstan and the decisions of the Company's bodies;

7) respect for human rights – we respect and promote the observance of human rights stipulated by the Constitution of the Republic of Kazakhstan, laws of the Republic of Kazakhstan and international documents; we categorically do not accept and prohibit the use of child labor; our employees are our main value and main resource, the results of our activities directly depend on their level of professionalism and safety. Therefore, we attract professional candidates from the labor market on an open and transparent basis and develop our employees on the basis of the meritocracy principle; ensure the safety and labor protection of our employees; conduct health programs and provide social support to employees; create an effective system of motivation and development of employees; develop corporate culture;

8) zero tolerance for corruption-corruption destroys the value that our organizations create for our shareholders, investors, other stakeholders, and society as a whole; we declare zero tolerance for corruption in all its manifestations in cooperation with all interested parties. Officials and employees involved in corruption cases are subject to dismissal and prosecution in the manner prescribed by law; internal control systems in the Company include, among other things, measures aimed

at preventing, preventing and detecting corruption offenses; Company should develop a dialogue with stakeholders to raise their awareness in the fight against corruption;

9) inadmissibility of conflicts of interest-serious violations related to conflicts of interest may damage the company's reputation and undermine the trust of the Sole shareholder and other interested parties; the personal interests of an official or employee should not affect the impartial performance of their official or functional duties; in relations with partners, the company expects to establish and maintain fiduciary relations in which the parties are obliged to act towards each other as honestly, conscientiously, fairly and loyally as possible, take measures to prevent, identify and exclude conflicts of interest;

10) personal example – each of us contributes to the implementation of the principles of sustainable development in our actions, behavior and decision-making on a daily basis; officials and employees in managerial positions should motivate the implementation of the principles of sustainable development by their personal example.

93. The Company is building a management system in the field of sustainable development, which includes, but is not limited to, the following elements:

1) commitment to the principles of sustainable development at the level of the Board of Directors, Management Board and employees;

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

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

4) building a stakeholder map;

5) integrating sustainable development into key processes, including risk management, planning, human resource management, investment, reporting, operations, and others, as well as into development strategy and decision-making processes;

6) definition of sustainable development goals and KPIs, development of an action plan and identification of responsible persons;

7) professional development 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 efficiency, adoption of corrective measures, implementation of a culture of continuous improvement.

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

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

94. The Company develops action plans in the field of sustainable development through:

1) in-depth and thoughtful analysis of the current situation in three main areas: economic, environmental and social; when conducting this analysis, the reliability, timeliness and quality of information is important;

2) risk definitions in the field of sustainable development; risks are distributed in accordance with the three directions of sustainable development, can also affect related directions and capture other risks. To determine the risks, an analysis of both internal and external factors affecting the Company is carried out;

3) identification of stakeholders and their impact on activities;

4) defining goals, as well as, if possible, targets, measures to improve and improve the activities of the three components, responsible persons, necessary resources and deadlines;

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

6) systematic and constructive interaction with stakeholders, receiving feedback;

7) the implementation of the generated plan;

8) continuous monitoring and regular reporting;

9) analyze and evaluate the effectiveness of the plan, summarize the results, and take corrective and improving measures.

It is recommended to integrate sustainable development into:

1) control system;

2) development strategy;

3) key processes, including risk management, planning (long-term (strategy), medium-term (5-year development plan) and short-term (annual budget) periods), reporting, risk management, human resources management, investment, operations, and others, as well as decision-making processes at all levels, starting from the bodies (Sole shareholder, Board of Directors, Management Board), and ending with ordinary employees.

95. The management system in the field of sustainable development defines and establishes the roles, competencies, and responsibilities of each body and all employees for the implementation of principles, standards, and relevant policies and plans in the field of sustainable development.

The Company's Board of Directors provides strategic guidance and controls the implementation of sustainable development. The Company's Management Board forms an appropriate action plan.

In order to prepare sustainable development issues, a Committee is created or these issues are delegated to the competence of one of the existing committees under the Company's Board of Directors.

The Company conducts training and professional development programs on an ongoing basis. Training is a constant element in implementing sustainable development. The Company's officials promote

the involvement of employees in sustainable development based on understanding and adherence to the principles of sustainable development and cultural change, behavior in conducting business and fulfilling duties. The Company conducts research on employee engagement and satisfaction on an annual basis.

