

Approved by Resolution of the  
General Meeting of Shareholders  
dated June 20, 2019.

**Corporate Governance Code  
of Caspian Commodity Exchange JSC**

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## Chapter 1: General Provisions

1. This Code of Corporate Governance of Caspy Commodity Exchange Joint Stock Company (hereinafter referred to as the Code) defines the basic standards and principles applied in the management process of Caspy Commodity Exchange Joint Stock Company (hereinafter referred to as the Company), including relations between the Board of Directors, Executive Body, shareholders and officers of the Company, the procedure of functioning and decision-making of the Company's bodies. The purpose of applying corporate governance standards is to protect the interests of the Company's shareholders. Corporate governance is aimed at ensuring a high level of business ethics in relations between the Company's shareholders, its bodies and officers of the Company, as well as in relations of the Company (its bodies, officers and employees) with third parties.

2. The Code has been developed in accordance with the current Legislation of the Republic of Kazakhstan, the Company's Charter, as well as taking into account the evolving corporate governance practices in Kazakhstan, ethical standards, needs and conditions of companies in the market at the current stage of their development, and internationally recognised principles of corporate governance.

3. The Company shall comply with the provisions of the Code in its activities. However, a departure from the Code may be justified in certain circumstances, taking into account the individual characteristics of the Company, its size, stage of development and the nature of the risks and challenges it faces. Any deviation from the provisions of the Code shall be permitted only after careful analysis of the relevant circumstances and consideration of such permitted deviation by the Board of Directors and reporting to the General Shareholders' Meeting.

4. The Company confirms that corporate governance practices are not static. The Company will periodically review the terms of the Code in the light of current legislation, recommendations and best practice applicable to corporate governance in relation to Kazakhstani and international companies, making appropriate proposals for consideration by the General Meeting of Shareholders as necessary.

5. Officials and employees of the Company, on the basis of their respective contracts with the Company, assume the obligations stipulated by this Code and undertake to comply with its provisions in the Company.

6. The bodies forming the corporate governance system are:

- 1) The supreme body is the General Meeting of Shareholders;
- 2) The management body is the Board of Directors;
- 3) The executive body is the President.

7. The following basic concepts are used in this Code:

Shareholder - a person who owns shares;

internal regulatory documents of the Company - documents regulating the procedure of activity of the Company, its structural subdivisions, developed by the Company and approved in accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Charter of the Company and having a binding nature (rules, instructions, regulations, orders, policies, etc.);

an Officer, an official - member of the Board of Directors, President.

Interested parties - individuals, legal entities, groups of individuals or legal entities that influence or may be influenced by the Company's activities, their products or services and related actions by virtue of legislation, agreements (contracts) or indirectly (indirectly); the main representatives of interested parties are Shareholders, employees, customers, suppliers, government agencies, subsidiaries, creditors, investors and other individuals and legal entities interested in the Company's activities, products or services.

legislation - a set of normative legal acts of the Republic of Kazakhstan adopted in accordance with the established procedure;

Corporate Secretary - Secretary of the Board of Directors;

confidential information - information that has actual or potential commercial value due to its unknown nature, lack of access on a legal basis;

corporate conflict - a disagreement or dispute between the Company's bodies and its Shareholders, members of the Board of Directors and the Executive Body, as well as between Shareholders, if such conflict affects the interests of the Company;

Independent Director - a director defined as independent in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Charter.

Terms used but not defined in this Code shall correspond to the terms and definitions used in the legislation of the Republic of Kazakhstan.

## **Chapter 2: Principles of Corporate Governance**

8. Corporate governance principles are the basic principles that guide the Company in the process of formation, functioning and improvement of its corporate governance system. The Company's corporate governance is based, first and foremost, on respect for the rights and legitimate interests of all its shareholders and the status of the Company itself, and is aimed at achieving growth in the efficiency of the Company's operations, including growth of the Company's assets, creating jobs and maintaining the Company's financial stability and profitability. The principles of corporate governance reflected in this chapter are aimed at creating trust in relations arising in connection with the management of the Company.

9. The fundamental principles of this Code are:

**a) the principle of protecting the rights and interests of the Company's Shareholders.**

Corporate governance in the Company is based on the principle of protecting the rights and interests of the Company's Shareholders and contributes to the efficient operation of the Company, including the growth of the Company's assets and maintaining the Company's financial stability and profitability.

The Company's shareholders have rights provided for by the legislation and the Charter, the protection and realisation of which is ensured by the Company.

Corporate governance ensures that the Company's Shareholders have a real opportunity to exercise their rights related to participation in the management of the Company, and

as well as protection of its rights and legitimate interests. Shareholders of the Company have the right to apply to state bodies for protection of their rights and legitimate interests in case of committing by the Company's bodies of actions violating the norms of the legislation and the Charter, in the order stipulated by the legislation.

