

**On the approval of the Code  
corporate management of  
non-commercial joint- stock  
society «West Kazakhstan Marat  
Ospanov medical University»**

In accordance with subparagraph 1-1) of paragraph 1 of Article 36 of the Law of the Republic of Kazakhstan dated May 13, 2003 «On Joint Stock Companies» and subparagraph 2) paragraph 42 of the Charter of the non-commercial joint-stock company «West Kazakhstan Marat Ospanov Medical University», **I ORDER:**

1. To approve the Corporate management Code of the non- commercial joint-stock company «West Kazakhstan Marat Ospanov Medical University» in accordance with the appendix to this order.

2. This order is a decision of the sole shareholder of the non- commercial joint-stock company «West Kazakhstan Marat Ospanov Medical University» and comes into force from the date of its signing.

**Minister**

**E. Birtanov**

Appendix to the Order of the  
Minister of Healthcare of the  
Republic of Kazakhstan dated  
November 19, 2019 No. 644.

**Code  
of corporate management  
of non-commercial joint-stock company  
«West Kazakhstan Marat Ospanov Medical University»**

## Chapter 1. General provisions

1. The Corporate Management Code of the non-commercial joint-stock company «West Kazakhstan Marat Ospanov Medical University» (hereinafter - the Code) is developed in accordance with paragraph 3 of the article 182 of the Law of the Republic of Kazakhstan dated March 1, 2011 «On State Property» (hereinafter referred to as the Law on State Property) and defines corporate management approaches in relations within a state-controlled non-commercial joint-stock company (hereinafter referred to as the Company), its branches and other interested parties.

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

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

1) shareholder (participant) - the Ministry of Health of the Republic of Kazakhstan;

2) general meeting of shareholders (participants) - the supreme body of the Company. The procedure for holding a general meeting of shareholders (participants) is determined by the laws of the Republic of Kazakhstan dated May 13, 2003 «On Joint-Stock Companies» (hereinafter - the Law on Joint-Stock Companies), dated April 22, 1998 «On Partnerships with Limited and Additional Liability» (hereinafter - the Law on limited partnerships), the Charter of the Company;

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

4) the board - the executive body of the Company, acting jointly;

5) development plan - a document that defines the main areas of activity, indicators of financial and economic activity and key indicators of the Company for a five-year period, approved by the board of directors;

6) development strategy - a document that defines and justifies the mission, vision, strategic goals, objectives and key performance indicators of the Company for a ten-year period, approved by the general meeting of shareholders (sole shareholder), unless, in accordance with the Law on State Property, approval the development strategy is implemented by the Government of the Republic of Kazakhstan or its development is not required;

7) the board of directors is the management body in the Company which is formed by the election of its members at the general meeting of shareholders (the sole shareholder) of the Company, which is responsible for the general management and control over the activities of the Company and the management board;

8) subsidiary organization - a legal entity, the predominant part of the authorized capital of which was formed by another legal entity (hereinafter - the parent organization);

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

10) corporate governance - a set of processes that provide management and control over the activities of the Company and include relations between shareholders, the board of directors, the management board, other bodies of the Company and interested parties in the interests of shareholders. Corporate governance also determines the structure of the Company, with the help of which its goals are

established, ways to achieve these goals, as well as monitoring and evaluation of performance;

11) corporate events - events that have a significant impact on the activities of the Company, affecting the interests of shareholders and investors of the Company, as defined by the Law on Joint-Stock Companies, the Laws of the Republic of Kazakhstan dated February 28, 2007 «On Accounting and Financial Reporting» and dated July 2, 2003 «On the securities market» as well as the Charter of the Company;

12) corporate conflict - disagreement or dispute between shareholders and bodies of the Company; members of the board of directors and the executive body, head of the Internal Audit Service, corporate secretary;

13) corporate secretary - an employee of a joint stock company who is not a member of the board of directors and (or) the executive body of the company, who is appointed by the board of directors of the company and reports to the board of directors of the company, and also controls the preparation and conduct of meetings of the meeting of shareholders and the board of directors of the company, ensures the formation of materials on the agenda items of the general meeting of shareholders and materials for the meeting of the board of directors of the company, monitors the provision of them. The competence and activities of the corporate secretary are determined by the internal documents of the company;

14) key performance indicators (indicators) of activity (hereinafter - KPI) - indicators characterizing the level of performance of the Company, officers and employees of the Company, which allow to evaluate the effectiveness of their activities. KPIs are of quantitative significance, approved for the Company as part of the development strategy and / or development plan of the Company, or approved differentially for each employee of the Company and corresponding to the results of their activities for the planned and reporting periods;

15) official - a member of the board of directors (supervisory board), executive body;

16) interested parties - individuals, legal entities, groups of individuals or legal entities that influence or may experience the impact of the Company's activities, their products or services and related actions by virtue of legislative norms, concluded agreements (contracts) or indirectly (indirectly); The main representatives of interested parties are shareholders, employees, customers, suppliers, government agencies, subsidiaries and affiliates, bondholders, creditors, investors, public organizations, the population of the regions in which the Company operates;

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

18) sustainable development - this is the development in which the Company manages the impact of its activities on the environment, economy, society and make decisions taking into account the interests of stakeholders. Sustainable development should meet the needs of the current generation, without depriving future generations of the opportunity to meet their needs;

19) dependent organization - a legal entity is recognized as dependent if the other (participating, dominant) legal entity has more than twenty percent of its voting shares (participatory interest);

20) an independent director - a member of the board of directors who is not an affiliate of this Company and has not been one of them for the three years preceding his election to the board of directors (with the exception of his tenure as an independent director of this company), is not affiliated with attitude to affiliates of this Company; not connected by subordination with the officials of this Company - affiliates of this Company and was not connected by subordination with these persons during the three years preceding his election to the board of directors; not a public servant; is not a representative of a shareholder at meetings of the bodies of this Company and was not him during the three years preceding his election to the board of directors; Does not participate in the audit of this Company as an auditor working as part of an audit organization, and did not participate in such an audit for the three years preceding his election to the board of directors;

21) the authorized body to manage the relevant industry (sphere) of government (hereinafter referred to as the authorized body of the relevant industry) - the central executive bodies, local executive bodies or their departments to which the ownership and use rights of the state block of shares of the Company, as well as the State Property Committee and privatization or its territorial units performing the functions of a shareholder in relation to it in accordance with the Law on State Property;

22) organizations - legal entities, more than fifty percent of voting shares (participatory interests) in the authorized capital of which are directly or indirectly owned by the Company by right of ownership or trust;

23) fiduciary obligations - obligations undertaken by a person who carries out his professional activities in favor of another person. There are two main fiduciary duties: good faith 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 obligation should act exclusively in the interests of the Company. In turn, the obligation of rationality is manifested in the application of the skills, knowledge and skills usually required in such a situation.

The subjects bound by fiduciary obligations towards the Company include members of the management bodies of the Company, its employees, majority and minority shareholders, as well as other interested parties. For example, members of the management bodies of the Company, its employees, as well as the controlling shareholder, are not entitled to use the business opportunities of the Company exclusively in their own interests. The opposite will mean a violation of the obligation of good faith in relation to the Company.

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

3. The Company recommends the implementation of this Code in organizations in which directly or indirectly the Company owns more than fifty percent of voting shares (participatory interests) (hereinafter referred to as organizations).

4. The company recommends the implementation by limited liability partnerships of the provisions of this Code to the extent not contrary to the Law on limited liability partnerships.

5. In carrying out activities, the Company shall ensure:

1) management of the Company in compliance with the principle of legality and an appropriate level of responsibility, delimitation of powers, accountability and effectiveness;

2) a risk management system and internal control;

3) elimination of interest conflict.

6. Control over the implementation by the Company of this Code is carried out by the board of directors of the Company. Corporate secretaries monitor and advise the Board of Directors and the executive body of the Company on the issues of proper observance of this Code, and also form an annual report on compliance / non-compliance with its principles and provisions.

Subsequently, this report is submitted for consideration by the Committees of the board of directors, approved by the board of directors and included in the annual report of the Company.

7. Cases of non-compliance with the provisions of this Code are considered at meetings of committees and boards of directors with the adoption of decisions aimed at further improving corporate governance in the Company.

## **Chapter 2. Principles of corporate management of the Company**

8. The Company considers corporate management as a means of increasing the efficiency of the Company, ensuring transparency and accountability, strengthening its reputation and reducing the cost of attracting capital. The corporate governance system provides for the separation of powers and responsibilities between the bodies, officials and employees of the Company.

9. The corporate management of the Company is based on fairness, honesty, responsibility, transparency, professionalism and competence. The corporate governance structure is based on respect for the rights and interests of all persons interested in the activities of the Company and contribute to the successful operation of the Company, including the growth of its value, support for financial stability and profitability.

10. The fundamental principles of this Code are:

- principle of separation of powers;
- principle of protecting the rights and interests of shareholders;
- principle of effective management of the Company by the board of directors and the board;
- principle of sustainable development;
- principle of risk management, internal control and audit;
- principle of regulation of corporate conflicts and conflict of interests;
- the principle of transparency and objectivity of disclosing information on the activities of the Company.

11. Within the framework of the corporate management structure of the Company, the division of responsibilities between the bodies of the Company is determined, and the systematic and consistent process of corporate governance is ensured.

12. Following the principles of corporate management set forth in the Code contributes to the creation of an effective approach to conduct an objective analysis of the Company's activities and receive recommendations from analysts, financial advisors and rating agencies.

### **Paragraph 1. The principle of separation of powers**

13. The rights, duties and powers of the shareholders (sole shareholder), the board of directors and the executive body are determined in accordance with the current legislation of the Republic of Kazakhstan.

14. The state body delimits its powers as a shareholder of the Company and powers related to the performance of state functions in accordance with Article 3 of the Law of the Republic of Kazakhstan dated November 27, 2000 «On Administrative Procedures» in order to prevent a conflict of interest that does not contribute to the interests of the Company, and the shareholder (s). The state body performs the functions of a shareholder of the Company in order to increase the long-term value (value) of the Company, taking into account stimulation of the development of the relevant industry and / or region.

15. The company carries out its activities in the framework of its core (core) activities. The implementation of new activities is regulated by the Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015.

16. The Company has built the optimal structure of assets, simplified their structure and legal form.

In a holding company, the parent company is created in the form of a joint stock company.

When the Company creates new organizations, the preferred legal form is a limited liability partnership. Production and financial companies where state assets can be increased through the implementation of 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 the Company creates an organization in the form of a limited partnership, the participant (s) in cases stipulated by the charter, the limited liability partnership may create a supervisory board and (or) an audit committee (auditor).

