

KAZAKHSTAN STOCK EXCHANGE JSC

Approved

by decision of annual
general meeting of shareholders
of Kazakhstan Stock Exchange JSC
(minutes No. 42 dated May 29, 2025)

CODE **of corporate governance** **of Kazakhstan Stock Exchange JSC**

Almaty
2025

INTRODUCTION

Dear colleagues and partners,

The corporate governance principles have been successfully applied in KASE's operations for over 17 years and are designed to ensure transparency in KASE's management with an appropriate level of responsibility, accountability and efficiency in order to maximize the KASE's value and other benefits for all groups of shareholders.

KASE is improving its operating standards to increase the attractiveness of the Kazakhstan's stock exchange market and is trying to be an example for its other participants in matters of corporate governance and information transparency.

KASE recognizes that adherence to the principles and best practices of corporate governance is the most important conditions for its successful development.

KASE is a member of the International Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and domestic professional associations, as well as a participant in the UN's Stock Exchanges for Sustainable Development initiative.

KASE consistently promotes the ESG agenda on the Kazakhstan's stock exchange market, being one of several dozen exchanges around the world that have joined the UN's Sustainable Exchanges initiative. The Exchange participates in formation of a green and cyclical economy, actively developing the ESG financing - the issue and placement of securities to finance projects aimed, among other things, at reducing the impact on the environment and implementation of the best available technologies.

On behalf of the KASE's Board of Directors, I would like to express my sincere gratitude to all those who made a significant contribution to the process of revising the corporate governance principles. Special thanks go to the members of the Board of Directors and the Management Board of KASE for their high professionalism, active position and invaluable support in promoting the financial market of the Republic of Kazakhstan and the ideas of sustainable development.

Chairperson of the Board of Directors

Alia Moldabekova

About KASE

Kazakhstan Stock Exchange Joint Stock Company (hereinafter, the Exchange/KASE) is the only multifunctional exchange platform in the Republic of Kazakhstan for trading of securities, derivative financial instruments, foreign currency and other money market instruments. KASE is the parent company of the KASE Group that includes the KASE Clearing Center Joint-Stock Company, which is controlled by the Exchange and provides on the organized market the clearing, settlement and central counterparty services on the KASE markets.

The main mission of the Exchange is to promote the economic growth of the Republic of Kazakhstan by providing a broad range of tools for fund raising by domestic issuers, providing a platform for redistribution of liquidity in the financial system and providing a transparent investment environment for local and foreign investors.

The historically established partnership of KASE with professional participants – members of the Exchange, which are mostly its shareholders, allows finding a mutually acceptable balance between the Exchange's interests as a commercial company and the consumers of its services.

The KASE's uniqueness is that, on the one hand, it is a public company which shares are in free circulation and can be traded on the organized market, and on the other hand, it is the main element of the stock market and securities market infrastructure, plays a key role in improving the corporate governance through creation and application of listing requirements and criteria to the issuers, and ensures quality of rules in the sphere of the Republic of Kazakhstan's stock market.

The first version of the KASE Corporate Governance Code was adopted in 2008 by the general meeting of KASE shareholders. Its provisions still remain a fundamental tool for development of corporate governance and a necessary condition for successful functioning of KASE and call on each participant in the Exchange's corporate relations to build their behavior on the foundations of professionalism, honesty, fairness, transparency, integrity, competence and responsibility.

Chapter 1 GENERAL PROVISIONS

1. This Code defines basic standards and principles, applied in the KASE management process, including corporate relations between the shareholders, the Board of Directors, the Management Board and the Exchange stakeholders, the procedure for functioning and decision-making of the Exchange bodies and within the KASE Group.
2. This Code is a public document, complies with the Republic of Kazakhstan's legislation, was developed in accordance with recommendations of the authorized body, the Model Code, taking into account the principles of corporate governance of G20/OECD (2015), Kazakhstan's and international practices of corporate governance and supplements the Exchange's corporate governance system with procedures that meet high standards in the field of corporate governance.
3. The main goals of application of the corporate governance standards are protecting the interests of KASE shareholders, long-term sustainable development and growth of KASE's value while maintaining a reasonable balance of interests of key stakeholders, creation of an effective system for ensuring safety of funds provided by shareholders and their use based on effective risk management.
4. The main objectives of the Exchange's corporate governance are:
 - 1) ensuring successful operation and increasing of the market value of the Exchange, sustaining its financial stability and profitability;
 - 2) ensuring investment attractiveness of the Exchange's shares in the eyes of existing and prospective shareholders of the Exchange;
 - 3) ensuring the high reputation of the Exchange in the public considering the uniqueness and importance of the Exchange in the economy of the Republic of Kazakhstan.
5. At the same time, deviation from provisions of this Code may be justified under certain circumstances, taking into account the status, development stage and the nature of risks facing KASE. Deviations from provisions of this Code may be allowed only after careful analysis of the relevant circumstances and consideration of such permitted deviation by the Board of Directors. In the event of a forced deviation, the Exchange reflects the information in the KASE's annual report and includes an explanation of the reasons for non-compliance with each of the provisions.
6. The KASE-controlled KASE Clearing Center Joint-Stock Company carries out its activities in accordance with the principles of corporate governance established by this Code, while being guided by its own Corporate Governance Code developed taking into account the specifics of its activities.
7. The Exchange confirms that corporate governance practices are subject to continuous development and improvement. The Board of Directors will regularly review this Code taking into account the Republic of Kazakhstan's legislation, Kazakhstan's and international corporate governance practices.
8. Control over implementation of this Code by KASE is assigned to the Board of Directors of KASE. The Corporate Secretary of KASE shall monitor the implementation of this Code and advise the Board of Directors and the Management Board on issues of proper compliance with this Code, and also prepare an annual report on compliance/non-compliance with its principles and provisions and submit this report for consideration by the Board of Directors.
9. The following definitions and abbreviations are used in this Code; other terms are used with the meaning with which they are used in the Republic of Kazakhstan's legislation, the Exchange's Charter and internal documents:
 - 1) **corporate governance** – a set of processes that ensure strategic management, administration and control over the Exchange's activities and include a system of relations between the shareholders, the Board of Directors, the Management Board, other bodies of the Exchange and stakeholders in the interests of the Exchange shareholders. The corporate governance system allows to arrange distribution of powers and responsibilities, build corporate decision-making process, and control the activities of the Exchange's management;
 - 2) **corporate events** – events that have significant impact on activities of an issuer, affecting the interests of the holders of securities and investors of an issuer, as defined by the Republic of Kazakhstan's Law On Securities Market;
 - 3) **corporate conflict** – disagreements or disputes between shareholders and the Exchange bodies; members of the Board of Directors and the executive body, between structural units;

- 4) **stakeholders** – individuals and legal entities interacting with the Exchange, including shareholders, investors, employees, clients, service providers, authorized bodies and other government agencies;
- 5) **disclosure rules** – Environmental, Social and Governance (ESG) Disclosure Guidelines for the Exchange as a financial organization;
- 6) **model code** – the Corporate Governance Code of the Republic of Kazakhstan approved by decision of the Presidium of the National Entrepreneurs' Chamber of the Republic of Kazakhstan Atameken dated April 27, 2021, No. 4;
- 7) **ESG** (Environmental, Social, Governance) – accounting of environmental, social and governance factors along with financial factors in the process of making the investment decisions;
- 8) **IFRS** – International financial reporting standards;
- 9) **OECD** – Organization for Economic Cooperation and Development;
- 10) **key employees** – KASE employees holding positions involving significant influence on strategic decisions, operational activities and risk management including but not limited to members of the executive body, heads of key structural units, as well as other employees with unique competencies.

Chapter 2. PRINCIPLES OF CORPORATE GOVERNANCE

Article 1. Principles of the Exchange's corporate governance

1. The corporate governance principles are the basic norms and approaches aimed at effective and responsible management of the KASE Group, which the Exchange follows in the process of the corporate governance system functioning and improving in the interests of all stakeholders.
2. Corporate governance of the KASE Group is based on the principles of fairness, honesty, responsibility, openness, transparency, professionalism and competence and is aimed at achieving growth of the Exchange's efficiency, including growth of its assets, maintaining the financial stability and profitability of the Exchange.
3. The fundamental principles of KASE's corporate governance are:
 - 1) providing the basis for an effective corporate governance structure;
 - 2) ensuring protection of shareholders' rights, equal treatment of all shareholders, key functions of ownership;
 - 3) disclosure and transparency;
 - 4) efficient management of the Exchange by the general meeting of its shareholders, Board of Directors and Management Board; duties of the Board of Directors;
 - 5) sustainability and viability;
 - 6) ensuring interaction of professional participants of the Republic of Kazakhstan's financial market in the corporate governance system.