The Company ensures effective participation of Shareholders in key corporate governance decisions, such as the appointment and election of members of the Board of Directors. The Company ensures fair treatment of all Shareholders.

The Company communicates to the Shareholders reliable information about the results of its financial and economic activities. The procedure for information exchange between the Company and the Shareholders is regulated by the legislation and the Charter.

The President of the Company must justify the planned change in the Company's business and provide specific prospects for implementation and mechanisms for the protection of Shareholders.

**b) The principle of effective management of the Company by the general meeting of its shareholders, the Board of Directors and the President of the Company.**

**The principle of effective management of the Company by the general meeting of its shareholders is that the Company:**

1) convenes and holds annual meetings of the Company's shareholders to approve its annual financial statements and the procedure for distribution of its net income (profit) for the past financial year, to make decisions on payment of dividends on the Company's shares, and to approve the amount of dividends per share of the Company;

2) regularly convenes and holds meetings of the Company's shareholders to determine the number of members and term of office of the Company's Board of Directors and to elect its members;

3) convene and hold extraordinary general meetings of the Company's shareholders as necessary, based on considerations of rationality, speed and efficiency.

**The activity of the Board of Directors is based on the principle of maximum observance and realisation of the rights and interests of the Company and its Shareholders.**

The Board of Directors ensures full transparency of its activities to the Company's Shareholders.

The Board of Directors provides Shareholders with a full and objective assessment of the Company's performance and prospects, monitors the status of current performance and ensures

proper functioning of the internal control and audit system in order to safeguard the Company's assets and Shareholders' investments.

No person (or group of persons) should have unlimited decision-making rights of the Board of Directors. The Chairman of the Board of Directors and the President of the Company should not be represented by the same person.

The Chairman of the Board of Directors is responsible for the management of the Board of Directors, ensuring its effective operation in all aspects of its area of responsibility and preparing the agenda for the meeting in accordance with the established procedure, which is approved by the Board of Directors. The Chairman, together with the Corporate Secretary, also ensures that the Directors receive accurate and clear information in a timely manner. The Chairman of the Board of Directors ensures effective communication with the Shareholders of the Company. The Chairman of the Board of Directors also ensures effective contribution of the Directors to the activities of the Board of Directors, in particular, constructive relations between the Directors and the President of the Company.

The management of day-to-day operations is carried out by the sole executive body - the President of the Company.

No person (or group of persons) shall have unrestricted decision-making authority over the President of the Company.

The President carries out and coordinates the day-to-day activities of the Company in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter and the employment contract concluded with him.

The main principles of the Company President's actions are honesty, integrity, reasonableness, prudence, and regularity.

The activity of the President of the Company is based on the principle of maximum respect for the interests of the Shareholders and is fully accountable to the decisions of the General Meeting of Shareholders and the Board of Directors.

#### **c) Principles of transparency, timeliness and objectivity of disclosure of information on the Company's activities.**

In order to enable the General Meeting of Shareholders of the Company to make informed decisions and to facilitate the decision of potential investors to participate in the Company's authorised capital, the Company ensures up-to-date disclosure to its Shareholders and potential investors of reliable information about the Company, including its financial position, economic indicators, performance results and management structure.

At the same time, when disclosing and (or) publishing any information, the Company shall not disclose information constituting commercial, official and other secrets protected by the Law.

The maintenance and audit of the Company's financial statements are aimed at ensuring confidence in the Company on the part of its shareholders and investors and are based on the following principles:

- 1) completeness and credibility;
- 2) unbiased and independent;
- 3) professionalism and competence;
- 4) regularity and effectiveness.

The President of the Company is responsible for the completeness and accuracy of the financial information provided by the Company.

#### **(d) Principles of legality and ethics.**

The principle of legality and ethics is that:

- 1) The Company acts in strict compliance with applicable laws, the Company's Charter and its internal documents, business customs and business ethics;
- 2) the Company's internal documents are developed on the basis of applicable legislation and business ethics;
- 3) relations between participants in corporate relations are based on mutual trust and respect.

#### **e) Principle of effective dividend policy.**

The dividend policy of the Company is based on respect for the interests of Shareholders in determining the amount of dividend payments, on increasing the investment attractiveness of the

Company and its capitalisation, on respecting and strictly observing the rights of Shareholders as stipulated by the legislation of the Republic of Kazakhstan. The conditions for payment of dividends are: availability of the Company's net profit for the reporting period or retained earnings; absence of restrictions on payment of dividends stipulated by the legislation of the Republic of Kazakhstan; decision of the General Meeting of Shareholders.

The principle of an effective dividend policy is that:

1) The Company uses only reliable and demonstrable information about the actual and prospective state of its operations and the actual and prospective financial condition of the Company for the purpose of determining whether or not conditions exist for the accrual and payment of dividends on its shares.

