

KAZAKHSTAN STOCK EXCHANGE JSC

Approved

by decision of the Management Board
of Kazakhstan Stock Exchange JSC

(minutes of the meeting dated August 23,
2018, No. 88)

E f f e c t i v e

from August 24, 2018

REGULATIONS on Information Security Committee

Almaty

2018

LIST OF AMENDMENTS

1. Amendments No. 1:

- approved by decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes of the meeting dated March 18, 2020, No. 31);
- effective from March 19, 2020.

2. Amendments No. 2:

- approved by decision of the Management Board of Kazakhstan Stock Exchange JSC (minutes of the meeting dated May 6, 2021, No. 45);
- effective from May 11, 2021.

These Regulations define the procedure for the formation, operation, functions of the Information Security Committee (hereinafter, the Committee) of Kazakhstan Stock Exchange JSC (hereinafter, the Exchange), the composition, rights and responsibility of the Committee members and the regulations for its activities.

Article 1. General provisions

1. The Committee is a standing collegial, advisory body under the Exchange's Management Board, created by decision of the Exchange's Management Board, which task is to minimize the likelihood of information security incidents and their possible damage, assess the information security risks, adjust the methods and means of ensuring information security, change the relevant business processes, maintain and improve the information security measures, prevent the risks of leakage of restricted information, and the safety of the Exchange's tangible assets.
2. In its activities, the Committee is guided by the Republic of Kazakhstan's legislation, regulatory legal acts of the National Bank of the Republic of Kazakhstan, these Regulations and internal documents of the Exchange.
3. The Committee is accountable to the Exchange's Management Board and acts within the powers granted to it by the Exchange's Management Board in accordance with these Regulations.
4. There is no additional payment for membership in the Committee.

Article 2. Compositions of the Committee

1. The Committee consists of:
 - 1) the head or other employee of the information technology unit;
 - 2) the head or other employee of the risk management unit;
 - 3) the head or other employee of the information security and safety unit;
 - 4) other employees of the Exchange, determined by order of the Management Board Chairperson.
2. The Committee Chairperson is a member of the Exchange's Management Board who coordinates and oversees the activities of the information security and safety unit.
3. The Committee Chairperson manages the Committee's activities and performs the following functions:
 - 1) organizes work of the Committee;
 - 2) convenes meetings of the Committee and chairs them;
 - 3) approves the agenda of a Committee meeting;
 - 4) organizes taking of minutes of a Committee meeting;
 - 5) determines the form of holding a Committee meeting;
 - 6) organizes discussions of issues at the Committee meetings, and also hears the opinions of persons invited to participate in a Committee meeting;
 - 7) distributes responsibilities among the Committee members;
 - 8) monitors implementation of the Committee's decisions.
4. The functions of organizational and informational support for the Committee's work are carried out by the Committee Secretary. The functions of the Committee Secretary are performed by an employee of the information security and safety unit.
5. The personnel composition of the Committee, the persons replacing them (if

necessary), and the Committee Secretary are determined by order of the Management Board Chairperson. In absence of the Committee Secretary, they are replaced by an employee elected by the Committee at its meeting.

6. The Committee Secretary ensures:
 - 1) preparation and holding of the Committee meetings;
 - 2) collection and systematization of materials for the Committee meetings;
 - 3) formation of agenda of a Committee meeting and absentee voting of the Committee members;
 - 4) timely dispatch to the Committee members and invited persons of notifications about holding of a Committee meeting, agenda of the Committee meeting, and materials on the agenda items;
 - 5) preparation of minutes of meetings, as well as subsequent storage of minutes (resolutions) of the Committee meetings;
 - 6) as necessary, preparation and issue of an extract from the minutes of a Committee meeting;
 - 7) monitoring of implementation of the Committee's decisions;
 - 8) performance of other functions as directed by the Chairperson or other members of the Committee.

(This article was amended by decision of the Exchange's Management Board dated May 6, 2021)

Article 3. The Committee's functions

The main functions of the Committee are:

- 1) making the decisions on tasks of ensuring the information security;
- 2) consideration of information security issues in strategic and operational planning at the Exchange;
- 3) consideration and determination of organizational and technical measures to minimize and compensate for information security risks;
- 4) preliminary consideration of information security projects;
- 5) consideration of results of the analysis of information security incidents as well as recommendations for minimizing the likelihood of information security incidents and their possible damage;
- 6) other functions on assignment of in the Exchange's Management Board.