Article 2. Providing the basis for an effective corporate governance structure

1. The principle of providing the basis for an effective corporate governance structure is that the Exchange, as the main element of the stock market and securities market infrastructure:
 - 1) plays a significant role in improving the corporate governance of listed companies by establishing listing requirements and criteria for the issuers, and by disclosing the information, including the corporate governance code and annual reports;
 - 2) promotes sustainable development of companies and forms transparent capital markets by introducing ESG (ecology, social responsibility, governance) standards – disclosure of non-financial reports, ESG ratings and indexes, support for long-term investments;

- 3) interacts with regulatory authorities to establish standards, implement supervision and law enforcement in the field of securities market and corporate governance rules;
 - 4) participates in development of international cooperation with other stock exchanges for exchange of information, including the best practices of corporate governance;
 - 5) establishes additional requirements for disclosure and monitors compliance with listing requirements and criteria;
 - 6) ensures continuity of its activities by applying relevant international standards.
2. Guided by this fundamental principle, KASE takes measures to establish a clear, transparent and sustainable management system that will ensure a balance of interests of all stakeholders: the general meeting of shareholders, the Board of Directors, the Management Board of the Exchange and other participants in corporate relations by implementing the following tasks:
- 1) establishing a clear delineation of powers between the Exchange bodies: the general meeting of shareholders, the Board of Directors and the Management Board in order to reduce the risk of conflicts and promote effective management;
 - 2) inclusion in the Board of Directors of a sufficient number of independent directors with experience and qualifications for strategic control, assessment of management's activities, and competencies in matters of IT products and cybersecurity;
 - 3) implementation of effective mechanisms of internal audit, internal control and risk management to ensure transparency and protection of rights and interests of all categories of shareholders;
 - 4) formation of a clear structure that complies with the Republic of Kazakhstan's legislation and supports reliable management of assets, subsidiaries and relations with investors;
 - 5) providing mechanisms for feedback with the shareholders, opportunities for participation in the management and ensuring protection of their rights.

Article 3. Ensuring protection of shareholders' rights, equal treatment of all shareholders, key functions of ownership

1. The principle of ensuring protection of shareholders' rights, equal treatment of all shareholders and key functions of ownership is that the Exchange:
 - 1) does not hinder its shareholders from exercising their proprietary rights with regard to shares of the Exchange, unless those rights are restricted in accordance with the applicable legislation, contractual relations or unilateral obligations of the Exchange shareholders;
 - 2) observes the procedure for convening and holding the general meetings of shareholders, which enables dissemination of information about holding of a general meeting of shareholders to the Exchange shareholders, proper preparation for participation in a general meeting of shareholders, familiarization with the list of persons entitled to participate in the general meeting of shareholders with the scope and in the manner determined by the Republic of Kazakhstan's legislation;
 - 3) in accordance with the Republic of Kazakhstan's legislation, the Exchange's Charter, this Code, decisions of the general meeting of shareholders and the Board of Directors, ensures comprehensive participation of its shareholders in decision-making on issues related to the competence of respective bodies of the Exchange, as well as provides its shareholders with the opportunity to express their opinions on those issues before taking relevant decisions;

- 4) provides shareholders with a real opportunity to participate in distribution of the Exchange's net income (dividend distribution) through the following measures provided in the Dividend Policy:
 - establishment of a mechanism for determining the amount of dividends and a procedure for their payment, which are transparent and understandable for the shareholders;
 - providing information on the Exchange's financial results to form an accurate understanding among shareholders of the existence of conditions for payment of dividends;
 - providing the shareholders with access to the financial statements of the Exchange and the annual reports of the KASE Group;
 - timely and full payment of dividends to the Exchange shareholders, taking into account the decision taken by the general meeting of its shareholders;
- 5) in a manner established by the Republic of Kazakhstan's legislation and the Exchange's Charter, the Exchange communicates to its shareholders the information about its activities affecting the interests of the Exchange shareholders, concerning the Exchange's financial position, economic indicators, performance, the Exchange management structure, for adoption of informed decisions by the Exchange shareholders by the following means:
 - providing the shareholders with detailed information on each agenda item in preparation for general meetings of shareholders so that the shareholders could develop a correct understanding of the agenda items;
 - inclusion in the annual report submitted to the shareholders of the necessary information enabling assessment of the Exchange's performance for the year;
 - compliance with requirements of the Republic of Kazakhstan's legislation concerning disclosure of information subject to mandatory communication to shareholders;
 - establishing a single, clear and accessible procedure for the Exchange shareholders to obtain the information of interest to them;
 - monitoring the compliance with requirements of the Republic of Kazakhstan's legislation and internal documents of the Exchange in terms of use and presentation of confidential information, information that constitutes a commercial, banking or other secret protected by law;
- 6) ensures fair and equal treatment of all its shareholders by the following means:
 - creation of the necessary conditions for participation of all shareholders in management of the Exchange by making decisions at general meetings of shareholders in the manner established by the Republic of Kazakhstan's legislation, the Exchange's Charter and this Code;
 - providing the shareholders participating in general meetings of shareholders with an equal opportunity to express their opinions and ask questions of interest to them;
 - ensuring equal access to information for all the Exchange shareholders and ensuring a uniform procedure for providing information to all shareholders;
 - establishing a transparent procedure for electing the members of the Exchange's Board of Directors, which provides for communication to all shareholders of the necessary information on such persons;
 - taking all possible measures to resolve conflicts between the Exchange bodies and its shareholders, as well as between the shareholders if such a conflict affects interests of the Exchange;
- 7) complies with conditions established by the Republic of Kazakhstan's legislation and the Exchange's Charter for nominating the candidates for election to the Exchange's Board of Directors, strictly observing the procedure for cumulative voting when

electing members of the Exchange's Board of Directors, which is a guarantee for ensuring protection of the rights to participate in management of the Exchange, primarily of minority shareholders.

2. The procedure and mechanisms of ensuring the principle of protection of rights and interests of the Exchange shareholders are specified in the Republic of Kazakhstan's legislation and the Exchange's Charter.

Article 4. Disclosure and transparency

1. The principle of disclosure and transparency consists of ensuring the openness and accessibility of information about the Exchange's activities by posting it on the Exchange's website. The main aspects of this principle include:
 - 1) timely disclosure of financial and non-financial information, including annual financial statements, taking into account the international standards (IFRS), results of the activities and management structures of the Exchange;
 - 2) disclosure of information on the ownership structure and risk management system;
 - 3) strict compliance with the requirements of the Republic of Kazakhstan's legislation and the rules for disclosure of information subject to mandatory communication to shareholders;
 - 4) openness in the decision-making process and publication of decisions of the general meeting of shareholders, the Board of Directors on key resolutions, such as changes in the management, strategy and dividend policy;
 - 5) disclosure of information about members of the Exchange's Board of Directors, including independent directors of the Exchange, including information about their qualifications, work experience, membership in the boards of directors of other companies;
 - 6) ensuring access to information for the shareholders.
2. The principle of transparency, timeliness and objectivity of disclosure of information about the Exchange and its activities means that in accordance with the Republic of Kazakhstan's legislation, the Exchange's Charter and internal documents, the Exchange discloses information about itself and its activities for purposes of:
 - 1) strengthening the confidence of shareholders and other subjects of the financial markets in the Exchange;
 - 2) assistance in taking the investment decisions on purchase and retaining of shares of the Exchange;
 - 3) ensuring the maximum reasonability during decision-making by the general meeting of the Exchange shareholders and the Exchange's Board of Directors;
 - 4) ensuring the transparency of management of the Exchange.
3. The Exchange discloses information on main results, plans and prospects of its activities, as well as timely and in full replies to requests of its shareholders according to the procedure specified in the Exchange's Charter.
4. The Exchange discloses information on significant corporate events in its operation and at the same time uses strict and reliable mechanisms of ensuring the confidentiality of information that is a commercial, banking or other secret protected by the law.
5. Maintaining and auditing of financial statements of the Exchange are aimed at ensuring the trust in the Exchange on the part of its shareholders and built on the following principles:
 - 1) completeness and reliability;
 - 2) impartiality and independence;
 - 3) professionalism and competence;
 - 4) regularity and efficiency.

6. The Exchange's Management Board is responsible for completeness and reliability of financial information provided by the Exchange.
7. Additional data on disclosure of information about the Exchange and its activities is given in article 22 of this Code.

