No. 288-НҚ as of 14.12.2020

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|  Annex to the orderof the Minister of Trade and Integration of the Republic of Kazakhstandated \_\_\_\_\_\_\_\_ "\_\_\_" 2020 No. \_\_\_\_  Corporate Governance Code  QazExpoCongress National Company Joint-Stock Company |

 **Chapter 1. General provisions**

1. The Corporate Governance Code of QazExpoCongress NC JSC (hereinafter referred to as the Code) was developed in accordance with paragraph 3 of 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 the approaches of corporate governance in relations within the state – controlled QazExpoCongress NC JSC (hereinafter referred to as the Company) and with other interested parties.

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

1. The objectives of this Code are to improve the Company's corporate governance, ensure the transparency of the Company's management and confirm the Company's commitment to follow the standards of good corporate governance. In particular:
2. The management of the Company should be carried out with an appropriate level of responsibility, accountability and efficiency in order to maximize the value of the Company and other benefits for the sole shareholder;
3. information disclosure, transparency, and the effective operation of risk management and internal control systems should be properly ensured.
4. The Code is a set of rules and recommendations that the Company follows in the course of its activities to ensure a high level of business ethics in relations within the Company and with other market participants.
5. The Code is developed in accordance with the provisions of the legislation, as well as taking into account the developing corporate governance practices in Kazakhstan, ethical standards, needs, conditions of companies ' activities in the capital market at the current stage of their development and the principles of corporate governance recognized in international practice.
6. The Company shall comply with the provisions of the Code in its activities.
7. The Company confirms that the principles of corporate governance are of an evolutionary nature. The Board of Directors will periodically review the provisions of the Code in accordance with the established procedure in the light of current legislation, recommendations and best practices applicable to corporate governance in relation to Kazakhstani and international companies, with the introduction of appropriate proposals for consideration by the sole shareholder, if necessary.
8. The Company's officials and employees, on the basis of the relevant agreements with the Company, assume the obligations provided for in this Code and undertake to comply with its provisions in the Company.
9. The following basic concepts are used in this Code:

1) shareholder – the Government of the Republic of Kazakhstan;

2) the state body as a shareholder – (sole shareholder) - the central executive body to which the rights of ownership and/or use of the state blocks of shares of the Company have been transferred;

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

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

5) development plan – a document defining the main activities, indicators of financial and economic activity and key performance indicators of the Company for a five-year period, approved by the Board of directors;

6) development strategy – a document defining and justifying the mission, vision, strategic goals, objectives and key performance indicators of the Company for a ten-year period, approved by the sole shareholder, except in cases when, in accordance with the Law on State Property, the approval of the development strategy is carried out by the Government of the Republic of Kazakhstan or its development is not required;

7) the Board of Directors – the management body in the Company, which is formed by the election of its members by the sole shareholder of the Company, responsible for the overall management and control over the activities of the Company and the Management Board;

8) subsidiary - 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 that invests the money raised 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 ensure the management and control of the Company's activities and include relations between the shareholder, the Board of Directors, the Management Board, other bodies of the Company and interested parties in the interests of the shareholder. Corporate governance also determines the structure of the Company, through which its goals are set, how to achieve these goals, as well as monitoring and evaluating the results of its activities;

11) corporate events – events that have a significant impact on the Company's activities, affecting the interests of the Company's shareholders and investors, as defined by the laws of the Republic of Kazakhstan "On Joint Stock Companies", "On Accounting and Financial Reporting" and "On the Securities Market", as well as the Company's Charter;

12) corporate conflict – a disagreement or dispute between a shareholder and the Company's bodies; members of the Board of Directors and the management board, the head of the Internal Audit Service, the corporate secretary;

13) corporate secretary – an employee of the Company who is not a member of the Board of Directors and (or) the management board, who is appointed by the Board of Directors and is accountable to the Board of Directors, as well as within the framework of his / her activities, controls the preparation and conduct of meetings of the Board of Directors, ensures the formation of materials for meetings of the Board of Directors, controls access to them. The competence and activities of the corporate secretary are determined by the Company's internal documents;

14) key performance indicators (indicators) (hereinafter referred to as KPI) – indicators that characterize the level of efficiency of the Company's activities, officials and employees of the Company, which allow us to assess the effectiveness of their activities. KPIs have a quantitative value approved for the Company as part of the Company's development strategy and / or development plan, or approved differentially for each employee of the Company and corresponding to the results of their activities for the planned and reporting periods;

15) official – member of the board of directors, management board;

16) interested parties – individuals, legal entities, groups of individuals or legal entities that influence or may be influenced by the Company's activities, their products or services and related actions by virtue of legislation, concluded agreements (contracts) or indirectly (indirectly); the main representatives of interested parties are the shareholder, 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, whose role is to advise the Company's employees who have applied to him and assist in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as in compliance with the principles of business ethics by the Company's employees;

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

19) a dependent organization – a legal entity is recognized as a dependent if another (participating, predominant) legal entity has more than twenty percent of its voting shares (participation interests);

20) independent director – a member of the Board of directors who is not an affiliate of this Company and was not an affiliate during the three years preceding his election to the Board of directors (except for the case of his tenure as an independent director of this Company), is not an affiliate in relation to the affiliates of this Company; is not subordinate to the officials of this Company– affiliates of this Company and was not subordinate to these persons during the three years preceding his election to the board of directors; is not a civil servant; is not a representative of a shareholder at meetings of the bodies of this Company and was not a representative of a shareholder during the three years preceding his election to the board of directors. 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 in an audit organization, and did not participate in such an audit during the three years preceding his election to the board of directors;

21) the authorized body for the management of the relevant branch (sphere) of state administration (hereinafter referred to as the authorized body of the relevant branch) – the central executive bodies, local executive bodies or their departments to which the rights of ownership and use of the state block of shares of the Company have been transferred, as well as the State Property and Privatization Committee or its territorial divisions performing the functions of the sole shareholder in relation to it in accordance with the Law on State Property;

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

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

Subjects bound by fiduciary obligations to the Company include members of the Board of Directors, employees, shareholders, as well as other interested parties. For example, members of the Board of Directors, employees, and shareholders are not entitled to use the Company's business opportunities solely for their own interests. To do otherwise would be to violate the duty of good faith towards the Public.

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

1. The Company conducts an independent assessment of corporate governance at least once every three years, the results of which are published on the Company's Internet resource.
2. The Company is recommended to implement this Code in organizations in which the Company directly or indirectly owns more than fifty percent of the voting shares (participation interests) (hereinafter referred to as organizations).
3. The Company is recommended that the limited liability companies implement the provisions of this Code in the part that does not contradict the Law on Limited Liability Partnerships.
4. In carrying out its activities, the Company provides:

1) management of the Company in compliance with the principle of legality and the appropriate level of responsibility, separation of powers, accountability and efficiency;

2) risk management and internal control system;

3) exclusion of conflicts of interest.

1. The Company's compliance with this Code is monitored by the Board of Directors. The Corporate Secretary monitors and advises the Board of Directors and the Management Board on the proper implementation of this Code, as well as forms 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.

1. Cases of non-compliance with the provisions of this Code are considered at meetings of the Board of Directors and its committees with the adoption of decisions aimed at further improving corporate governance in the Company.

**Chapter 2. Principles of corporate governance of the Company**

1. The Company considers corporate governance as a means of improving the efficiency of the Company's activities, ensuring transparency and accountability, strengthening its goodwill and reducing the cost of raising capital. The corporate governance system provides for the separation of powers and responsibilities between the Company's bodies, officials and employees.
2. The Company's corporate governance 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 Company's activities and contributes to the successful operation of the Company, including the growth of its value, support for financial stability and profitability.
3. The fundamental principles of this Code are:

principle of separation of powers;

the principle of protecting the rights and interests of the shareholder;

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

the principle of sustainable development;

the principle of risk management, internal control and audit;

the principle of regulating corporate conflicts and conflicts of interest;

the principle of transparency and objectivity of disclosure of information about the Company's activities.

1. Within the framework of the Company's corporate governance structure, the division of responsibilities between the Company's bodies is determined, and the consistency and consistency of corporate governance processes is ensured.
2. Following the principles of corporate governance set out in the Code contributes to the creation of an effective approach for conducting an objective analysis of the Company's activities and receiving recommendations from analysts, financial consultants and rating agencies.

