



Approved by resolution
of “Samruk-Energy” JSC
Board of Directors
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CORPORATE MANAGEMENT SYSTEM

“Samruk-Energy” JSC Policy in engaging services of audit firms

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1 Purpose

1. The purpose of this "Samruk-Energy" JSC Policy in engaging services of audit firms (hereinafter - the Policy) is to arrange effective activity on engaging audit firms' services (including non-audit services provided by audit firms), introduction of unified procedures for their selection, ensuring the maintenance of "Samruk-Energy" JSC (hereinafter - the Company) auditors the status of independence in the provision of audit and non-audit services, and an avoidance of conflicts of interest.

2 Scope of application

2. The main provisions specified in the Policy provide the Company with an opportunity to engage auditors to deliver certain audit and non-audit services without compromising the objectivity or independence of the auditor.

3. This policy shall apply to the Company. Subsidiaries included in Group of the Company shall develop their own policies in engaging services of audit firms independently, taking into account provisions of this Policy.

4. The policy contains a number of guidelines and procedures which should be applied and observed constantly.

3 Definitions and Abbreviations

5. The following definitions and abbreviations are used in the Policy:

- **Auditor** - an audit firm that provides services for the audit of the consolidated and separate financial statements of the Company, including reviews of the interim consolidated and separate financial statements of the Company, on the basis of the concluded contract;

- **audit firm** - a commercial organization established for implementation of audit activity (audit firms that have license to perform audit activities are eligible for carrying out audit activity);

- **Group/companies of the Group** - The Company and its subsidiaries;

- **subsidiary** - a subsidiary of the Company, determined as a subsidiary in accordance with IFRS 10 "Consolidated Financial Statements";

- **Law** – Law of the Republic of Kazakhstan "On Auditing";

- **Code of Ethics for Professional Accountants** - a set of ethical requirements (ethical standards) for Professional Accountants issued by the Ethics Standards Board for

Accountants of International Federation of Accountants;

- **Audit Committee** - an advisory body of the company's Board of Directors established for in-depth study of matters referred to the competence of the Board of Directors or studied by the Board of Directors in order to control the performance of the Management Board and develop necessary recommendations to the Company's Board of Directors and the Management Board;
- **conflict of interest** - a situation where the interest of an audit firm may influence its opinion on the reliability of financial statements of an audited entity;
- **non-audit services** – services that are not considered as an audit and / or interim audit review of separate and consolidated financial statements, delivered by an audit firm;
- **Company** – "Samruk-Energy" JSC;
- **Reporting year** – financial year from January 1 to December 31;
- **Management Board** - the collegiate executive body of the Company, which manages its current operations and responsible for implementing the Company's strategy;
- **internal audit service** - the body that exercises control over financial and economic activities of the Company, conducts evaluation of internal control, risk management, execution of documents in the field of corporate governance and provides advice in order to improve the Company's performance;
- **Board of Directors** - the Company's body which carries out general management of the Company except for the issues referred to the competence of the Sole Shareholder in compliance with Kazakhstani legislation and the Charter;
- **BATA** – a business unit of the Company responsible for accounting and tax accounting;
- **Limitation amount** - an estimated amount for each reporting year, that make up no more than 50% of the average cost of audit services delivered by an Auditor to the Company for three consecutive previous reporting years, which should not exceed the cost of non-audit services provided by an Auditor.

4 Responsibility

6. The Policy shall be approved by the Company's Board of Directors. Control over the implementation of requirements specified in this Policy shall be exercised by the Head supervising activities for Economy and Finance of the Company.
7. BATA Head - Chief Accountant and Audit Committee shall be responsible for performing requirements of relevant paragraphs of this Policy.

5 Referenced rules and regulations

8. This Policy was developed to meet the requirements of the following regulations:
- The Law of the Republic of Kazakhstan "On accounting and financial statements";
 - Law;
 - Code of Ethics for Professional Accountants;
 - Regulation on the Audit Committee of the Company's Board of Directors;
 - the Policy of "SWF "Samruk-Kazyna" JSC in engaging services of audit organizations approved by Board of Directors of "SWF "Samruk-Kazyna" JSC;
 - Rules for management of the Company's internal regulatory documents;
 - Internal rules and regulations governing the Company's operations.

6 Selection of an auditor

9. The Company's Auditor is selected in compliance with Rules for selection of an audit firm for "Samruk-Kazyna" JSC and organizations where "Samruk-Kazyna" JSC directly or indirectly holds fifty or more percent of their voting shares (equity stakes) on the right of ownership or trust management, approved by the resolution of "Samruk-Kazyna" JSC Management Board.