(This article was amended by decisions of the Exchange's Management Board dated March 18, 2020, and May 6, 2021)

Article 4. The Committee's working procedure

1. The Committee meetings are held in person at least once a year. Extraordinary meetings of the Committee may be held as necessary or in case of information security incidents *(this subparagraph was amended by decision of the Exchange's Management Board dated March 18, 2020)*.
2. A meeting of the Committee may be convened at initiative of its chairperson or at request of:
 - 1) any Committee member;
 - 2) a member of the Exchange's Management Board.

The Committee meeting is held with obligatory invitation of the person who has made the said request.

3. In the course of the Committee's activities, the primary means of remote communication between the Committee members and persons authorized to replace the Committee members in case of their absence and/or occurrence of a conflict of interest is e-mail.
4. An agenda of a Committee meeting is formed by the Committee Secretary based on submitted materials and approved by the Committee Chairperson. The Committee members are persons who have the right to initiate consideration of an issue by the Committee.
5. Notification about holding/convening a Committee meeting, indicating the time and location, along with the approved agenda and necessary materials on the agenda items, is sent by the Committee Secretary to the Committee members by email no later than one working day prior to the date of the Committee meeting.
6. At suggestion of the Committee member(s), the Committee has the right to additionally consider at a meeting the issues not included in the agenda, subject to consent of the majority of the Committee members participating in the meeting and availability of all necessary materials on these issues.
7. A Committee meeting is valid (has a quorum) if at least half of the Committee members participate in it. If there is no quorum, the Committee Chairperson shall postpone the meeting.
8. A Committee's decision is taken by a majority of votes of the Committee members present at the meeting. Each Committee member has one vote. In case of a tie, the vote of the Committee Chairperson shall be decisive.
9. Assignment of voting rights by a Committee member to another Committee member or employee is prohibited.
10. A Committee meeting is opened by the Committee Chairperson in accordance with the approved agenda.
11. Persons other than the Committee members may be invited to participate in a Committee meeting without the right to vote.

Article 5. Preparation and provision of materials to the Committee members

1. The materials must be agreed with the interested structural units and, if necessary, with the Committee members.
2. Materials for each agenda item must contain the following:
 - 1) the necessary information on the proposed issue;
 - 2) an explanatory note and a draft resolution of the Committee to it in the form according to the appendix to this Regulation;
 - 3) the necessary calculations and justifications for the proposed draft resolution;
 - 4) opinions of interested structural units of the Exchange (if necessary);
 - 5) a list of persons who must be included among those invited to consider the issue, indicating their full names and positions held in the organization (if necessary);
 - 6) other necessary materials.
3. An explanatory note on an issue included in the agenda of a Committee meeting, with the attached materials, shall be submitted to the Committee Secretary no less than three working days before the Committee meeting.
4. Materials submitted to the Committee Secretary after the time specified in paragraph 3 of this article will not be included in the agenda, but will be moved to the next meeting.

A decision to include an urgent and/or important issue into the agenda of a Committee meeting without complying with the requirement established by the first subparagraph of this paragraph shall be made by the Committee Chairperson. In this case, the materials on such an issue must be provided to the Committee Secretary no later than the beginning of the Committee meeting which agenda includes the issue.

5. With the exception of issues included in the agenda of a Committee meeting in accordance with the second subparagraph of paragraph 4 of this article, the Committee Secretary shall ensure that the materials submitted on issues to be included in the agenda of a Committee meeting are checked for compliance with requirements established by paragraph 2 of this article. In case of non-compliance of the submitted materials with requirements of paragraph 2 of this article, the Committee Secretary shall require revision of the material or provision of additional materials.

Article 6. Minutes of a Committee meeting

1. The Committee's decisions on the agenda items of a Committee meeting are recorded in minutes. The minutes shall be prepared and submitted by the Committee Secretary for approval to the Committee members who participated in the meeting within two working days of the meeting.