96. The benefits of implementing sustainable development principles include:

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

2) improving management efficiency and minimizing risks-integrating environmental and social aspects into the management decision - making process allows you to expand your planning horizons and take into account a more diverse range of risks and opportunities, which creates prerequisites for sustainable business development;

3) improving efficiency - the introduction of high-performance and resource-efficient technologies allows you to create innovative products and services, while increasing your competitiveness and efficiency;

4) reputation building - improving the corporate image is the most obvious result of sustainable development activities, which increases the brand value and creates trust, as well as has a positive impact on the quality of interaction with business partners;

5) increasing loyalty from internal and external stakeholders – creating attractive working conditions, opportunities for professional and career growth allows you to attract and retain promising qualified specialists; building an effective dialogue with stakeholders contributes to the formation of a positive environment around the Company's activities, which contributes to improving the efficiency of activities through understanding and support from customers, Sole shareholder, investors, government agencies, local population, public organizations.

97. The Company discusses the inclusion and compliance with the principles and standards of sustainable development in the relevant contracts (agreements, contracts) with partners.

If the Company identifies a risk associated with the partners' negative impact on the economy, environment and society, the Company takes measures aimed at stopping or preventing such impact.

If the partner does not accept or does not properly comply with the principles and standards of sustainable development, it is necessary to take into account the importance of this partner to Society and whether there are measures to influence it and the possibility of replacing it.

## **Chapter 8. The principle of risk management, internal control and internal audit**

### **Paragraph 1. Risk Management and Internal Control**

98. The Company has an efficiently functioning risk management and internal control system aimed at ensuring reasonable confidence in the achievement of its strategic and operational goals by the Company, and is a set of organizational policies, procedures, norms of behavior and actions, methods and mechanisms of management created by the Board of Directors and the Management Board of the Company to provide:

1) optimal balance between the company's profitability, strategic goals and their associated risks;

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

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

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

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

6) appropriate internal controls to prevent fraud and provide effective support for the operation of core and ancillary business processes and performance analysis.

99. The Board of Directors of the Company approves internal documents defining the principles and approaches to the organization of the risk management and internal control system, based on the objectives of this system.

The organization of an effective risk management and internal control system in the Company is aimed at building a management system that can ensure that employees, management, and Company bodies understand the reasonableness and acceptability of the level of risks when making decisions, respond quickly to risks, exercise control over the main and auxiliary business processes and daily operations, and immediately inform the management of the relevant level of any significant shortcomings.

Principles and approaches to the organization of an effective risk management and internal control system include:

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

2) the organizational structure of the risk management and internal control system covering all levels of decision-making and taking into account



the role of the corresponding level in the process of developing the approval, application and assessment of the risk management and internal control system;

3) the main requirements for the organization of the risk management process (approaches to risk identification, the procedure for identifying and assessing risks, determining response methods, monitoring, and others);

4) requirements for the organization of the internal control system and conducting control procedures (characteristics of key areas and main components of the internal control system, the procedure for evaluating the effectiveness and reporting in the field of internal control, and others).

The Company's internal regulatory documents establish the responsibility of the Board of Directors and the Management Board of the Company for organizing and ensuring the effective functioning of the risk management and internal control system on a consolidated basis.

100. Each official of the Company ensures that risks are properly considered when making decisions.

The Company's Management Board ensures that risk management procedures are implemented by employees with appropriate qualifications and experience.

Management Board:

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

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

3) responsible for implementing decisions of the Board of Directors and recommendations of the audit Committee in the field of risk management and internal control;

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

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

In order to implement the principles of internal control and effectiveness of risk management and internal control the Management Board distributes the powers, duties and responsibility for specific risk management procedures and internal control between managers following the level and/or heads of departments.

Managers of structural divisions/business process owners are responsible for developing, documenting, implementing, monitoring and developing the risk management and internal control system in the functional areas of the Company's activities entrusted to them in accordance with their functional responsibilities.

