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# Regulations on the Internal Audit Service of "Samruk-Energy" JSC

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## 1. General provisions

1. These Regulations on the Internal Audit Service (hereinafter, the “Regulations”) define the status of the Internal Audit Service (hereinafter, the “Service”), its tasks, functions, rights and responsibilities, the key requirements for the Service’s structure and the qualifications of its employees, the procedure for appointing the head and employees of the Service and making decisions on disciplinary action against them, as well as the powers of the head of the Service and the procedure for the Service’s interaction with the Board of Directors, the executive body of “Samruk-Energy” JSC (hereinafter, the “Company”), the Company’s subsidiaries/affiliated organizations and other organizations.

2. These Regulations are based on the application, in organizing the Service’s activities, of the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing.

3. The determination of the Service’s headcount, staffing table and term of office, the appointment of the head and employees of the Service, and the early termination of their terms of office shall be performed by the Company’s Board of Directors following prior approval by the Audit Committee of the Board of Directors (hereinafter, the “Audit Committee”).

4. Employment contracts with the head and employees of the Service shall be concluded by the head of the Company’s executive body (hereinafter, the “Executive Body”) pursuant to a resolution of the Board of Directors and in accordance with the labor legislation of the Republic of Kazakhstan.

5. The Service’s operating procedures and performance assessment, as well as the remuneration and bonus arrangements and terms applicable to the head and employees of the Service, shall be approved/determined by the Board of Directors following prior approval/review by the Audit Committee.

6. Social support, guarantees and compensation payments for employees of the Service shall be provided in accordance with the Company’s internal documents approved by the Company’s Board of Directors.

7. The duties, rights and responsibilities of the head and employees of the Service shall be defined in the respective job descriptions, which shall be developed on the basis of these Regulations, employment contracts and the Company’s internal documents and approved by the Chair of the Audit Committee of the Company’s Board of Directors.

8. In the course of its activities, the Service shall be guided by the legislation of the Republic of Kazakhstan, the Charter, the Corporate Standard on the Internal Audit Function of Samruk-Kazyna Group, decisions of the Company’s governing bodies, these Regulations, the annual audit plan approved by the Board of Directors and other internal regulatory documents of the Company. In the course of its activities, the Service shall apply the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing.

9. The procedures and rules governing the planning and conduct of the Service’s activities shall also be regulated by internal regulatory documents developed in accordance with the principles and provisions of the Standards and the Code of Ethics and approved by the Board of Directors and/or endorsed by the Audit Committee.

10.The following terms and definitions are used in these Regulations[1]:

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| **Internal audit** | An activity that provides independent and objective assurance and consulting services designed to enhance an organization’s operations. Internal auditing helps an organization achieve its objectives through a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and corporate governance processes. |
| **Internal control** | Any actions taken by the Executive Body, Board of Directors, and other parties to manage risks and enhance the likelihood of achieving set objectives and fulfilling tasks. |
| **Code of ethics** | The International Institute of Internal Auditors (IIA) Code of Ethics includes Principles related to the profession and practice of internal auditing, as well as Rules of Conduct that outline the expected behavior of internal auditors. The Code of Ethics applies to both individuals and legal entities providing internal auditing services. The purpose of the Code of Ethics is to promote high ethical standards within the global community of professional internal auditors. |
| **Consulting services** | These encompass actions aimed at offering guidance, suggestions, and similar support to the Board of Directors, the Executive Body, structural divisions, and subsidiaries/affiliates of the Company (referred to as the Customer). The specifics, substance, objectives, areas of responsibility, and other client expectations are discussed and agreed with the Customer. This incorporates obtaining written consent, particularly for critical assignments. Such activity aims at enhancing corporate governance, risk management, and control processes, and excludes undertaking of responsibility for management decisions by the Service. |
| **Conflict of interest** | A conflict of interest arises when an internal auditor, who is in a position of trust, holds a competing professional or personal interest. The existence of such conflicting interests can hinder the internal auditor's ability to carry out their duties impartially. |
| **Corporate governance** | A collection of processes and organizational structures within an organization designed to inform, oversee, and regulate the organization's operations with the intent of accomplishment of its objectives. Additionally, it encompasses the network of relationships among the organization's management, its Board of Directors, shareholders, and other stakeholders. |

[1] Terms and definitions are interpreted in accordance with the International Professional Standards for Internal Auditing of the Institute of Internal Auditors Inc.