Paragraph 1. Principle of separation of powers

1. The rights, duties and powers of the sole shareholder, the Board of Directors and the Management Board are determined in accordance with the current legislation of the Republic of Kazakhstan and the Company's charter.
2. The state body, as a shareholder, differentiates its powers as a shareholder of the Company and the powers related to the performance of state functions in accordance with Article 3 of the Law of the Republic of Kazakhstan of November 27, 2000 "On Administrative Procedures" in order to prevent a conflict of interests that does not contribute to the interests of both the Company and the shareholder. The state body performs the functions of the Company's shareholder in order to increase the long-term value (value) The Company, taking into account the promotion of the development of the relevant industry and / or region.
3. The Company carries out its activities within the framework of its main (profile) activities. The implementation of new types of activities is regulated by the Business Code of the Republic of Kazakhstan dated October
29, 2015.
4. The Company builds an optimal structure of assets, simplifies their structure and organizational and legal form.

When the Company creates new organizations, the preferred legal form is a limited liability partnership. Production and financial companies, where it is possible to increase the assets of the state 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 establishes an organization in the form of a limited liability partnership, in the cases provided for by the charter, the limited liability partnership may establish a supervisory board and (or) an audit commission (auditor).

1. The state body, as the sole shareholder, participates in the management of the Company solely through the exercise of the powers of the sole shareholder provided for in the Law on Joint-Stock Companies.
2. The state body, as the sole shareholder of the Company, grants the Company full operational independence and does not interfere in the operational (current) and investment activities of the Company, except in cases provided for by the legislation of the Republic of Kazakhstan, instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.
3. 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, except for cases when one of the main tasks of the Company and the organization is to implement or assist in the implementation of the state policy for the development of certain industries of the Republic of Kazakhstan.
4. The Company's economic activity meets the market conditions regarding debt and equity finance:

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

2) the Company's business activities do not benefit from any indirect financial support, which gives advantages over private competitors, except in cases provided for by the legislation of the Republic of Kazakhstan;

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

1. When the Company participates in public procurement as a customer, the procedures applied are competitive, transparent (taking into account the principle of confidentiality) and are non-discriminatory.
2. Relations (interaction) between the state body and the Company, organizations are carried out through the Board of Directors and / or the Management Board 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 differentiated and fixed in the Company's documents.

The Company discloses to the state body as the sole shareholder and to the Board of Directors of the Company information about the Company's activities in accordance with the Law on Joint Stock Companies, the Company's charter and ensures transparency of the Company's activities and organizations to all interested parties.

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

1) sole shareholder;

2) by the board of directors;

3) the management board;

4) stakeholders;

5) other bodies determined in accordance with the charter.

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

1. The Company participates in the management of organizations through the implementation of the functions of a shareholder (participant), as well as through the Board of directors, in accordance with the procedure established by the charters of organizations and this Code.
2. The Company annually sends to the Chairman of the Board of Directors and the Company's representatives on the Board of Directors (supervisory Board) of the organization the expectations of the sole shareholder for the upcoming financial year.
3. The boards of Directors (supervisory boards) of organizations have full independence in making decisions within their competence established by the charter of the organizations.
4. In order to ensure the sustainable development of organizations, the Company forms and approves uniform accounting policies, methodological recommendations and corporate standards for organizations.

The decision to apply the corporate standards approved by the Company in the field of internal audit and the internal control system in the organization is made by the Board of Directors of the organization, taking into account the compliance of these standards with the specifics of the organization's activities.

The Management Board of the Company and the executive body of the organizations ensure that the development plans of the organizations submitted for approval to the boards of directors of the organizations comply with the Company's strategy and/or development plan.

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

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

The Management Board of the Company interacts with the executive body of the organization on issues of strategy and sustainable development. At the same time, the Company does not interfere in the operational (current) activities of the organization, for which the management board of the organization is responsible.

1. 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 correspond to the development strategy and / or development plan.

The main element of evaluating the effectiveness of the Company and its executive body is the efficiency system. The sole shareholder, through their representatives on the Board of Directors (or by written notification), expresses their strategic guidelines and their expectations for efficiency.

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

On an annual basis, the Company's efficiency is assessed. 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 early removal from office.

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

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

2) based on the results of consideration and discussion by the board of directors of organizations, the list and target values of efficiency are approved, which are brought to the executive body of organizations for the development of appropriate development strategies for a ten-year period and / or development plans for a five-year period;

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

1. The Company approves uniform rules for the development and approval of development strategies and / or development plans of organizations whose controlling shares (participation interests) belong to the company, as well as for monitoring and evaluating their implementation.

The Management Board of the Company monitors the implementation of the development strategies and / or the development plan and the efficiency of the organization.

The results of monitoring and reports on the implementation of the development plan are entered into the Company's information system for planning, monitoring and evaluation of activities in accordance with the procedure established by the Company's documents

**Paragraph 2. The principle of protecting the rights and interests of the sole shareholder**

1. Compliance with the rights of the sole shareholder is a key condition for attracting investment in the Company. Corporate governance in the Company is based on ensuring the protection, respect for the rights and legitimate interests of the sole shareholder and is aimed at contributing to the effective operation of the Company, including the growth of the long-term value of the Company, maintaining their financial stability and profitability.

**Paragraph 3. Ensuring the rights of the sole shareholder**

1. The Company ensures the implementation of the rights of the sole 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 accordance with the procedure provided for by the Law on State Property, Article 36 of the Law on Joint Stock Companies and / or the Company's charter;

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

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

the right to receive information about the Company's activities, including to get acquainted with the Company's financial statements, in accordance with the procedure established by the sole shareholder or the Company's charter;

the right to apply to the Company with written requests regarding its activities and to receive reasoned and exhaustive responses within the time limits established by the Company's charter;

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

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

the right to make a decision on changing the number of shares of the Company or changing their type in accordance with the procedure provided for by the Law on Joint-Stock Companies.

1. In the Company, decisions on issues referred by the legislation of the Republic of Kazakhstan and the charter of the Company to the competence of the sole shareholder are made by such a shareholder alone and are subject to registration in writing.
2. The sole shareholder may hold meetings with the Board of Directors and the Management Board to summarize the results of the year's activities and make decisions on issues of their competence. The sole shareholder may also hold regular meetings with the Chairman of the Board of Directors during the year to discuss issues related to the Company's activities within its competence.

**Paragraph 4. Interaction with the sole shareholder**

1. The Company shall bring to the attention of the sole shareholder timely and in full information about its activities affecting the interests of the sole shareholder in accordance with the procedure provided for by the charter and internal documents of the Company.
2. The Company provides the sole shareholder with reliable information about its financial and economic activities and their results. In the case of combining the tasks of implementing the state policy in the implementation of the Company's activities with the main commercial activity, these goals are disclosed and brought to the attention of the sole shareholder.

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

The Company strives not to enter into transactions in which there is an interest. In the case of such transactions, the Company discloses information about the Company's affiliates and transactions.

**Paragraph 5. Dividend policy**

1. The sole shareholder is provided with access to information regarding the terms and procedure of payment of dividends, as well as reliable information about the financial position of the Company when paying dividends.

For this purpose, the sole shareholder approves the dividend policy with access for the sole shareholder.

1. The dividend policy defines the principles that guide the Board of Directors when preparing proposals to the sole shareholder on the distribution of the Company's and/or the organization's net income for the past financial year. The dividend policy is based on the following principles:

1) compliance with the interests of the sole shareholder;

2) increase in the long-term value of the organization;

3) ensuring the financial stability of the organization;

4) ensuring the financing of the organization's activities, including the financing of investment projects implemented at the expense of the organization's funds;

5) transparency of the mechanism for determining the amount of dividends;

6) balance of short-term (income generation) and long-term (development of the organization) interests of the sole shareholder.

1. The dividend policy may regulate the procedure for distributing net income and determining the part of it allocated for the payment of dividends, the procedure for calculating the amount of dividends, the procedure for paying dividends, including the timing, place and form of their payment.
2. The Dividend Policy establishes the procedure for determining the share of the Company's net profit allocated for the payment of dividends.
3. The amount of dividends is calculated based on the amount of the Company's net income reflected in the annual audited financial statements prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards.
4. When considering the issue of payment of dividends, the current state of the Company, its short -, medium - and long-term plans are taken into account.
5. The Company discloses to the sole shareholder and investors information about any forms and conditions of cooperation, agreements and partnerships.

**Paragraph 6. Effective Board of Directors**

1. The Board of Directors is a management body that reports to the sole shareholder, providing strategic management of the organization and monitoring the activities of the Management Board.
2. The Board of Directors ensures full transparency of its activities to the sole shareholder, as well as the implementation of all the provisions of this Code.
3. The Board of Directors performs its functions in accordance with the Law on State Property, the Law on Joint-Stock Companies, the Company's Charter, this Code, the regulations on the Board of Directors and other internal documents of the Company.

