**Approved by**

**Resolution of**

**“Samruk-Energy” JSC**

**Management Board**

**dated April 8, 2016**

**Minutes No. 8**

**CORPORATE MANAGEMENT SYSTEM**

**Regulation on the Committee for assets and liabilities management**

**PSM 04-01-16**

**Astana 2016**

**Revision record sheet**

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| **No.** | **Revision number** | **Page no.** | **Date of making a change/addition** | **Revision date** | **Signature of person in charge** |
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**Purpose**

1. The Regulation on the Committee for Assets and Liabilities Management (hereinafter referred to as the Regulation) determine the status, main tasks and functions, the composition, the procedure for convening and holding the meetings of the Asset and Liability Management Committee (hereinafter referred to as – the CALM) of “Samruk-Energy” JSC (hereinafter – the Company), the adoption and execution of its decisions.

2. This Regulation was developed in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter and internal documents of the Company.

**2. The Scope of use**

3. The Regulation is an internal regulatory document and shall apply to all BU and employees of the Company.

4. CALM decisions, within its competence, shall be binding for all BU and employees of the Company and are recommendatory for the Company's Management Board and the Company’s Board of Directors.

1. **Definitions and abbreviations**

5. The following definitions and abbreviations shall be used in the Regulation:

1) **STB** – second-tier bank;

2) **IRD** - internal regulatory document/internal regulation;

3) Working body – the Company’s business unit responsible for treasury operations;

4) **BU** – business unit;

5) **the Fund** – “Sovereign Wealth Fund “Samruk-Kazyna” joint-stock company.

1. **Responsibility**
2. The Company’s Head who is in charge of financial and economic matters shall bear responsibility for control over introduction of requirements specified in this Regulation and necessary activities on ensuring the protection of confidential information.
3. The Company’s BU head supervising corporate finance matters shall be responsible for:

1) control over the organization of work of CALM in accordance with this Regulation;

2) management of the Regulation;

3) implementation of the Regulation’s requirements;

4) organization of the CALM work in accordance with the Regulation;

5) ensuring the protection of confidential information that has become known in the process of performing his/her job responsibilities.

8. The Chairman of the CALM and its members shall be responsible for decisions they make in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Company.

9. In accordance with the Instruction on protection of official and commercial information at the Company, the Chairman of CALM as well as its members and the secretary, employees of the Company that were invited to a meeting other invitees shall bear responsibility for disclosure of confidential information received at CALM meeting.

10. The Secretary of the CALM shall be responsible for:

1) formulating the draft agenda;

2) collection and distribution of information on the approved agenda to the members the CALM;

3) preparation of the draft minutes of the meeting of the CALM, its approval and signing, provision of extracts as regards the items considered at the meeting and decisions made for their further execution to the Chairman, members of the CALM and the Company’s BU;

4) familiarization of the members of the CALM and invited persons with the Instruction on ensuring the protection of official and commercial information at ‘Samruk-Energy” JSC.

11. Members of the CALM shall be entitled to request and receive the information and documents required for the work of the Committee from all BU of “Samruk-Energy” JSC, within the competence of the Committee.

12. Heads of relevant BU shall be responsible for untimely and inappropriate submission of documents to the working body and the Secretary of the CALM .

13. Responsibility for the failure to implement decisions of the CALM shall be borne by persons to whom the CALM gave specific instructions.

* 1. **Referenced rules and regulations and related documents**

14. The Regulation was developed in line with the requirements of the Republic of Kazakhstan legislation and the following internal regulations of the Company:

1) The Charter of the Company;

2) Rules for the management of internal regulatory documentation of the Company;

3) Instruction on ensuring the protection of official and commercial information at the Company;

4) Instruction on placement and accounting of temporarily-free cash of the Company;

5) Corporate standard for treasury operations of “Samruk-Kazyna” JSC;

6) Rules for setting limits on balance sheet and off-balance sheet liabilities for counterparty banks of the Company;

7) Uniform policy for money management of “Samruk-Kazyna” JSC and legal entities, all voting stock of which are held by “Samruk-Kazyna” JSC;

8) Rules for documentation and document management at the Company.

**6 General provisions**

15. The CALM is a permanent joint consultative and advisory body that determines the Company's policy for conducting assets and liabilities-related transactions.

16. The CALM is established on the basis of the decision of the Company's Management Board, is controlled by and directly reports to the Management Board of the Company.