Article 5. Efficient management of the Exchange by the general meeting of its shareholders, Board of Directors and Management Board of the Exchange

1. The principle of effective management of the Exchange by the general meeting of shareholders, the Board of Directors and the Management Board is based on recognized international standards of corporate governance and includes the following key provisions:
 - 1) defining the duties and powers of each participant of the management process, including the Management Board and the Board of Directors, in order to avoid duplication of functions and ensure accountability of each body within its competence;
 - 2) ensuring effective interaction between the general meeting of shareholders, the Board of Directors and the Management Board based on mechanisms that promote strategic alignment and operational efficiency;
 - 3) ensuring transparency in the decision-making processes;
 - 4) accountability of the Board of Directors to the general meeting of shareholders, including the obligation to regularly report on results of its activities, decisions taken and goals achieved;
 - 5) maintaining reports on key performance indicators of the Exchange with the possibility of their comparison and analysis by the interested parties;
 - 6) ensuring existence of risk management and internal control systems;
 - 7) creation of conditions for active participation of shareholders in discussions and voting at general meetings of shareholders;
 - 8) simplification of voting procedures and ensuring equal access of corporate governance participants to the necessary and reliable information;
 - 9) regular review and improvement of corporate governance practices, including monitoring of compliance with current international recommendations and standards;
 - 10) adaptation and improvement of management processes based on the obtained results;
 - 11) assessment of effectiveness of the Board of Directors and the Management Board by taking measures to establish effective control over activities of the Board of Directors and the Management Board and establishing the procedure for the Management Board reporting to the Board of Directors and the Board of Directors reporting to the general meeting of shareholders;
 - 12) establishing a procedure that ensures active participation of members of the Board of Directors and the Management Board in meetings of their bodies with clear regulation of procedural issues;
 - 13) adoption by the Exchange bodies, within the limits of their competence, of decisions aimed at creating the long-term value for the shareholders and taking into account their interests in the management process;
 - 14) creation of committees of the Board of Directors, which functions include consideration of issues of budgetary and strategic planning, risk management, personnel and remuneration, internal audit, social and other issues, and which provide recommendations to the Board of Directors in accordance with the regulations on committees approved by the Board of Directors;
 - 15) compliance with the Republic of Kazakhstan's legislation in decision-making.

2. The principle of efficient management of the Exchange by the general meeting of shareholders means that the Exchange:
 - 1) annually convenes and conducts annual general meetings of the Exchange shareholders for the purposes of approval of its audited annual financial statements and the procedure of distribution of its net income (profit) for the expired financial year, taking decisions on payout of dividends on the Exchange's common shares, approval of the dividend amount per one common share of the Exchange;
 - 2) regularly convenes and conducts general meetings of the Exchange shareholders for the purposes of defining the composition and term of office of the Exchange's Board of Directors, election of its members;
 - 3) when necessary, based on ideas of rationality, promptness and efficiency, convenes and conducts extraordinary meetings of the Exchange shareholders.
 - 4) ensures timely and complete informing of shareholders about significant decisions, financial results and strategic directions of development of the Exchange, ensuring implementation of their rights to participate in management.
3. The principle of efficient management of the Exchange by the Exchange's Board of Directors means that:
 - 1) activities of the Exchange's Board of Directors are based on maximum observance of interests of the Exchange shareholders and aimed at increasing the efficiency of the Exchange's operations and its market value;
 - 2) the Exchange's Board of Directors carries out a balanced and precise assessment of results achieved by the Exchange and prospects of its further development by way of objective monitoring of its current operations and ensures maintenance and functioning of a reliable system of internal control over the Exchange's operations for the purposes of retaining investments of its shareholders in shares of the Exchange and assets of the Exchange;
 - 3) The Board of Directors ensures compliance of the risk management and internal control system with requirements of the Republic of Kazakhstan's legislation, participates in resolution of conflicts of interest in corporate relations;
 - 4) the Exchange's Board of Directors ensures transparency of its activities for the Exchange shareholders.
 - 5) The Board of Directors regularly and as necessary requests reports on financial condition of the Exchange from the Management Board and makes the necessary decisions within the scope of its powers;
 - 6) The Board of Directors ensures functioning of the system of control over activities of the Management Board in order to most effectively implement the functions assigned to it, including over implementation by the Exchange's Management Board of its development strategy provisions;
 - 7) The Board of Directors monitors the effectiveness of the corporate governance practices, within which the Board of Directors operates, and updates them as necessary.
4. The Exchange's Board of Directors must include independent directors considering the requirements of the Republic of Kazakhstan's legislation on joint-stock companies.
5. The Exchange defines its own criteria of independence of the independent directors based on basic norms of the Republic of Kazakhstan's Law On Joint-Stock Companies, assuming that the main feature of an independent director of the Exchange is their independence from major shareholders of the Exchange, its Management Board and the government.
6. The system of assessment of activities of the Exchange's Board of Directors and its individual members and remuneration of members of the Exchange's Board of Directors must encourage their work in the interests of the Exchange and all its shareholders.
7. The Exchange's Board of Directors develops a mechanism for assessment of its activities and continuously improves methods and criteria for assessment of activities of the

Exchange's Management Board, and carries out control over activities of the Exchange's Management Board and services reporting to the Board of Directors.

8. Upon taking office, a member of the Exchange's Board of Directors assumes obligations to perform their duties fairly and properly.
9. Certain data on management of the Exchange by the Exchange's Board of Directors and its control over the Exchange's activities is given in chapter 3 of this Code.
10. The principle of efficient management of the Exchange by its Management Board means that the Management Board:
 - 1) carries out current management of the Exchange and control over the Exchange's daily activities in accordance with its strategic objectives;
 - 2) carries out its activities based on maximum observance of the rights and legitimate interests of the Exchange shareholders;
 - 3) ensures integrity of the accounting and financial reporting systems of the Exchange, including conducting an independent audit, and also ensures organization of risk management and internal control systems and compliance of the Exchange's activities with the Republic of Kazakhstan's legislation;
 - 4) implements the decisions of the general meeting of shareholders and the Board of Directors within the established timeframes;
 - 5) monitors and prevents the potential conflicts of interest of members of the Management Board and other employees, as well as structural units of the Exchange;
 - 6) selects key employees, monitors their activities, rotates them if necessary, monitors the planning of personnel renewal, reviews the remuneration of the Exchange employees taking into account their qualifications and real contribution to the Exchange's performance, ensures compliance with established rules and transparency in the process of promoting the key Exchange employees to management positions;
 - 7) monitors the effectiveness of the corporate governance practices, within which the Exchange's Management Board operates, and revises them as necessary;
 - 8) controls the process of disclosure and dissemination of insider information, official, commercial, banking or other secrets protected by law.

Article 6. The principle of sustainability and viability

1. Corporate governance for achieving the sustainable development of the Exchange should be focused on the following:
 - 1) long-term financial stability expressed in generation of profit while adhering to the principles of responsibility;
 - 2) social responsibility aimed at taking into account the interests of others;
 - 3) environmental sustainability associated with rational use of resources and adoption of measures to minimize the impact on the environment;
 - 4) introduction of sustainable development principles into business strategy and operational processes.
2. The Exchange bodies, in the course of their activities, are obliged to ensure a balance between the economic, social and environmental interests of the Exchange.
3. Sustainable development, as an integral part of the Exchange's strategy, should include:
 - 1) introduction of environmental, social and governance (ESG) factors into the long-term strategic goals of the Exchange;
 - 2) assessment of environmental risks, social impact and governance as the key elements for making the strategic decisions;

- 3) making the decisions in line with the long-term interests of not only the shareholders, but also all stakeholders, including employees and customers.
4. The Exchange adheres to the principles and international standards of business continuity management. Given the importance of having a business continuity management system, the Exchange manages its activities by defining the necessary conditions and providing the necessary resources for effective development of the business continuity management system.
5. The Board of Directors approves the business continuity management policy.
6. The Management Board ensures implementation of the business continuity management policy and organizes the business continuity management system by developing and implementing the plans for recovery of key activities.
7. To effectively manage the business continuity and define the list of critical activities, the Exchange conducts an analysis of impact on the activities and an analysis and assessment of the risks of interruption of business processes.
8. The corporate governance of the Exchange promotes strict compliance with the labor legislation of the Republic of Kazakhstan.
9. One of the priorities of the Exchange's personnel policy is organization of training and advanced training for the Exchange's employees.
10. The Exchange follows the principle of preserving the jobs and improving the working conditions and maximally stimulates the process of creating a favorable and creative atmosphere in the Exchange's workforce.
11. In the area of human rights and inclusion, the KASE Group consistently respects and protects human rights in its own operations and throughout its supply chain. In its activities, KASE imposes appropriate requirements on counterparties, clients and other business partners, ensuring responsible business conduct at all levels.
12. Within the KASE Group, the Exchange actively supports the principles of inclusivity and creates a barrier-free environment, provides equal opportunities for professional growth and self-realization of all employees, supporting the values of cultural diversity and equality.