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

1) determining the development strategy (directions and results);

2) setting and monitoring the KPIs set out in the development strategy and / or development plan;

3) organization and supervision of the effective functioning of the risk management and internal control system;

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

5) election (re-election), remuneration, succession planning and supervision of the activities of the head and members of the management board;

6) corporate governance and ethics;

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

1. The members of the Board of Directors perform their functional duties in good faith and adhere to the following principles in their activities:

1) act within the limits of their powers – members of the Board of Directors make decisions and act within the limits of their powers stipulated in the Law on State Property, the Law on Joint-Stock Companies, as well as the Company's Charter;

2) devote sufficient time to attend and prepare for meetings of the board of directors and its committees. A member of the Board of Directors may hold positions in other legal entities after receiving the approval of the Board of Directors;

3) contribute to the growth of the long-term value and sustainable development of the Company – the members of the Board of Directors act in the interests of the Company, taking into account the fair treatment of the sole shareholder and the principles of sustainable development; the impact of the decisions and actions of the members of the board of directors can be determined by the following questions: what are the long-term consequences of the decision/action; what is the impact of the organization's activities on the company and the environment; whether fair treatment of the sole shareholder will be ensured; impact on the Company's reputation and high standards of business ethics; impact 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 the Company's employees;

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

6) act with due reasonableness, skill and prudence – members of the Board of Directors continuously improve their knowledge of the competencies of the Board of Directors and the performance of their duties in the Board of Directors and committees, including such areas as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and the specifics of the Company's activities. In order to understand the current issues of the Company's activities, the members of the Board of Directors regularly visit the Company's key facilities and hold meetings with employees.

1. Responsibility between the Board of Directors for ensuring its activities, performing its functions and duties, including (but not limited to) to determine the strategic directions of the Company's activities, to set tasks and specific, measurable (digitized) the Company's efficiency and the responsibility of the Management Board for the Company's operational (current) activities, including (but not limited to) the performance of the assigned tasks and the achievement of the established efficiency, is divided and fixed in the relevant internal documents of the Company.

Members of the Board of Directors perform their duties, including fiduciary duties to the sole shareholder and are responsible for the decisions made, the effectiveness of their activities, actions and/or omissions. In case of different opinions, the Chairman of the Board of Directors ensures that all acceptable options and proposals that are expressed by individual members of the Board of Directors are considered in order to make a decision that meets the interests of the Company.

The Board of Directors annually provides the sole shareholder 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 considered, 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. report on the implementation of the expectations of the sole shareholder.

The Board of Directors reports annually to the sole shareholder on compliance with the provisions of this Code. The Board of Directors ensures the implementation of mechanisms that will help to avoid conflicts of interest that prevent the board of Directors from objectively performing its duties, and to limit political interference in the processes of the Board of Directors.

The sole shareholder of the Company may additionally hold meetings with the Chairman and members of the Board of Directors to discuss the development strategy, the election of the Chairman of the Management Board of the Company and other aspects that affect the growth of the long-term value and sustainable development of the Company. Such meetings are planned in advance and conducted in accordance with approved procedures.

1. The Board of Directors and its committees maintain a balance of skills, experience and knowledge that ensures that independent, objective and effective decisions are made in the interests of the Company and taking into account the fair treatment of the sole shareholder and the principles of sustainable development.
2. The sole shareholder elects the members of the Board of Directors on the basis of clear and transparent procedures, taking into account the competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of the Board of Directors or its entire composition for a new term, their contribution to the effectiveness of the Company's Board of Directors is taken into account.
3. The term of office of the members of the Board of Directors expires when the sole shareholder decides to elect a new board of Directors.
4. Members of the Board of Directors of the Company are elected for a term of no more than three years, and subsequently, subject to satisfactory performance, they may be re-elected for a term of up to three years.
5. Any term of election to the Company's Board of Directors for more than six consecutive years is subject to special consideration, taking into account the need for a qualitative renewal of the Board of Directors.
6. The same person is recommended not to be elected to the Company's Board of Directors for more than nine consecutive years. In exceptional cases, it is allowed to be elected for a term of more than nine years, and the election of such a person to the Board of Directors of the Company takes place annually or in another period determined by the sole shareholder of the Company, with a detailed explanation of the need to elect this member of the Board of Directors and the influence of this factor on the independence of decision-making.

No person participates in decisions related to their own appointment, election, or re-election.

1. When selecting candidates for the Board of Directors, the following factors are taken into account:
	1. experience in management positions;
	2. experience as a member of the Board of Directors;
	3. work experience;
	4. education, specialty, including the availability of international certificates;
	5. availability of competencies in areas and industries (industries may change depending on the portfolio of assets);
	6. goodwill;
	7. the presence of a direct or potential conflict of interest.
2. The quantitative composition of the Company's Board of Directors is determined by the sole shareholder. The composition of the Company's Board of Directors is determined individually, taking into account the scope of activities, business needs, current tasks, development strategy and/or development plan, and financial capabilities.
3. The composition of the Board of Directors ensures decision-making in the interests of the Company and taking into account the fair treatment of the sole shareholder by a balanced combination of members of the Board of Directors (representatives of the sole shareholder, independent directors, Chairman of the Management Board).
4. A person is not elected to the position of a member of the Company's Board of Directors:

1) having an outstanding or not removed criminal record in accordance with the procedure established by law;

2) previously served as chairman of the Board of Directors, chairman of the Management Board, deputy head, chief accountant of another legal entity for a period not exceeding one year prior to the decision to forcibly liquidate or repurchase shares, or to preserve another legal entity declared bankrupt in accordance with the established procedure. The specified requirement is applied within five years after the date of the decision on compulsory liquidation or compulsory redemption of shares, or preservation of another legal entity declared bankrupt in accordance with the established procedure.

The provisions specified in this paragraph are established in the Company's charter.

1. Independent directors must be present and participate in the Board of Directors. The number of members of the Board of Directors is at least three. At least one third of the members of the Company's Board of Directors must be independent directors. The number of independent directors should be sufficient to ensure the independence of the decisions made and fair treatment of the sole shareholder. The recommended number of independent directors on the Company's Board of Directors is up to fifty percent of the total number of members of the Board of Directors.

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

An independent director is a person who has sufficient professionalism and independence to make independent and objective decisions, free from the influence of the sole shareholder, 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 Company's charter.

Independent directors actively participate, among other things, in the discussion of issues where there may be a conflict of interest (preparation of financial and non-financial statements, conclusion of transactions in respect of which there is an interest, nomination of candidates to the Management Board, determination of remuneration to members of the Management Board). Independent directors are elected as the chairs of the key committees of the Board of Directors – on audit, appointments and remuneration, in other committees they are elected as the chairs.

The independent director monitors for possible loss of independence status and notifies the Chairman of the Board of Directors in advance in case of such situations. In the event of circumstances affecting the independence of a member of the Board of Directors, the Chairman of the Board of Directors shall immediately bring this information to the attention of the sole shareholder for making an appropriate decision.

1. The relations between the members of the Board of Directors and the Company are formed 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 specify 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 to devote sufficient time to perform the functions assigned to them, obligations to not disclose internal information about the Company after the 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 provide for the terms of performance of certain duties by the members of the Board of Directors.

1. The Company ensures the existence of succession plans for the members of the Board of Directors in order to maintain the continuity of its activities and to progressively update the composition of the Board of Directors.
2. The Board of Directors approves the induction program for the 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.
3. Members of the Board of Directors who are elected for the first time, after their appointment, undergo an induction program. In the process of taking office, members of the Board of Directors become familiar with their rights and obligations, key aspects of the Company's activities and documents, including those related to the greatest risks.
4. The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation of its main functions by the Board of Directors and the establishment of a constructive dialogue between the members of the Board of Directors, the sole shareholder and the Management Board of the Company.

The Chairman of the Board of Directors creates a unified 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 professional manner.

To perform the role of 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, has the skills to resolve conflict situations.

The functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company are separated and fixed in the Charter of the Company. The Chairman of the Management Board may not be elected Chairman of the Company's Board of Directors.

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

1) planning meetings of the board of directors and forming the agenda;

2) ensuring that members of the board of directors receive complete and up-to-date information for decision-making in a timely manner;

3) ensuring that the board of directors focuses on strategic issues and minimizes current (operational) issues that are subject to consideration by the board of directors;

4) ensuring the effectiveness of the 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, achieving agreed decisions;

5) building proper communication and interaction with the sole shareholder, including organizing consultations with the sole shareholder when making key strategic decisions;

6) ensuring the monitoring and supervision of the proper implementation of the decisions of the board of directors and the sole shareholder;

7) in the event of corporate conflicts, taking measures to resolve them and minimize the negative impact on the organization's activities, and timely informing the sole shareholder, if it is impossible to resolve such situations on their own.