10. The main criteria for determining the selection of an audit firm are:
- 1) approach to a provision of services:
 - methodology and audit strategy with respect to characteristics and requirements of the Company;
 - co-ordination of work and controls;
 - timing for an audit;
 - approach to work with management and members of the Audit Committee;
 - approach to interaction with the internal audit services;
 - approach and ways of solving complex and unusual technical issues of accounting;
 - commitments to continually improve and enhance the effectiveness of the audit.
 - 2) the competence of the engagement team:
 - availability of the necessary qualifications and resources to ensure quality and adherence to audit deadlines;
 - industry-specific experience, including practical experience in providing services to a customer of a similar level;
 - knowledge of a business of a sector (the more customers the audit firm has in a

particular sector, the better it is aware of issues of that sector and the sooner it finds the best options for solving issues);

- participation and interest of the audit firm in providing services to the industry in which the Company operates.

3) quality of service:

- general approach in provision of quality services and customer relationship management;
- high of qualification of an audit firm's specialists;
- work experience both in Kazakhstani and international market;
- knowledge of the industry's business (the more clients an audit firm has in a particular industry, the better it knows the industry issues and the faster it finds the best options for addressing these issues);
- the presence of a specialized technical support group (experts on accounting in accordance with IFRS) in Kazakhstan or the provision of an obligation by the audit organization to create such a group;
- promptness in delivery of services;
- effective identification of shortfalls and provision of recommendations for improving internal controls during preparation of financial statements.

4) audit firm's compliance with international audit standards, the legislation of the Republic of Kazakhstan in the field of auditing, the Code of Ethics for Professional Accountants of the International Federation of Accountants;

5) good reputation both in Kazakhstani and international market;

6) the duration of the working time allocated for the provision of services and the cost of services;

7) Independence and potential conflict of interest:

- potential conflicts and approach to their settlement (including a description of work carried out for direct competitors);
- obligations and approach to the rotation of partners and planning project team members;
- description of quality control system and evaluation of customer satisfaction.

7 Classification of non-audit services

11. The Company believes that the provision of certain services unrelated to the audit, and the level of remuneration for non-audit services paid to the Auditor could lead to a conflict of interest or the actual or alleged loss of objectivity. Each of the potential services of audit firm is classified into one of the following categories:

Category A: non-audit services that may affect the independence of ensuring the ongoing commitment of the Auditor, and which must be provided by the Auditor in accordance with the Law and subject to the conditions stipulated by the Code of Ethics for Professional Accountants, such as:

- report required by the legislation or rules and regulations of the Republic of Kazakhstan;
- report required by the competent or regulatory body in accordance with the legislation of the Republic of Kazakhstan;
- report on internal financial control when required by the legislation or rules and regulations of the Republic of Kazakhstan;
- reports required by competent or regulatory bodies, or provided to such bodies, if the competent or regulatory body has either designated the Auditor to provide the service, or indicated to the Company / subsidiary that the Auditor should be selected to provide these services;
- services that must be provided to the Company in the framework of the fulfillment of the obligation required by the legislation or regulatory act of the Republic of Kazakhstan when: the provision of such services is strictly limited in time, the subject of such services is price sensitive, and, when possible, that an impartial, fair and informed third party has come to the conclusion that the understanding of the activities of the Company / subsidiary, obtained by the Auditor for the purposes of the audit of financial statements, is important for this service, and when the nature of the service will not jeopardize the independence of the Auditor.

Category A non-audit services do not require compliance with the 50% Limitation amount mentioned in paragraph 13.

Category B: non-audit services that may affect the independence of ensuring the ongoing commitment of the Auditor, and which can be provided by the Auditor in accordance with the Law and subject to the conditions stipulated by the Code of Ethics for Professional Accountants, such as:

- report on loan agreements (except as required by law);
- services for the provision of extended audit procedures in terms of financial information / financial control, provided according to the instructions of the Company if this work is integrated with the provided audit services and is performed on the same basic conditions;
- services for carrying out additional audit procedures in relation to the financial statements of significant subsidiaries, provided according to the instruction of the Company;
- services for provision of analysis of changes occurred in legislation or

accounting standards and audit;

- tax consulting services;
- audit and other services in relation to the Company's public reporting prepared under investment agreements and prospectuses;
- services for confirmation / preparation of reports or disclosure of information of the Company under investment agreements or prospectuses;
- services in support of mergers and acquisitions of companies;
- services for confirmation of the Company's/subsidiary's reports other than financial (environmental report, sustainable development report, etc.).

Category B non-audit services require compliance with the Limitation amount mentioned in paragraph 13.