Article 7. Ensuring interaction of professional participants of the Republic of Kazakhstan's financial market in the corporate governance system

1. The Exchange promotes development of effective corporate governance on the securities market by the following means:
 - 1) establishing the listing requirements and criteria for issuers of securities included in the official list of KASE;
 - 2) disclosure of information on corporate and significant events of listed companies;
 - 3) establishing a ban on insider trading and market manipulation and monitoring the compliance with the rules and procedures established by the Exchange.
2. The Exchange provides the professional participants, including institutional investors, with direct access to the Exchange's trading system to acquire and hold securities traded on the KASE's trading platform, both denominated in tenge and denominated in foreign currency. The current DMA system (a set of software and hardware tools of an Exchange member) is aimed at institutional investors and traders implementing algorithmic and high-frequency strategies, including providing access to their clients through their own solutions on all available markets.
3. The Exchange ensures fair and efficient financial instruments' price discovery as part of the free exchange pricing, which contributes to effective corporate governance.

4. The Exchange participates in development of effective corporate governance by the following means:
 - 1) enabling the owners of securities to monitor and evaluate their corporate investments by comparing the market information with the company's information about its prospects and performance;
 - 2) providing high-quality market information and access to it, including fair and efficient financial instruments' price discovery as part of free exchange pricing, as concerns their investments.
5. By participating in the investment chain as a trade organizer, the Exchange promotes development of effective corporate governance within the KASE group by clearly regulating the corporate procedures for disclosure according to Article 4 of this Code.

Chapter 3. GENERAL MEETING OF THE EXCHANGE SHAREHOLDERS

Article 8. General requirements for preparation and conducting of a general meeting of the Exchange shareholders

1. The procedure for convening, preparing and holding a general meeting of the shareholders, applied by the Exchange, ensures equal treatment of all the Exchange shareholders and provides an equal opportunity for each shareholder of the Exchange to exercise their rights to participate in a general meeting of the shareholders.
2. Preparation and conducting of a general meeting of the Exchange shareholders must meet the following requirements:
 - 1) fair and equal treatment of all the Exchange shareholders;
 - 2) accessibility of participation in a general meeting of the Exchange shareholders for all its shareholders (representatives of all the Exchange shareholders);
 - 3) provision to the Exchange shareholders of maximally complete organizational and reporting information regarding the issues on agenda of a general meeting of the Exchange shareholders;
 - 4) simplicity and transparency of conducting a general meeting of the Exchange shareholders.

Article 9. Preparation of a general meeting of the Exchange shareholders

1. The Exchange shareholders must be notified of an upcoming general meeting of its shareholders within a timespan enough for them to study the procedure of conducting that meeting and materials on issues of its agenda, and to prepare their questions and take a stance on issues on the agenda of that meeting.
2. The Exchange notifies its shareholders on conducting a general meeting of the Exchange shareholders in accordance with its Charter, however, since the Exchange must try to timely notify all of its shareholders about conducting a general meeting of the Exchange shareholders, the Exchange may:
 - 1) repeat that notice;
 - 2) use additional methods of bringing that notice to knowledge of the Exchange shareholders.
3. The agenda items of a general meeting of the Exchange shareholders must contain an exhaustive list of specifically formulated issues submitted for discussion.
4. Materials on the agenda items of a general meeting of the Exchange shareholders must be prepared and available at the location of the Exchange's Board of Directors for shareholders to review no later than ten days before the meeting date, and if there is a request from a shareholder, must be sent to him within three working days from the date of receiving the request; the costs of making copies of documents and delivering the

documents are borne by the shareholder, unless otherwise provided by the Exchange's Charter.

5. Among materials on issues of an agenda of a general meeting of the Exchange shareholders, they can be provided with additional data on plans, achievements and problems of the Exchange's operations, analytical studies.
6. If an agenda of a general meeting of the Exchange shareholders includes an issue of electing any persons, e.g., members of the Exchange's Board of Directors, the materials on issues of the agenda of that meeting must contain information on candidates suggested for such appointment, with the scope and volume necessary and sufficient for objective evaluation of those candidates.
7. When drawing up the materials on issues of an agenda of a general meeting of the Exchange shareholders, the Exchange must not incur excessive time or labor costs or unjustified expenses.
8. The Exchange must use the easiest and unburdening procedure of informing the Exchange shareholders about materials on the agenda items of a general meeting of the Exchange shareholders.

Article 10. Conducting a general meeting of the Exchange shareholders

1. The time for registration of participants of a general meeting of the Exchange shareholders must be enough so that all shareholders (representatives of the shareholders) of the Exchange, arriving for participation in the meeting, were able to register.
2. The shareholders (representatives of shareholders) of the Exchange, arriving for participation in a general meeting of the Exchange shareholders after its opening, have the right to participate in that meeting provided they undergo the procedure of registration of participants of that meeting.
3. All the Exchange shareholders have equal rights to participate in a general meeting of the Exchange shareholders.
4. A shareholder of the Exchange may participate in a general meeting of the Exchange shareholders and vote on issues of its agenda in person or without their personal presence (through their representative acting based on a power of attorney that can be issued to any third party or, for example, to a representative of a nominal holder providing services to that shareholder of the Exchange). The Exchange employees do not have the right to act as representatives of shareholders at a general meeting of shareholders, except for cases where such representation is based on a power of attorney containing clear instructions on voting on all issues on an agenda of a general meeting of shareholders.
5. Votes of a shareholder of the Exchange submitted at voting on issues of an agenda of a general meeting of the Exchange shareholders in person or without their personal presence have an equal validity.
6. At a general meeting of the Exchange shareholders, all persons must be present whose clarifications and comments may be needed at consideration of issues of the agenda of that meeting, and in case of their justified absence – proxies of those persons and/or persons competent in issues that are (were) under the supervision of those persons.
7. A general meeting of the Exchange shareholders may set their own regulations defining the time for speeches of executives of the Exchange and its shareholders (representatives of the shareholders) on issues of the agenda of that meeting.
8. The regulations of a general meeting of the Exchange shareholders must be based on the principle of reasonable sufficiency and provide the possibility of comprehensive discussion of issues on the agenda of that meeting and taking justified decisions in their regard.
9. The chairperson of a general meeting of the Exchange shareholders must endeavor that the shareholders (representatives of the shareholders) of the Exchange participating in

that meeting would receive answers to their questions of interest right in the course of that meeting. If the complexity of such questions does not allow replying to them immediately, the persons who were asked must provide written replies to them as soon as possible after closing of the general meeting of the Exchange shareholders.

10. The procedure for collecting and counting the votes at a general meeting of the Exchange shareholders must be as transparent as possible. For these purposes, a general meeting of the Exchange shareholders may elect representatives of the Exchange shareholders for monitoring the correctness of vote counting (only if a general meeting of the Exchange shareholders did not elect the counting commission).
11. The process of voting at a general meeting of the Exchange shareholders must be easy and convenient for the Exchange shareholders.

Chapter 4. BOARD OF DIRECTORS OF THE EXCHANGE

Article 11. Functions and principles of activities of the Exchange's Board of Directors

1. The main functions and powers of the Board of Directors are defined by the Republic of Kazakhstan's Law On Joint-Stock Companies and the Exchange's Charter.
2. The Exchange's Board of Directors must adhere to the following principles:
 - 1) rationality and prudence: make considered and fair decisions based on complete information, acting in the interests of stability and reliability of the Exchange;
 - 2) loyalty and prevention of conflicts of interest: put the Exchange's interests above personal interests and interests of third parties, prevent and disclose possible conflicts of interest, ensuring trust of market participants;
 - 3) engagement and strategic awareness: actively participate in management, monitor market and regulatory changes, timely respond to challenges and contribute to long-term development of the Exchange;
 - 4) engagement in the digital strategy: participate in formation and control of the IT development strategy, be aware of technological trends, cyberthreats and digital capabilities, ensuring stability and competitiveness of the Exchange, contribute to digital transformation of the Exchange and reduce the technological risks.
3. In its activities, the Board of Directors must:
 - 1) ensure protection of the rights and interests of the Exchange shareholders, acting in accordance with the principles of transparency, accountability and fairness, ensuring proper access to information and shareholder participation in key decisions;
 - 2) carry out regular monitoring of the current activities of the Exchange, taking into account the priority areas established by the Board of Directors, and ensure their compliance with the long-term goals and strategic interests of the Exchange;
 - 3) define the principles and approaches to organizing the risk management system, including the identification and assessment of risks faced by the Exchange, including financial, operational and reputational risks, and the adoption of measures to minimize them, taking into account the best international risk management practices;
 - 4) initiate the development and introduction of changes to the existing internal documents of the Exchange, as well as creation of new internal documents that comply with international standards and ensure compliance with the corporate governance principles;
 - 5) assess and, if assessed positively, approve amendments to the internal documents of the Exchange prepared by the Exchange's Management Board, taking into account the requirements of corporate governance, ethical standards and compliance with the legislation;