**Paragraph 7. Remuneration of members of the Board of Directors**

1. The level of remuneration of the members of the Board of Directors is set by the sole shareholder in an amount sufficient to attract and motivate each member of the Board of Directors at the level required for the successful management of the Company. The HR and Remuneration Committee of the Company's Board of Directors makes proposals on the amount of remuneration for candidates for independent directors.
2. No individual is involved in making decisions related to their own remuneration.
3. Remuneration fairly reflects the expected contribution of a member of the Board of Directors to improving the efficiency of the entire Board of Directors and the Company's activities.
4. 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 issues considered by the Board of Directors, the level of remuneration in similar private sector companies (benchmarking, remuneration review) are also taken into account.
5. The level of remuneration is balanced and reasonable in order to avoid a potential negative reaction from the public caused by the establishment of an excessively high level of remuneration.
6. Disclosure of information on remuneration of members of the Board of Directors and the Management Board of the Company is carried out by posting them on the corporate website.
7. As a rule, members of the Board of Directors are paid a fixed annual remuneration, as well as additional remuneration for chairing the Board of Directors, participating in and chairing the 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 Company's performance.

At the same time, members of the Board of Directors who are civil servants are not paid remuneration.

1. The sole shareholder of the Company determines the amount and terms of payment of remuneration and compensation of expenses to the member (s) of the Board of Directors of the Company. At the same time, the terms of remuneration of the directors are reflected in the contracts concluded with them and, if necessary, in the internal document of the Company.

**Paragraph 8. Committees of the Board of Directors**

1. Committees are established under the Boards of directors, whose competence includes consideration of issues related to audit, strategic planning, risk management, personnel and remuneration, as well as other issues provided for in the Company's internal documents. In organizations whose operations are associated with the risk of technological disasters, safety and environmental protection committees are established. In order to improve the efficiency of making investment decisions, 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 within the competence of the Board of Directors. The number of members of the Committee is not less than 3 (three) people.
2. The existence of committees does not release the members of the Board of Directors from responsibility for the decisions taken within the competence of the Board of Directors.
3. Committees are created to conduct a detailed analysis and make recommendations on a range of the most important issues before they are considered at a meeting of the Board of Directors. The final decision on the issues considered by the committees is made by the Board of Directors.
4. The activities of all committees are regulated by internal documents approved by the Board of Directors, which contain provisions on the composition, competence, procedure for electing committee members, procedure for the work of committees, as well as on the rights and obligations of their members. The sole shareholder can read the regulations on the committees.
5. To organize the work of the committee, the committee or the Board of Directors, the secretary of the committee is appointed from among the employees of the corporate secretary service. The Secretary of the committee shall ensure the preparation of the meetings of the committee, the collection and systematization of materials for the meetings, the timely transmission to the members of the committee and invited persons of notifications of the meetings of the committee, the agenda of the meetings, materials on the issues on the agenda, the recording of meetings, the preparation of draft decisions of the committee, as well as the subsequent storage of all relevant materials.
6. The Board of Directors decides on the establishment of committees, determines the composition of the committees, terms and powers.

Committees consist of members of the Board of Directors who have the professional knowledge, competencies and skills to serve on the committee. When forming the composition of the committees, the presence of potential conflicts of interest is taken into account. The Committee chairs, along with their professional competencies, have organizational and leadership qualities, and good communication skills for the effective organization of the committee's activities.

1. 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 under consideration and the dates of meetings. The frequency of meetings of the committees is at least four meetings per year. Meetings of the committees are held in person, with the registration of the minutes. In order to create favorable conditions and reduce the cost of holding committee meetings, the participation of committee members through technical means of communication is allowed.
2. The committee chairs prepare a report on their activities and report to the Board of Directors on the results of their activities for the year at a separate meeting. The Board of Directors has the right at any time during the year to request the committees to submit a report on current activities within the time limits set by the Board of Directors.

**Paragraph 9. Strategic Planning Committee**

1. The Chairman of the Strategic Planning Committee is elected from among the members of the Board of Directors for the term of office of the Board of Directors at one of the first meetings of the Board of Directors. The decision on election is made by a simple majority of votes of the total number of members of the Board of Directors.
2. The Strategic Planning Committee has the right to involve experts with relevant experience and competence for the proper organization of its 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.
3. The functions of the Strategic planning committee are to develop and submit recommendations to the Company's Board of Directors on the development of priority areas of the Company's activities and its development strategy, including issues related to the development of measures that contribute to improving the Company's performance, its long-term value and sustainable development.

**Paragraph 10. Audit Committee**

1. The audit committee consists of independent directors with knowledge and practical experience in accounting and auditing, risk management, and internal control. The Audit Committee is chaired by an independent director. The functions of the Audit Committee include internal and external audit, financial reporting, internal control and risk management, compliance with the legislation of the Republic of Kazakhstan, internal documents and other issues on behalf of the Board of Directors.
2. The Audit Committee evaluates candidates for the Company's auditors, as well as pre-analyzes the audit organization's report before submitting it to the Board of Directors and the sole shareholder.
3. A member of the Board of Directors who is not independent is elected to the committee if the Board of Directors, on an exceptional basis, decides that the person's membership in the audit committee is in the interests of the sole shareholder and the Company and provides appropriate justification.

**Paragraph 11. Committee on Social Affairs, Human Resources and Remuneration**

1. The Committee on Social Affairs, Human Resources and Remuneration consists of a majority of independent directors in order to develop objective and independent decisions and to prevent the influence of interested parties (representatives of the sole shareholder, the chairman of the Management Board, employees and other persons) on the judgments of the committee members.
2. The members of the committee have knowledge and practical experience in the field of personnel management and evaluation of its activities, as well as in the field of corporate governance. The Committee is chaired by an independent director.
3. The Committee on Social Affairs, Personnel and Remuneration determines the criteria for selecting candidates for members of the Board of Directors, nominees of top managers, develops the Company's policy in the field of remuneration of these persons, and regularly evaluates the activities of members of the Board of Directors and top managers.

The functions of the Committee include the appointment (election), setting KPIs, performance evaluation, remuneration and succession planning of the Chairman and members of the Management Board, the 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 itself, in cases where such powers are granted by the sole shareholder. In this case, the members of the HR and Remuneration Committee are not allowed to have a conflict of interest situation and do not participate in the consideration of their own appointment and/or remuneration.

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

1. The preparation and holding of meetings of the Board of Directors contributes to the effectiveness of its activities. To perform their duties, members of the Board of Directors are provided with access to complete, up-to-date and timely information.
2. The Board of Directors should comply with the procedures established by the Company's documents for the preparation and conduct of meetings of the Board of Directors.
3. 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 the list of issues under consideration and the schedule of meetings.

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

1. Consideration and decision-making on issues of a strategic nature is carried out only at meetings of the Board of Directors with in-person voting.
2. If the members of the Board of Directors (no more than 30% of the total number of members of the Board of Directors) are unable to attend a meeting of the Board of Directors in person, a combination of both forms of meetings of the Board of Directors and its committees is possible.

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

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

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

1. Materials for meetings of the Board of Directors are sent at least ten calendar days in advance, and for more important issues that are determined by the Company's charter, at least fifteen working days, unless other terms are established by the Company's charter.
2. The list of important issues includes, among other things, the development strategy and / or development plan, the KPI for the head and members of the management board, the annual report and participation in the creation of other legal entities.
3. The agenda of the meeting of the Board of Directors does not include issues on which materials were provided in violation of the deadlines. If issues are included in the agenda in violation of the deadline, the Chairman of the Board of Directors is provided with an exhaustive justification for this need. The circumstance connected with the inclusion of issues in the agenda with the violation of deadlines is taken into account when evaluating the activities of the corporate Secretary of the Company.
4. The Board of Directors makes decisions based on complete, reliable and high-quality information. In order for the Board of Directors to make effective and timely decisions, the following conditions are met:
	1. high quality of materials, information, and documents provided to the Board of directors (including, if necessary, translation into other languages, depending on the language proficiency of the members of the board of directors);
	2. get the opinion of experts (internal and external), if necessary. The involvement of experts does not relieve the board of directors of responsibility for the decision made;

3) time devoted to board discussions, especially for important and complex issues;

4) timely consideration of issues;

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

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

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

2) formal attitude to risks;

3) pursuit of personal interests and low ethical standards;

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

5) 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.