17. The primary goal of the CALM is to ensure timely and quality decision-making on matters specified in this Regulation, related to the conduct of assets and liabilities-related transactions of the Company.

18. The CALM shall act in accordance with the powers granted to it by the Management Board of the Company in accordance with this Regulation.

19. In its work, the CALM shall be guided by the current legislation of the Republic of Kazakhstan, the Company's internal regulations, the Regulation, as well as decisions of the Committee.

1. **Main tasks and functions**

20. The main tasks of the CALM shall be:

1) setting and implementation of a policy for managing assets and liabilities-related transactions, aimed at increasing the Company's profitability while maintaining adequate liquidity and reducing the impact of risks available in financial market on the Company

2) management of current and long-term liquidity of the Company;

3) identifying investment facilities for placement of temporarily-free cash assets;

4) preliminary approval and submission of limits on interest rates, assets- related transactions, on counterparty banks and on financial instruments with setting the minimum and maximum boundaries, main parameters of the Company’s Treasury portfolio to the Company’s authorized body;

5) control over compliance with requirements set by the Company’s authorized body;

6) setting and implementation of the Company's hedging policy.

21. The CALM performs the following functions in accordance with the tasks assigned to it:

1) making recommendations with respect to the financial assets of the Company within the authority of the CALM, with the exception of matters falling within the competence of the Investment and Innovation Council;

2) making recommendations for investing money in financial instruments and monitoring the placement of temporarily-free money, with the exception of placement in bank deposits for up to 7 days in accordance with the Instruction on the placement and accounting of temporarily free funds of the Company, determining the most efficient method, instruments and scheme of placement in accordance with the requirements of the Company’s and the Fund’s internal regulations;

3) control over the compliance with planned and the state of present standards set by the internal requirements of the Company, the Fund when placing funds;

4) analysis of the Company's investment portfolio for compliance with the current and projected market situation;

5) making recommendations on reinvestment, diversification and classification of the Company's treasury portfolio;

6) development of recommendations on hedging of risks in order to minimize interest, currency, price risks, that may occur due to changes in the exchange rate of the national currency in relation to foreign currencies, interest rates on loans with variable interest rates and market prices for commodity products ;

7) development of an immediate action plan in the event of a liquidity crisis of the Company;

8) coordination of the distribution of financial flows of the Company in the performance of assets and liabilities-related transactions;

9) preliminary approval of limits on interest rates, asset-related transactions, on counterparty banks and on financial instruments with setting of minimum and maximum limits, key parameters of the Company's treasury portfolio in accordance with the requirements of the Company's and the Fund’s internal regulations;

10) preliminary approval of increasing or decreasing limits following the results of monitoring the structure of the Company's assets and liabilities, utilization of limits on counterparty banks in accordance with the requirements of the Company's and the Fund’s internal regulations;

11) consideration, approval of conditions and parameters of financial services provided.

1. **The structure and composition**

22. The CALM consists of no less than 5 (five) people.

23. The Management Board of the Company shall determine the CALM composition, excluding the Secretary of the CALM.

24. The Chairman of the CALM shall manage and coordinate the activities of the CALM. The Company’s head who supervises economic and financial matters shall be appointed the Chairman of CALM. During the absence of the Chairman of the CALM, the head of BU who supervises financial control matters performs his/her functions.

25.The CALM must consist of the head of BU who supervises financial control matters, as well as heads of the Company’s BU or their substitutes who supervise the matters of risk management and internal control, corporate financing, economy and planning, financial and tax accounting.

Other employees of the Company may be additionally appointed to the CALM.

26. If necessary, officials and heads of BU or their substitutes without voting rights when making a decision, may be invited to attend the CALM meetings at the initiative of the CALM members.

27.The powers of all or a part of members of the CALM may be terminated ahead of schedule by decision of the Company’s Management Board.

28. The powers of a member of the CALM shall be terminated early in the following cases:

1)resignation of the CALM member. A member of the CALM shall have the right to resign as a member of CALM having notified the Chairman of the Board of the Company and the Chairman of the CALM by sending a respective written statement 1 (one) month prior to the date of resignation.

2) by the decision of “Samruk-Energy” JSC Management Board;

3) termination of labor relationship with a member of the CALM.

29. If the powers of a member of the CALM are terminated by virtue of subparagraph 1) of paragraph 29 of this Regulation, the Company’s Management Board shall elect the new member of the CALM at the nearest meeting but not later than 1 (one) month from the date of sending of a written resignation notice by the said member of the CALM.