- 6) assess and, if assessed positively, approve the budgets of income and expenditure, capital expenditures of the Exchange, as well as reports on their implementation, in accordance with the principles of financial transparency, accountability and in accordance with international accounting standards;
 - 7) evaluate the effectiveness of work of the Exchange's Board of Directors, including establishment of transparent and objective evaluation criteria, and determine the conditions and amounts of bonuses for members of the Management Board, corresponding to the principles of fairness, motivation and corporate responsibility.
4. In its activities, the Board of Directors must aim to achieve the following goals, consistent with international principles of corporate governance:
 - 1) creating an atmosphere of stability, predictability and uniformity in activities of the Exchange for the purposes of long-term value and stability of the Exchange;
 - 2) ensuring constructive interaction with the Exchange's Management Board for the purposes of effective management and increasing the transparency of corporate processes;
 - 3) ensuring a reasonable compromise between the interests of the Exchange shareholders, the Exchange's commercial interests and the personal interests of its employees, taking into account compliance with ethical standards and fairness in decision-making in order to comply with the principles of responsibility and consideration of interests of all stakeholders.
 5. The Exchange's Board of Directors must carry out its activities in accordance with high standards of professionalism, ethics and transparency, aiming to form a reputation as a body that brings together the most qualified, honest and conscientious representatives of the financial market of the Republic of Kazakhstan, with an impeccable business reputation in order to increase the trust of shareholders, investors and other stakeholders, as well as comply with the principles of responsibility, transparency and fairness in management decision-making.
 6. In the course of its activities, the Exchange's Board of Directors must act in a spirit of cooperation and interaction with the general meeting of shareholders, the Exchange's Board of Directors and the Chairperson of the Management Board, ensuring compliance with the principles of corporate harmony and transparency. The Board of Directors should not take steps that could be perceived as opposition or conflict with these bodies in order to comply with the principles of respect, responsibility and consistency in management decision-making.
 7. In the course of its activities, the Exchange's Board of Directors must establish and maintain among the Exchange employees its reputation as:
 - 1) the line of defense of the Exchange from unfavorable external factors (taking into account the possible discrepancies between interests of the Exchange shareholders, the Exchange's commercial interest and personal interests of its employees);
 - 2) the body able to effectively settle a conflict between members of the Exchange's Management Board or between all or certain employees of the Exchange and members of its Management Board (if the Exchange's Management Board failed to settle such conflict or refrained from settling it).
 8. Evaluation of activities of the Exchange's Board of Directors is carried out by the general meeting of the Exchange shareholders, which, in accordance with the Republic of Kazakhstan's Law On Joint-Stock Companies and the Exchange's Charter, may use for these purposes such interventions as:
 - 1) the right to elect any person as a member of the Exchange's Board of Directors an unlimited number of times, unless otherwise provided by the Republic of Kazakhstan's legislation and the Exchange's Charter;
 - 2) the right of early termination of powers of all or certain members of the Exchange's Board of Directors;

- 3) defining the amount and conditions of payment of remunerations to members of the Exchange's Board of Directors.
9. In accordance with the Republic of Kazakhstan's Law On Joint-Stock Companies, the information on amount and structure of remuneration to members of the Exchange's Board of Directors is subject to announcement at the general meeting of the Exchange shareholders.

Article 12. Formation of the Exchange's Board of Directors

1. A person proposed for election as member of the Exchange's Board of Directors:
 - 1) must meet the requirements specified in the Republic of Kazakhstan's legislation with regard to executive employees of financial organizations;
 - 2) must meet the requirements specified in the Exchange's Charter.
2. Any shareholder of the Exchange may suggest a candidate for membership in the Exchange's Board of Directors, subject to observing the norms specified in the Republic of Kazakhstan's legislation and the Exchange's Charter.
3. A shareholder of the Exchange may suggest several candidates for membership in the Exchange's Board of Directors, including for election of independent directors of the Exchange.
4. The Exchange shareholders may unite for the purposes of jointly suggesting the candidates for membership in the Exchange's Board of Directors.
5. When suggesting a candidate for membership in the Exchange's Board of Directors, a shareholder of the Exchange must indicate in what role that candidate is suggested – as a representative of the Exchange's shareholder (representative of interests of any shareholder(s) of the Exchange) or as an independent director of the Exchange.
6. The Exchange's Board of Directors in its current composition may recommend to the general meeting of the Exchange shareholders the optimal, in its opinion, new qualitative composition of the Exchange's Board of Directors out of candidates suggested by the Exchange shareholders for membership in the Exchange's Board of Directors.
7. In case of early termination of powers of a member of the Exchange's Board of Directors, the Exchange's Board of Directors may also recommend to the general meeting of the Exchange shareholders the candidate(s) for election of a new member of the Exchange's Board of Directors.
8. When electing the members of the Exchange's Board of Directors, the Exchange shareholders may take into account the recommendations of the Exchange's Board of Directors, deviate from them or reject them.
9. The Republic of Kazakhstan's legislation and the Exchange's Charter may establish necessity of membership in the Exchange's Board of Directors for certain persons. In that case, no voting is held on election of those persons as members of the Exchange's Board of Directors.
10. To ensure presence of independent directors of the Exchange in the Exchange's Board of Directors (for purposes of compliance with requirements of the Republic of Kazakhstan's legislation for presence of independent directors of the Exchange, as well as taking into account the assumption that an independent director of the Exchange must ensure in the Exchange's Board of Directors the protection of rights and interests of all the Exchange shareholders, especially those shareholders, representatives of whose interests were not elected to the Exchange's Board of Directors), voting on the general meeting of the Exchange shareholders on election of independent directors of the Exchange is conducted separately from voting on election of other members of the Exchange's Board of Directors.
11. When electing members of the Exchange's Board of Directors, the general meeting of the Exchange shareholders must aim to ensure in the Exchange's Board of Directors the representation of interests of the maximum number of various groups of the Exchange shareholders, and in case of equality of arguments in favor of representation in the

Exchange's Board of Directors of several groups of shareholders, give preference to election of independent directors of the Exchange.

12. For the purposes of ensuring the transparency and clarity of the procedure for election of members of the Exchange's Board of Directors, the secretary of the general meeting of the Exchange shareholders (only if the general meeting of the Exchange shareholders did not elect the counting commission) shall speak before such election with clarifications on that procedure.
13. The issues of forming the Exchange's Board of Directors not regulated by the Republic of Kazakhstan's legislation, the Exchange's Charter and this Code are subject to resolving in accordance with decisions of the general meeting of the Exchange shareholders.

Article 13. Independent directors

1. Independence of the Board of Directors is one of the fundamental principles of corporate governance. The Exchange must endeavor to ensure that there is a sufficient number of independent directors to enable making of decisions free from influence of interested parties and to act in the interests of the Exchange and all participants in its activities.
2. An independent director of the Exchange must be a person who meets the requirements of the Republic of Kazakhstan's legislation as well as the following criteria:
 - 1) **absence of personal or property interest** – an independent director must not have significant personal, property or family ties with:
 - shareholders owning a significant block of shares (more than 5%);
 - members of the Exchange's Management Board or the Exchange's Board of Directors;
 - persons directly or indirectly capable to influence the taken decisions;
 - 2) **financial independence** – an independent director receives from the Exchange only the remuneration related to performance of duties as a member of the Board of Directors and its committees, without additional compensation that could influence their independent judgment;
 - 3) **no representation of the shareholders' interests** – an independent director is not a representative of any specific shareholder or group of shareholders and acts solely in the interests of all shareholders and other stakeholders;
 - 4) **tenure limitation** – the continuous term of office of an independent director of the Exchange generally should not exceed nine years. When electing for a term exceeding the specified period, a reasoned explanation of the need for such a decision must be provided, taking into account the paragraph 3 of Article 16 of this Code;
 - 5) **independence of judgment and action** – an independent director of the Exchange must have the ability to formulate and defend an independent point of view free from the influence of internal and external interests, and ensure the objectivity of decisions taken by the Board of Directors;
 - 6) **independence from the major shareholder** – an independent director of the Exchange is not a representative delegated or proposed by a controlling shareholder (or group), unless it is proven that they are capable of exercising independent and objective judgment.
3. An independent director must maintain their independence status in good faith and not take any action that could cause them to lose it. In the event of circumstances that may cast doubt on their independence, the director is obliged to immediately notify the Board of Directors of this, submitting a corresponding statement describing the reasons. The Board of Directors, guided by the principles of transparency and accountability, shall inform the shareholders about the loss of independence status and, if necessary, initiate convening of an extraordinary general meeting of shareholders to elect a new independent director.