17. The state body as a shareholder participates in the management of the Company solely through the exercise of the powers of the shareholder provided for in the Law on Joint Stock Companies.

18. The state body, as a shareholder of the Company, provides the Company with full operational independence and does not interfere with the operational (current) and investment activities of the Company, with the exception of cases provided for by the legislation of the Republic of Kazakhstan, on behalf of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

19. Transactions and relations between the Company, the Sole Shareholder and interested parties are carried out on a commercial basis within the framework of the current legislation of the Republic of Kazakhstan, with the exception of cases when one of the main tasks of the Company and the organization is the implementation or assistance in implementing the state policy for the development of certain branches of the Republic of Kazakhstan.

20. The economic activity of the Company meets the market conditions regarding debt and equity finance:

1) relations of the company with all market participants (including financial and non-financial organizations) are based on an exclusively commercial basis, with the exception of cases when one of the main tasks of the Company is to implement or assist

in the implementation of state policy for the development of industries of the Republic of Kazakhstan;

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

3) compliance with profit standards from the business activities of the Company, taking into account working conditions that correspond to the results obtained by competing private enterprises.

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

22. Relations (interaction) between the state body and the Company, organizations are carried out through the board of directors and / or the executive body of the Company in accordance with the principles of corporate governance. The role and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company are delimited and fixed in the documents of the Company.

The Company discloses to the state body as a shareholder and board of directors of the Company information on the activities of the Company in accordance with the Law on Joint Stock Companies, the Charter of the Company and ensures transparency of the activities of the Company and organizations to all interested parties.

23. The corporate governance system provides for the relationship between:

- 1) by shareholders (participants);
- 2) by the board of directors (supervisory board);
- 3) the executive body;
- 4) by interested parties;
- 5) other bodies determined in accordance with the Charter.

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

24. The company participates in the management of organizations through the exercise of the functions of a shareholder (participant), as well as through the board of directors, in the manner determined by the charters of organizations and this Code.

25. The company annually sends to the chairman of the board of directors and representatives of the company on the board of directors (supervisory board) of the organization expectations of the shareholder for the upcoming fiscal year.

26. The Company, in the format of a general meeting of shareholders, holds meetings with members of the board of directors (supervisory board) of the organization, all voting shares of which belong to the Company.

The boards of directors (supervisory board) of organizations have full autonomy in decision-making within their competence established by the charter of organizations.

27. In order to ensure sustainable development of organizations, the Company forms and approves uniform accounting policies, guidelines and corporate standards for organizations.

The decision on the application of corporate standards approved by the Company in the field of internal audit and the internal control system in the organization is made

by the organization's board of directors, taking into account the compliance of these standards with the specifics of the organization.

The executive body of the Company and organizations shall ensure compliance with the development plans of organizations forwarded for approval to the boards of directors of organizations, the strategy and / or development plan of the Company.

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

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

The executive body of the Company interacts with the executive body of the organization on issues of strategy and sustainable development. Moreover, the Company does not interfere in the operational (current) activities of the organization, for which the executive body of the organization is responsible.

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

The main element of evaluating the performance of the Company and its executive body is the efficiency system. Shareholders (the sole shareholder) through their representatives on the board of directors (or by written notice) express strategic guidelines and their expectations for efficiency.

In order to achieve KPI the Company develops a development strategy and / or development plan in accordance with the legislation of the Republic of Kazakhstan.

On an annual basis, an assessment is made of the achievement of the Company's efficiency. This assessment affects the remuneration of the head and members of the executive bodies, is taken into account when they are re-elected, and is also one of the grounds for their dismissal ahead of schedule.

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

1) The company sends its representatives on the board of directors its expectations regarding the target efficiency of organizations for the planning period, which they submit to the board of directors of organizations;

2) based on the results of consideration and discussion, the board of directors of organizations approves the list and target values of KPIs that are communicated to the executive body of organizations to develop appropriate development strategies for a ten-year period and / or development plans for a five-year period;

3) the development plan of the company is approved by the board of directors of organizations.

29. The company approves uniform rules for the development, approval of development strategies and / or development plans for organizations whose controlling

interest (participation interests) belong to the company, as well as monitoring and evaluation of their implementation.

The executive body of the Company monitors the implementation of development strategies and / or the development plan and the organization's efficiency.

The monitoring results and reports on the implementation of the development plan are entered into the information system of the Company for planning, monitoring and evaluation of activities in the manner determined by the documents of the Company.

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

30. Respect for the rights of shareholders (participants) is a key condition for attracting investment in the Company. Corporate governance in the Company is based on ensuring protection, respect for the rights and legitimate interests of shareholders (participants) and is aimed at facilitating the efficient operation of the Company, including increasing the long-term value of the Company, maintaining their financial stability and profitability.

## **Paragraph 3. Securing Shareholder Rights**

31. The company ensures the implementation of the rights of a shareholder, including:

- the right to own, use and dispose of shares;
- the right to participate in the management of the Company and to elect the Board of Directors in the manner prescribed by the Law on State Property, Section 36 of the Law on Joint-Stock Companies and / or the Charter of the Company;
- the right to receive a share of the Company's profit (dividends);
- the right to receive a share in the assets of the Company upon its liquidation;
- the right to receive information on the activities of the Company, including to get acquainted with the financial statements of the Company, in the manner determined by the general meeting of shareholders (sole shareholder) or the Charter of the Company;
- the right to apply to the Company with written requests regarding its activities and to receive motivated and comprehensive answers within the time periods established by the Company Charter;
- the right to receive an extract from the registrar of the Company or a nominee holder, confirming his ownership of securities;
- the right to challenge in court the decisions taken by the bodies of the Company;
- when owning, jointly or in aggregate with other shareholders, five or more percent of the Company's voting shares, apply to the judicial authorities on their own behalf in the cases provided for in Articles 63 and 74 of the Law of the Republic of Kazakhstan «On Joint-Stock Companies», demanding compensation by the Company's officials for losses caused to the Company and return to the Company by the officers of the Company and / or their affiliates the profit (income) received by them as a result of decision-making on the conclusion (proposals for reading) major transactions and / or related party transactions;

- the right to preemptive purchase of shares or other securities of the Company convertible into its shares in the manner prescribed by the Law on Joint Stock Companies;

- the right to participate in the adoption by the general meeting of shareholders of a decision on changing the number of shares of the Company or changing their type in the manner prescribed by the Law on Joint-Stock Companies.

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

General meetings of shareholders are divided into annual and extraordinary.

33. In a Company with a single shareholder, a general meeting of shareholders is not held. Decisions on issues referred by the legislation of the Republic of Kazakhstan and the Charter of the Company to the competence of the general meeting of shareholders are taken by such shareholder individually and must be executed in writing.

34. The sole shareholder may hold meetings with the board of directors and the executive body to take stock of the activities of the year and make decisions on matters within its competence. The Sole Shareholder may also hold regular meetings with the Chairman of the Board of Directors during the year to discuss issues of the Company's activities within its competence.

#### **Paragraph 4. Procedure for holding a general meeting of shareholders**

35. The organization and procedure for holding a general meeting of shareholders meets the following requirements:

- fair and equal treatment of the Sole Shareholder;
- availability of participation in the general meeting;
- provision of organizational and reporting information;
- simplicity and transparency of the general meeting of shareholders.

The procedure for holding a general meeting of shareholders is determined in accordance with the Law on Joint Stock Companies, the Charter and other internal documents of the Company governing the activities of the Company, or by decision of the general meeting of shareholders. The date and time of the general meeting of shareholders is set in such a way that the largest number of persons entitled to participate in it or all persons with regard to matters requiring unanimous decision-making can participate in the meeting.

36. Information and materials provided to shareholders prior to the general meeting of shareholders / hearing of the Board of Directors, as well as the procedure for its submission, provide a complete picture of the essence of the issues discussed with an exhaustive list of precisely formulated issues for discussion, risks associated with acceptance (rejection) decisions, obtaining answers to questions of interest and the possibility of making informed decisions on agenda items.

In case questions on the selection of members of the Board of Directors are included in the agenda of the general meeting of shareholders, full information on candidates for these positions is provided in accordance with the Law on State Property, the Law on Joint-Stock Companies, the Charter and internal documents of the Company.

The issues on the agenda are presented in a meaningful way and are interpreted in accordance with the literal meaning of their verbal expression and exclude the possibility of their different interpretation. It is not allowed to include issues with the words «miscellaneous», «other», «other» on the agenda. At the general meeting of shareholders, the Company offers a separate decision on each individual issue submitted for consideration by the shareholders.

The shareholder may submit proposals to the agenda of the general meeting of shareholders, as well as demand the convocation of an extraordinary general meeting of shareholders when they are justified.

37. The methods of informing about the convocation of the general meeting of shareholders provide timely notification of all shareholders. In order to simultaneously provide information to shareholders about the activities of the Company, to ensure equal treatment, the general meeting of shareholders determines the mass media.

38. All shareholders have the opportunity to familiarize themselves with the list of persons participating in the work of the general meeting of shareholders. The process of acquaintance with the list of persons entitled to participate and receive materials from the general meeting of shareholders is simple for all shareholders. The list of shareholders participating in the general meeting of shareholders is compiled by the registrar of the Company based on the register of shareholders of the Company with disclosure by the nominal holders of the shareholders.

39. Information materials distributed during the preparation of the general meeting of shareholders are systematized in relation to the agenda of the general meeting of shareholders. A simple and easy procedure is established for obtaining and / or acquaintance with these materials.

40. At the request of the participants, they are provided with additional information about the plans, achievements and problems of the Company's activities, as well as analytical studies and materials of other organizations on the activities of the Company.

41. The Company shall inform its shareholders in a timely manner and in full about its activities affecting the interests of shareholders in the manner prescribed by the Charter and internal documents of the Company.

42. The company provides shareholders with reliable information about its financial and economic activities and its results. In the case of combining the tasks of implementing state policy in carrying out the activities of the Company with the main commercial activity, these goals are disclosed and communicated to all shareholders, including minority shareholders.

43. In case of acquisition of shares (stakes) in organizations by institutional investors. In order to ensure stability and sustainability of organizations, institutional investors acting as proxies, discloses the corporate governance policy and the rules for their investment activities, including the current decision-making procedures in investor company.

Institutional investors acting as proxies report how they resolve significant conflicts of interest that could affect property rights in relation to their investments.

The Company seeks not to conclude related-party transactions. In the event of such transactions, the Company discloses information about the Company's affiliates and transactions.

44. The date and time of the general meeting of shareholders is established so that the largest number of persons entitled to participate in the meeting can participate.