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| **Fraud** | Any unlawful activity marked by deception, concealment, or a violation of trust. It should be noted that fraud excludes actions carried out under the influence of coercion or the threat of force. Fraudulent acts are committed by both individuals and businesses with the intention of acquiring money, assets, or services, evading monetary payments or service obligations, or for the sake of personal or commercial gain. |
| **Independence** | The state of being free from conditions that threaten the internal audit service's ability to perform its duties impartially. |
| **Objectivity** | This is a mindset enabling internal auditors to conduct their tasks impartially, instilling confidence in the outcomes of their work without compromising its quality. Objectivity mandates that internal auditors do not subordinate their viewpoints on audit matters to the perspectives of others. |
| **Provision of assurance** | Objective analysis of existing audit evidence with the aim of offering an impartial evaluation of corporate governance processes, risk management, and control within an organization. (Example: tasks related to financial audits, effectiveness audits, compliance audits, system security audits, and comprehensive analysis of business activities such as due diligence engagements). |
| **Usefulness** | Internal audit benefits an organization (and its stakeholders) when it offers objective and proficient assurances and contributes to enhancing the efficiency and effectiveness of risk management, control, and corporate governance processes. |
| **Risk** | It refers to a possible event (or a combination of circumstances) in the future that, if it occurs, could result in a noteworthy adverse effect on the Company's ability to accomplish its long-term and short-term objectives. Risk is evaluated by considering both the potential outcomes and the likelihood of the event taking place. |
| **Head of the Internal Audit Service** | The role of a senior member of the organization's management who is accountable for the proficient oversight of internal audit operations in alignment with the Internal Audit Regulation and the essential components of the International Framework for the Professional Practice of Internal Audit. The head of the Internal Audit Service or their subordinates must hold the necessary professional certification and qualifications. |
| **Risk management** | The process of identifying, assessing, managing, and monitoring potential events or situations to provide |

reasonable assurances for the organization's goal achievement.

**Standards** An official professional stance published by the International Institute of Internal Auditors, which sets forth requirements for internal auditing across a wide array of matters, including the assessment of internal audit activities.

## 2. The Status of the Service

11. The Service is a body of the Company responsible for organizing and conducting internal audit activities within the Company and its subsidiaries and affiliated organizations, and is organizationally subordinate to and functionally accountable to the Board of Directors.

12. The Audit Committee oversees the activities of the Service in accordance with the internal regulatory documents governing the activities of the Audit Committee. If the Company does not have an Audit Committee, its functions shall be performed directly by the Board of Directors.

13. The Service is administratively subordinate to the Company's Executive Body. Administrative subordination includes ensuring appropriate working conditions and remuneration for the head and employees of the Service by the Executive Body; issuing, based on decisions of the Board of Directors, relevant directives concerning the activities of the Service; receiving reports[2] from the Service; monitoring compliance with labor discipline; arranging business trips and leave; and taking other actions that do not conflict with the status of the Service under these Regulations and other regulatory documents of the Company. The Executive Body shall not use administrative subordination to exert influence on the independence and objectivity of the Service.

14. The Service shall remain independent of any influence when performing the tasks and functions assigned to it, in order to ensure their proper performance and the exercise of objective and independent judgment.

15. The independence and objectivity of the Service shall be ensured through compliance with the Standards' requirements concerning organizational independence and objectivity.

16. The Service shall be impartial and unbiased in its work and shall not allow conflicts of interest to arise.

17. The performance of the Service shall be assessed in accordance with the requirements of these Regulations and other regulatory documents governing the activities of the Service.

18. The head and employees of the Service shall be subject to the provisions of the Company's internal documents, except for those documents that cannot be applied due to the status of the Service, the Company's Charter and these Regulations.

[2] Audit reports on the results of performed audit assignments, business trip reports.

## 3. Mission and Goals

19. The mission of the Service is to provide the Board of Directors and the Executive Body with the necessary assistance in discharging their responsibilities to achieve the strategic goals of the Company and its subsidiaries and affiliated organizations.

20. The primary objective of the Service is to provide the Board of Directors with independent and objective assurance and consulting services aimed at enhancing the risk management, internal control and corporate governance systems of the Company and its subsidiaries and affiliated organizations.