101. The organizational structure of the Company's risk management and internal control system provides for the existence of a structural unit responsible for risk management and control issues, whose tasks include:

- 1) overall coordination of risk management and control processes;
- 2) development of methodological documents in the field of risk management and control and providing methodological support to business process owners and employees in the process of identifying, documenting risks, implementing, monitoring and improving control procedures, forming action plans for responding to risks and action plans for improving the risk management and internal control system, reports on their implementation;
- 3) organization of training of employees in the field of risk management and control;
- 4) analysis of the risk portfolio and development of proposals for a response strategy and reallocation of resources in relation to risk management;
- 5) the formation of the consolidated reporting on risks;
- 6) implementation of operational control over the risk management process by structural divisions;
- 7) preparing and informing the Board of Directors and/or the Management Board of the Company about the status of the risk management system, existing threats and proposals for their prevention/leveling.

The Manager in charge of the risk management and control function is not the owner of the risk, which ensures its independence and objectivity. It is impossible to combine risk management and control functions with those related to economic planning, corporate finance, treasury, and investment decision-making. Combining with other functions is allowed if there is no significant conflict of interest.

102. The risk management and internal control system provides for the identification, assessment and monitoring of all significant risks, as well as the adoption of timely and adequate measures to reduce the level of risks.

Risk management procedures ensure rapid response to new risks, their clear identification and identification of risk owners. In case of any unforeseen changes in the competitive or economic environment of the Company, the risk map is re-evaluated and its compliance with the risk appetite.

The Board of Directors approves the overall level of risk appetite and tolerance for key risks, which are set out in the Company's internal documents.

Tolerance levels for key risks are reviewed in the event of significant events. Limits are set that limit risks in daily operations.

For a complete and clear understanding of inherent risks, the Company at least annually identifies and evaluates risks, which are reflected in the risk register, risk map, and risk response plan (process improvement, minimization strategy) approved by the Board of Directors.

The Board of Directors, when reviewing the risk register and map, ensures that they include risks that may actually affect the implementation of strategic objectives, and when reviewing the risk response plan, make sure that the measures are useful. The Company's Board of Directors and Management Board regularly receive information about key risks and their analysis in terms of their impact on The company's strategy and development plan.

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

103. The Company has implemented transparent principles and approaches in the field of risk management and control, the practice of training employees and officials about the risk management system, as well as the process of documenting and timely communicating the necessary information to officials.

Employees of the Company annually, as well as when applying for a job, undergo training/introductory instruction to familiarize themselves with the adopted risk management and internal control system. Based on the results of such training, knowledge testing is carried out.

As part of the risk management and control system, the Company has established a secure, confidential and accessible method (hotline) for informing the Board of Directors (Audit Committee) and the internal audit division about violations of the legislation of the Republic of Kazakhstan, internal procedures, and the Code of Business ethics by any employee or official of the Company.

## **Paragraph 2. Internal Audit**

104. The Company has established an Internal Audit Service for systematic independent assessment of the reliability and effectiveness of the risk management and internal control system and corporate governance practices.

105. The Internal Audit Service operates on the basis of a risk-based (annual) audit work plan approved by the Company's Board of Directors. The results of audit reports, key findings, and related recommendations are submitted to the Board of Directors on a quarterly basis.

The Head of the Internal Audit Service takes into account the risk management concept adopted by the Company, and also applies

his own judgment about risks formed after consultation with the Management Board of the Company and the Audit Committee.

106. In carrying out its activities, the Internal Audit Service assesses the effectiveness of internal control, risk management and corporate governance systems using generally accepted standards for internal audit and corporate standards, in accordance with the methodologies approved by the Board of Directors.

Assessing the effectiveness of the internal control system includes:

1) analysis of compliance of business process goals, projects and structural divisions with the Company's goals, verification of ensuring the reliability and integrity of business processes (activities) and information systems, including the reliability of procedures for countering illegal actions, abuse and corruption;

2) checking the reliability of accounting (financial), statistical, management and other reports, identifying the results of business processes and structural divisions for compliance with the set goals;

3) determination of the adequacy of the criteria established by the Company's Management Board for analyzing the degree of fulfillment (achievement) of the set goals;

4) identification of deficiencies in the internal control system that did not allow (do not allow) to achieve the set goals;

5) assessment of the results of implementation of measures to eliminate violations, shortcomings and improve the internal control system implemented at all levels of management;

6) checking the efficiency and appropriateness of resource use;

7) verification of security of the Company's assets;

8) verification of compliance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company.