45. The procedure for holding a general meeting of shareholders provides shareholders with an equal opportunity to exercise their rights to participate in the general meeting. A shareholder may vote in person or through a representative (by proxy issued personally by the shareholder to his representative). Votes cast in person, and without a personal presence, have equal power. A power of attorney for participation in the general meeting of shareholders and voting on the issues under discussion are not required for a person who, in accordance with the legislation of the Republic of Kazakhstan or constituent documents, has the right to act without a power of attorney on behalf of a shareholder or to represent his interests.

46. In the period of preparation for the general meeting of shareholders / hearing of the Board of Directors of the Company, organizational and technical conditions are created that enable shareholders to ask questions on the agenda and materials. The Company secures the powers of officials, the corporate secretary (or the person performing its functions) and employees of the Company to interact with shareholders and investors, as well as the procedure for providing answers to their requests.

47. The corporate secretary (or the person performing his functions) monitors incoming questions from shareholders and provides answers regarding the procedure for holding a general meeting of shareholders, explains the provisions of the legislation of the Republic of Kazakhstan and the documents of the Company regarding participation and voting at the general meeting of shareholders, as well as on other issues, if such is defined in the internal documents of the Company.

48. The Company is developing and approving the general meeting of shareholders of the general meeting of shareholders, which defines the procedure for the general meeting of shareholders, providing for the possibility of proper discussion of agenda items and decision-making, statements by officials and other issues.

49. The chairman of the general meeting of shareholders ensures that shareholders receive answers to all material questions directly at the general meeting of shareholders.

The Chairman ensures the appearance of all members of the Board of Directors and the Management Board, heads of the internal audit service and structural divisions of the Company to answer questions at the annual general meeting.

The registration time should be sufficient so that all shareholders (their representatives) can register, while shareholders who fail to register are not taken into account in determining the quorum and do not participate in the vote.

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

If the questions raised do not allow them to be answered immediately, the person (s) to whom they were asked provides written answers to the questions asked as soon as possible after the completion of the general meeting.

50. The procedure for collecting and counting votes is simple and transparent; shareholders are convinced of the exclusion of the possibility of any distortion of the voting results.

51. The results of voting of the general meeting of shareholders or the results of absentee voting are communicated to the shareholders by publishing them in the media

and on the corporate Internet resource of the Company or by sending a written notice to each shareholder within 10 (ten) calendar days after the closing of the general meeting of shareholders.

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

### **Paragraph 5. Dividend Policy**

52. Shareholders are provided with access to information regarding the conditions and procedure for the payment of dividends, as well as reliable information on the financial position of the Company in the payment of dividends.

For this purpose, the general meeting of shareholders (the sole shareholder) approves a dividend policy with access for all shareholders.

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

In organizations with several shareholders (participants), another dividend policy of the Company and organizations may be adopted, approved by the general meeting of shareholders (participants).

53. The dividend policy defines the principles that guide the board of directors (supervisory board and / or executive body) when preparing shareholders (participants) of proposals for the distribution of net income of the Company and / or organization for the past financial year. Dividend policy is based on the following principles:

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

54. The dividend policy also regulates the procedure for distributing net income and determining its portion allocated to dividends, the procedure for calculating the amount of dividends, the procedure for paying dividends, including the timing, place and form of payment.

55. The dividend policy establishes the procedure for determining the share of the Company's net profit allocated for the payment of dividends.

56. The calculation of the amount of dividends is based on the amount of the organization's net income reflected in the annual audited financial statements of the organization, prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards.

57. In the case of payment of dividends on ordinary shares based on the results of the quarter or six months or distribution of retained earnings of previous years, as well as in some cases, the amount of dividends is determined by the general meeting of shareholders (sole shareholder) in a special manner when considering the approval of the distribution of profit for the relevant periods.

58. To make a decision on the payment of dividends, the board of directors (supervisory board or executive body) submits to the general meeting of shareholders (sole shareholder) / participant (sole shareholder) proposals for the distribution of the Company's net income for the past financial year and the amount of dividend for the year calculated per one ordinary share of the organization.

59. When considering the issue of dividend payment, the current state of the Company, its short, medium and long-term plans are taken into account.

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

If there are mechanisms for redistributing the organization's funds in favor of a shareholder (participant), which owns fifty or more percent of voting shares (stakes), they are fixed in the relevant documents of the organization and disclosed to all shareholders.

60. The company discloses to shareholders (participants) and investors information on any forms and conditions of cooperation, agreements and partnerships.

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

61. The Board of Directors is a management body accountable to the general meeting of shareholders, providing strategic leadership of the organization and control over the activities of the board.

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

63. The Board of Directors exercises its functions in accordance with the Law on State Property, the Law on Joint-Stock Companies, the Articles of Association of the Company, this Code, the Regulation on the Board of Directors and other internal documents of the Company.

The Board of Directors pays special attention to the following issues:

- 1) the definition of development strategies (directions and results);
- 2) setting and monitoring of KPIs established in the development strategy and / or development plan;
- 3) organization and supervision of the effective functioning of the risk management system and internal control;
- 4) approval and monitoring of the effective implementation of large investment projects and other key strategic projects within the competence of the board of directors;
- 5) election (re-election), remuneration, succession planning and supervision of the activities of the head and members of the executive body;
- 6) corporate governance and ethics;
- 7) compliance with the provisions of this Code and corporate standards of the Company in the field of business ethics (Code of Business Ethics) in the Company.

64. Members of the board of directors conscientiously fulfill their functional duties and adhere to the following principles in their activities:

1) act within their powers - members of the board of directors make decisions and act within their powers enshrined in the Law on State Property, the Law on Joint-Stock Companies, as well as the Charter of the Company;

2) to devote enough time to participate in meetings of the board of directors, its committees and prepare for them. Occupation by a member of the board of directors of positions in other legal entities is allowed after obtaining the approval of the board of directors;

3) contribute to the growth of long-term value and sustainable development of the Company - members of the board of directors act in the interests of the Company, taking into account fair treatment of all shareholders and the principles of sustainable development; the impact of decisions and actions of members of the board of directors can be determined by means of the following questions: what are the consequences of a decision / action in the long term; what is the impact of the organization on society and the environment; whether fair treatment of all shareholders will be ensured; influence on the Company's reputation and high standards of business ethics; influence on the interests of stakeholders (this list of issues is not exhaustive);

4) maintain high standards of business ethics - members of the board of directors in their actions, decisions and behavior comply with high standards of business ethics and be an example (model) for employees of the Company;

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

6) act with due reasonableness, skill and prudence - members of the board of directors constantly improve their knowledge regarding the competencies of the board of directors and fulfill their duties on the board of directors and committees, including such areas as legislation, corporate governance, risk management, finance and auditing, sustainable development, industry knowledge and the specifics of the Company. In order to understand the pressing issues of the Company's activities, members of the Board of Directors regularly visit key facilities of the Company and hold meetings with employees.

65. Responsibility between the board of directors for ensuring its activities, fulfilling its functions and duties, including (but not limited to) determining strategic directions of the Company's activities, setting goals and specific, measurable (digitized) KPIs and the responsibility of the Company's management for operational (current) the activities of the Company, including (but not limiting) the implementation of tasks and achievement of established KPIs are divided and fixed in the relevant internal documents of the Company.

Members of the board of directors fulfill their duties, including fiduciary duties to a shareholder (s), and are responsible for decisions made, the effectiveness of their activities, actions and / or inaction. In case of different opinions, the chairman of the board of directors ensures consideration of all acceptable options and proposals that

are expressed by individual members of the board of directors in order to make a decision that meets the interests of the Company.

At the annual general meeting of shareholders (hearing), the chairman of the board of directors provides the shareholders with:

1) the report of the board of directors, which reflects the results of the activities of the board of directors and its committees for the reporting period, the measures taken by the board of directors to increase the long-term value and sustainable development of the Company, the main risk factors, significant events, issues discussed, the number of meetings, the form of meetings, attendance, as well as other important information - the report of the board of directors is included in the annual report of the Company;

2) a report on the implementation of the expectations of shareholders (sole shareholder).

The Board of Directors annually reports on compliance with this Code to shareholders (sole shareholder). The board of directors ensures the implementation of mechanisms that will help to avoid a conflict of interest that impedes the objective fulfillment by the board of directors of its duties, and limit political interference in the board's processes.

The sole shareholder of the Company may additionally hold meetings with the chairman and members of the board of directors to discuss development strategy issues, elect the first head of the management board of the Company and other aspects that affect the long-term value growth and sustainable development of the Company. Such meetings are pre-planned and held in accordance with approved procedures.

66. The board of directors and its committees maintain a balance of skills, experience and knowledge, ensuring the adoption of independent, objective and effective decisions in the interests of the Company and taking into account a fair attitude to all shareholders and the principles of sustainable development.

67. Shareholders (the sole shareholder) elect (elect) 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 candidates. When re-election of individual members of the board of directors or its full membership for a new term, their contribution to the effectiveness of the activities of the board of directors of the Company is taken into account.

68. The term of office of members of the board of directors expires at the time of the adoption by the general meeting of shareholders (sole shareholder) of a decision to elect a new composition of the board of directors.

69. Members of the Board of Directors of the Company are elected for a term of not more than three years, in the future, subject to satisfactory performance, re-election is allowed for another term of up to three years.

70. Any term for election to the Board of Directors of the Company for a period of more than six consecutive years is subject to special consideration, taking into account the need for a qualitative update of the composition of the board of directors.

71. It is recommended that the same person not be elected to the Board of Directors of the Company for more than nine consecutive years. In exceptional cases, election is allowed for a period of more than nine years, and such a person is elected to the Board of Directors of the Company annually or at a different time determined by the general meeting of shareholders (sole shareholder) of the Company, with a detailed

explanation of the need to elect this member of the Board of Directors and the impact of this factor independence of decision making.

No person is involved in decisions related to his own appointment, election and re-election.

72. When selecting candidates for the board of directors, the following shall be taken into account:

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

73. The quantitative composition of the Board of Directors of the Company is determined by the general meeting of shareholders (sole shareholder). The composition of the Board of Directors of the Company is established individually, taking into account the scale of activity, business needs, current tasks, development strategy and / or development plan and financial capabilities.

74. The composition of the board of directors ensures decision-making in the interests of the Company and taking into account a fair attitude to shareholders through a balanced combination of members of the board of directors (representatives of shareholders, independent directors, the head of the executive body).