## 4. Tasks and Functions

21. The primary tasks of the Service are:

1) assessing and contributing to the improvement of the internal control system;

2) assessing and contributing to the improvement of the risk management system;

3) assessing the risk of fraud and the effectiveness of fraud risk management in the Company and its SA;

4) assessing and contributing to the improvement of the corporate governance system in the Company and its SA;

5) assessing the accuracy, completeness and objectivity of the accounting system and the reliability of financial reporting;

6) assessing compliance with the legislation of the Republic of Kazakhstan and the requirements of regulatory documents of "Samruk-Kazyna" JSC (hereinafter, the "Fund") applicable to the Company in accordance with the established procedure (compliance control), and to its SA;

7) assessing the reasonableness and effectiveness of the use of the Company's and its SA's resources, as well as the methods used to safeguard the Company's and its SA's assets;

8) providing methodological support to the internal audit services and audit committees of the Company's SA.

22. In accordance with its assigned tasks, the Service performs the following functions:

1) assessing risks and the adequacy and effectiveness of internal controls over risks in the areas of corporate governance and the Company's and its SA's operational (production and financial) activities, as well as their information systems, with respect to:

- achievement of the strategic goals of the Company and its SA;
- accuracy, completeness and objectivity of the accounting system and reliability of financial reporting and other information on the financial and business activities of the Company and its SA, including consolidated indicators;
- efficiency and effectiveness of the Company's and its SA's activities, as well as the programs adopted by them;
- reasonableness and effectiveness of the use of the Company's and its SA's resources, as well as the methods used to safeguard the Company's and its SA's property (assets);

- compliance of the established control systems with the requirements of legislation, regulatory acts, internal regulatory documents, instructions of authorized and supervisory bodies, and decisions of the Company and its SA, as well as compliance with such requirements (compliance control);

2) conducting, in accordance with the established procedure, assessments of the adequacy and effectiveness of the internal control system in the Company and its SA;

3) conducting, in accordance with the established procedure, assessments of the corporate risk management system in the Company and its SA;

4) assessing the risk of fraud and the effectiveness of fraud risk management in the Company[3] and its SA;

5) assessing the completeness of the application and effectiveness of the risk assessment methodology and risk management procedures in the Company and its SA;

6) assessing the effectiveness of the receipt by the relevant bodies and units of the Company and its SA of information on matters related to risks and internal controls;

7) conducting, in accordance with the established procedure, an assessment (diagnostic review) of the corporate governance system in the Company and its SA, including assessing the implementation of and compliance with the adopted corporate governance principles, relevant ethical standards and values in the Company and its SA;

8) conducting, in accordance with the established procedure, audits of the Company's information systems;

9) verifying compliance with the legislation of the Republic of Kazakhstan, international agreements, internal documents of the Company and its SA, as well as with instructions of authorized and supervisory bodies and decisions of the Company and its SA, and assessing the systems established to ensure such compliance;

10) assessing the adequacy of measures taken by the Company's and its SA's units to ensure the achievement of their objectives within the framework of the strategic goals of the Company and its SA;

11) developing internal regulatory documents governing the activities of the Service in accordance with the requirements of the Standards and the decisions/recommendations of the Fund;

12) providing consultations to the Board of Directors, the Executive Body, and the structural units of the Company and its SA on matters relating to the organization and improvement of internal control, risk management, corporate governance and internal audit, including matters related to the development of internal regulatory documents and projects in these areas, as well as on other matters falling within the competence of the Service;

13) performing its activities in accordance with the annual audit plan approved by the Board of Directors of the Company and carrying out ad hoc assignments at the direction of the Board of Directors or the Chair of the Board of Directors of the Company;

[3] At the same time, identifying and investigating instances of fraud is not a core function of the Service. Service employees may participate in fraud investigations as consultants or observers and shall not be responsible for management decisions arising from the results of such investigations.

14) monitoring the implementation by the Company and its SA of recommendations issued by the external auditor;

15) conducting follow-up reviews of the implementation of recommendations issued by the Service in accordance with the established procedure;

16) sharing information and coordinating activities with other internal and external parties of the Company and its SA that conduct reviews and provide consulting services, and considering the possibility of using the results of their work;

17) cooperating and coordinating activities with the control bodies of the Company's SA on matters relating to the planning and conduct of audits and reviews, and providing methodological support to the internal audit services and audit committees of the Company's SA;

17-1) verifying compliance by members of the Executive Body and its employees with the legislation of the Republic of Kazakhstan and internal documents relating to insider information and anti-corruption, as well as compliance with ethical requirements;

18) in accordance with the Order of the Fund, conducting quarterly monitoring of procurements carried out by the Company and its SA in accordance with subparagraph 9) of paragraph 1 of Article 73 of the Procedure[4], with respect to:

- strict compliance with the principle of optimal and efficient expenditure of funds used for procurement when conducting procurements in accordance with subparagraph 9) of paragraph 1 of Article 73 of the Procedure[5];
- preventing the splitting of the volume of procurements of goods planned for the respective financial year into portions not exceeding one hundred monthly calculation indices, excluding VAT, for the purpose of applying subparagraph 9) of paragraph 1 of Article 73 of the Procedure[3.]