Category C: non-audit services that will lead to a loss of independence to meet the current obligations of an audit firm and considered as prohibited services in accordance with the Law and other restrictions specified in the Code of Ethics for Professional Accountants. Such services are:

- tax services related to the calculation of taxes, including deferred tax, and / or preparation of tax reporting forms;
- services for the provision of support during inspections of tax authorities;
- services related to participation in management or making management decisions of the Company;
- services for maintenance of accounting records and preparation of financial statements;
- services for the calculation and payment of wages to the Company's employees;
- services for development and introduction of internal control or risk management procedures related to the preparation and / or control of financial information, or the development and introduction of financial information technology systems;
- valuation services, including actuarial obligations or obligations related to the Company's litigation;
- legal services, including legal counsel services, negotiating on behalf of the Company, protecting the interests of the Company in resolving legal disputes;
- services for conducting internal audit of the Company;
- services in the area of compliance;
- services related to financing, structure and distribution of equity, as well as the investment strategy of the Company, with the exception of the provision of audit services in relation to financial statements, such as the issuance of letters of guarantee in relation to prospectuses issued by the Company;
- services in relation to the promotion, trading or underwriting of the Company's

shares;

- services for the search and testing of personnel for management positions that influence maintenance of accounting records and preparation of financial statements of the Company;

- services for determining the organizational structure of the Company;

- services for the control over the Company's expenses.

12. For the provision of non-audit services related to Categories A and B to the Company/subsidiary, the Auditor must obtain permission from the Audit Committee.

13. The total amount of expenses for non-audit services related to Category B, provided by an Auditor to the Group for the Reporting year, should not exceed the Limitation amount, calculated as 50% of the average amount of expenses for audit services rendered by an Auditor to the Group for three consecutive previous Reporting years.

14. The Company will not engage an audit firm, which performs mandatory audit of the Company, for a provision of Category C services.

8 Approval of non-audit services

15. If the Auditor is interested in providing the Company/subsidiary with Category A and B non-audit services, the Auditor shall send the Audit Committee a request for a permission to provide such services. As part of the request the Auditor is required to list the reasons why obtaining an approval will not compromise the Auditor's independence. The Auditor must provide at least the following information in the request:

- 1) a detailed description of the service;
- 2) the expected fee to be paid in connection with proposed service;
- 3) an analysis of independence for a provision of the service;
- 4) confirmation of the absence of a conflict of interest in the provision of the service;
- 5) and the proposed classification of the non-audit service in accordance with the provisions of this Policy.

16. If the Auditor is interested in providing the Company/subsidiary with Category B non-audit services, the Auditor must additionally provide the Audit Committee with an information showing the accrued and paid fee for the audit services provided the Auditor to the Group for three consecutive previous Reporting years.

17. The Audit Committee will consider the request of the Auditor, checks the correctness of the classification of the non-audit service and makes a decision on the permission / non-permission to the Auditor to provide the non-audit service. The Audit Committee's decision shall be sent to the Auditor.

18. Decisions made by the Audit Committee under paragraph 19 of the Policy shall be submitted to the Board of Directors for information.

9 Conflict of interest in the provision of non-audit services by an audit firm

19. Upon carrying out the procurement procedure and receiving audit services the Company shall consider the possibility of emergence of threats to the independence of an audit firm as a result of:

- 1) the nature of services previously obtained from this audit firm;
- 2) financial or business relationship with this audit firm during or after the period covered by financial statements.

In case of failure or inability of taking measures by the Company to eliminate the threat of self-control for an audit firm or reducing it to an acceptable level, the Company may not receive services for audit of financial statements from such audit firm.

20. An audit firm is prohibited from auditing in the cases stipulated by the Law.

21. Services received from an audit firm by the Company should not violate the principles of objectivity and confidentiality which may be created when:

- 1) an audit firm has joint ventures or similar associations in which the majority of participants are competitors of the Company;
- 2) an audit firm provides services to the Company and other organizations whose interests are in conflict or in state of disputes and discussions with each other on issues, transactions and problems.

10 Periodic Reporting

22. Annually, by March 24 of the year following the Reporting year, companies of the Group provide BATA with information on the costs of audit and non-audit services rendered by audit organizations and reflected in the statement of comprehensive income for the previous Reporting year, in accordance with the Appendix to this Policy. Annually, by March 31 of the year following the Reporting year, BATA, based on the information provided by the companies of the Group, consolidates and provides the responsible structural unit of “Samruk-Kazyna” JSC with data on the costs of audit and non-audit services provided by audit organizations, and reflected in the statement of comprehensive income for the previous reporting year, in accordance with the Appendix to this Policy. The procedure for providing information is regulated by the Rules for the selection of an audit organization for “Samruk-Kazyna” JSC and organizations, fifty or more percent of voting shares (participation interests)

of which are directly or indirectly owned by Samruk-Kazyna JSC on the basis of ownership or trust management.

