**Information about the internal audit**

The Internal Audit Service provides the necessary assistance to the Board of Directors and the Management Board in carrying out their duties on achievement of the Company's strategic objectives.

The main objective of the Internal Audit Service is to provide the Board of Directors with independent and objective information to ensure effective management of the Company by bringing a systematic approach to the improvement of risk management, internal control and corporate governance.

The Head and employees of the Internal Audit Service are appointed by the Board of Directors. The Audit Committee of the Company’s Board of Directors supervises the Internal Audit Service.

The actual head count of the Internal Audit Service in 2016 was 7 people. The Service’s head is Seidigaliyeva Akmaral Kakimovna, CIA.

The Internal Audit Service carries out its activities based on key principles of international professional internal auditing standards.

The audit is carried out mainly in the following areas:

• Compliance with the procurement rules requirements;

• Implementation of investment projects;

• Money management, the use of loans and the funds allocated from state budget of the Republic of Kazakhstan;

• Compliance with the requirements of the Republic of Kazakhstan laws, including on natural monopolies and regulated markets, the competition;

• Safety and security;

• Planning and budgeting;

• Implementation of cost reduction programs;

• IT audit;

• Transformation.

The Service held analysis on compliance with Corporate Governance Code of  “Samruk-Kazyna” JSC (GAP-analysis) in four subsidiaries and affiliates.

Recommendations issued by the Service are aimed at improving corporate governance.

The effectiveness of the Internal Audit Service and its head is evaluated on a quarterly basis according to the Methodology approved by the Company’s Board of Directors and approved by Resolution of the Audit Committee under the Board of Directors.

The Service’s performance according to results of 2016 was evaluated by the Company’s Board of Directors as "efficient".