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

1. Each member of the Board of Directors participates in the meetings of the Board of Directors and the committee of which he is a member. Deviation from this rule is allowed in exceptional cases, stipulated in the regulations on the Board of Directors.
2. The quorum for holding a meeting of the Board of Directors is determined by the Company's charter, but not less than half of the number of members of the Board of Directors.
3. Decisions at a meeting of the Company's Board of Directors are made by a majority vote of the members of the Board of Directors participating in the meeting, unless otherwise provided by the legislation of the Republic of Kazakhstan, the Company's charter or its internal documents defining the procedure for convening and holding meetings of the Board of Directors.
4. When resolving issues at a meeting of the Company's Board of Directors, each member of the Company's Board of Directors has one vote. The transfer of voting rights by a member of the Company's Board of Directors to another person, including another member of the Company's Board of Directors, is not allowed, except in cases stipulated by the legislation of the Republic of Kazakhstan or the Company's charter.
5. When the Board of Directors of the Company makes decisions, in case of equality of votes of the members of the Board of Directors, the right to vote belongs to the Chairman of the Board of Directors of the Company.
6. A member of the Board of Directors who has an interest in an issue submitted to the Board of Directors for consideration does not participate in the discussion and voting on this issue, which is recorded in the minutes of the meeting of the Board of Directors.
7. The Board of Directors may conduct an audit of previously made decisions. The decision and the process of its adoption are subject to analysis. The audit of previously adopted decisions is carried out when the Board of Directors evaluates its activities.

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

1. The Board of Directors, committees, and members of the Board of Directors are evaluated on an annual basis. At the same time, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.
2. The assessment allows us to determine the contribution of the Board of Directors and each of its members to the growth of the long-term value and sustainable development of the Company, as well as to identify areas and recommend measures for improvement. The results of the evaluation are taken into account when the members of the Board of Directors are re-elected or prematurely terminated.
3. Evaluation is one of the main tools for improving the professionalism of the board of directors and its individual members. The evaluation is conducted for both independent directors and representatives of the sole shareholder.

The evaluation should meet such criteria as regularity, complexity, continuity, realism, and confidentiality.

The process, terms and procedure for evaluating the activities of the Board of Directors, its committees and members of the Board of Directors are regulated by the Company's internal documents.

1. The evaluation includes, inter alia, consideration of the following issues:

1) the optimal 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 understanding of the vision, strategy, main tasks, problems and values of the Company;

3) succession and development plans;

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

5) the effectiveness of the interaction of the Board of Directors with the sole shareholder, the Management Board and officials of the Company;

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

7) efficiency of the activities of the committees of the Board of directors and their interaction with the board of directors, members of the management board;

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

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

10) performance of the corporate secretary;

11) clarity of processes and competencies;

12) risk identification and assessment process;

13) interaction with the sole shareholder and other interested parties.

1. The assessment is carried out by the Board of Directors on an annual basis, taking into account the relevant assessment of the HR and Remuneration Committee. Methods of evaluation are self-assessment or the involvement of an independent consultant to improve the quality of the assessment. An independent external consultant is engaged at least once every three years.
2. The results of the evaluation are the basis for the sole shareholder to re-elect the entire composition of the Board of Directors or its individual member, to review the composition of the Board of Directors and the amount of remuneration to the members of the Board of Directors. If there are serious shortcomings in the performance of individual members of the Board of Directors, the Chairman of the Board of Directors shall consult with the sole shareholder.

The Board of Directors in its annual report reflects the manner in which the Board of Directors ' evaluation is conducted and the measures taken to achieve its results.

1. The sole shareholder may conduct its own evaluation of the board of directors independently or with the involvement of an independent consultant. The evaluation carried out by the sole shareholder takes into account the results of the evaluation carried out by the Board of Directors, the results of the Company's activities, and the performance of the KPI.

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

1. In order to effectively organize the activities of the Board of Directors and the interaction of the Management Board with the sole shareholder, the Board of Directors appoints a corporate secretary.
2. The Board of Directors decides on the appointment of the corporate secretary, determines the term of office, functions and procedure of activity, the amount of official salary and terms of remuneration, decides on the establishment of the service (secretariat) of the corporate secretary and determines the budget of this service. The Corporate Secretary is accountable to the Company's Board of Directors and is independent of the Company's Management Board.
3. The main responsibilities of the corporate secretary include:

assistance in timely and high-quality corporate decision-making by the board of directors, the sole shareholder;

acting as an adviser to the members of the Board of Directors on all issues related to their activities and the application of the provisions of this Code, as well as monitoring the implementation of this Code and participating in the improvement of 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 Company's annual report. This report contains a list of the principles and provisions of the Code that are not being followed, with appropriate explanations.

1. The main functions of the Corporate Secretary in terms of ensuring the activities of the Board of Directors include, but are not limited to::

1) assistance to the chairman of the Board of directors in forming the work plan and meeting agendas;

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

3) ensuring that members of the board of directors receive up-to-date and timely information sufficient to make decisions on issues on the agenda and within the competence of the board of directors;

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

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

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

7) organization of training of the board of directors members and involvement of experts;

8) organization of interaction of the members of the Board of directors with the sole shareholder, the management board.

In terms of ensuring interaction with the sole shareholder, the Corporate Secretary ensures proper interaction of the Company with the sole shareholder, including control over the provision of information to the sole shareholder's requests 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 of violations in the performance of its functions in terms of corporate governance norms stipulated by the legislation, the charter and other documents of the Company;

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

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

1. In the event of a conflict of interest, the Corporate Secretary shall bring this information to the attention of the Chairman of the Board of Directors.
2. To perform their duties, the corporate secretary has the knowledge, experience and qualifications, and a good business reputation. Depending on the size of the Company and the scope of its activities, a corporate secretary service may be established.
3. The position of corporate secretary is assigned to a person with a higher legal or economic education, with at least five years of experience, and practical knowledge in the field of corporate governance and corporate law.
4. In order to improve the efficiency of the preparation and conduct of meetings, the Board of Directors periodically discusses the completeness and usefulness of the materials provided to the members of the Board of Directors. The results of these discussions serve as a basis for evaluating the effectiveness of the corporate secretary.
5. In relation to the corporate secretary, the Company develops a program for the appointment and succession planning. The appointment of the corporate Secretary is carried out on the basis of open and transparent procedures stipulated in the Company's internal documents.
6. The Corporate Secretary carries out its activities on the basis of the regulations approved by the Board of Directors, which specify the functions, rights and obligations, the procedure for interaction with the Company's bodies, qualification requirements and other information.
7. To perform their functions, the Corporate Secretary has the following powers:

1) request and receive from the Company's officials and employees materials sufficient for making decisions at meetings of the Board of Directors and decisions of the sole shareholder;

2) take measures to organize meetings of the board of directors;

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

The Management Board of the Company provides the Corporate Secretary with full assistance in the performance of his / her duties.

**Paragraph 15. The Company's Ombudsman**

1. In order to comply with the principles of business ethics and optimal regulation of social and labor disputes, the Company may introduce the position of an ombudsman.
2. The Ombudsman is appointed by the 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 employees who have applied to him, participants in labor disputes, conflicts and to assist them in developing a mutually acceptable, constructive and implementable solution, taking into account compliance with the legislation of the Republic of Kazakhstan (including confidentiality), to assist in solving problematic social and labor issues, both employees and Company, and organizations.
3. The Ombudsman submits to the relevant bodies and officials of the Company and organizations the problematic issues identified by him, which are of a systemic nature and require appropriate decisions (complex measures), and puts forward constructive proposals for their solution.
4. At least once a year, the Ombudsman submits a report on the results of the work carried out to the HR and Remuneration Committee and the Audit committee of the Board of Directors of the Company and organizations that evaluate the results of its activities.
5. The Board of Directors of the Company and organizations evaluates the results of the Ombudsman's activities and decides on the extension or termination of the powers of the person holding the position of the Ombudsman.

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

1. An internal audit service is established in the Company to monitor the financial and economic activities of the Company, assess internal audit and control, manage risks, and comply with the legislation of the Republic of Kazakhstan. 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, as well as prematurely terminates his powers, determines the procedure for its work, the amount and conditions of remuneration and bonuses for employees of the internal audit service, as well as the budget of the internal audit service.
2. Employees of the Internal Audit Service may not be elected to the Board of Directors and the Management Board of the Company.
3. The Internal Audit Service reports directly to the Company's Board of Directors and is independent of the Company's Management Board. 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 Company's Board of Directors.
4. The key responsibilities of the Internal Audit service include assessing the quality of the Company's internal control and risk management system and informing the Board of Directors of the adequacy and effectiveness of this system. The main task of the Internal audit service is to contribute to the improvement of the Company's performance.
5. The regulations on the Internal Audit Service define and fix:

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

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

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

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

5) scope and content of internal audit activities;

6) the right to access 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.