4. The term of office of an independent director on the Board of Directors should not exceed nine consecutive years (e.g., three consecutive three-year terms) in order to comply with international practice of limiting the terms to maintain independence and objectivity. Re-election for a term exceeding nine years is possible only if there are compelling grounds, and the Board of Directors is obliged to provide the general meeting of shareholders with a reasoned explanation of advisability of such a decision, taking into account the assessment of contribution of this independent director and their compliance with the independence criteria.

Article 14. Organization of activities of the Exchange's Board of Directors

1. The procedure of activities of the Board of Directors is specified by the Republic of Kazakhstan's legislation, the Exchange's Charter, its internal documents and decisions of the general meeting of the Exchange shareholders and the Board of Directors.
2. The Chairperson of the Board of Directors is responsible for general management of the Board of Directors, ensures the full and effective implementation by the Board of Directors of its main functions and the building of a constructive dialogue between the members of the Board of Directors, shareholders and the Management Board.
3. The Board of Directors must be timely provided with the information sufficient to enable it to carry out its duties.
4. The Chairperson and members of the Management Board, heads of structural units of the Exchange, shall promptly provide, including through the corporate secretary, the necessary and reliable information on issues on an agenda of meetings of the Board of Directors as well as at request of any member of the Board of Directors.
5. Committees of the Board of Directors are created for consideration of the most important issues and preparation of recommendations to the Board of Directors.
6. Committees of the Board of Directors consider the following issues:
 - 1) strategic planning;
 - 2) personnel and remuneration;
 - 3) internal audit, risk management and internal control;
 - 4) social issues;
 - 5) other issues according to the Republic of Kazakhstan's legislation, the Regulations on committees of the Board of Directors and other internal documents of the Exchange.
7. The Exchange's Board of Directors may set a limitation period with regard to non-disclosure by the members of the Exchange's Board of Directors of the information about the Exchange and its activities, constituting an official, commercial or other secret protected by the law, taking into account the reasonable timeframes that comply with requirements of the Republic of Kazakhstan's legislation.

Article 15. Responsibility of the Board of Directors

1. The Chairperson of the Board of Directors is responsible for organization and effective management of the Board's activities, ensuring performance of all functions assigned to it.
2. The duties of the Chairperson of the Board of Directors include maintaining the effective interaction with shareholders, promoting active participation of independent directors, and ensuring constructive relations between independent directors, members of the Board of Directors and the Management Board of the Exchange.
3. The Chairperson of the Board of Directors and members of the Board of Directors are liable for failure to perform or improper performance of their duties.

4. The Chairperson of the Board of Directors and members of the Board of Directors are liable to the Exchange as provided by the law for the damages caused to the Exchange by their culpable actions.
5. Newly elected members of the Board of Directors are provided with comprehensive support from the Chairperson of the Board of Directors, members of the Board of Directors, the Exchange's Management Board and the corporate secretary on issues within their area of competence, aimed at successful integration into the process of the Board of Directors' work and strategic decision-making. This includes arranging the introductory meetings, training in corporate procedures and strategies, and providing the necessary information for efficient performance of their duties.
6. The Exchange strives to ensure continuous professional development of members of the Board of Directors, aiding the improvement of their qualifications and competencies, and also organizes access to the necessary educational resources and trainings, taking into account the changes in the external environment and corporate needs. The Exchange pays special attention to ensuring that members of the Board of Directors timely receive complete and reliable information on activities and results of the Exchange, including data on strategic, financial and risk aspects that is necessary for making the informed decisions within the Board of Directors and its committees.

Article 16. Evaluation of activities of the Exchange's Board of Directors

1. The Board of Directors annually evaluates its activities as well as the activities of its committees in the manner and in accordance with the Exchange's internal document approved by the Board of Directors.
2. The evaluation is aimed at determining the efficiency of participation of each member of the Board of Directors in the Board's activities, as well as performance of their duties with an appropriate degree of integrity, competence and independence.
3. The Chairperson of the Board of Directors analyses the obtained results, identifies both strengths and areas for improvement in the Board's work and, if necessary, puts forward the reasoned proposals for renovating the composition of the Board by appointing new members or terminating the powers of current ones in order to ensure the effectiveness, diversity and independence of the management body.
4. By decision of the Board of Directors, an external evaluation of the Board of Directors' efficiency may be organized with involvement of an independent professional organization.

Article 17. Remuneration of members of the Exchange's Board of Directors

1. The system of remuneration for members of the Board of Directors is aimed at:
 - 1) attracting and retaining the competent and independent professionals;
 - 2) ensuring motivation of members of the Board of Directors to effectively perform their duties;
 - 3) maintaining a balance between the fixed and variable parts of remuneration;
 - 4) preventing the conflicts of interest and encouraging the long-term stability of the Exchange.
2. The procedure and conditions for payment of remuneration to members of the Board of Directors are determined by the general meeting of the Exchange shareholders in accordance with the Republic of Kazakhstan's legislation, the Regulations on the Board of Directors and other internal documents of the Exchange.
3. Information on the amount and structure of remuneration is disclosed in the annual report in accordance with disclosure requirements and transparency principles.
4. In order to maintain the objectivity of members of the Board of Directors, particularly the independent directors, the amount of remuneration established by the general meeting of shareholders is not linked to the financial results of the Exchange.

5. At the same time, subject to compliance with the principles of independence, by decision of the general meeting of the Exchange shareholders, it is possible to establish optional remuneration (in the form of shares) by providing a share in the capital of the Exchange to strengthen the interest in the long-term success of the Exchange.

Chapter 5. MANAGEMENT BOARD OF THE EXCHANGE

Article 18. Functions and principles of activities of the Exchange's Management Board

1. In accordance with the Republic of Kazakhstan's Law On Joint-Stock Companies and the Exchange's Charter, its Management Board:
 - 1) may take decision on any issues of the Exchange's activities not put by the Republic of Kazakhstan's legislation and the Exchange's Charter under the exclusive competence of the general meeting of the Exchange shareholders, the Exchange's Board of Directors and the Chairperson of the Exchange's Management Board;
 - 2) may take decision on issues put by internal documents of the Exchange under the competence of its Management Board;
 - 3) implements decisions of the general meeting of the Exchange shareholders and the Exchange's Board of Directors.
2. In its activities, the Exchange's Management Board must aim for achieving such goals as:
 - 1) ensuring stability and expansion of the Exchange's operating activities;
 - 2) ensuring stability and improvement of the Exchange's financial position;
 - 3) ensuring implementation of the Exchange's development strategy;
 - 4) ensuring timely and efficient implementation of decisions of the general meeting of the Exchange shareholders and the Board of Directors;
 - 5) ensuring support and improvement of the Exchange's business and public reputation;
 - 6) ensuring compliance with the Republic of Kazakhstan's legislation.
3. The Management Board exercises control over the risks associated with the Exchange's activities and introduces mechanisms for managing of these risks.
4. The Management Board is responsible for introducing and compliance with the principles of corporate governance established by the Exchange's internal documents and international standards, and for managing the Exchange's corporate culture.
5. The Exchange's Management Board must perform its activities so as not to violate the rights of the Exchange shareholders, and, if possible, to the maximum extent combine their interests with commercial interests of the Exchange and interests of its employees.

Article 19. Formation of the Exchange's Management Board

1. A person suggested for election as a members of the Exchange's Management Board:
 - 1) must meet the requirements specified in the Republic of Kazakhstan's legislation with regard to executive employees of financial organizations;
 - 2) must have an impeccable reputation on the financial market of the Republic of Kazakhstan and enjoy the confidence of the shareholders and members of the Exchange's Board of Directors;
 - 3) must as much as possible meet the conditions specified in paragraphs 2 and 3 of this article.
2. Generally, the professionals in the financial market sphere are invited to be elected to the position of a member of the Exchange's Management Board.

3. When electing the members of the Exchange's Management Board, the Board of Directors must take measures to ensure transparency and justification of such election.
4. The issues of forming the personal composition of the Exchange's Management Board, their duties and responsibilities are determined by the Republic of Kazakhstan's legislation, the Exchange's Charter and internal documents.