75. A person will not be elected to the position of a member of the Board of Directors of the Company:

- 1) who has an outstanding conviction or not removed in the manner prescribed by law;
- 2) previously being the chairman of the board of directors, the first head (chairman of the board), deputy head, chief accountant of another legal entity for a period of not more than one year prior to the decision on the forced liquidation or forced redemption of shares, or conservation of another legal entity recognized as bankrupt according to established order. The specified requirement shall be applied within five years after the date of the decision on the forced liquidation or forced repurchase of shares, or the conservation of another legal entity declared bankrupt in the prescribed manner.

The provisions specified in this clause are established in the Charter of the Company.

76. Independent directors are present and participate in the board of directors. The number of members of the board of directors is at least three people. At least one third of the members of the Board of Directors of the Company are independent directors. The number of independent directors should be sufficient to ensure the independence of decisions and fair treatment of all shareholders. The recommended number of independent directors on the board of directors of the Company is up to fifty percent of the total number of members of the board of directors.

Independent members of the board of directors are free from any material interests or relations with the Company, its management or its property, which could jeopardize the exercise of objective judgment.

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

Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company.

Independent directors actively participate, including in discussions of issues where a conflict of interest is possible (preparation of financial and non-financial statements, conclusion of related-party transactions, nomination of candidates to the board, establishment of remuneration to members of the board). Independent directors are elected by the chairmen of key committees of the board of directors - on audit, appointments and remuneration; in other committees they are elected as chairmen.

The independent director monitors the possible loss of independence status and notifies the chairman of the board of directors in advance if such situations occur. In the event of circumstances affecting the independence of a member of the board of directors, the chairman of the board of directors immediately brings this information to the attention of shareholders to make an appropriate decision.

77. Relations between members of the board of directors and the Company are drawn up by contracts taking into account the requirements of the legislation of the Republic of Kazakhstan, the provisions of this Code and internal documents of the Company.

The contracts indicate the rights, obligations, responsibilities of the parties and other essential conditions, as well as the director's obligations to comply with the provisions of this Code, including devoting sufficient time to perform the functions assigned to them, obligations to not disclose internal information about the Company after termination of its activities for a period established by the board of directors and additional obligations arising from the requirements for the status and functions of independent directors.

The contracts may include deadlines for members of the board of directors to fulfill certain duties.

78. The company ensures the existence of succession plans for members of the board of directors to maintain business continuity and progressively update the composition of the board of directors.

79. The Board of Directors approves the induction program for newly elected members of the Board of Directors and the professional development program for each member of the Board of Directors. The corporate secretary ensures the implementation of this program.

80. Members of the board of directors who are elected for the first time after their appointment undergo the induction program. In the process of taking office, members of the board of directors familiarize themselves with their rights and obligations, key aspects of the activities and documents of the Company and organization, including those associated with the greatest risks.

81. The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation by the Board of Directors of its main functions and the construction of a constructive dialogue between members of the Board of Directors, large shareholders and the Management Board of the Company.

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

To fulfill the role of the chairman of the board of directors, the candidate, along with professional qualifications and experience, has special skills such as leadership, the ability to motivate, understand different views and approaches, and has the skills to resolve conflict situations.

The functions of the Chairman of the Board of Directors and the Head of the Management Board of the Company are separated and fixed in the Charter of the Company. The head of the board cannot be elected 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 the formation of the agenda;
- 2) ensuring timely receipt by members of the board of directors of complete and relevant information for decision-making;
- 3) ensuring that the board of directors focuses on strategic issues and minimizes issues of a current (operational) nature that are subject to review by the board of directors;
- 4) ensuring the effectiveness of holding meetings of the board of directors by allocating sufficient time for discussions, comprehensive and in-depth consideration of issues on the agenda, stimulating open discussions, and reaching agreed decisions;
- 5) building appropriate communication and interaction with shareholders, including the organization of consultations with large shareholders in making key strategic decisions;
- 6) ensuring monitoring and supervision of the proper implementation of decisions made by the board of directors and the general meeting of shareholders (sole shareholder);
- 7) in case of corporate conflicts, taking measures to resolve them and minimizing the negative impact on the organization's activities, and timely informing large shareholders (the sole shareholder), if it is not possible to resolve such situations on their own.

### **Paragraph 7. Remuneration of members of the board of directors**

82. The level of remuneration to members of the board of directors is established by the general meeting of shareholders (sole shareholder) in an amount sufficient to attract and motivate each member of the board of directors of the level required for successful management of the Company. The HR and Remuneration Committee of the Board of Directors of the Company makes proposals on the amount of remuneration for candidates for independent directors.

83. No person is involved in decisions related to their own remuneration.

84. The remuneration fairly reflects the expected contribution of a member of the board of directors to increase the efficiency of the entire board of directors and the activities of the Company.

85. When determining the amount of remuneration for a member of the board of directors, the expected positive effect for the Company from the participation of this

person in the board of directors is taken into account. The responsibilities of the members of the board of directors, the scope of the Company's activities, long-term goals and objectives determined by the development strategy, the complexity of the issues addressed by the board of directors, the level of remuneration in similar private sector companies (benchmarking, review of remuneration) are also taken into account.

86. The level of remuneration is balanced and reasonable in order to eliminate the potential negative reaction from the public caused by the establishment of an excessively high level of remuneration.

87. Information on the remuneration of members of the board of directors and the executive body of the Company is disclosed by posting them on the corporate website.

88. As a rule, members of the board of directors are paid a fixed annual remuneration, as well as additional remuneration for their chairmanship on the board of directors, participation and chairmanship in committees of the board of directors. Remuneration of a member of the board of directors does not include options or other elements related to the results of the Company.

At the same time, members of the board of directors who are civil servants are not paid remuneration.

89. The General Meeting of Shareholders (the sole shareholder) of the Company determines the amount and terms of payment of remuneration and compensation of expenses to a member (s) of the Board of Directors of the Company. Moreover, the conditions for remuneration of directors are reflected in the agreements concluded with them, and, if necessary, in the internal document of the Company.

### **Paragraph 8. Board Committees**

90. Committees are created under the boards of directors, whose competence includes consideration of issues of audit, strategic planning, risk management, personnel and remuneration, as well as other issues stipulated by the internal documents of the Company. Organizations whose operations are associated with the risk of technological disasters create committees for safety and environmental protection. In order to increase the efficiency of investment decision-making, the competence of one of the committees under the board of directors includes issues related to the investment activities of the organization, the consideration of which is the responsibility of the board of directors. The quantitative composition of the Committee is at least 3 (three) people.

91. The presence of committees does not relieve members of the board of directors of responsibility for decisions taken within the competence of the board of directors.

92. Committees are created to conduct a detailed analysis and develop recommendations on the most important issues before they are considered at a meeting of the board of directors. The final decision on issues considered by the committees is taken by the board of directors.

93. The activities of all committees are regulated by internal documents approved by the board of directors containing provisions on the composition, competence, procedure for the election of committee members, the working procedure of the committees, as well as the rights and obligations of their members. Shareholders (sole shareholder) may familiarize themselves with the provisions of the committees.

94. To organize the work of the committee, the committee or the board of directors appoints the secretary of the committee from among employees of the corporate secretary service. The secretary of the committee ensures the preparation of committee meetings, the collection and systematization of materials for meetings, timely notification to committee members and invitees of meetings of the committee, the agenda of meetings, materials on agenda items, the recording of meetings, the preparation of draft decisions of the committee, and the subsequent storage of all relevant materials.

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

The committees are composed of members of the board of directors with professional knowledge, competencies and skills to work on the committee. When forming the composition of the committees, the presence of potential conflicts of interest is taken into account. The Chairpersons of the Committees along with professional competencies possess organizational and leadership qualities, good communication skills for the effective organization of the committee.

96. The committees approve their work plan (before the beginning of the calendar year), which is coordinated with the work plan of the Board of Directors, indicating the list of issues to be considered and dates of meetings. The frequency of meetings of the committees is at least four meetings per year. The meetings of the committees are held in person, with the execution of the protocol. In order to create favorable conditions and reduce costs for holding committee meetings, the participation of committee members through technical means of communication is allowed.

97. The chairmen of the committees prepare a report on their activities and at a separate meeting report to the board of directors on the results of activities for the year. The board of directors has the right at any time during the year to require the committees to submit a report on current activities within the time period established by the board of directors.

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

98. The Chairman of the Strategic Planning Committee is elected from among the members of the board of directors for the term of the board of directors fulfilling their powers at one of the first meetings of the board of directors. The decision on election is made by a simple majority of the total number of members of the Board of Directors.

99. The Strategic Planning Committee has the right to attract experts with relevant experience and competence to properly organize their activities. Members of the committee who are not members of the board of directors are appointed by the board of directors on the proposal of the chairman of the committee.

100. The functions of the strategic planning committee are to develop and submit recommendations to the Board of Directors of the Company on the development of priority areas of the Company and its development strategy, including the development of measures to enhance the efficiency of the Company, its long-term cost and sustainable development.

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

101. The audit committee consists of independent directors with knowledge and practical experience in accounting and auditing, risk management, and internal control. The Chairman of the Audit Committee is an independent director. The functions of the Audit Committee include issues of 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.

102. The Audit and Risk Committee evaluates candidates for auditors of the Company, as well as preliminarily analyzes the opinion of the audit organization before submitting it to the board of directors and at the general meeting of shareholders.

103. A member of the board of directors who is not independent is elected to the committee if the board of directors, as an exception, decides that the membership of the person in the audit committee is in the interests of shareholders and the Company and the provision of appropriate justifications.

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

104. The personnel and remuneration committee includes the majority of independent directors in order to develop objective and independent decisions and to prevent the influence of interested parties (representatives of shareholders, the head of the board, employees and other persons) on the opinions of committee members.

105. Members of the committee possess knowledge and practical experience in the field of personnel management and assessment of its performance, as well as in the field of corporate governance. The Chairman of the Committee is an independent director.

106. The Human Resources and Remuneration Committee determines the criteria for selecting candidates for members of the board of directors, candidatures of top managers, develops the Company's policy in the field of remuneration for these persons, and regularly assesses the activities of board members and top managers.

The functions of the Committee include the issues of appointment (election), setting motivational KPIs, performance appraisal, remuneration and succession planning of the head and members of the board, questions of appointment and remuneration of the corporate secretary and employees of the internal audit service, as well as participation in the consideration of these issues in relation to the composition of the board of directors, in cases of granting such powers by the general meeting of shareholders (sole shareholder). In this case, members of the Human Resources and Compensation Committee are not allowed to have a conflict of interest situation and are not involved in the consideration of their own appointment and / or remuneration.

### **Paragraph 12. Organization of the activities of the board of directors**

107. The preparation and conduct of meetings of the Board of Directors contribute to the effectiveness of its activities. To fulfill their duties, members of the board of directors are provided with access to complete, relevant and timely information.