1. The regulation on the Internal Audit Service also provides for the following tasks and functions:

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

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

3) conducting internal audits of subsidiaries within the established procedure;

4) preparation and submission to the board of directors and the audit committee of quarterly and annual reports on the 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 deficiencies, the results of assessing the actual state, reliability and effectiveness of the risk management system, internal control and corporate governance);

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

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

7) providing advice to the Board of directors, the management board, structural divisions and subsidiaries on the organization and improvement of internal control, risk management, corporate governance and 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.

1. The Board of Directors evaluates the effectiveness of the Internal Audit service, its manager and employees on the basis of reviewing the reports of the Internal Audit service, meeting the deadlines for the implementation of the annual audit plan and reporting, and evaluating the compliance of the reports with the requirements of the standards and internal regulatory documents of the internal audit service.

**Paragraph 17. Management Board**

1. The Management Board manages the Company's current activities.

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

The Chairman of the Management Board has organizational skills, as well as working in active interaction with the sole shareholder and constructively building a dialogue with them, the Board of Directors, employees and other stakeholders.

1. The Management Board is accountable to the Board of Directors and manages the day-to-day operations of the Company, is responsible for the implementation of the development strategy and/or development plan and decisions taken by the Board of Directors and the sole shareholder.
2. The Board of Directors elects the members of the Management Board, with the exception of the Chairman of the Management Board of the Company, determines the terms of office of the Management Board, the amount of the official salary and the terms of remuneration of all members of the Management Board. The Committee on Social Issues, Personnel and Remuneration of the Company's Board of Directors plays a key role in the process of searching for and selecting candidates to the Management Board and determining their remuneration.
3. Proposals for candidates for election to the Management Board for consideration by the HR and Remuneration Committee of the Board of Directors are submitted by the Chairman of the Management Board. If the Board of Directors rejects a candidate proposed by the Chairman of the Management Board for the same vacant position in the Management Board for the second time, the right to make a proposal for a candidate for this vacant position passes to the Board of Directors.
4. The Board of Directors may terminate the powers of the members of the Management Board at any time, with the exception of the Chairman of the Management Board, whose powers are terminated by a decision of the sole shareholder.
5. The Chairman and member of the Management Board of the Company is elected for a term of up to three years. The terms of office of the Chairman and members of the Management Board coincide with the term of office of the Management Board.
6. To increase the transparency of the appointment and remuneration processes of the Chairman and members of the Management Board of the Company, the Board of Directors approves and strictly follows the rules on appointments, remuneration, evaluation and succession of the Chairman and members of the Management Board of the Company.
7. The Management Board, under the guidance of the Board of Directors, develops the Company's development strategy and/or development plan.

The Management 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 sole shareholder, the Board of Directors;

2) proper risk management and internal control;

3) allocation of resources for the implementation of decisions of the sole shareholder, the board of directors;

4) occupational safety of the Company's employees;

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

1. The Board of Directors exercises control over the activities of the Company's Management Board. Control can be implemented by providing the Management Board with regular reports to the Board of Directors and hearing the Management Board on the implementation of medium-term development plans and achieved results at least once a quarter.
2. The Management Board holds meetings in person and in absentia on a regular basis and discusses the implementation of the development strategy and / or development plan, decisions of the sole shareholder, the Board of Directors and operational activities. It is recommended to hold meetings of the Management Board on a regular basis.
3. The Management Board forms a work plan for the coming year with a list of issues before the start of the calendar year. Members of the management Board are provided with materials for consideration in advance, of proper quality. When considering such issues 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 a decision and their impact on the value and sustainable development of the Company.

All issues submitted on the initiative of the Management Board for consideration by the Board of Directors and the sole shareholder are previously considered and approved by the Management Board.

1. The Chairman and members of the Management Board do not allow a situation with a conflict of interest to arise. If a conflict of interest arises, they notify the Board of Directors or the chairman of the Management Board in advance, record it in writing and do not participate in making a decision on the issue.
2. The Chairman and members of the Management Board may hold positions in other organizations only with the approval of the Board of Directors. The Chairman of the Management Board does not hold the position of the head of the Management Board of another legal entity.
3. The Management Board ensures the creation of an optimal organizational structure of the Company.

The organizational structure is aimed at:

1) efficiency of decision-making;

2) increasing the productivity of the Company;

3) prompt decision-making;

4) organizational flexibility.

The selection of candidates for vacant positions of the Company is carried out on the basis of open and transparent competitive procedures.

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

Personnel selection procedures are implemented according to the following requirements:

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

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

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

**Paragraph 18. Evaluation and remuneration of members of the Company's Management Board**

1. The Chairman and members of the Management Board are evaluated by the Board of Directors. The main evaluation criterion is the achievement of the set KPIs.

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

1. The results of the evaluation have an impact on the amount of remuneration, promotion, re-election (appointment) or early termination of office.
2. The remuneration of the chairman and members of the management board consists of a permanent part. When setting the official salary, the complexity of the tasks performed, the employee's personal competence and competitiveness in the market, the contribution made by this person to the development of the Company, the level of official salaries in similar companies, and the economic situation in the Company are taken into account.
3. In case of early termination of the employment contract, remuneration is paid in accordance with the internal documents approved by the Company's Board of Directors.

**Paragraph 19. The principle of sustainable development**

1. The Company is aware of the importance of its influence on the economy, the environment and society, striving to increase the long-term value, ensure its sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company.
2. The Company strives for long-term value growth, ensures sustainable development, and respects the balance of interests of stakeholders. Sustainable development activities meet the best international standards.

The Company, in the course of its activities, exerts influence or is influenced by interested parties.

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

1. The Company uses the international standards for the definition and interaction with stakeholders (AA 1000 Standard, Accountability Principles Standard 2008 "Stakeholder Engagement Standard 2011", ISO 26000 Guidance on Social Responsibility, GRI (Global Reporting Initiative), which are listed in accordance with Annex 1 to this Code.

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

1. The Company draws up a map of stakeholders, taking into account risks and ranking them based on dependence (direct or indirect), obligations, situation (paying special attention to high-risk areas), influence, and various (diverse) perspectives.
2. Methods of interaction with stakeholders include the following forms (AA 1000" Standard of interaction with Stakeholders " 2011 (AA 2011 Stakeholder Engagement Standard 12011) given in accordance with Annex 2 to this Code.
3. The Company ensures the consistency of its economic, environmental and social goals for sustainable development in the long term, which include, inter alia, the growth of long-term value for the sole shareholder and investors. Sustainable development in the Company consists of three components: economic, environmental and social.
4. The economic component directs the Company's activities to increase long-term value, ensure the interests of the sole shareholder and investors, increase the efficiency of processes, increase investment in the creation and development of better technologies, and increase labor productivity.
5. The environmental component ensures the minimization of the impact on biological and physical natural systems, the optimal use of limited resources, the use of eco-friendly, energy - and material-saving technologies, the creation of environmentally acceptable products, the minimization, processing and destruction of waste.
6. The social component is focused on the principles of social responsibility, which, among other things, include ensuring the safety of work and preserving the health of employees, fair remuneration and respect for the rights of employees, individual development of staff, implementation of social programs for staff, creation of new jobs, sponsorship and charity, environmental and educational actions.
7. The Company analyzes its activities and risks in these three aspects, and also strives to prevent or reduce the negative impact of the results of its activities on the stakeholders.
8. The GRI 4 international standards classify the categories and aspects of sustainable development of the Companies in accordance with Annex 3 to this Code.
9. The Company builds a management system in the field of sustainable development, which includes, among other things, the following elements:

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

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

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

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

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

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

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

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

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

3) identification of stakeholders and their impact on the activities;

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

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

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

7) implementation of the formed plan;

8) continuous monitoring and regular reporting;

9) analyzing and evaluating the effectiveness of the plan, summing up the results and taking corrective and improving measures.

Sustainable development is integrated into:

1) control 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 in decision-making processes at all levels, starting from the bodies (sole shareholder, board of directors, management board), and ending with ordinary employees.

1. The management system in the field of sustainable development defines and establishes the roles, competencies, and responsibilities of each body and all employees for the implementation of the principles, standards, and relevant policies and plans in the field of sustainable development.
2. The Company's Board of Directors provides strategic guidance and controls the implementation of sustainable development. The Company's Management Board forms an appropriate action plan and submits it to the Board of Directors for consideration.