Assessment of the effectiveness of the risk management system includes:

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 divisions within the risk management system, reporting);

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

3) verification of the effectiveness of control procedures and other risk management measures, including the effectiveness of the use of resources allocated for these purposes;

4) analysis of information about realized risks (violations detected by the results of internal audits, facts of failure to achieve goals, facts of legal proceedings).

Corporate governance assessment includes verification:

- 1) compliance with ethical principles and corporate values of the Company;
- 2) procedure for setting goals, monitoring and controlling their achievement;
- 3) the level of regulatory support and procedures for information interaction (including on internal control and risk management) at all levels of management, including interaction with stakeholders;
- 4) ensuring the rights of the Sole Shareholder and the effectiveness of relations with interested parties;
- 5) procedures for disclosure of information about the Company's activities.

107. The Company conducts an annual audit of financial statements by engaging an independent and qualified auditor who, as a third party, provides an objective opinion to interested parties on the reliability of financial statements and their compliance with the requirements of IFRS. The rules regarding the annual audit are applied if the audit of the annual financial statements is provided for by the legislation of the Republic of Kazakhstan and/or internal documents of the Company.

The external auditor is selected on the basis of a competition. An important role in the selection process is played by the Audit Committee of the Board of Directors of the Company, which coordinates the qualification requirements and/or technical specifications developed for the purpose of the competition.

108. The external auditor involved should not provide consulting services to the Company that may threaten the independence of the external auditor. If it is assumed the appointment (election) to the position of Board member, Managing Director or Chief Accountant of the company, the persons participating in a mandatory audit as an employee of the external auditor or who participated in a mandatory audit as an employee of the external auditor within two years preceding the date of his appointment (election) to the community in order to avoid conflict of interests, is required to obtain the prior approval of the Audit Committee of the Board of Directors of the Company on a prospective candidate for further consideration of the question of his appointment (election).

109. The interested parties must be confident in the reliability of the Company's financial statements by engaging an external auditor who meets the following criteria: high level of qualifications of the specialists of the audit organization; significant work experience and a positive reputation (both in the Kazakh market and in the international market (if necessary)); experience in the industry; compliance by the auditing organization with international auditing standards, the legislation of the Republic of Kazakhstan in the field of auditing, the Code of Ethics for Professional Accountants of the International Federation of Accountants; efficiency in identifying gaps and

providing recommendations for improving internal controls in the process of preparing financial statements.

110. The company should approve the documents regulating the procedure for the audit and relations with the external auditor, including the process of selecting the external auditor, the powers and functions of the tender committee, issues of the audit organization's provision of consulting services not related to the audit of financial statements and other information, issues of rotation of audit organizations and senior staff of the audit firm, recruitment of former employees of the audit firm.

Rotation of partners and senior staff of the audit organization responsible for the audit of financial statements is carried out at least once every five years, if the audit organization provides audit services to the Company for more than 5 consecutive years.

## **Chapter 9. The principle of regulating corporate conflicts and conflicts of interest**

### **Paragraph 1. Corporate Conflict Regulation**

111. Members of the Board of Directors and the Management Board of the Company, employees of the Company, perform their professional functions in good faith and reasonably in the interests of the Sole Shareholder and the Company, avoiding conflicts.

In the event of corporate conflicts, participants seek ways to resolve them through negotiations in order to ensure effective protection of the interests of the Company and interested parties. At the same time, the Company's officials promptly inform the Corporate Secretary and/or the Ombudsman about the existence (occurrence) of a conflict.

Effective work on prevention and resolution of corporate conflicts requires full and early identification of such conflicts and coordination of actions of all bodies of the Company.

112. Corporate conflicts are considered by the Chairman of the Company's Board of Directors with the assistance of the Corporate Secretary and/or the Ombudsman. If the Chairman of the Board of Directors is involved in a corporate conflict, such cases are considered by the Nominations, Remuneration and Social Issues Committee.