The minutes of a meeting will be sent to the Committee members for approval in accordance with the first subparagraph of this paragraph using the corporate email.

The minutes are subject to revision by the Committee Secretary if there are comments and/or suggestions regarding the draft minutes from the Committee members who participated in the meeting.

The minutes of a Committee meeting shall be signed by the Committee Chairperson or the Committee member acting as Committee Chairperson at the meeting, and by the Committee Secretary or the Secretary of the Committee meeting.

2. The minutes of a Committee meeting must contain the following information:
 - 1) full name of the Committee and location of the Exchange's executive body;
 - 2) date, time and place of the meeting;
 - 3) information about the persons who participated in the meeting;
 - 4) agenda of the meeting;
 - 5) issues put to vote and the results of voting on them;
 - 6) adopted decisions;
 - 7) other information on the Committee's decision.
3. A dissenting opinion of a Committee member on an issue or a draft resolution for an issue included in the agenda of a Committee meeting must be set out in writing, with indication of the arguments, and must be attached to the minutes of the Committee meeting.
4. The original minutes of the Committee meetings as well as materials on the agenda items of the Committee are kept by the Committee Secretary.
5. The Committee Secretary oversees and monitors implementation of decisions (instructions) of the Committee and provides information on the status of their implementation to the Committee Chairperson.

Article 7. The Committee's rights and responsibility

1. In exercising the functions specified in Article 3 of these Regulations, the Committee has the right to:
 - 1) preliminarily study and consider any issues within its competence as per these Regulations, as well as on its own initiative and/or at request of the Exchange's Management Board;
 - 2) request from the Exchange's structural units the necessary information for development of recommended decisions on issues of expanding and improving the list of current exchange products and financial instruments;
 - 3) involve employees of the Exchange's structural units and/or external experts to participate in the Committee's meetings;
 - 4) make appropriate recommendations to the Management Board;
 - 5) make relevant mandatory decisions, subject to implementation by the structural units.
2. The Committee members and persons authorized (entitled) to replace the Committee members are obliged to:
 - 1) be independent and objective;
 - 2) ensure confidentiality of information received by them in connection with exercising of their powers as the Committee members, including information constituting commercial, official or other secrets protected by law, and shall be liable in accordance with the Republic of Kazakhstan's legislation for violation of such obligations.
3. The Chairperson, members of the Committee and persons authorized (entitled) to replace the Committee members are responsible for fulfillment of the set objectives and functions in accordance with the Republic of Kazakhstan's legislation and the Exchange's internal documents.
4. A Committee member has the right to:
 - 1) initiate consideration by the Committee of the issues that correspond to its main objectives;
 - 2) receive information with the scope necessary and sufficient to form a complete, informed opinion on the issue considered by the Committee;
 - 3) abstain from participation in voting;
 - 4) involve employees of the Exchange's structural units and/or external experts to participate in the Committee's meetings;
 - 5) take other measures necessary to fulfill the tasks and functions assigned to them as a member of the Committee.
5. The Committee Secretary is responsible for timely provision to the Committee members of the materials on issues included in the agenda of a Committee meeting.

The Committee Secretary is also responsible for disclosure of confidential information received in the course of work of the Committee.

Article 8. Final provisions

1. Responsibility for timely amendment (update) of these Regulations is assigned to the information security unit.
2. These Regulations are subject to updating as necessary, but not less than once every five years.

Chairperson of Management Board

A. Aldambergen

Appendix

to the Regulations on
Information Security
Committee

EXPLANATORY NOTE

to the issue "[name of the issue submitted for consideration to the information security committee]"

The main text of the explanatory note.

* * *

Draft resolution of the Information Security Committee

A draft resolution consisting of one paragraph.

or

A draft resolution consisting of one paragraph with several subparagraphs:

- 1) the first subparagraph of a draft resolution consisting of one paragraph with several subparagraphs;
- 2) the second subparagraph of a draft resolution consisting of one paragraph with several subparagraphs;
- 3) ...

or

1. The first item of a draft resolution consisting of several items.
2. The second item of a draft resolution consisting of several items.
3. ...

Position

(head of unit)

(signature)

Surname and initials