In order to prepare issues of sustainable development, a committee is created or these functions are delegated to the competence of one of the existing committees under the Board of Directors of the Company of Sustainable Development Issues.

The Company may introduce special training and professional development programs on sustainable development issues. Training is a constant element in the implementation of sustainable development. The Company's officials promote the involvement of employees in sustainable development by understanding and adhering to the principles of sustainable development and changing the culture, behavior in the conduct of activities and performance of duties.

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

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

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

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

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

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

1. The report on sustainable development is approved by the Board of Directors and brought to the attention of interested parties by posting it on the corporate Internet resource and/or providing it in hard copy.

In order to bring the policy of sustainable development to the attention of stakeholders, the Internet resource of the Company and organizations contains a separate section dedicated to this area of activity.

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

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

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

**Paragraph 20. Risk management and internal control**

1. The Company creates an effective risk management and internal control system aimed at ensuring the Company's achievement of its strategic and operational goals, and represents a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Management Board of the Company to ensure the Company's strategic and operational objectives.:

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

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

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

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

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

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

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

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

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

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

2) the organizational structure of the risk management and internal control system, covering all levels of decision-making and taking into account the role of the relevant level in the process of developing, approving, applying and evaluating the risk management and internal control system;

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

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

1. The Company's internal documents establish the responsibility of the Board of Directors and the Management Board of the Company for organizing and ensuring the effective functioning of the risk management and internal control system on a consolidated basis.
2. Each person of the Company ensures that risks are properly considered when making decisions.

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

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

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

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

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

1. 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 the powers, duties and responsibilities for specific risk management and internal control procedures among the managers of the following levels and/or heads of structural divisions.
2. The heads of structural divisions, in accordance with their functional responsibilities, 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's activities entrusted to them.
3. The organizational structure of the risk management and internal control system in the Company (depending on the scope and specifics of its activities) provides for the presence of a structural unit responsible for risk management and internal control issues, whose tasks include:

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

2) development of methodological documents in the field of risk management and internal control and provision of methodological support to business process owners and employees in the process of identifying, documenting risks, implementing, monitoring and improving control procedures, forming action plans for responding to risks and action plans for improving the risk management and internal control system, reports on their implementation;

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

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

5) formation of consolidated risk reports;

6) implementation of operational control over the risk management process by structural divisions;

7) preparing and informing the Board of Directors and / or the Management Board of the Company about the status of the risk management system, existing threats and proposals for their prevention/leveling.

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

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

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

1. The Board of Directors approves the overall level of risk appetite, and the Company's Management Board approves the levels of tolerance in relation to key risks, which are fixed in the Company's internal documents.
2. Key risk tolerance levels are reviewed when significant events occur. Limits are set that limit the risks in everyday activities.
3. For a holistic and clear understanding of the inherent risks in the Company, risks are identified and assessed on an annual basis, which are reflected in the risk register, risk map, and risk response plan (process improvement, mitigation strategies) approved by the Board of Directors.
4. The Board of Directors, when considering the list of risks, ensures that they include risks that may actually affect the implementation of strategic objectives, and the Company's Management Board, when considering the plan of measures to respond to risks, should make sure that the measures are useful. The Board of Directors and the Management Board of the Company regularly receive information about key risks and their analysis in terms of their impact on the Company's strategy and business plans.

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

1. The Company implements transparent principles and approaches in the field of risk management and internal control, the practice of training employees and officials about the risk management system, as well as the process of documenting and timely communicating information to officials.
2. Employees of the Company and organizations annually, as well as when hiring, undergo training/introductory instruction to familiarize themselves with the adopted risk management and internal control system. Based on the results of such training, knowledge testing is conducted.
3. Within the framework of the risk management and internal control system, a secure, confidential and accessible way is organized to inform the Board of Directors, the audit Committee and the internal audit unit about violations of the legislation of the Republic of Kazakhstan, internal procedures, and the Code of Business Ethics by any employee and official of the Company.

**Paragraph 21. Internal audit**

1. The Company is establishing an internal audit service to systematically independently assess the reliability and effectiveness of the risk management and internal control system and corporate governance practices.
2. In organizations in the form of a joint-stock company that are part of the Company, a separate structural unit is created – the internal audit service.
3. The Internal Audit Service operates on the basis of a risk-based annual audit plan approved by the Company's Board of Directors.
4. The results of the audit reports, key findings, and related recommendations are submitted to the Board of Directors on a quarterly basis.
5. In carrying out its activities, the Internal Audit Service evaluates the effectiveness of the internal control system and the risk management system, and evaluates corporate governance using generally accepted standards of internal audit and corporate standards.

The assessment of the effectiveness of the internal control system includes:

1) conducting an analysis of the compliance of the goals of business processes, projects and structural divisions with the goals of the Company, checking the reliability and integrity of business processes (activities) and information systems, including the reliability of procedures for countering illegal actions, abuse and corruption;

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

3) determining the adequacy of the criteria established by the Company's management board for analyzing the degree of fulfillment (achievement) of the set goals;

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

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

6) checking the efficiency and appropriateness of the use of resources;

7) verification of ensuring the safety of the Company's assets;

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

The assessment of the effectiveness of the risk management system includes:

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

2) verification of 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 realized risks (violations identified by the results of internal audits, facts of failure to achieve the set goals, facts of court proceedings).

The corporate governance assessment includes an audit:

1) compliance with the 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 internal control and risk management) at all levels of management, including interaction with stakeholders;

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

5) procedures for disclosing information about the activities of the Company and its controlled organizations.

1. The Company conducts an annual audit of the financial statements by engaging an independent auditor who provides an objective opinion to interested parties on the reliability of the financial statements and their compliance with the requirements of the International Financial Reporting Standard.
2. The external auditor is selected on the basis of a competition. The selection process takes into account the opinion of the audit committee of the Company's Board of Directors, whose members are included in the competition commission.

When 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 each member's financial or business relationship with the external auditor;

the nature of the relationship of each member of the commission with the representatives of the external auditor.

1. The engaged external auditor does not provide consulting services to the Company that may threaten the independence of the external auditor, does not practice cases of hiring former members of the audit team to senior positions earlier than two years after their dismissal from the audit organization. The Company ensures the disclosure of detailed information about the external auditor involved

The company regulates the selection and interaction with the external auditor.

1. Interested parties verify the reliability of the Company's financial statements by engaging an external auditor who meets the following criteria:

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

experience in the industry;

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

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

1. The Company approves documents regulating the audit procedure and relations with the external auditor, including the process of selecting an external auditor, the powers and functions of the competition commission, the provision of consulting services by the audit organization that are not related to the audit of financial statements and other information, the rotation of audit organizations and senior personnel of the audit organization, and the recruitment of former employees of the audit organization.
2. The rotation of partners and senior staff responsible for the audit of financial statements is carried out at least once every five years, if the audit organization provides audit services to the Company for more than 5 consecutive years.

**Paragraph 22. Managing corporate conflicts**

1. Members of the Board of Directors and the Management Board of the Company, employees of the Company, perform their professional functions in good faith and reasonably in the interests of the sole shareholder and the Company, avoiding conflicts.

In the event of corporate conflicts, the 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 promptly inform the Corporate Secretary and / or the Ombudsman about the existence (occurrence) of a conflict.

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

1. Corporate conflicts with the assistance of the corporate Secretary and / or the 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
2. In order to ensure an objective assessment of a corporate conflict and create conditions for its effective settlement, persons whose interests are affected by the conflict or may be affected 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.

1. The Board of Directors develops and periodically reviews the policy and rules for resolving corporate conflicts, in which their resolution will meet the interests of the Company and the sole shareholder.
2. The Board of Directors resolves corporate conflicts on issues within its competence. In this case, the corporate secretary and / or the Ombudsman are responsible for ensuring that the board of directors is aware of the essence of the corporate conflict and the role of an intermediary in resolving the corporate conflict.
3. The Chairman of the Management Board, on behalf of the Company, resolves corporate conflicts on all issues that are not within the competence of the Company's Board of Directors, and independently determines the procedure for resolving corporate conflicts.
4. The Board of Directors considers individual corporate conflicts that fall within the competence of the Management Board.

**Paragraph 23. Conflict of interest regulation**

1. A conflict of interest is defined as a situation in which the personal interest of an employee of the Company affects or may affect the impartial performance of official duties.
2. Employees of the Company do not allow a situation in which a conflict of interests may arise, either in relation to themselves (or related persons), or in relation to others.