23. Based on the results of audits conducted, the Service develops relevant recommendations, including proposals for improving existing internal control and risk management systems, processes, principles and methods of conducting activities, as well as comments on any matters falling within the competence of the Service.

24. In performing its assigned tasks and functions, the Service interacts, in accordance with the established procedure, with all structural units of the Company and its SA, as well as with other organizations in accordance with the legislation of the Republic of Kazakhstan.

## 5. Restrictions on the activities of the Service

25. To ensure compliance with the principles of independence and objectivity in performing their functions, the head and employees of the Service shall not:

1) be involved in any activities that may subsequently be subject to internal audit or audit activities or functions performed by them during the period under audit;

[4] Order No. 97-p of the Chairman of the Management Board of the Fund dated 27 June 2022 "On compliance with the principle of optimal and efficient use of funds allocated for procurement"

[5] Procurement Procedure of "Sovereign Wealth Fund "Samruk-Kazyna" JSC and legal entities fifty percent or more of the voting shares (equity stake) of which are directly or indirectly held in trust by "Samruk-Kazyna" JSC, approved by Resolution No. 193 of the Board of Directors of the Fund dated 3 March 2022.

2) perform any duties for the Company or its SA that are unrelated to the activities of the Service under these Regulations;

3) participate in any activities that could compromise, or could reasonably be perceived as compromising, the impartiality of the assessment of the head and employees of the Service;

4) be members of committees or other working groups/commissions established by the Company with the right to sign documents. In the work of such working groups, the head and employees of the Service shall participate solely as consultants without voting rights;

5) direct or supervise the actions of employees of the Company's structural units and its SA, except where such employees have been duly assigned to participate in an audit engagement;

6) use confidential information for personal interests or in any other manner contrary to the legislation of the Republic of Kazakhstan or capable of causing harm to the Company;

7) accept gifts or use services that could compromise the independence, objectivity or impartiality of internal audit, or could reasonably be perceived as compromising any of them.

25-1. When receiving unplanned assignments from the Board of Directors or the Chair of the Board of Directors of the Company, the head of the Service shall determine the resources required to perform the assignment, including the estimated time required to complete it.

Where there are time constraints and sufficient personnel resources are available to perform unplanned assignments, the head of the Service shall consider whether it is necessary to initiate amendments and additions to the annual audit plan.

## 6. Qualification requirements

26. The Service's Head must have[6]:

1) higher professional education in accounting and auditing, and/or finance, and/or economics, and/or law, as well as additional specialized training and/or education in information technology and/or a technical field. An MBA and/or a master's degree in finance and/or accounting and/or auditing, and/or a technical specialization, preferably obtained abroad, is desirable;

2) at least 10 years of work experience, including at least 7 years of experience in auditing and/or accounting and/or finance and/or economics;

3) at least three years of experience in a managerial position and/or in the internal audit service of organizations within the Fund's group (or at least five years of combined experience, including at least two to three years in a managerial position and at least two to three years in the internal audit service of organizations within the Fund's group);

4) knowledge and understanding of the Code of Ethics and the Standards;

[6] Service heads appointed prior to the endorsement of the requirements outlined in paragraphs 27 and 28, in terms of additional specialized training, are obligated to obtain one of the specified certificates within 2-3 years from the commencement of their education.

5) knowledge of International Financial Reporting Standards;

6) knowledge of laws and regulations of the Republic of Kazakhstan, including those relating to auditing, accounting and taxation.

27. The Head of the Company's Service shall meet the following minimum requirements for additional specialized training: mandatory possession of a Certified Accounting Practitioner (CAP) certificate and/or a professional accountant certificate issued by a certification organization accredited by an authorized body of the Republic of Kazakhstan and/or an Internal Auditor Diploma (DipIA IFA) issued by the Institute of Financial Analysts (United Kingdom) and/or a Certified Professional Internal Auditor Diploma (DipCPIA) issued by the Institute of Certified Financial Managers.