108. The Board of Directors complies with the procedures established by the documents of the Company for the preparation and conduct of meetings of the Board of Directors.

109. Meetings of the board of directors are held in accordance with the work plan approved by the board of directors before the beginning of the calendar year, including a list of issues to be considered and a schedule for meetings.

Meetings of the board of directors and its committees are carried out through in-person or absentee voting. The Board of Directors is advised to reduce the number of absentee meetings.

110. Consideration and decision-making on issues of a strategic nature is carried out only at meetings of the board of directors with an in-person voting.

111. If members of the board of directors (no more than 30% of the total number of members of the board of directors) are not able to attend a meeting of the board of directors in person, a combination of both forms of the meeting of the board of directors and its committees is possible.

An absent member of the board of directors may participate in the discussion of the issues under discussion using technical means of communication and provide their opinion in writing.

112. The frequency of meetings of the board of directors is at least six meetings a year.

To ensure a thorough and full discussion and adoption of timely and high-quality decisions, the issues planned for consideration during the year are evenly distributed.

113. Materials for meetings of the board of directors are sent no less than ten calendar days, and on more important issues, which are determined by the Charter of the Company, not less than fifteen working days, unless otherwise specified by the Charter of the Company.

114. The list of important issues includes, including a development strategy and / or development plan, KPI for the head and members of the board, annual report and participation in the creation of other legal entities.

115. The agenda of a meeting of the board of directors does not include issues for which materials were provided in violation of the deadlines. In case of inclusion of issues with a deadline in the agenda, the chairman of the Board of Directors is provided with an exhaustive justification for this need. Circumstances related to the inclusion of issues with a deadline in the agenda are taken into account when evaluating the activities of the corporate secretary of the Company.

116. The Board of Directors makes decisions based on complete, reliable and high-quality information. To make effective and timely decisions by the board of directors, the following conditions must be met:

1) high quality of materials, information, documents provided to the board of directors (including, if necessary, translation into other languages, depending on the language skills of the members of the board of directors);

2) obtaining expert opinions (internal and external), if necessary. The involvement of experts does not relieve the board of directors of responsibility for the decision;

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

4) timely consideration of issues;

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

The following factors adversely affect the quality of board decisions:

- 1) the dominance of one or more directors at a meeting, which may limit the full participation in discussions of other directors;
- 2) formal attitude to risks;
- 3) the pursuit of personal interests and low ethical standards;
- 4) formal decision-making at a meeting of the board of directors, without real and active discussions;
- 5) the 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.

Board members may request additional information on agenda items necessary for a decision.

117. Each member of the board of directors participates in meetings of the board of directors and the committee of which he is a member. Deviation from this norm is allowed in exceptional cases specified in the regulation on the board of directors.

118. The quorum for holding a meeting of the board of directors is determined by the Charter of the Company, but not less than half of the number of members of the board of directors.

119. Decisions at a meeting of the Board of Directors of the Company shall be taken by a majority of votes of the members of the Board of Directors participating in the meeting, unless otherwise provided by the laws of the Republic of Kazakhstan, the Charter of the Company or its internal documents determining the procedure for convening and holding meetings of the Board of Directors.

120. When resolving issues at a meeting of the Board of Directors of the Company, each member of the Board of Directors of the Company shall have one vote. Transfer of the right to vote 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, with the exception of cases provided for by the legislation of the Republic of Kazakhstan or the Charter of the Company.

121. When decisions are made by the board of directors of the Company, in case of equality of votes of the members of the board of directors, the casting vote is vested in the chairman of the board of directors.

122. A member of the Board of Directors who is interested in an issue submitted for consideration by the board of directors does not participate in the discussion and voting on this issue, as a corresponding entry is made in the minutes of the meeting of the board of directors.

123. The board of directors may audit previous decisions. The decision and the process of its adoption are subject to analysis. Audit of earlier decisions is carried out when the board of directors evaluates its activities.

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

124. The board of directors, committees and board members are evaluated on an annual basis. Moreover, at least once every three years, an assessment is carried out with the involvement of an independent professional organization.

125. Evaluation allows you to determine the contribution of the board of directors and each of its members to the growth of long-term value and sustainable development

of the Company, as well as identify areas and recommend measures for improvement. Evaluation results are taken into account upon re-election or early termination of powers of board members.

126. Evaluation is one of the main tools to enhance the professionalism of the board of directors and its individual members. Evaluation is carried out both for independent directors and for representatives of shareholders (sole shareholder).

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

The process, timing and procedure for assessing the activities of the board of directors, its committees and members of the board of directors are regulated by internal documents of the Company.

127. The assessment includes, inter alia, consideration of the following issues:

1) the optimality of the composition of the board of directors (balance of skills, experience, diversity of composition, objectivity) in the context of the tasks facing the Company;

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

3) succession and development plans;

4) the functioning of the board of directors as a single body, the role of the board of directors and the head of the board in the activities of the Company;

5) the effectiveness of interaction between the board of directors and shareholders (the sole shareholder), the management board and officers of the Company;

6) the effectiveness of each member of the board of directors;

7) the effectiveness of the committees of the board of directors and their interaction with the board of directors, members of the board;

8) the quality of information and documents provided to the board of directors;

9) the quality of discussions on the board of directors, in committees;

10) the effectiveness of the corporate secretary;

11) clarity of processes and competencies;

12) the process of identifying and assessing risks;

13) interaction with shareholders and other interested parties.

128. The assessment is carried out by the board of directors on an annual basis, taking into account the corresponding assessment of the personnel and remuneration committee. Evaluation methods are self-assessment or the involvement of an independent consultant to improve the quality of the evaluation. An independent external consultant is hired at least once every three years.

129. The results of the assessment are the basis for the general meeting of shareholders (the sole shareholder) in the re-election of the entire composition of the 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 consults with large shareholders (sole shareholder).

The Board of Directors in the annual annual report reflects the method of evaluating the board of directors and measures taken based on its results.

130. The Sole Shareholder may conduct its own assessment of the board of directors independently or with the involvement of an independent consultant. In the assessment carried out by the sole shareholder, the results of the assessment carried out

by the board of directors, the results of the Company's activities, and the implementation of the efficiency are taken into account.

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

131. In order to effectively organize the activities of the board of directors and the interaction of the board with shareholders, a corporate secretary is appointed by the board of directors.

132. The Board of Directors decides on the appointment of a corporate secretary, determines the term of its powers, functions and procedures, the size of the salary and terms of remuneration, decides to create a service (secretariat) of the corporate secretary and determines the budget of the specified service. The Corporate Secretary reports to the Board of Directors of the Company and is independent of the Board of the Company.

133. 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 for members of the board of directors on all issues of their activities and applying the provisions of this Code, as well as monitoring the implementation of this Code and participating in improving corporate governance in the Company and organizations.

The Corporate Secretary also prepares a report on compliance with the principles and provisions of this Code, which is included in the annual report of the Company. This report reflects a list of principles and provisions of the Code that are not respected, with appropriate explanations.

134. The main functions of the corporate secretary in ensuring the activities of the board of directors include, inter alia:

1) assisting the chairman of the board of directors in the formation of a work plan and meeting agendas;

2) the organization of meetings of the board of directors and its committees;

3) ensuring that members of the board of directors receive relevant and timely information sufficient to make decisions on agenda items and within the competence of the board of directors;

4) recording of meetings of the board of directors and committees, ensuring storage of minutes, transcripts, audio-video records, materials of meetings of the board of directors and committees;

5) advising members of the board of directors on issues of the legislation of the Republic of Kazakhstan, the Charter of the Company, this Code, internal documents, monitoring changes and timely informing members of the board of directors;

6) organization of the introduction of newly elected members of the board of directors;

7) organization of training for board members and attracting experts;

8) the organization of interaction of members of the board of directors with shareholders, the management board.

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

1) organization of holding general meetings of shareholders;

2) timely submission of materials on issues submitted to the general meeting of shareholders / sole shareholder for adoption of relevant decisions;

3) recording of the general meeting of shareholders, ensuring the storage of minutes, transcripts, materials of meetings of the general meeting of shareholders (decisions of the sole shareholder);

4) ensuring the proper interaction of the organization with shareholders, including control over the provision of information at the request of shareholders on a timely basis.

In terms of implementing good corporate governance practices:

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) identification within the framework of the performance of their functions of violations in terms of corporate governance established by law, the Charter and other documents of the Company;

4) advising shareholders, officers, employees of the Company on corporate governance issues;

5) monitoring of the best global practices in the field of corporate governance and making suggestions for improving corporate governance practices in the Company.

135. 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.

136. To fulfill his duties, the corporate secretary has the knowledge, experience and qualifications, and a good business reputation. Depending on the size of the Company and the scale of its activities, a corporate secretary service may be created.

137. A person with a higher legal or economic background, with at least five years of experience, and practical knowledge in the field of corporate governance and corporate law is appointed to the position of corporate secretary.

138. In order to increase the efficiency of preparing and conducting meetings, the board of directors periodically discusses the completeness and usefulness of materials provided to members of the board of directors. The results of these discussions serve as the basis for evaluating the performance of the corporate secretary.

139. With regard to the corporate secretary, the Company is developing a program for the introduction and planning of succession. The appointment of the corporate secretary is carried out on the basis of open and transparent procedures enshrined in the internal documents of the Company.

140. The Corporate Secretary carries out its activities on the basis of a regulation approved by the board of directors, which indicates the functions, rights and obligations, the procedure for interaction with the bodies of the Company, qualification requirements and other information.

141. To perform his functions, the corporate secretary is vested with the following powers:

1) to request and receive from the officers and employees of the Company sufficient materials for making decisions at meetings of the board of directors and materials on the issues on the agenda of the general meeting of shareholders;

2) take measures to organize meetings of the board of directors and the general meeting of shareholders;

3) directly interact with the chairman and members of the board of directors, the first head and members of the board, employees of the Company, shareholders.

The Management Board of the Company renders comprehensive assistance to the Corporate Secretary in the exercise of his powers.

### **Paragraph 15. Society Ombudsman**

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

143. The Ombudsman is appointed by decision of the Board of Directors of the Company and organizations and is subject to re-election every two years. The role of the Ombudsman is to advise the employees who have addressed to him, participants in labor disputes, the conflict and assist them in developing a mutually acceptable, constructive and implementable solution, taking into account compliance with the laws of the Republic of Kazakhstan (including confidentiality), assisting in solving problematic social and labor issues, both employees and the Company, and organizations.