Chapter 6. CORPORATE SECRETARY

Article 20. Corporate secretary of the Exchange

1. The Exchange's corporate secretary ensures strict compliance by the Exchange's bodies and officials with procedures aimed at ensuring protection of rights and legitimate interests of its shareholders, as well as the Exchange's adherence to the Republic of Kazakhstan's legislation, the Exchange's Charter and its internal documents.
2. The corporate secretary is appointed by the Exchange's Board of Directors and reports to it.
3. The duties and functions of the corporate secretary are defined by the Exchange's Charter and internal regulatory documents in accordance with the best practices of corporate governance. The corporate secretary of the Exchange:
 - 1) exercises control over timely implementation of corporate decisions adopted by the general meeting of shareholders and the Exchange's Board of Directors;
 - 2) maintains an archive of corporate decisions, materials and results of activities of the Board of Directors and the general meeting of the Exchange shareholders;
 - 3) interacts with shareholders on issues of convening and preparing for holding a general meeting of the Exchange shareholders;
 - 4) ensures due consideration by the Exchange bodies of the appeals of its shareholders against actions of the Exchange and its officials;
 - 5) can be involved in participation in settlement of conflicts in the corporate relations;
 - 6) monitors the execution by the Exchange's Management Board and other employees of the decisions of the general meeting of shareholders and the Exchange's Board of Directors, informs the Exchange's Board of Directors of their execution or non-execution;
 - 7) provides clarifications regarding provisions of this Code and their application;
 - 8) participates in improving the corporate governance of the Exchange.
4. In order to ensure effective interaction and transfer of information between the bodies of the Exchange, the corporate secretary must have the ability to build fruitful relationships and have skills in resolving the conflict situations. In the event of a conflict of interest, the corporate secretary shall bring this information to the attention of the Chairperson of the Exchange's Board of Directors.
5. To perform their duties, the corporate secretary of the Exchange must have knowledge, experience and qualifications, and an impeccable business reputation.
6. The corporate secretary of the Exchange carries out their activities based on the Regulations on the Corporate Secretary approved by the Exchange's Board of Directors, which specifies the functions, rights and duties, the procedure for interaction with the Exchange bodies, qualification requirements and other information.
7. The Exchange's Management Board provides the corporate secretary with comprehensive assistance in performance of their duties.

Chapter 7. DISCLOSURE OF INFORMATION

Article 21. Significant corporate events in the Exchange's activities

1. Significant corporate events in the Exchange's activities include events that may lead to fundamental changes in its activities, entailing changes in the financial position of the Exchange, the management structure and the market in which the Exchange operates, including but not limited to:
 - 1) the Exchange purchasing shares (stakes in authorized capital) of another legal entity in the amount exceeding 10 or more percent of their total number;
 - 2) an increase in the Exchange's liabilities by an amount making up 10 or more percent of its equity;
 - 3) conclusion of a major transaction;
 - 4) reorganization of the Exchange and/or liquidation of the Exchange.
2. Decisions entailing significant corporate events in the Exchange's activities, to a critical extent affecting the interests of its shareholders, are taken by the general meeting of the Exchange shareholders and the Exchange's Board of Directors within the scope of their competence (with the exception specified in paragraph 3 of this article).
3. In the event of sharp market changes implying an unexpected significant corporate event in the Exchange's activities and do not leaving time for preparation and implementation of a necessary decision of the general meeting of the Exchange shareholders or the Exchange's Board of Directors, the Exchange's Management Board may, while avoiding violation of the exclusive competence of the general meeting of the Exchange shareholders and the Exchange's Board of Directors, take actions as part of an immediate adequate reaction to such changes, at the same time initiating a convention of an extraordinary meeting of the Exchange's Board of Directors.
4. During the preparation and implementation of a decision of the general meeting of the Exchange shareholders or the Exchange's Board of Directors, related to a significant corporate event in the Exchange's activities, the Exchange's Management Board and the Exchange's Board of Directors must ensure an open and comprehensive discussion of the draft decision and establish a transparent and clear mechanism and procedure of its implementation (as far as such openness, comprehensiveness, transparency and clearness are possible taking into account the information available to the Exchange, and as far as they comply with commercial interests of the Exchange with regard to such decision).
5. As part of requirements specified in paragraph 4 of this article, the Exchange's Management Board and the Exchange's Board of Directors must pay special attention to:
 - 1) preliminary assessment and approval of significant corporate events in the Exchange's activities;
 - 2) defining the mechanisms and procedures of implementing the significant corporate events in the Exchange's activities;
 - 3) in-depth analysis and discussion of significant corporate events in the Exchange's activities.
6. Issues concerning reorganization or liquidation of the Exchange are significant corporate events for the Exchange, therefore the Management Board and the Board of Directors consider and submit these issues to the general meeting of shareholders, taking into account the possible consequences of a taken decision, which may entail a number of unfavorable consequences.
7. Significant corporate events in the Exchange's activities are subject to disclosure and accounting, which ensures trust of market participants and promotes compliance with the principles of transparency and fairness.

Article 22. Disclosure of information on the Exchange and its activities

1. With regard to information on the Exchange and its activities, the Exchange adheres to separation of such information into the public (open) one and non-public (closed).
2. The following is the public information on the Exchange and its activities:
 - 1) general information on the Exchange as a legal entity, including but not limited to its location and contact details, the composition of the Exchange's Board of Directors and Management Board, the Exchange's Charter and amendments to it;
 - 2) other information on the Exchange and its activities recognized in accordance with the Republic of Kazakhstan's Law On Joint-Stock Companies as:
 - subject to publication in the mass media;
 - affecting interests of the Exchange shareholders;
 - subject to presentation to the Exchange shareholders;
 - 3) information received by the Exchange from members of the Exchange, issuers of securities admitted to circulation on the Exchange-operated trades (to circulation on the Exchange), and other persons in accordance with the Republic of Kazakhstan's legislation and the Exchange's internal documents, and subject to dissemination in accordance with the Republic of Kazakhstan's legislation and the Exchange's internal documents and agreements concluded by the Exchange, as well as other information related to issuers of securities admitted to circulation on the Exchange;
 - 4) other information generated by the Exchange during its work on organization and conducting of trades in financial instruments and subject to dissemination by the Exchange in accordance with the Republic of Kazakhstan's legislation and the Exchange's internal documents.
3. Disclosure of public information on the Exchange and its activities is carried out in accordance with the Republic of Kazakhstan's legislation, the Exchange's Charter and internal documents in a manner that:
 - 1) the access to such information is free and easy;
 - 2) such disclosure would ensure formation of a favorable image of the Exchange as a joint-stock company facilitating raising of additional capital by the Exchange, formation of a high business reputation of the Exchange;
 - 3) such disclosure fully complied with the Exchange's own disclosure requirements it imposes as the operator of trades in securities and other financial instruments upon the issuers of securities included in the Exchange's official list and staying in it.
4. Any other information on the Exchange and its activities, not being public in accordance with paragraph 2 of this article, is classified by the Exchange as non-public.
5. The Exchange ensures integrity and protection of non-public information about itself and its activities, using for these purposes, for example, such measures as:
 - 1) determining the information on the Exchange and its activities, constituting a commercial or other secret protected by the law;
 - 2) determining the list of the Exchange employees who have access to information constituting a commercial or other secret protected by the law;
 - 3) imposing on the Exchange employees the obligations to not disclose the non-public information about the Exchange and its activities for the period of their labor activity on the Exchange and for a certain period after they cease this activity;
 - 4) refusal to satisfy a request for disclosure of information about the Exchange and its activities if the requested information constitutes a commercial or other secret protected by the law;
 - 5) other measures in accordance with the legislation and internal documents of the Exchange.

6. The Exchange's Board of Directors approves internal documents defining the Exchange's main approaches to its information policy, including the general principles of disclosure by the Exchange, the main provisions on the procedure for disclosure by the Exchange and its information interaction with other persons.

Chapter 8. DIVIDENDS

Article 23. The Exchange's dividends

1. Payment of dividends on shares of the Exchange is carried out in the manner defined by the Republic of Kazakhstan's legislation, the Exchange's Charter and Dividend Policy.
2. The Dividend Policy approved by the general meeting of the Exchange shareholders defines the Exchange's main approaches to issues of paying the dividends on its shares, as well as conditions and procedure for paying the dividends to the Exchange shareholders.
3. The Exchange uses only reliable and verifiable information on the actual and projected state of its operating activities and the actual and projected financial state of the Exchange for purposes of defining the availability or absence of conditions for calculation and payment of dividends on its shares.
4. In order to ensure a balance between the interests of shareholders and the financial stability of the Exchange, the Board of Directors regularly evaluates the financial results of the Exchange, analyzing key indicators of profitability, liquidity and stability, before submitting for consideration to the general meeting of the Exchange shareholders a recommendation on the procedure for distributing the net income of the Exchange for the reporting period, making a decision on payment of dividends on ordinary shares of the Exchange and approving the amount of dividend per common share of the Exchange.
5. The decision to pay the Exchange's dividends is made by the general meeting of the Exchange shareholders by a simple majority of the total number of voting shares of the Exchange participating in the voting.