The following qualifications and certifications are preferred: Certified Internal Auditor (CIA) and/or Association of Chartered Certified Accountants (ACCA) qualification and/or Chartered Institute of Management Accountants (CIMA) qualification and/or ACCA Diploma in International Financial Reporting (DipIFR) and/or an auditor qualification certificate obtained in accordance with the Law of the Republic of Kazakhstan "On Auditing".

Proficiency in the state language and one or more foreign languages is also preferred.

28. An employee of the Service shall have:

1) higher professional education in economics and finance, and/or accounting and auditing, and/or information technology, and/or a technical field, and/or law, as well as in other fields relevant to the areas of activity of the Internal Audit Service;

2) at least five years of experience in auditing, and/or accounting, and/or finance, and/or information technology, and/or information technology auditing, and/or a technical field relevant to the Company's industry, and/or law — for Chief Auditors of Levels 1 and 2, and at least three years of such experience — for Auditors of Levels 1 and 2;

3) knowledge of the Code of Ethics and the Standards and the ability to apply them;

4) Knowledge of applicable laws and regulations of the Republic of Kazakhstan, including those relating to auditing, accounting and taxation.

The following certifications and/or qualifications are also preferred: certifications and/or qualifications in auditing, and/or accounting and financial management, and/or IT, and/or internal auditing, including Certified Internal Auditor (CIA) and/or Association of Chartered Certified Accountants (ACCA) qualification and/or Chartered Institute of Management Accountants (CIMA) qualification and/or ACCA Diploma in International Financial Reporting (DipIFR) and/or an auditor qualification certificate obtained in accordance with the Law of the Republic of Kazakhstan "On Auditing", and/or Certified Information Systems Auditor (CISA), and/or Certified Information Security Manager (CISM), and/or Certified Information Systems Security Professional (CISSP), and/or Certified in Risk and Information Systems Control (CRISC), as well as proficiency in the state language and one or more foreign languages.

29. The Head and employees of the Service shall be appointed by the Board of Directors upon the recommendation of the Audit Committee through a competitive selection process and testing (or an interview), with the participation of the Chair of the

Audit Committee or a member of the Audit Committee authorized by the Chair of the Audit Committee and/or the Chair of the Board of Directors.

## 7.Rights and powers of the Service

30. In order to fulfil its primary tasks and exercise its functions, the Service shall have the following rights and powers:

1) access to personnel, production and other facilities, all documentation and any other information requested in connection with an internal audit, including information constituting the Company’s and its subsidiaries’/affiliates’ commercial and official secrets;

2) continuous access, in passive mode, to databases containing accounting records (including computerized accounting systems and other similar systems), i.e. without the right to enter or modify data;

3) request and receive materials, including draft documents submitted for approval to the Fund, the Board of Directors, the Executive Body of the Company and its subsidiaries/affiliates, as well as receive all orders/minutes issued by the aforementioned bodies of the Company and its subsidiaries/affiliates;

4) initiate an additional (unscheduled) audit assignment where the need for such an assignment is identified in the course of an ongoing audit assignment and its completion may affect the outcome of the ongoing assignment;

5) exchange information and coordinate activities with other internal and external parties conducting reviews and providing advisory services, with a view to ensuring adequate coverage and minimizing duplication of effort, and consider the possibility of using the results of their work;

6) for the purposes of developing the Service’s planned activities and fulfilling specific assignments at the direction of the Board of Directors, the Chair of the Board of Directors or the Chair of the Audit Committee, engage employees of the Company’s and its subsidiaries’/affiliates’ structural units as independent experts to obtain advice on highly specialized matters, as well as specialists from other legal entities, except persons who, during the calendar year preceding the audit period, were engaged in activities or performed functions at the entity being audited;

7) provide consultations and submit written requests to the Fund, the Company’s subsidiaries/affiliates, other organizations and the Company’s structural units on matters within the Service’s remit;

8) engage independent consultants or use co-sourcing, in accordance with the established procedure, to undertake audit assignments where the Service’s personnel do not possess sufficient knowledge and skills to perform the audit assignment or a part thereof, except where the audit assignment requires an assessment of fraud risk and fraud risk management;

9) with the agreement of the relevant stakeholders, involve Service employees and IT specialists from other companies within the Fund’s group in IT audits;

10) prepare and submit the Service's independent budget for consideration by the Audit Committee and/or the Board of Directors[7];

11) participate in the preparation and implementation of the Company's programs and projects within the scope of the Service's competence and authority, while adhering to Standards' requirements;

12) take part in programs aimed at training, retraining, upgrading the qualifications of Company employees, and certification programs for internal auditors.