Until that moment, the member of the CALM continues to perform his duties in full.

30) If the powers of the CALM member are terminated by virtue of subp.2) of paragraph 29 of this Regulation, the Company’s Management Board shall elect the new member of the CALM within 2 (two) weeks after termination of powers, if the new member of the CALM is not elected at the meeting of the Management Board at which the item about termination of powers of the CALM member is considered.

31. In the event that the powers of a member of the CALM are terminated by virtue of subp. 3) of paragraph 29 of this Regulation, the Management Board of "Samruk-Energy" JSC shall elect the new member of the CALM within 2 (two) weeks after the termination of powers.

1. **Terms and procedure for convening meetings of the CALM**

32. Documents for consideration at the meeting of the CALM (hereinafter - documents) are prepared by the BU initiating the meeting of the CALM.

33. The documents must be approved with concerned business units in accordance with the established procedure, and, if necessary, with members of the CALM. Approval of documents submitted for consideration by the CALM through the electronic document management system is allowed.

34. The documents should contain the following:

1) a necessary information on the proposed item with specification of risks associated with adoption of this resolution;

2) draft of the relevant decision of the CALM (FR 01 PSM 04-01-15);

3) necessary calculations and justifications for the proposed draft decision;

4) wording of the item submitted for consideration by the CALM, as well as the title, surname, first name, patronymic of the reporter;

5) the list of persons who need to be included in the number of invitees for consideration of the item, indicating the full name, organization and title (if necessary);

6) other necessary documents

35. An official note with the attached documents shall be submitted to the Secretary of the CALM not less than 3 (three) business days before the meeting.

36. The documents given to the Secretary of the CALM by the Company’s BU later than the set time shall not be included in the agenda, but shall be transferred to the next meeting or, if the items require an urgent decision, shall be considered in absentee voting in accordance with the established procedure.

37. The Secretary of the CALM checks the completeness of the prepared documents in accordance with paragraph 35 of this Regulation. In case of inconsistency of presented documents with the required form, the Secretary of the CALM shall require the further revision of documents or provision of additional documents.

38. The Secretary of the CALM shall prepare the draft agenda of the CALM meeting and submit to the Chairman of the CALM for approval; the draft agenda shall contain the items to be submitted for consideration by the CALM , reporters, the estimated time and place of the meeting, and persons invited to attend the meeting.

39. The Chairman of the CALM shall take a decision on convening a meeting of the CALM, the date, time and place of the meeting and agenda items, as well as the decision on the list of persons invited to attend the meeting.

40. After approval, the agenda with all necessary documents shall be sent by the Secretary of the CALM to all members of the CALM no later than 2 (two) business days before the meeting of the CALM.

41. If it is necessary to consider the matter expeditiously, the Chairman of the CALM may set a shorter time for consideration of documents, but not less than one business day before the meeting of the CALM.

42. The members of the CALM shall consider the matters regarding the investment of funds in financial instruments in compliance with internal regulations of the Company and the Fund.

**10 Procedure for holding meetings of the CALM**

43. The decisions of the CALM shall be taken by a simple majority of votes of those present at the meeting or members of the CALM participating in the absentee voting. Members of the CALM shall have equal voting rights when making decisions. Where the votes are equal, the decision for which the Chairman of the CALM voted shall be deemed adopted.

44. The Secretary of the CALM does not have the right to vote.

45. The transfer of a vote by a member of the CALM to other persons, including other members of the CALM is not allowed.

46. When conducting a meeting of the CALM in absentia (by ballot):

1) the decision to hold an absentee vote shall be taken by the Chairman of the CALM, who establishes the term of absentee voting.

2) questionnaires (FR 02 PSM 04-01-15) and documents (other information) should be sent by the electronic system or delivered to the members of the CALM no later than 2 (two) business days from the moment of making a decision on the method of voting.

3) when sending questionnaires to the members of the CALM, the Secretary shall certify their correct and uniform drafting by his/her signature.

4) on the basis of returned questionnaires with the results of voting of the members of the CALM, the Secretary of the CALM shall draft the minutes of the meeting of the CALM in absentia which reflects the results of voting on each item and shall record the adoption (non- adoption) of the decision.

47. Interaction with the Company's Management Board:

1) matters related to the approval, revision of limits for counterparty banks;

2) other matters specified in this Regulation, stipulated by legislation of the Republic of Kazakhstan and / or the Charter of the Company, which fall within the competence of the Management Board of the Company.