The Sole Shareholder in order to prevent state interference in operational activity, and also increase of responsibility of the Board of Directors for decisions, should avoid electing an excessive number of members of the Board of Directors who are government representatives.

113. In order to support                      objectivities                      of the assessment      of  
corporate

conflict and creation of conditions for its effective settlement, persons whose interests are affected by the conflict or may raise, do not participate in its resolution.

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

114. The Board of Directors approves and periodically reviews the policy and rules for resolving corporate conflicts, in which their resolution will meet the interests of the Company and the Sole shareholder.

115. The Board of Directors resolves corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman are responsible for ensuring that the Board of Directors is as well informed as possible about the nature of the corporate conflict and the role of an intermediary in resolving the corporate conflict.

The Chairman of the Management Board, on behalf of the Company, resolves corporate conflicts on all issues that are not within the competence of the Company's Board of Directors, and independently determines the procedure for dealing with corporate conflicts.

The Board of Directors considers individual corporate conflicts that fall within the competence of the Management Board (for example, if the subject of the conflict is the actions (inaction) of this body).

## **Paragraph 2. Conflict of Interest Regulation**

116. A conflict of interest is defined as a situation in which the personal interest of an employee of the Company affects or may affect the impartial performance of official duties.

Serious violations related to a conflict of interest can damage the Company's reputation and undermine the trust in it on the part of the Sole Shareholder and other interested parties. The personal interests of an official or employee should not affect the impartial performance of their official or functional duties.

117. Employees of the Company do not allow a situation in which a conflict of interests 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, the company implements mechanisms to prevent and regulate them.

118. The main principles for preventing conflicts of interest and ways to identify, assess and resolve them are set out in the Company's Code of Business Ethics, approved by the Board of Directors.

## **Chapter 10. Principles of transparency and objectivity of disclosure of information about the Company's activities**

119. In order to comply with the interests of the Company's stakeholders, the company promptly and reliably discloses information provided for by the legislation of the Republic of Kazakhstan and internal documents of the Company, as well as information on all important aspects of its activities, including financial condition, results of operations, ownership and management structure.

120. To ensure systematic disclosure of information, the Company approves internal documents defining the principles and approaches to disclosure and protection of information, the list of information disclosed to interested parties, the terms, procedure, method, form of disclosure of information, responsible officials and employees, indicating their functions and responsibilities, as well as other provisions governing the disclosure processes.

In order to protect information that is a commercial or other secret protected by law, the Company, in accordance with the legislation of the Republic of Kazakhstan, determines the procedure for classifying information into categories of access, conditions for storing and using information. The Company determines the circle of persons who have the right of free access to information constituting a commercial or other secret protected by law, and takes measures to protect its confidentiality.

121. The internet resource is structured, user-friendly, and contains information that is sufficient for interested parties to understand the Company's activities. It is recommended that information be placed in separate thematic sections of the Internet resource.

The Internet resource is updated as necessary, but at least once a week. The Company regularly monitors the completeness and relevance of information posted on the Internet resource, as well as determines the compliance of this information posted on the Kazakh, Russian, English versions of the Internet resource. For this purpose, the responsible persons (structural division) responsible for the completeness and relevance of information on the Internet resource are assigned.

122. The Company's Internet resource contains the following information:

1) General information about the Company, including information about the mission, main tasks, goals and activities, the amount of equity, the amount of assets, net income and the number of employees;

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

3) the charter and internal documents of the Company governing the activities of bodies, committees, the Corporate Secretary;



4) on ethical principles;

5) on risk management;

6) on dividend policy;

7) on the members of the Board of Directors, including the following information: photo (as agreed with a member of the Board of Directors), last name, first name, patronymic, date of birth, citizenship, status of a member of the Board of Directors (independent director, representative of the Sole Shareholder), indication of the functions of a member of the Board of Directors, including membership in committees of the Board of Directors or acting as Chairman of the Board of Directors, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree received), work experience over the past five years, main place of work and other current positions, professional qualifications, the date of the first election to the Board of Directors and the date of election to the current Board of Directors, the number and percentage of shares held in affiliated organizations;