13) exercise other rights and authorities that do not contradict the legislation of the Republic of Kazakhstan, the Company's Charter, these Regulations, internal documents of the Company, and Standards.

31. The Head of the Service shall have the following powers:

1) participate in meetings and events held by the Executive Body on matters relating to the enhancement of internal control, risk management and corporate governance, as well as other matters within the Service's scope of responsibility, without having the authority to approve decisions of the Executive Body;

2) communicate directly with the Chair and members of the Board of Directors and the Audit Committee, members of the Management Board, as well as the management of the Company's subsidiaries/affiliates, on matters relating to the Service's activities;

3) submit proposals to the Board of Directors regarding the determination of the Service's headcount and term of office, the appointment of Service employees and the early termination of their terms of office, as well as the Service's operating procedures, the amount and terms of remuneration and incentive payments for its employees, and the Service's organizational and technical support;

4) initiate the convening of a meeting of the Board of Directors and/or the Audit Committee on matters within the Service's scope of responsibility;

5) facilitate interaction between the Service and other external parties providing guarantee services to the Company and its subsidiaries/affiliates;

6) submit requests to government authorities and other legal entities on matters relating to the Service's activities;

7) rotate the responsibilities of Service employees to prevent conflicts of interest and facilitate the exchange of work experience, periodically or as appropriate;

8) exercise such other powers as are provided for under the internal control system of the Company and its subsidiaries/affiliates, and make decisions on all matters within the Service's scope of responsibility.

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[7] The independent budget of the Service is created as part of the Company's overall budget. It encompasses the projected expenses of the Service for the planned period, categorized according to the components specified in the internal regulatory document that oversees the formulation and endorsement of the Service's budget. The autonomy of the Service's budget signifies the lack of constraints from the Company's Executive Body that could impact the Service's operations. However, certain restrictions may be applicable when they adhere to limits and criteria established by the Board of Directors, the Fund, and regulatory authorities.

## 8. Responsibility of the Service and its head

32. The Service is accountable for the timely and high-quality execution of its assigned functions and tasks, as well as for adhering to standards of professionalism and a professional work[8] attitude in its activities and the Code of Ethics.

33. The employees of the Service shall, in accordance with the established procedure, be personally responsible for the quality and timely performance of the functions assigned to them, in accordance with their job descriptions, employment contracts and the legislation of the Republic of Kazakhstan, as well as for compliance with the requirements of the Standards, the Code of Ethics and internal regulatory documents governing the activities of the Service.

The Service shall ensure the application of the principle of professional skepticism in accordance with the requirements of the International Standards for the Professional Practice of Internal Auditing. The Service's employees are required to remain inquisitive, critically assess the reliability of information, raise concerns openly and honestly, and question information that is contradictory, seek additional evidence when forming judgments about information and assertions that may be incomplete, inconsistent, false or misleading.

When gathering and analyzing information, the Service's employees should exercise professional skepticism to assess whether the information is relevant, reliable and sufficient, and perform additional procedures where incomplete, inconsistent, false or misleading information is identified.

34. The employees of the Service shall promptly inform the Head of the Service of any circumstances involving an actual or potential impairment of the internal auditor's independence and/or objectivity, including, among other things, a conflict of interest or a restriction on the internal auditor's authority.

35. The Head of the Service shall, in accordance with the established procedure, be personally responsible for the quality and timely performance of the functions and tasks assigned to the Service, in accordance with these Regulations, the legislation of the Republic of Kazakhstan, the employment contract, the job description and other internal documents of the Company.