48. Interaction with the Company’s Board of Directors:

1) matters relating to investment of temporarily free cash in financial instruments;

2) matters relating to approval of limits for counterparty banks exceeding the consolidated limit of the Company, but within the limits of the Fund;

3) matters related to the approval of main parameters of the Company's treasury portfolio;

4) other matters specified in this Regulation, as provided for by legislation of the Republic of Kazakhstan and / or the Charter of the Company, which fall within the competence of the Company’s Board of Directors.

**11 Minutes of meeting**

49. Minutes of meeting of the CALM shall be executed in compliance with requirements of the Rules for documenting and records administration at the Company in regard to drafting of meeting minutes.

50. The results of consideration of agenda items of the CALM meeting with an indication of results for each item shall be recorded by the Secretary of the CALM in the appropriate minutes within 3 (three) business days after the date of the meeting of the CALM.

51. The minutes of the in-person meeting shall be signed ("for", "against", "abstained") by all the members of the CALM as well as by the Chairman and Secretary of the Committee.

52. The minutes of the meeting in absentia shall be signed by the Secretary of the CALM and submitted to the Chairman of the CALM for signing. The date of minutes of the CALM meeting in absentia shall be the deadline for submitting the questionnaires. Questionnaires are attached to the minutes of the CALM meeting in absentia.

53. The decisions made at a meeting of the CALM shall be communicated to all members of the CALM and concerned BU of the Company by the Secretary of the Committee within 2 (two) business days from the date of signing the minutes.

54. The Secretary of the CALM shall keep the originals of signed minutes (with the questionnaires - in case of an absentee meeting) and documents submitted for the meeting of the CALM on items considered at the meeting of the CALM. Copies of minutes may be submitted to the Chairman and all members of the CALM, all concerned BU of the Company upon request.

55. The minutes and documents of the CALM meetings shall be kept by the secretary of the CALM before the CALM minutes are transferred to the archive of the Company at the end of the calendar year on the basis of files’ transfer and acceptance certificate in accordance with the Company's internal documents regulating the matters of record keeping. Minutes of the CALM have a permanent storage period.

**12 Secretary of the CALM**

56. The Secretary of the CALM (without voting right) shall be elected by the members of the CALM by a simple majority of votes of the CALM members who attend the meeting.

57. The CALM shall have right to dismiss the Secretary of the CALM at any time and elect a new one.

58. The Secretary shall perform the following functions:

1) ensures preparation and holding of the CALM meetings;

2) collects and systematizes documents for the meeting of the CALM, controls over the proper preparation of documents in accordance with the requirements of this Regulation, other internal documents of the Company;

3) timely sends notifications of upcoming meetings, meeting’s agenda, documents on agenda items to the CALM members and invitees;

4) takes the meeting minutes;

5) timely informs the BU of the decisions taken by the CALM regarding their activities and provides extracts;

6) prepares reports on the CALM activities and submits to the Company’s Management Board for their approval as required by the Company’s internal regulations.

7) performs other functions stipulated by this Regulation and the decisions of the CALM.

8) complies with requirements of the Company’s internal regulations.

**13 Powers of the CALM**

59. The members of the CALM shall have the right:

1) to take part in the discussion of the agenda items of the CALM meeting;

2)to make proposals on all matters within the competence of CALM;

3)to express a dissenting opinion on the agenda of meetings;

4) to propose items to the agenda of meetings at their own initiative;

5)to request and receive information and documents required for the work of the CALM from all BU of the Company, employees of the Company, within the competence of the CALM;

6) to prepare recommendations with respect to the investment portfolio and securing deals related to financial instruments using the Company's funds, with the exception of placement in bank deposits for a period of up to 7 days in accordance with the Instruction on placement and accounting of temporarily-available funds of the Company;

7) to consider other matters specified by the Regulation, with the exception of matters referred to the competence of other bodies and officials of the Company by legislation, the Charter, the Company’s internal regulations.

60. Members of the CALM may engage experts and consultants who have the necessary professional knowledge to deal with specific issues of the CALM’s activity in accordance with the established procedure.

61. The members of the CALM shall be obliged:

1) to comply with requirements of legislation, internal regulations of the Company and the Fund;

2) comply with main financial principles of all treasury operations conducted by the Company such as security, liquidity, profitability. Principles of security and liquidity prevail over the principle of profitability.