8) on members of the Management Board, including the following information: photo, last name, first name, patronymic, date of birth, citizenship, position and functions performed, education, including basic and additional education (name of educational institution, year of graduation, qualification, degree obtained), work experience over the past five years, professional qualifications, positions held concurrently, number and share of shares owned by affiliated organizations;

9) on the financial statements;

10) annual report;

11) on the external auditor;

12) on purchasing activities, including rules, announcements, and results of purchases;

13) on the structure of the authorized capital, including the following information: the number and nominal value of issued shares (participation shares), a description of the rights granted by shares, the number and nominal value of declared but not placed shares, information about the Sole shareholder, the number and share of common shares (participation shares) owned by them, the procedure for disposing of property rights;

14) on asset structure, including information about affiliated organizations at all levels with a brief indication of their scope of activity;

15) on the annual calendar of corporate events;

16) on interested party transactions, including information about the parties to the transaction, the essential terms of the transaction (the subject of the transaction, the price of the transaction), the body that made the decision to approve the transaction;

17) on major transactions, including information about the parties to the transaction, the essential terms of the transaction (the subject of the transaction, the transaction price), the body that made the decision to approve the transaction;

18) on activities in the field of sustainable development;

19) on the amount of approved dividends;

20) on news and press releases.

123. The Company prepares an annual report in accordance with the provisions of this Code and the best practice of information disclosure. The Annual Report is approved by the Sole Shareholder.

The Annual Report is a structured document and is published in Kazakh, Russian and English (if necessary).

The Annual Report is prepared and, after approval by the Sole Shareholder, posted on the Internet resource.

124. The minimum requirements for the content of the annual report include the following information:

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

2) address of the Chairman of the Management Board;

3) about the Company: general information; on the structure of the authorized capital, including the following information: the number and nominal value of issued shares (participation interests), description of the rights granted by shares, the number and nominal value of declared but not placed shares, information about the Sole shareholder, the number of ordinary shares owned by him, the procedure for disposing of property rights; mission; development strategy, results of its implementation; 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 objectives set; 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 IFRS);

5) asset structure, overview, and main results of their financial and production activities;

6) goals and plans for future periods;

7) key risk factors and risk management system;

8) corporate governance: corporate governance structure; the composition of shareholders and ownership structure; the composition of the Board of Directors, including qualifications, the selection process, including the independent Directors specifying the criteria for determining their independence; an activity report of the Board of Directors and its committees, which reflects the results of the activities of the Board of Directors and its committees during the reporting period, the significant events, the issues, the number of meetings, form of meetings, attendance; the relevance of corporate governance practices with the principles of this Code, and in its inconsistency explanations about the reasons of non-compliance with each of the principles; the composition of the Management Board of the Company; a report on the activities of the Management Board; remuneration policy officials;

9) sustainable development;

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

11) the analytical indicators and data included in the annual report should reflect the comparative analysis and progress achieved (regression) in relation to the previous period (comparison with the values of similar indicators indicated in the previous annual report). In order to compare indicators with international companies operating in a similar industry, it is recommended to publish performance indicators that will allow you to conduct an industry benchmarking analysis.

## **Chapter 11. Business Partner Engagement**

125. The Company interacts with business partners (clients, investors, rating agencies, consulting companies, etc.) on the basis of mutual benefit, respect, trust, honesty and fairness. The Company does business only with reliable business partners who are engaged in legitimate activities.

126. The Company selects suppliers of services/goods primarily on a competitive basis in accordance with the legislation and internal documents of the Company.

127. The Company fulfills its contractual obligations to its business partners in good faith and demands the same from them.

128. The Company always resolves disputes arising in the course of its activities by legal means, conducting negotiations and seeking to find mutually acceptable compromises.

## **Chapter 12. Final Provisions**

129. This Code comes into effect from the moment of its approval in accordance with the resolution of the Sole Shareholder of the Company.

130. The Company strives to implement the provisions of this Code in its activities.

131. The Company will improve this Code taking into account changes in legislation and the emergence of new standards of corporate governance in international and national practice, guided by the interests of the Sole Shareholder and other interested parties.

132. Issues not specified in this Code are regulated by the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company.

133. The Company may develop and adopt additional internal documents of the Company aimed at adapting and applying the provisions of this Code.