36. The following shall be mandatory duties and responsibilities of the Head of the Service:

1) effective management of the Service and ensuring that it delivers value to the Company in accordance with the effectiveness and value criteria established by the Standards;

2) development of the Service's Strategic Plan for the medium term;

3) ensuring the timely preparation of the Service's risk-based annual audit plan, monitoring its implementation and making timely adjustments to it. The Service's annual audit plan shall be submitted to the Audit Committee and the Board of Directors for consideration no later than 1 December of the year preceding the planned year. In developing the risk-based plan, the Head of Internal Audit shall consult with senior

[8] A professional approach to work does not imply that internal auditors are immune to errors, nor does it obligate them to offer absolute assurances of the absence of violations or discrepancies.

executive management and the Board, obtain information on the organization's strategy, key objectives by area of activity, inherent risks and risk management processes. The Head of Internal Audit shall review and adjust the plan as necessary in response to changes in the organization's business, risks, operations, programs, systems and control procedures;

3-1. conducting an annual assessment of the adequacy of resources available to implement the strategic and annual plans, documenting the results, including an analysis of the potential impact of resource constraints, and submitting the results to the Board of Directors for consideration;

4) ensuring the development of the Company's internal documents and methodological guidance on internal auditing and other documents relating to the activities of the Service;

5) ensuring that the Service applies the common fundamental principles and internal audit procedures approved (recommended) by the Company's Sole Shareholder (General Meeting of Shareholders);

6) ensuring that the Service's reports comply with the requirements of the internal regulatory documents governing the organization of internal auditing and the Standards;

7) communicating the results of audit engagements to those who are able to ensure that the results receive appropriate consideration;

8) developing and implementing a Quality Assurance and Improvement Program for internal auditing covering all activities of the Service and providing for internal and external assessments of the Service;

9) taking organizational measures to prevent actual and potential conflicts of interest and bias towards the audit subject on the part of the Service or individual employees of the Service in planning and performing the Service's activities;

10) submitting reports on the activities of the Service to the Board of Directors and the Audit Committee within the time limits established by these Regulations;

11) planning and timely submitting matters relating to the Service for consideration under the annual work plans of the Audit Committee and the Board of Directors;

12) exchanging information and coordinating the activities of the Service with other internal and external parties conducting reviews and providing advisory services, in order to ensure appropriate coverage and minimize duplication of work, and considering the use of the results of their work;

13) periodically assessing whether the functions, rights, authorities and responsibilities of the Service established by these Regulations remain aligned with the objectives and tasks of internal auditing, and communicating the results of such assessment to the Audit Committee and the Board of Directors;

14) taking measures to enhance the professional competence of the Service's employees;

15) When providing information and audit reports to an external party, the Head of the Service should:

- assess the potential risks to the organization;
- where necessary, consult, in accordance with the established procedure, with senior executive management and/or the legal function;
- control the dissemination of information by imposing restrictions on its use.

36-1. Effective coordination between the structural units of the second line of defense and the Service. Organizing joint meetings on a quarterly basis to discuss the plans of each structural unit responsible for the second line of defense and the Service, and exchanging information and reports on reviews/audits on a monthly basis.

36-2. Ensuring that the Service's employees participate, as non-voting experts, in meetings of key committees of the first and second lines of defense, as well as in meetings of committees under the Management Board and the Board of Directors.

## 9. Imposition of disciplinary measures

37. In the event of a breach of labor discipline or failure to perform, or improper performance of, assigned job duties, disciplinary measures shall be imposed on the Head and employees of the Service by decision of the Board of Directors in accordance with the established procedure.

38. The financial liability of the Head and employees of the Service, the procedure for compensation for any damage caused by them, where applicable, and the procedures for imposing disciplinary measures shall be governed by the legislation of the Republic of Kazakhstan and the internal documents of the Company.

## 10. Provision of Information to the Board of Directors and the Audit Committee

39. Each year, by December 1 of the year preceding the planned year, the Service submits the Service's annual audit plan for the following year to the Audit Committee and the Board of Directors for consideration. The Service ensures implementation of the approved annual audit plan and reports on its implementation as part of the Service's activity report within the timeframes established by these Regulations.

40. The Service submits reports on its activities to the Board of Directors and the Audit Committee within the following timeframes:[9]

1) quarterly reports should be submitted no later than the 25th day of the month following the reporting quarter.

2) annual reports should be submitted no later than the 15th day of the second month following the reporting year.

41. The Audit Committee preliminarily reviews reports on the Service's performance and provides recommendations for the Board of Directors.

42. Reports generated by the Service after conducting audit assignments that highlight instances of unlawful actions or inactions by Company and SA employees and/or the Executive Body should be promptly submitted to the Audit Committee and the Board of Directors upon completion.

43. The Head of the Service is responsible for analyzing the information presented to the Board of Directors and the Audit Committee to ensure its accuracy and comprehensiveness.

44. Audit reports and activity reports from the Service are prepared in accordance with internal regulations that govern the organization of internal audits.