144. The Ombudsman submits for consideration by the relevant bodies and officials of the Company and organizations the problematic issues identified by him, which are systemic in nature and require the adoption of appropriate decisions (comprehensive measures), puts forward constructive proposals for their solution.

145. The Ombudsman at least once a year submits a report on the results of the work to the Human Resources and Remuneration Committee and the Audit Committee of the Board of Directors of the Company and organizations that evaluate its performance.

146. The Board of Directors of the Company and organizations evaluates the performance of the Ombudsman and makes a decision on the extension or termination of the powers of the person holding the position of Ombudsman.

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

147. In order to exercise control over the financial and economic activities of the Company, evaluate internal audit and control, manage risks, and comply with the legislation of the Republic of Kazakhstan, an internal audit service is created in the Company. The Board of Directors of the Company determines the quantitative composition of the internal audit service, the term of office of its employees, appoints its head, and early terminates its authority, determines the procedure for its work, the size and conditions of remuneration and bonuses for employees of the internal audit service, as well as the budget of the internal audit service.

148. Employees of the internal audit service cannot be elected to the board of directors and the management board of the Company.

149. The Internal Audit Service reports directly to the Board of Directors of the Company and is independent of the 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.

150. The key responsibilities of the internal audit service include assessing the quality of the internal control and risk management system in the Company and communicating to the board of directors information about the adequacy and effectiveness of this system. The main objective of the internal audit service is to contribute to the improvement of the Company's performance.

151. The regulations on the internal audit service define and consolidate:

1) adherence to the principles and regulations adopted by the International Institute of Internal Auditors (The Institute of Internal Auditors);

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

3) the conditions for ensuring the independence, objectivity and professionalism of the internal audit service to achieve the goals and objectives of the internal audit and the effective implementation by the internal audit service of its functions and responsibilities;

4) qualification requirements for the head and employees of the internal audit service;

5) the scope and content of the internal audit activity;

6) the right of access to documentation, employees and tangible assets when performing the relevant tasks;

7) the 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.

152. The provisions on the internal audit service also provide for the following tasks and functions:

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

2) coordination of activities with the external auditor of the Company, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;

3) conducting, within the established procedure, an internal audit of subsidiaries;

4) preparing and submitting to the board of directors and the audit committee quarterly and annual reports on the performance of the internal audit unit and the implementation of the annual audit plan (including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified shortcomings, assessment results actual state, reliability and effectiveness of the risk management system, internal control and corporate governance);

5) verification of compliance by members of the Board of the Company and its employees with the provisions of the legislation of the Republic of Kazakhstan and internal documents relating to insider information and the fight against corruption, compliance with ethical requirements;

6) monitoring the implementation of the recommendations of the external auditor;

7) providing advice to the board of directors, the board, structural units and subsidiaries on the organization and improvement of internal control, risk management, corporate governance and the organization of internal audit (including the development

of internal regulatory documents and projects in these areas), as well as on other issues within the competence of the internal audit service.

153. The performance assessment of the internal audit service, its manager and employees is carried out by the board of directors on the basis of reviewing the reports of the internal audit service, observing the deadlines for the annual audit plan and reporting, assessing the compliance of reports with the requirements of standards and internal regulatory documents of the internal audit service.

### **Paragraph 17. Board**

154. The management of the current activities of the Company is carried out by the board.

The head and members of the board have high professional and personal characteristics, a good business reputation, and adhere to ethical standards.

The head of the board has organizational abilities, also to work actively with shareholders and constructively build a dialogue with them, the board of directors, employees and other interested parties.

155. The Management Board reports to the board of directors and manages the daily activities of the Company, is responsible for implementing the development strategy and / or development plan and decisions adopted by the board of directors and the general meeting of shareholders.

156. The board of directors elects the head and members of the board, determines the terms of office, the size of the official salary, and the conditions for payment for their labor. The key role in the process of searching and selecting candidates for the board, determining their remuneration is played by the personnel and remuneration committee of the Board of Directors of the Company.

157. Proposals for candidates for election to the board for consideration by the personnel and remuneration committee of the board of directors are made by the head of the board. In case of rejection by the board of directors of a candidate proposed by the head of the board for the same vacant position in the board for the second time, the right to make a proposal for a candidate for this vacant post shall be transferred to the board of directors.

158. The board of directors may at any time terminate the powers of the head and members of the board.

159. The head and member of the management board of the Company is elected for a term of up to three years. The term of office of the head and members of the board coincides with the term of office of the board.

160. In order to increase the transparency of the processes of appointment and remuneration of the head and members of the management board of the Company, the board of directors approves and strictly complies with the rules on the appointments, remuneration, evaluation and succession of the head and members of the management board.

161. The Management Board, under the guidance of the Board of Directors, develops a development strategy and / or development plan for the Company. The board provides:

1) carrying out activities in accordance with the norms of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, decisions of the general meeting of shareholders, the board of directors;

2) proper risk management and internal control;

3) allocation of resources for the implementation of decisions of the general meeting of shareholders (sole shareholder), board of directors;

4) labor safety of employees of the Company;

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

162. The Board of Directors exercises control over the activities of the Board of the Company. Control can be exercised by providing the board with regular reporting to the board of directors and hearing the board on the implementation of medium-term development plans and the results achieved at least once a quarter.

163. The Management Board meets in person and discusses the implementation of the development strategy and / or development plan, decisions of the general meeting of shareholders (sole shareholder), board of directors and operations. Board meetings are held on a regular basis. Cases of absentee meetings are limited and defined in the Charter and internal documents of the Company.

164. The Board draws up a work plan for the coming year with a list of issues before the beginning of the calendar year. Members of the 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, risk management, several meetings are allowed.

When considering each issue, a separate discussion is devoted to the risks associated with making / not making decisions and their impact on the cost and sustainable development of the Company.

All issues submitted at the initiative of the board for consideration by the board of directors and the general meeting of shareholders (sole shareholder) are preliminarily considered and approved by the board.

165. The head and members of the board do not allow a conflict of interest situation to arise. In the event of a conflict of interest, they shall notify the board of directors or the head of the board in advance, fix this in writing and not participate in the decision on the issue.

166. The head and members of the board may hold positions in other organizations only with the approval of the board of directors. The head of the board does not hold the position of head of the board of another legal entity.

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

The organizational structure is aimed at:

1) the effectiveness of decision making;

2) increase in the productivity of the Company;

3) the speed of decision-making;

4) organizational flexibility.

The selection of candidates for the vacant positions of the Company is carried out on the basis of open and transparent competitive procedures. Career advancement, material incentives for employees of the Company are carried out in accordance with the principles of meritocracy, taking into account the level of knowledge,

competencies, work experience and achievement of assigned tasks. A pool of employees of the personnel reserve is being formed in the Company, from which subsequently appointments may be made to senior positions of middle and senior management. Workers are evaluated on an annual basis.

The selection procedures are implemented according to the following requirements:

openness and lack of restrictions for holding positions for a wide range of people, ensuring the principle of equal opportunities, which contribute to increased competition and the selection of worthy applicants that meet the requirements of professionalism and competence;

impartial selection of personnel and a complete lack of protectionism, a patronage reception system (on the basis of loyalty, ethnicity, family ties and personal friendship);

legal regulation, including in matters of securing the principles and criteria for evaluating candidates, excluding the conditions for subjectivity in making decisions.

### **Paragraph 18. Evaluation and Remuneration of Members of the Management Board of the Company**

168. The head and members of the board are evaluated by the board of directors. The main evaluation criterion is the achievement of the set efficiency.

KPI of the head and members of the board are approved by the board of directors of the Company. Proposals regarding KPIs of board members are submitted to the board of directors by the head of the board.

169. The results of the assessment affect the amount of remuneration, promotion, re-election (appointment) or early termination of office.

170. The remuneration of the head and members of the board consists of a constant and variable part. When establishing the official salary, the complexity of the tasks performed, the personal competencies of the employee and his competitiveness in the market, the contribution that this person makes 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.

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

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

172. The company realizes the importance of its influence on the economy, ecology and society, striving to increase long-term value, ensure its sustainable development in the long term, observing the balance of interests of interested parties. An approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company.

173. The company strives to increase long-term value, ensure sustainable development, and balance the interests of stakeholders. Sustainable development activities comply with the best international standards.

The company in the course of carrying out its activities exerts influence or is influenced by the interested parties.

Stakeholders can have both positive and negative impacts on the activities of the Company, namely on the growth of the value of the Company, sustainable development, reputation and image, create or reduce risks. The company attaches great importance to the proper interaction with stakeholders.

174. The company, when determining stakeholders and interacting with them, uses international standards for identifying and interacting with stakeholders (AA 1000 Standard, Accountability Principles Standard 2008 «Stakeholder Engagement Standard 2011» (AA 2011 Stakeholder Engagement Standard 2011), ISO 26000 Guidance on Social Responsibility, GRI (Global Reporting Initiative), given in accordance with Appendix 1 to this Code.

The company takes measures to establish dialogue and long-term cooperation with interested parties.

175. The company draws up a map of interested parties, taking into account risks and ranking taking into account dependence (direct or indirect), obligations, situations (paying special attention to high-risk areas), influence, various (various) prospects.

176. Holding companies have a consolidated stakeholder map for their group and draw up an appropriate plan for interaction with such parties.

177. The methods of interaction with stakeholders include the following forms (AA 1000 «Stakeholder Engagement Standard 2011» (AA 2011 Stakeholder Engagement Standard 2011) given in accordance with Appendix 2 to this Code.

178. The Company ensures the coherence of its economic, environmental and social goals for sustainable development in the long term, which include, inter alia, the growth of long-term value for shareholders and investors. Sustainable development in the Company consists of three components: economic, environmental and social.

179. The economic component directs the activities of the Company to increase long-term value, ensure the interests of shareholders and investors, increase the efficiency of processes, increase investments in the creation and development of more advanced technologies, and increase labor productivity.

180. The environmental component minimizes the impact on biological and physical natural systems, the optimal use of limited resources, the use of environmentally friendly, energy and material-saving technologies, the creation of environmentally acceptable products, minimization, processing and disposal of waste.

181. The social component is focused on the principles of social responsibility, which include, among other things, ensuring labor safety and preserving the health of workers, fair remuneration and respect for workers' rights, individual development of staff, implementation of social programs for staff, creation of new jobs, sponsorship and charity, holding environmental and educational actions.

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

183. The international GRI 4 standards provide a classification of categories and aspects of sustainable development of the Companies, in accordance with Appendix 3 to this Code.