In order to avoid conflicts of interest that prevent the Board of Directors from performing its duties objectively, and to limit political interference in the processes of the Board of Directors, the Company implements mechanisms to prevent and regulate them.

1. The main principles of preventing conflicts of interest, as well as the ways of their identification, assessment and resolution are set out in the Company's Code of Business Ethics, approved by the Board of Directors.

**Paragraph 24. The principle of transparency and objectivity of disclosure of information about the Company's activities**

1. 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 about its activities, including financial condition, results of operations, ownership and management structure.
2. The Company approves internal documents defining the principles and approaches to disclosure and protection of information, the list of information disclosed to interested parties, the terms, procedure, method, form of disclosure of information, responsible officials and employees, indicating their functions and responsibilities, as well as other provisions governing the disclosure of information.

The Company, in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company, determines the procedure for assigning information to the categories of access, conditions for storing and using information.

The Company determines the circle of persons who have the right of free access to information constituting commercial and official secrets, and takes measures to protect its confidentiality.

1. The Company's Internet resource is structured, user-friendly, and contains information that is sufficient for interested parties to understand the Company's activities. The information is placed in separate thematic sections of the Internet resource.
2. The Internet resource is updated at least once a week. The Company regularly monitors the completeness and relevance of information posted on the Internet resource, and also determines the compliance of this information posted on the Kazakh, Russian, and English versions of the Internet resource. For this purpose, the responsible persons (structural unit) responsible for the completeness and relevance of the information on the Internet resource are assigned.
3. The Internet resource of the Company contains the following information:

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

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

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

4) on ethical principles;

5) on risk management;

6) on the dividend policy;

7) about the members of the board of directors, including the following information: photo (in agreement with a member of the board of Directors), surname, first name, patronymic, date of birth, citizenship, status of a member of the board of Directors (independent director, representative of the sole shareholder), indication of the functions of a member of the board of Directors, including membership in the committees of the board of Directors or acting as chairman of the board of directors, education, including primary and additional education (name of educational institution, year of graduation, qualification, degree), work experience over the past five years, main place of work and other positions currently held, professional qualifications, date of first election to the board of directors directors and the date of election to the current board of directors, the number and share of shares owned by affiliated organizations, the criteria for independent directors;

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

9) on the financial statements;

10) on annual reports;

11) about the external auditor;

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

13) on the structure of the authorized capital, including the following information: the number and par value of issued shares( participation shares), a description of the rights granted by the shares, the number and par value of the declared but unallocated shares, the composition of shareholders( participants), the number and share of common shares (participation shares) owned by them, the procedure for disposing of ownership 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) about the annual calendar of corporate events;

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

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

18) on activities in the field of sustainable development;

19) on the amount of the approved dividends;

20) about news and press releases.

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

The annual report is approved by the Board of Directors.

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

The annual report is prepared and published on the Internet resource after the approval of the annual financial statements by the sole shareholder.

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

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

2) address of the Chairman of the Management Board;

3) about the Company: general information; about the structure of the authorized capital, including the following information: the number and par value of issued shares( participation interests), description of the rights granted by the shares, the number and par value of the declared but unallocated shares, the composition of shareholders (participants) and the number and share of common shares (participation interests) owned by them, the procedure for disposing of ownership rights; mission; development strategy, results of its implementation; market overview and market position;

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

5) asset structure, including subsidiaries/associates of all levels, overview, main results of their financial and production activities;

6) goals and plans for future periods;

7) key risk factors and risk management system;

8) corporate governance: corporate governance structure; sole shareholder and ownership structure; composition of the board of directors, including qualifications, selection process, including independent directors, indicating the criteria for determining their independence; report on the activities of the Board of Directors and its committees; information on the compliance of corporate governance practices with the principles of this Code, and in case of non-compliance, explanations of the reasons for non-compliance with each of the principles; composition of the Company's Management Board; report on the activities of the Management Board; remuneration policy for officials.;

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

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

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

**Chapter 3. Final provisions**

1. This Code comes into force from the date of its approval. The Company strives to implement the provisions of this Code in its activities.
2. The Company will improve this Code taking into account changes in legislation and the adoption of new corporate governance standards in international and national practice, guided by the interests of the sole shareholder, the Company and other interested parties.
3. Issues not specified in this Code are regulated by the legislation of the Republic of Kazakhstan, the charter and internal documents of the Company.
4. The Company may develop and adopt additional internal documents of the Company aimed at adapting and applying the provisions of this Code.

Annex 1

|  |  |
| --- | --- |
|  | to the Corporate Governance Code of the QazExpoCongress National Company Joint-stock company |

**International standards for defining and interacting with stakeholders**

|  |  |  |
| --- | --- | --- |
| **Stakeholders** | **Contribution, influence** | **Expectations, interest** |
| Investors, including shareholders, second-tier banks | Financial resources (equity, borrowed funds)  | Return on investment, timely payment of dividends, principal and remuneration |
| Employees, officials | Human resources, loyalty | High wages, good working conditions, professional development |
| Trade unions | Promotion of social stability, regulation of labor relations and conflict resolution | Respect for the rights of employees, good working conditions |
| Customers | Financial resources by purchasing the organization's products (goods and services)  | Getting high-quality, safe products and services at an affordable price |
| Suppliers | Supply of resources (goods, works, and services) to create value | Reliable sales market, constant paying customer |
| Local communities, the population in the places of activity, public organizations | Support in the field of activity; loyalty and support of local authorities; favorable attitude; cooperation | Creation of additional jobs, development of the region |
| Government, State bodies, Parliament | Government regulation | Taxes, solving social problems |

Annex 2

|  |  |
| --- | --- |
|  | to the Corporate Governance Code of the QazExpoCongress National Company Joint-stock company |

**Methods of interaction with stakeholders**

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| --- | --- |
| **Interaction level** | **Interaction methods** |
| Consultations: two-way interaction; interested parties answer questions from the Company and organizations | Questionnaires; focus groups; stakeholder meetings; public meetings; seminars; providing feedback through communication tools; advisory boards |
| Negotiations | Collective bargaining based on the principles of social partnership |
| Engagement: Bilateral or multilateral engagement; building experience and knowledge from all sides, stakeholders and organizations acting independently | Multi-stakeholder forums; consultation panels; consensus-building process; collaborative decision-making process; focus groups; feedback schemes |
| Cooperation: Bilateral or multilateral cooperation; joint development of experience and knowledge, decision-making and action | Joint projects; joint ventures; partnerships; joint initiatives of stakeholders |
| Granting of authority stakeholders (if applicable) participate in the management | Integrating stakeholder engagement into management, strategy, and operations |

Annex 3

|  |  |
| --- | --- |
|  | to the Corporate Governance Code of the QazExpoCongress National Company Joint-stock company |

**Classification of categories and aspects of sustainable development**

|  |  |
| --- | --- |
| **Category** | **Aspects** |
| **Economic** | Economic performance; market presence; indirect economic impacts; procurement practices |
| **Environmental protection** | Materials; energy; water; biodiversity; emissions; discharges and waste; products and services; compliance; transport; general information; environmental assessment of suppliers; environmental complaint mechanisms |
| **Social** | Employment practices and decent work include, but are not limited to, employment, health and safety in the workplace, training and education, employee-management relationships, diversity and equal opportunities, equal pay for women and men, evaluation of supplier employment practices, and grievance mechanisms for employment practices |
| Human rights include, but are not limited to, investment, non-discrimination, freedom of association and collective bargaining, child labour, forced or compulsory labour, security practices, indigenous and minority peoples ' rights, supplier compliance assessment, and human rights complaint mechanisms |
| The company, including local communities, anti-corruption, public policy, non-interference with competition, compliance with requirements, assessment of the impact of suppliers on the company, mechanisms for filing complaints about the impact on the company |
| Product responsibility includes, but is not limited to, consumer health and safety, product and service labeling, marketing communications, consumer privacy, and compliance |

**Agreed by**

10.12.2020 12: 51Talgat Kairkenovich Sharipov

10.12.2020 14:06 Ayana Rymzhanovna Saukimbekova

10.12.2020 15:34 Galiya Abdubakhytovna Zhumadildinova

10.12.2020 18: 11 Aitmurat Aituarovich Alibayev

10.12.2020 18: 17 Gulbaram Omirbekovna Mashyrapova

10.12.2020 18: 37 Zhanibek Maksutovich Nupirov

11.12.2020 19: 40 Kairat Kalmukametovich Torebaev

**Signed**

14.12.2020 09: 08 Bakhyt Turlykhanovich Sultanov