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[9] Taking into account the presence/absence of the requirements of the Chairman of the Board of Directors or the Chairman of the Audit Committee on the submission of audit reports on the results of audits within the timeframe outlined in the AAP or other deadlines preceding the consideration of quarterly reports.

45. The Audit Committee and the Board of Directors review Service performance reports and make decisions following established procedures and within their designated authority.

46. The Head of the Service is responsible for regularly updating the Board of Directors about the Executive Body's oversight and supervision of other control and management functions (such as risk management, internal control, security, business continuity, external audits, etc.).

46-1. When violations of the Code of Ethics and Standards impact the overall scope, content, or activities of internal audits, the head of the Service is required to report the non-compliance and its consequences to the Executive Body and the Board of Directors.

47. The Head of the Service ensures the timely notification of the Audit Committee regarding any situations related to the potential compromise of independence and/or objectivity of the internal auditor, which might manifest as conflicts of interest or limitations on the rights and authority of the Service.

47-1. Third-party interference in the internal audit process, which includes defining the scope of audits, conducting the work, and reporting outcomes, should be avoided. The Head of Internal Audit should inform the Board about such interventions and discuss potential consequences.

## 11. Interaction between the Service and the Executive Body

48. The relationship between the Service and the Executive Body shall be based on the principle of independence, as the level of the Service's organizational and functional independence directly affects the objectivity of internal auditors.

49. Based on the results of its activities, the Service provides the Executive Body with an assessment of the quality of implementation of management decisions made by managers at various levels of the Company and its subsidiaries/affiliates.

50. In its interaction with the Executive Body, the Service:

1) develops the annual audit plan, taking into account the Executive Body's proposals regarding audits and consulting services;

1-1) submits the draft Regulations to the Management Board for review, for preliminary consideration and to allow for the development of any potential proposals and comments;

2) provides the Executive Body with the annual audit plan approved by the Board of Directors for information purposes;

2) provides the Executive Body with an audit report/conclusion prepared based on the results of an audit engagement or consulting services;

3) discusses and submits proposals to the Executive Body on improving internal control, risk management and corporate governance.

51. The Executive Body shall:

1) ensure the establishment of an effective internal control environment within the Company that facilitates the full and unhindered performance of the Service's functions, the achievement of its objectives and goals, and the maximization of the Service's value to the Company;

2) assist the Service in engaging employees of the Company's structural units or its subsidiaries/affiliates as independent experts to obtain advice on highly specialized matters;

3) ensure the timely review of the Service's reports, the development and approval of an action plan for implementing the Service's recommendations that have been accepted, and the submission of reports on their implementation;

4) ensure, in accordance with the established procedure, that the Service's budget approved/endorsed by the Audit Committee/Board of Directors is included in the Company's budget;

5) ensure, pursuant to a decision of the Board of Directors and in accordance with the established procedure, the use of co-sourcing for any internal audit activity;

6) provide administrative (organizational and technical) support to the Service.

52. The Executive Body shall not interfere in the activities of the Service.

## 12.Evaluation of the Service's performance

53. The Service's performance is evaluated to ensure that its activities comply with the Standards and that the activities of internal auditors comply with the Code of Ethics, as well as to assess the efficiency and effectiveness of internal auditing and identify opportunities for improvement.

54. The procedures and requirements for evaluating the performance of the Service, its head and employees are established by the Service's internal regulatory documents, taking into account the requirements of the Standards, recommendations and established corporate standards of the Fund concerning the evaluation of the Service's effectiveness[10], as well as the Company's internal regulatory documents governing the performance evaluation of the Company's employees.

55. The Service's internal regulatory documents shall set out:

1) the process for assessing the Service's compliance with the Definition of Internal Auditing, the Standards and the Code of Ethics (the Internal Audit Quality Assurance and Improvement Program), including internal and external assessments of the Service's performance;

2) the process for assessing the effectiveness of the Service, its head and employees in delivering on the tasks and objectives set out in these Regulations, the annual audit plan and the Service's strategic plan.

An external (independent) assessment of the Service's performance shall take place at least once every five years, either by an independent external expert or through a self-assessment subject to independent external validation.

[10] "Samruk-Energy" JSC requirements to the procedure for carrying out the evaluation of the Service's performance for compliance with the Standards, as well as to the procedure for assessing the effectiveness of the Service, are set out respectively in section 2.3. and section 4.7 of the Policy on the organization of internal audit at "Samruk-Energy" JSC.