184. The Company is building a management system in the field of sustainable development, which includes, inter alia, the following elements:

1) commitment to the principles of sustainable development at the level of the board of directors, executive body and employees;

2) analysis of the internal and external situation in 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) determination of goals and KPIs in the field of sustainable development, development of an action plan and determination of responsible persons;

6) integration of sustainable development into key processes, including risk management, planning, human resources management, investment, reporting, operations and others, as well as into development strategies and decision-making processes;

7) advanced training of officials and employees in the field of sustainable development;

8) regular monitoring and evaluation of activities in the field of sustainable development, assessing the achievement of goals and KPIs, the adoption of corrective measures, the introduction of a culture of continuous improvement.

185. The Board of Directors and the Management Board of the Company ensures 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.

Holding companies are responsible for implementing sustainable development principles throughout the group.

186. The company develops action plans in the field of sustainable development by:

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

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

3) definitions of stakeholders and their impact on activities;

4) setting goals, as well as possible targets, measures to improve and improve the organization's activities in three components, responsible persons, resources and deadlines

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

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

7) implementation of the formed plan;

8) continuous monitoring and regular reporting;

9) analysis and evaluation of the effectiveness of the plan, summarizing and adoption of corrective and improving measures.

Sustainable development integrates into:

1) management system;

2) development strategy;

3) key processes, including risk management, planning (long-term (strategy), medium-term (five-year development plan) and short-term (annual budget) periods), reporting, risk management, human resources management, investments, operations and others, as well as decision-making processes at all levels, starting from bodies (general meeting of shareholders (sole shareholder), board of directors, board), and ending with ordinary employees.

187. The management system in the field of sustainable development defines and consolidates the roles, competencies, responsibility of each body and all employees for the implementation of principles, standards and related policies, and plans for sustainable development.

188. The Board of Directors of the Company provides strategic leadership and control over the implementation of sustainable development. The Management Board of the Company draws up an appropriate action plan and submits it for consideration by the board of directors.

In order to prepare questions of sustainable development, a committee is created or these functions are delegated to the terms of reference of one of the existing committees under the Board of Directors of the Company on sustainable development issues.

The Company implements special training and continuing education programs on sustainable development. Training is a constant element in the implementation of sustainable development. Company officials promote the involvement of employees in sustainable development on the basis of understanding and adherence to the principles of sustainable development and changing culture, conduct in business and performance of duties.

189. The benefits of implementing the principles of sustainable development include:

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

2) improving managerial effectiveness and minimizing risks - integration of environmental and social aspects into the process of making managerial decisions allows expanding the horizons of planning and taking into account a more diverse range of risks and opportunities, which creates the prerequisites for sustainable business development;

3) increasing efficiency - the introduction of modern technologies allows you to create innovative products and services, while increasing your competitiveness and effectiveness;

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

5) increased loyalty from internal and external stakeholders - the creation of 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 creation of a positive environment around the activities of the Company, which helps to increase business efficiency by

understanding and support from customers, shareholders, investors, government agencies, local people, public organizations.

190. The Sustainability Report is approved by the board of directors and is brought to the attention of interested parties by posting on a corporate Internet resource and / or providing on paper.

In order to bring sustainable development policies to the attention of interested parties, the Internet resource of the Company and organizations contains a separate section devoted to this area of activity.

191. Society and organizations discuss the inclusion and compliance with the principles and standards of sustainable development in the relevant contracts (agreements, agreements) with partners.

In case the Company or organization identifies a risk associated with the partners having a negative impact on the economy, the environment and society, the Company and / or the organization shall take measures aimed at terminating or preventing such impact.

In case of non-acceptance or improper fulfillment by the partner of the principles and standards of sustainable development, the importance of this partner for the Company and the organization is taken into account and whether there are any measures of influence on him and the possibility of its replacement.

### **Paragraph 20. Management of Risks**

192. An effective risk management and internal control system is being created in the Company, aimed at ensuring the achievement by the Company of its strategic and operational goals, which is a combination of organizational policies, procedures, standards of conduct and actions, management methods and mechanisms created by the board of directors and the company's board to provide:

- 1) the optimal balance between the growth of the value of the Company, profitability and the risks associated with them;
- 2) the effectiveness of financial and economic activities and the achievement of financial stability of the Company;
- 3) safety of assets and efficient use of the resources of the Company;
- 4) the completeness, reliability and reliability of financial and management reporting;
- 5) compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company;
- 6) proper internal control to prevent fraud and provide effective support for the functioning of the main and auxiliary business processes and analysis of performance.

193. The Board of Directors of the Company approves internal documents that determine the principles and approaches to organizing a risk management and internal control system based on the objectives of this system.

The organization of an effective risk management system and internal control in the Company is aimed at building a management system that can provide an understanding of the reasonableness and acceptability of the risk level by employees, management, bodies of the Company when making decisions, quickly respond to risks, exercise control over the main and auxiliary business processes and daily operations,

as well as to immediately inform management of the appropriate level about any significant deficiencies.

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

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

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 appropriate level in the development, approval, application and evaluation of the risk management and internal control system;

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

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

195. The internal documents of the Company stipulate the responsibility of the board of directors and the board of the Company to organize and ensure the effective functioning of the risk management and internal control system on a consolidated basis.

196. Each person of the Company ensures proper consideration of risks when making decisions.

The Management Board of the Company ensures the implementation of risk management procedures for employees with relevant qualifications and experience.

197. The Management Board of the Company:

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 practical implementation and continuous implementation of the principles and procedures of risk management and internal control assigned to it;

3) is responsible for implementing decisions of the board of directors and recommendations of the audit committee in the field of organizing a risk management system and internal control;

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

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

198. In order to implement the principles of internal control and ensure the effectiveness of the risk management and internal control system, the Company's management board distributes powers, duties and responsibilities for specific risk management and internal control procedures between the managers of the following level and / or the heads of structural divisions.

199. The heads of structural departments in accordance with their functions are responsible for the development, documentation, implementation, monitoring and

development of the risk management and internal control system in the functional areas of the Company entrusted to them.

200 The organizational structure of the risk management and internal control system in the Company (depending on the scope and specifics of the activity) provides for a structural unit responsible for risk management and internal control (or these functions may be assigned to the internal audit service), the tasks of which relate:

- 1) overall coordination of risk management and internal control processes;
- 2) the development of methodological documents in the field of risk management and internal control and the provision of methodological support to business process owners and employees in the process of identification, documentation of risks, implementation, monitoring and improvement of control procedures, the formation of risk response plans and action plans to improve the system risk management and internal control, reports on their implementation;
- 3) organization of training for employees in the field of risk management and internal control;
- 4) analysis of the risk portfolio and development of proposals for a response strategy and redistribution of resources in relation to the management of relevant risks;
- 5) the formation of consolidated reporting on risks;
- 6) implementation of operational control over the risk management process by structural units;
- 7) preparation 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 the proposal for their prevention / leveling.

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

201. 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 risk.

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

202. The Board of Directors approves the general level of risk appetite and tolerance levels in relation to key risks, which are fixed by the internal documents of the Company.

203. The tolerance levels for key risks are reviewed in the event of significant events. Limits are established that limit the risks in everyday activities.

204. For a holistic and clear understanding of the inherent risks, the Company annually identifies and evaluates risks, which are reflected in the risk register, risk map, risk response plan (process improvement, minimization strategies) approved by the board of directors.

205. The Board of Directors, when considering the list of risks, ensures that risks are included in them that can really affect the implementation of strategic objectives,

and when considering a plan of measures for responding to risks, make sure that the measures are useful. The Board of Directors and the Management Board of the Company regularly receives information on key risks and their analysis in terms of their impact on the strategy and business plans of the Company.

Reports on risks are submitted to meetings of the Board of Directors at least once a quarter and are properly discussed in full.

206. The Company implements transparent principles and approaches in the field of risk management and internal control, the practice of training employees and officials on the risk management system, as well as the process of documenting and timely communication of information to officials.

207. Employees of the Company and organizations annually, as well as when hiring, undergo training / induction training to familiarize themselves with the adopted risk management and internal control system.

Based on the results of such training, knowledge testing is carried out.

208. As part of the risk management and internal control system, a safe, confidential and accessible way is organized to inform the board of directors, audit committee and internal audit unit of violations of the legislation of the Republic of Kazakhstan, internal procedures, and the Code of Business Ethics by any employee and officer of the Company.

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

209. An internal audit service is being created in the Company to systematically independently evaluate the reliability and effectiveness of the risk management and internal control system and corporate governance practices.

210. A separate structural unit — the internal audit service — is being created in organizations in the form of a joint stock company that are part of the Company.

211. The Internal Audit Service operates on the basis of a risk-based annual audit plan approved by the Board of Directors of the Company.

212. The results of audit reports, key findings and related recommendations are submitted quarterly to the board of directors.

213. In carrying out its activities, the internal audit service evaluates the effectiveness of the internal control system and risk management system, evaluates corporate governance using generally accepted standards of activity in the field of internal audit and corporate standards.

Assessment of the effectiveness of the internal control system includes:

1) analysis of the conformity of the goals of business processes, projects and structural divisions with the goals of the Company, verification of the reliability and integrity of business processes (activities) and information systems, including the reliability of procedures to counter illegal actions, abuse and corruption;

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

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

4) the identification of deficiencies in the internal control system that did not allow (does not allow) the achievement of goals;

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

6) verification of the effectiveness and appropriateness of the use of resources;

7) verification of the safety of the assets of the Company;

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 the sufficiency and maturity of the elements of the risk management system for effective risk management (goals and objectives, infrastructure, process organization, regulatory and methodological support, the interaction of structural units within the risk management system, reporting);

2) checking the completeness of the identification and correctness of the 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 the risks that have taken place (violations revealed by the results of internal audits, facts of failure to achieve goals, facts of litigation).

Corporate governance assessment includes a review of:

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

2) the procedure for setting goals, monitoring and controlling their achievement;

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

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

5) procedures for disclosing information on the activities of the Company and its affiliated organizations.

214. The company conducts an annual audit of financial statements by engaging an independent auditor who provides an objective opinion to interested parties on the reliability of the financial statements and its compliance with the requirements of the International Financial Reporting Standard.

215. The selection of an external auditor is based on a tender. The selection takes into account the opinion of the audit committee of the board of directors of the Company, whose members are included in the tender committee.

In determining the independence of the members of the commission for the selection of an external auditor, the following main parameters are taken into account:

the nature of the financial or business relationship of each member of the commission with an external auditor;

the nature of the family ties of each member of the commission with the representatives of the external auditor.

216. The external auditor involved does not provide the Company with advisory services that could jeopardize the independence of the external auditor, and does not practice cases when former members of the audit team are hired for managerial positions earlier than two years after they are dismissed from the audit organization.