Information on the costs of audit and non-audit services rendered by audit firms and reflected in the statement of comprehensive income for the previous Reporting year provided by companies of the Group must be preliminary reconciled with audit firms by signing a reconciliation report between companies of the Group and audit firms for the previous Reporting year. BATA checks the completeness and correctness of the information provided by companies of the Group.

23. At least once a year, the head of BATA - Chief Accountant shall ensure the submission of the report including information for previous Reporting year to the Audit Committee, which includes:

- 1) the scope of audit services, provided by the Auditor to the Group;
- 2) the scope of non-audit services included in category A and B, provided by the Auditor to the Group (broken down by categories of non-audit services);
- 3) the remuneration (for each individual service and in aggregate) paid to the Auditor by the Group for provision of such services.

24. In addition, the head of BATA – Chief Accountant provides the Audit Committee for consideration and approval for publication on the corporate Internet resource of the Company the following information:

- 1) remuneration paid by the Company to the Auditor for the provision of audit services for the previous Reporting year;
- 2) remuneration paid by the Company to the Auditor for the provision of non-audit services for the previous reporting year (broken down by types of non-audit services).

25. After the Audit Committee makes a decision to publish, BATA sends information about audit and non-audit services provided to the Company by the Auditor for the Reporting year to the structural unit of the Company responsible for posting information on the Company's Internet website.

11 Rotation of the project partner

26. The Company should demand from the Auditor to observe the principle of rotation of the project partner (bearing the main responsibility for the audit) every five years. Succession plan for achieving this result is to be prepared by the Auditor and submitted to consideration of the Audit Committee and to the Head supervising the activities of economics and finance of the Company, no later than one year before the

rotation.

12 Hiring an Auditor's employees to the Company

27. If it is planned to appoint (elect) to the position of the Management Board member, managing director, chief accountant, or Head of internal audit Service of the Company a person, who is participating in the mandatory audit of the Company as an Auditor's employee, or who participated in the mandatory audit as an Auditor's employee for two years preceding his date of appointment (election), in order to avoid a conflict of interest, it is required to obtain a prior approval of the Audit Committee on the proposed candidate for further consideration of the matter regarding his appointment (election).

13 Annual confirmation from the Auditor

28. Auditor confirms to the Audit Committee (at least once a year), that:

- Auditor's independence was preserved;
- Auditor and its partners do not have any financial interests in the companies included in the "Samruk-Energy" JSC Group;
- members of the audit team did not have any financial interest in the Company;
- except as provided in this Policy, there are no other cases of provision of services between the Company and Auditor;
- no part of the remuneration payable to an auditor by the Company is not paid on the basis of emergency situation;
- the total remuneration received by Auditor for each service delivered to the Company, did not have a material impact on the financial independence of Auditor from the Company or the Company Group, a threshold of which in compliance with the Rules of Professional Conduct of the Association of Chartered Certified Accountants of the United Kingdom and Northern Ireland (the ACCA Rules of Professional Conduct) shall not exceed 15 per cent of total revenues of Auditor;
- there are no disputes between the Company and the Auditor.

29. The Audit Committee of the Board of Directors annually confirms that the Auditor gave the confirmation referred to in paragraph 28 of this Policy.

14 Final provisions

30. In case of contradictions of certain provisions of this Policy with the legislation of the Republic of Kazakhstan, the norms of the legislation of the Republic of Kazakhstan shall be applied. .

31. This Policy shall be periodically evaluated for the relevance of the requirements set out in it. The Audit Committee, as appropriate, shall consider the matters regarding the observance of the Policy's requirements, and possibly engage the internal audit service for these purposes.

**Appendix to Samruk-Energy JSC Policy in engaging services of audit firms
Request form for audit and non-audit services rendered by the audit firm**

№	Name of the company of the Group	Audit firm's name	Description of services rendered by Audit firms				Currency of the contract	Expenses / income (for the Auditor) from the provision of services by an audit firm, reflected in the statement of comprehensive income, excluding VAT, in thousand tenge			Expenses / income (for the Auditor) from the provision of services by an audit firm, reflected in the statement of comprehensive income, excluding VAT, in the currency of the contract			Comments
			Audit services		Non-audit services			Reporting year (1 January – 31 December)	2 (two) years following the reporting year (expected based on signed contracts)		Reporting year (1 January – 31 December)	2 (two) years following the reporting year (expected based on signed contracts)		
			Number and date of the contract	Description of audit service (review/audit/other)	Number and date of the contract	Description of non-audit service			20__ year (from January to December)	20__ year (from January to December)		20__ year (from January to December)	20__ year (from January to December)	
	<i>description</i>	<i>description</i>											<i>other comments</i>	