Chapter 9. CONTROLS

Article 24. Control over the Exchange's activities

1. The Exchange's Board of Directors may at its own discretion request, and the Exchange's Management Board or Chairperson of the Management Board must provide a report on any activities of the Exchange.
2. For the purposes of control over the Exchange's activities, the Board of Directors may:
 - 1) commission its member to carry out an inspection of the Exchange's activities regarding any issue;
 - 2) create for inspecting the Exchange's activities regarding any issue a temporary commission/workgroup from among its members and other persons.
3. The employees, including members of the Management Board, must render any assistance to the persons inspecting the Exchange's activities in accordance with paragraph 2 of this article, in their performance of such inspection, and provide them with necessary information, clarifications and comments.
4. Any inspection of the Exchange's activities, carried out in accordance with paragraphs 1 and 2 of this article, must be conducted in a manner so as:
 - 1) not to be related with violation of the applicable legislation, internal documents of the Exchange, decisions of the general meeting of the Exchange shareholders and the Exchange's Board of Directors, contractual and unilateral obligations of the Exchange;

- 2) not to impede the operating activities of the Exchange and not to bring about an infliction of damage to its financial position;
 - 3) not to admit an infliction of damage to the business and public reputation of the Exchange;
 - 4) not to violate the competence of the Management Board and Chairperson of the Management Board of the Exchange with regard to the management of it;
 - 5) not to admit an unreasonable protraction of such inspection.
5. Since the Exchange is the operator of trades in securities and other financial instruments and imposes auditing requirements upon the issuers of securities included in the Exchange's official list and staying in that list, the auditing of the Exchange must be conducted only by the auditing organizations that meet the requirements stated by the Exchange when selecting an audit organization.

Article 25. Organization of risk management and internal control systems of the Exchange

1. The Exchange shall ensure formation and maintenance of an effective and adequate risk management system, including the processes of identification, assessment, monitoring and control of all significant risks faced by the Exchange in order to protect the interests of shareholders, clients and other stakeholders.
2. The Exchange's risk management system complies with requirements of the Republic of Kazakhstan's legislation, including regulatory legal acts of the authorized body.
3. The Board of Directors, the Management Board, other bodies and structural units of the Exchange in their activities ensure compliance with requirements for the risk management system.
4. The Board of Directors supervises the risk management and internal control system, compliance with legislation by implementing these functions through activities of the Internal Audit Committee in order to ensure independent and qualified control within the framework of the Exchange's risk management system.
5. The Internal Audit Service conducts an independent and objective assessment of effectiveness of the risk management and internal control system and provides the results of such assessments to the Board of Directors, ensuring feedback and promotion of continuous improvement of the risk management system.

Article 26. Organization of the internal control system

1. The Board of Directors ensures existence and functioning of an effective internal control system aimed at protecting the interests of shareholders and safety of the Exchange's assets.
2. The Exchange is committed to developing and maintaining an effective internal control system, which includes:
 - 1) achieving operational and financial efficiency of activities;
 - 2) reliability, completeness and timeliness of financial and management reporting;
 - 3) delimitation of competences of the bodies and structural units of the Exchange that form the internal control system;
 - 4) existence of a Compliance Service and an Internal Audit Service, creation of an Internal Audit Committee with participation of independent directors in the majority to assess the effectiveness of the internal control system;
 - 5) ensuring the principle of independence of the Compliance Service and the Internal Audit Service from the Exchange's Management Board;
 - 6) ensuring interaction between external and internal audit;
 - 7) compliance with requirements of the Republic of Kazakhstan's legislation and the internal control standards.

3. The Exchange strives to ensure effective functioning of the internal control system through daily internal control at all levels of management and operational activities. Responsibility for conducting the daily internal control is assigned to the heads of the relevant structural units of the Exchange.
4. An independent and objective assessment of adequacy and effectiveness of the internal control system is carried out both by the Internal Audit Service and by external auditors in order to ensure transparency, reliability and continuous improvement of the control system.

Article 27. The Compliance Service

1. The Compliance Service is a structural unit of the Exchange that carries out compliance control and organizes internal control to ensure that the Exchange's activities comply with requirements of the Republic of Kazakhstan's legislation, internal documents regulating the procedure for provision of services by the Exchange and the conduct of operations on the financial market, as well as the legislations of foreign states that influence the Exchange's activities, in order to prevent violations, minimize, control and prevent the compliance risks.
2. The Compliance Service is directly subordinate and accountable to the Exchange's Board of Directors.
3. The tasks and functions of the Compliance Service are defined by the Republic of Kazakhstan's legislation, the Exchange's internal documents and decisions of the Board of Directors.
4. The procedure for appointing the Compliance Service employees, the structure and composition of the Compliance Service, and the requirements imposed upon its employees are defined by the Exchange's internal documents approved by the Board of Directors.

Article 28. The Internal Audit Service

1. The Internal Audit Service is a structural unit of the Exchange that carries out an independent and objective risk-based assessment of effectiveness of the Exchange's risk management, internal control and corporate governance systems, providing recommendations for their improvement.
2. The Internal Audit Service is directly subordinate and accountable to the Exchange's Board of Directors.
3. The tasks and functions of the Internal Audit Service are defined by the Republic of Kazakhstan's legislative acts, the Exchange's internal documents and decisions of the Board of Directors.
4. The procedure for appointing the Internal Audit Service employees, the structure and composition of the Internal Audit Service, and the requirements imposed upon its employees are defined by the Exchange's internal documents approved by the Board of Directors.

Article 29. Settlement of conflicts in corporate relations

1. Settlement of conflicts in the corporate governance of the Exchange should be aimed at creating the effective and transparent mechanisms that will help to prevent or resolve disagreements between the participants in corporate relations.
2. At occurrence of a conflict in corporate relations (hereinafter, a corporate conflict), the Exchange must strive to settle it in a way that such settlement:
 - 1) would be based on the applicable legislation, the Exchange's Charter, its internal documents, decisions of the general meeting of the Exchange shareholders, business customs, business ethics, logic and common sense;

- 2) would not be associated with violation of the Republic of Kazakhstan's legislation, the Exchange's Charter, its internal documents, decisions of the general meeting of shareholders and Board of Directors of the Exchange, business customs, business ethics, logic and common sense;
 - 3) would not impede the operating activities of the Exchange and would not damage its financial position;
 - 4) would not damage the business and public reputation of the Exchange;
 - 5) would as much as possible take into account the interests of all parties to a corporate conflict.
3. Participants of corporate relations must strive to settle a corporate conflict by way of negotiations in accordance with paragraphs 4–7 of this article, and bring it to court only in case of impossibility of such settlement.
 4. If parties to a corporate conflict agree to settle it by way of negotiations, then that conflict, depending on the level of its parties, its nature and availability of possible conflicts of interest, is subject to settlement by the Chairperson of the Exchange's Management Board, the Exchange's Management Board, the Exchange's Board of Directors or the general meeting of the Exchange shareholders (taking into account the specifics established in paragraph 6 of this article), and if such settlement is unsuccessful or a conflict of interest is discovering during such settlement, it is handed over for settlement to a higher body of the Exchange.
 5. For the purposes of settlement of a corporate conflict being under supervision of the Exchange's Board of Directors, it may create a permanent or temporary commission from among the members of the Board of Directors and other persons, generally headed by an independent director of the Exchange.
 6. The Chairperson of the Exchange's Management Board, the Exchange's Management Board, the Exchange's Board of Directors or the general meeting of the Exchange shareholders, when considering a corporate conflict being under their supervision, must be objective, follow principles stated in paragraph 2 of this article, and strive to ensure that settlement of that conflict would not create a new corporate conflict.
 7. The Chairperson of the Exchange's Management Board, the Exchange's Management Board, the Exchange's Board of Directors must generally refrain from settling a corporate conflict between the Exchange shareholders, unless they have a full understanding of essence of that conflict and know that they can settle it.
 8. A member of the Board of Directors shall refrain from actions that will or could potentially lead to a conflict between the interests of a member of the Board of Directors and the interests of the Exchange.
 9. A member of the Board of Directors shall not participate in voting on issues or in making the decisions where they have a conflict of interest. In this case, a member of the Board of Directors shall disclose to the Board of Directors both the fact of existence of a conflict of interest and the grounds for its occurrence orally during a meeting of the Board of Directors in person or by sending a corresponding written notice when making a decision in the form of absentee voting.
 10. The Board of Directors monitors and, where possible, eliminates potential conflicts of interest at the level of officials and shareholders, including abuses in related-party transactions.
 11. The procedures for managing the conflicts of interest are regulated by the Exchange's internal document approved by the Board of Directors.

Chapter 10 FINAL PROVISIONS

Article 30 Final provisions

1. The provisions of this Code are applied to the extent not contradicting the Republic of Kazakhstan's legislation and the Exchange's Charter.
2. The provisions of this Code are mandatory for execution by officials and employees of the Exchange.
3. This Code is subject to updating as necessary. This Code is subject to revision for the need for update at least once every three years calculated from the date of entry into force of this Code, and in the event of its updating – from the date of entry into force of the latest amendments.

Chairperson of the Board

A. Mukhamejanov