**14 Insider Information**

62. Insider information is important information about the activities of the Company, which is not publicly available and the disclosure of which can have a significant impact on the Company's operations.

63. Members and the Secretary of the CALM cannot use for personal purposes or disclose insider and other confidential information.

64. Third parties who participate in the CALM meetings must first sign a non-disclosure of insider and other confidential information in accordance with Appendix FR 03 PSM 04-01-15 to this Regulation.

**15 Final Provisions**

65. This Regulation, as well as amendments and supplements thereto, shall be approved by the Management Board of the Company.

66. Appendices to this Regulation are an integral part of it.

67. All issues not settled by this Regulation shall be regulated by the legislation of the Republic of Kazakhstan, the Charter of “Samruk-Energy” JSC, and other internal documents of “Samruk-Energy” JSC.

1. **Forms of documents and records**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | Description of a record | Form of record | The department in charge | Place of storage | Storage period |
| 1 | Draft decision of “Samruk-Energy” JSC CALM | FR 01 PSM 04-01-15 | The Company’s BU that supervises the matters related to treasury operations | The Company’s BU that supervises the matters related to treasury operations | permanently |
| 2 | Questionnaire for absentee voting of members of “Samruk-Energy” JSC CALM. | FR 02 PSM 04-01-15 | The Company’s BU that supervises the matters related to treasury operations | The Company’s BU that supervises the matters related to treasury operations | permanently |
| 3 | Confidentiality undertaking | FR 03 PSM 04-01-15 | The Company’s BU that supervises the matters related to treasury operations | The Company’s BU that supervises the matters related to treasury operations | permanently |

FR 01 PSM 04-01-15

**Draft resolution of “Samruk-Energy” JSC CALM**

**on the item:** “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”

(the wording of the item)

(Reporter:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)

(title, full name)

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(wording of draft resolution)

The person who submits the item:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(title, full name) (signature)

**APPROVED:**

|  |  |  |
| --- | --- | --- |
| **title** | **full name** | **signature** |
|  |  |  |
|  |  |  |

RF 02 PSM 04-01-15

**Questionnaire for absentee voting of members of the Company’s CALM**

**Astana c.**  No. \_\_ « \_\_ » \_\_\_\_\_\_ 20 \_

Location of “Samruk-Energy” joint-stock company (hereinafter –the Company):\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Agenda:**

1.

2.

3.

On the \_\_\_\_\_\_\_\_agenda item:

The CALM RESOLVED:

|  |  |
| --- | --- |
| **FOR** | **AGAINST (dissenting opinion) ABSTAINED (dissenting opinion)** |

**Note:** a dissenting opinion shall be enclosed separately in writing. Clarifications on the procedure for completing the questionnaire:

On the item put to the vote in this questionnaire, a member of the CALM signs (or checks) one of the presented boxes: "For", "Against", "Abstained". In the event of a vote "Against" or "Abstained", a member of the CALM shall be entitled to express his dissenting opinion which is attached separately in writing.

**The deadline for submission of signed questionnaire to the Secretary of the CALM: \_\_\_\_\_\_\_\_, 20\_\_\_\_**

**Questionnaire for absentee voting shall be sent to the following address:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **a member of the CALM** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | | | |  |
| (signature is required) | | | | | | |  |
|  |  |  |  |  |  | \_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_ | |
| **Secretary of the CALM**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | | | | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

## 

FR 03 PSM 04-01-15

**Obligation of**

**insider and other confidential information non-disclosure**

I,\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

Undertake to:

- strictly keep and not disclose information constituting the Company's insider and confidential information, which will be entrusted to me or become known during interaction with the Company's management, participation at the meetings of the Committee;

- not transfer to third parties and not disclose publicly the company's insider and confidential information, without the consent of the Company's management;

- do not use insider and other confidential information in order to engage in other activities which as a competitive action may cause damage to the Company;

- immediately notify the Chairman of the CALM, the working body of the CALM and the Company’s BU that is in charge of matters related to occupational health and safety and environmental protection of attempts by unauthorized persons to receive the company’s confidential information from me.

I am aware that if I breach this obligation:

-I will be hold accountable for this in compliance with the order established by the legislation;

- I shall be obliged (a) to reimburse the losses incurred by the Company in connection with the disclosure or use by me of information constituting the Company's insider and other confidential information for personal purposes.

**Signature\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**“\_\_\_”\_\_\_\_\_\_\_\_\_\_\_20\_\_\_**