The company provides disclosure of detailed information about the external auditor involved.

The company regulates issues related to the selection and interaction with an external auditor.

217. Interested parties verify the reliability of the financial statements of the Company by engaging an external auditor that meets the following criteria:

- high level of qualification of specialists of the audit organization; significant work experience and positive reputation (in the Kazakhstan and international markets (if necessary));

- industry experience;

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

- the effectiveness of work to identify gaps and provide recommendations on improving internal controls on the process of preparing financial statements.

218. The company approves documents governing the procedure for auditing and relations with an external auditor, including the process of selecting an external auditor, the powers and functions of a tender committee, issues of providing audit services by an audit organization not related to an audit of financial statements and other information, issues of audit rotation organizations and senior staff of the audit organization, issues of hiring former employees of the audit organization.

219. The rotation of partners and senior personnel responsible for the audit of financial statements is carried out at least once every five years if the audit organization provides the Company with audit services for more than 5 consecutive years.

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

220. 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 shareholders and the Company, avoiding conflicts.

In case of corporate conflicts (occurrence), participants find ways to resolve them through negotiations in order to ensure effective protection of the interests of the Company and interested parties.

The Company's officials shall timely inform the corporate secretary and / or ombudsman of the presence (occurrence) of conflict.

Efficiency of work on the prevention and settlement of corporate conflicts involves the full and speedy identification of such conflicts and coordination of actions of all bodies of the Company.

221. Corporate conflicts with the assistance of the corporate secretary and / or ombudsman are considered by the chairman of the board of directors of the Company. If the chairman of the board of directors is involved in a corporate conflict, such cases are considered by the HR and Remuneration Committee.

222. In order to prevent government bodies from interfering in the operations of the Company, as well as to increase the responsibility of boards of directors for decisions made, shareholders (the sole shareholder) should avoid the election of board members who are representatives of government bodies.

223. In order to ensure the objectivity of evaluating a corporate conflict and creating conditions for its effective settlement, persons whose interests are affected by the conflict or may affect it, do not participate in its settlement.

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

224. The Board of Directors develops and periodically reviews the policies and rules for resolving corporate conflicts, in which their resolution will be in the interests of the Company and shareholders.

225. The Board of Directors resolves corporate conflicts on issues within its competence. In this case, the corporate secretary and / or ombudsman is charged with the obligation to ensure that the board of directors is aware of the nature of the corporate conflict and the role of the mediator in resolving the corporate conflict.

226. The Chairman of the Board, on behalf of the Company, resolves corporate conflicts on all issues, the adoption of decisions on which is not within the competence of the Board of Directors of the Company, and also independently determines the procedure for resolving corporate conflicts.

227. The Board of Directors considers individual corporate conflicts within the competence of the management board.

### **Paragraph 23. Regulation of Conflicts of Interest**

228. 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.

229. Employees of the Company do not allow a situation in which a conflict of interest is possible, neither in relation to themselves (or related persons), nor in relation to others.

In order to avoid a conflict of interests that impede the objective fulfillment by the board of directors of its duties and limit political interference in the processes of the board of directors, the Company is introducing mechanisms to prevent and regulate them.

230. The basic principles for preventing conflict of interest, methods for their identification, assessment and resolution are enshrined in the Code of Business Ethics of the Company, approved by the Board of Directors.

### **Paragraph 24. The principle of transparency and objectivity of disclosure of information on the activities of the Company**

231. In order to comply with the interests of interested parties, 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 activities, including financial condition, results of operations, ownership and management structure.

232. The Company approves internal documents that determine the principles and approaches to the disclosure and protection of information, a list of information disclosed to interested parties, the timing, order, method, form of disclosure of

information, responsible officials and employees, indicating their functions and responsibilities, as well as other provisions governing disclosure.

In accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company, the Company determines the procedure for classifying information as access categories, storage and use of information.

The company determines the circle of persons having the right of free access to information constituting commercial and official secrets, and take measures to protect its confidentiality.

233. The head of this unit is a person with practical experience in the financial sector who understands the specifics of the industry in which the Company operates.

234. The Internet resource of the Company is structured, convenient for using navigation and contains information sufficient for interested parties to understand the activities of the Company. Information is placed in separate thematic sections of the Internet resource.

235. The updating of the Internet resource is carried out at least once a week. The Company regularly monitors the completeness and relevance of information posted on the Internet resource, and also determines the conformity of this information posted on the Kazakh, Russian, English versions of the Internet resource. For these purposes, responsible persons (structural unit) are assigned, responsible for the completeness and relevance of information on the Internet resource.

236. The Internet resource of the Companies contains the following information:

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

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

3) The Charter and internal documents of the Company governing the activities of bodies, committees, and the corporate secretary;

4) ethical principles;

5) on risk management;

6) on dividend policy;

7) on the members of the board of directors, including the following information: photograph (as agreed with the member of the board of directors), last name, first name, middle name, date of birth, citizenship, status of the member of the board of directors (independent director, representative of the shareholder), indication of the functions of the member of the board of directors, including membership in committees of the board of directors or performing the functions of the chairman of the board of directors, education, including basic and additional education (name of educational institution, year of graduation, qualification obtained from heat), work experience over the past five years, main place of work and other current positions, professional qualifications, date of first election to the board of directors and date of election to the current board of directors, number and percentage of shares owned by affiliates, criteria for independent directors;

8) about the members of the board, including the following information: photo, surname, name, patronymic, date of birth, citizenship, position and functions performed, education, including primary and secondary education (name of educational institution, year of graduation, qualification, degree obtained) , work

experience over the past five years, professional qualifications, part-time positions, the number and proportion of shares held by affiliated organizations;

9) on financial statements;

10) on annual reports;

11) on the external auditor;

12) on procurement activities, including rules, announcements and procurement results;

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

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

15) on the annual calendar of corporate events;

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

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

18) on activities in the field of sustainable development;

19) the amount of approved dividends;

20) about news and press releases.

237. The company prepares an annual report in accordance with the provisions of this Code and the practice of information disclosure.

The annual report is approved by the Board of Directors.

238. The annual report is a structured document and is published in Kazakh, Russian and English (if necessary).

The annual report is prepared and posted on the Internet resource before the annual general meeting of shareholders (sole shareholder).

239. The requirements for the content of the annual report require the following information:

1) appeal of the chairman of the board of directors of the Company;

2) appeal of the head of the board;

3) about the Company: general information; on the structure of the authorized capital, including the following information: the number and nominal value of the issued shares (participatory interests), a description of the rights granted by the shares, the number and nominal value of the announced but unplaced shares, the composition of shareholders (participants) and the number and proportion of ordinary shares owned by them ( participatory interest), the procedure for disposing of property rights; mission; development strategy, results of its implementation; market review and market position;

4) the results of financial and operational activities for the reporting year: a review and analysis of activities regarding the tasks; operational and financial performance indicators; main significant events and achievements; information on material

transactions; any financial support, including guarantees received / received from the state and any obligations to the state and society assumed by the Company (if not disclosed in accordance with IFRS);

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

6) goals and plans for future periods;

7) the main risk factors and the risk management system;

8) corporate governance: corporate governance structure; composition of shareholders and ownership structure; the composition of the board of directors, including qualifications, the selection process, including on independent directors with criteria for determining their independence; report on the activities of the board of directors and its committees; information on compliance of corporate governance practices with the principles of this Code, and if it does not comply, an explanation of the reasons for non-compliance with each of the principles; composition of the management board of the Company; report on the activities of the board; employee remuneration policy;

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

10) audit report and financial statements with notes;

11) the analytical indicators and data included in the annual report reflect the comparative analysis and the progress achieved (regression) in relation to the previous period (comparison with the values of similar indicators indicated in the last annual report). In order to compare indicators with international companies operating in a similar industry, activity indicators are published that will allow for industry benchmarking analysis.

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

Appendix 1  
to the Model Code of Corporate  
Management of NJSC «West Kazakhstan  
Marat Ospanov Medical University»

**International Standards for Identifying and Engaging with Stakeholders**

Parties concerned	Contributed Contribution	Expectations, interest
Investors, including shareholders, second-tier banks	Financial resources (equity, borrowed funds)	Return on investment, timely payment of dividends, principal and interest
Workers, officials	Human Resources, Loyalty	High salary, good working conditions, professional development
Trade unions	Contributing to social stability, labor relations and conflict resolution	Respect for the rights of workers, good working conditions
Customers	Financial resources through the acquisition of products (goods and services) of the organization	Getting high-quality, safe goods and services at an affordable price
Suppliers	Supply of resources (goods, works and services) to create value	Reliable sales market, regular solvent buyer
Local communities, local communities, community organizations	Support in the field; loyalty and support of local authorities; supportive attitude; cooperation	Creation of additional jobs, development of the region
Government, Government, Parliament	State regulation	Taxes, solving social problems

### Engagement Methods of Stakeholder

Interaction level	Interaction methods
Consultations: two-way interaction; interested parties answer questions of the Company and organizations	Questionnaires; focus groups; meetings with stakeholders; public meetings; workshops; providing feedback through communication; advisory councils
Conversation	Collective bargaining based on the principles of social partnership
Involvement: Bilateral or multilateral interaction; building experience and knowledge from all sides, stakeholders and organizations act independently	Multilateral forums; consultation panels; consensus building process; joint decision-making process; focus groups; feedback schemes
Collaboration: Bilateral or multilateral cooperation; joint development of experience and knowledge, decision-making and measures	Joint projects; joint ventures; partnership; joint stakeholder initiatives
Granting credentials stakeholders (if applicable) participate in the management	Integration of stakeholder engagement issues into management, strategy and operations

### Classification of categories and aspects of sustainable development

Category	Aspects
Economic	Economic performance; market presence; indirect economic impacts; procurement practices
Environmental	Materials energy; water; biodiversity; emissions discharges and waste; products and services; compliance with the requirements; transport; general information; environmental assessment of suppliers; environmental complaint mechanisms
Social	Labor practices and decent work include, but are not limited to, suppliers, complaints mechanisms for labor practices
	Human rights include, but are not limited to, investments, non-discrimination, freedom of association and collective bargaining, child labor, forced or compulsory labor, security practices, the rights of indigenous and small peoples, assessment of compliance by suppliers with human rights, complaint mechanisms human rights
	The company includes, inter alia, local communities, anti-corruption, public policy, non-competition, compliance with requirements, assessment of the impact of suppliers on the company, mechanisms for filing complaints about the impact on the company
	Product liability includes, but is not limited to, consumer health and safety, product and service labeling, marketing communications, consumer privacy, compliance with requirements