2) The Company ensures transparency of the mechanism for determining the amount of dividends on its shares and the procedure for their payment.

**f) The principle of an effective human resources policy.**

Corporate governance in the Company is based on the protection of the rights of the Company's employees as stipulated by the Law and the Company's internal regulatory documents, and should be aimed at developing social and partnership relations between the Company and its employees, as well as preserving workplaces and improving working conditions.

Corporate governance should stimulate the processes of creating a favourable and creative atmosphere in the workforce, contribute to improving the qualifications of the Company's employees and help ensure standards of their social protection.

**g) Principle of environmental protection.**

In the course of its operations, the Company ensures a careful and rational attitude to the environment.

The Company adheres to the principles of sustainable development and endeavours to act effectively in the conditions of climate change in accordance with generally accepted international norms in the field of environmental protection, as well as the Legislation of the Republic of Kazakhstan in the field of ecology.

The Company participates in discussions of problems caused by the negative impact of mankind on the environment, for which purpose it is a member of associations of environmental organisations in the Republic of Kazakhstan.

In order to express its commitment to the development of a green economy both in the Republic of Kazakhstan and beyond, the Company is actively involved in the creation and development of a greenhouse gas emissions trading system.

**h) The principle of developing partnerships with stakeholders.**

The Company recognises all rights of interested parties provided for by the Law and seeks to cooperate with such parties for its development and financial sustainability.

The Company takes an active part in discussing legislative initiatives aimed at improving operations, corporate governance and other areas of public life.

**i) Principle of Responsibility.**

The Company recognises and respects the rights of all stakeholders and seeks to cooperate with such stakeholders for its development and financial sustainability.

The Company recognises its responsibility to its Shareholders for the results of its activities, to its business partners for the proper fulfilment of its obligations, to society and the state - for respect for the individual, his rights and freedoms, and for its contribution to the development of the economy of Kazakhstan.

### **Chapter 3. General Meeting of Shareholders of the Company**

10. The General Meeting of Shareholders is the supreme body of the Company.

11. Respect for the rights of Shareholders is a key condition for attracting investment in the Company. The Company must ensure that all Shareholders are treated fairly and that their rights are realised. If the Company has several Shareholders, including minority Shareholders, it must ensure that each of them is treated fairly.

12. The preparation and holding of the General Meeting of Shareholders of the Company shall meet the following requirements:

- 1) fair and equitable treatment of all Shareholders of the Company;
- 2) accessibility of participation in the General Meeting of Shareholders of the Company for all its shareholders (representatives of all shareholders of the Company);
- 3) providing the Company's shareholders with the fullest possible organisational and reporting information relating to the Company's General Meeting of Shareholders;
- 4) simplicity and transparency of the Company's General Meeting of Shareholders.

13. Shareholders shall be notified of the forthcoming general meeting of its shareholders within a period of time sufficient for them to study the procedure for holding this meeting and materials on the agenda items, prepare their questions of interest and develop their own positions on the agenda items of this meeting.

14. The Company shall notify its shareholders of a general meeting in accordance with its Articles of Association and PK Law; however, as the Company shall endeavour to ensure that all of its shareholders are notified of a general meeting of the Company in a timely manner, the Company may:

- 1) to duplicate this notice;
- 2) utilise additional means of communicating this notice to the Company's shareholders.

15. The items on the agenda of the General Meeting of Shareholders of the Company should be formulated as clearly as possible and exclude the possibility of their ambiguous interpretation.

16. Materials on the agenda items of the General Meeting of Shareholders of the Company should be systematised by these issues and provide the Company's shareholders with the fullest possible understanding of the essence of these issues, answers to their possible questions of interest, and an opportunity to make informed decisions on these issues.

Among the materials on the agenda items of the General Meeting of Shareholders of the Company, its shareholders may be provided with additional information on the plans, achievements and problems of the Company's activities, analytical studies and materials of other persons on the Company's activities.

If the agenda of the General Meeting of Shareholders of the Company includes the election of any persons, for example, members of the Board of Directors of the Company, the materials on the agenda items of this meeting shall contain information on the candidates proposed for such election in the composition and to the extent necessary and sufficient for an objective assessment of these candidates.

At the same time, the Company should not incur excessive time and labour costs or unreasonable expenses when forming materials on the agenda items of the General Meeting of Shareholders.

The Company should use the simplest and most unburdensome procedure for the Company's shareholders to familiarise themselves with the materials on the agenda items of the General Meeting of Shareholders.

of the Company's shareholders' meeting.

17. The voting process at the Company's General Meeting of Shareholders should be as simple and convenient as possible for shareholders.

### **Holding of the General Meeting of Shareholders of the Company**

18. The time of registration of participants of the General Meeting of Shareholders of the Company shall be sufficient for all shareholders (representatives of shareholders) of the Company who arrived to participate in this meeting to be able to register. Shareholders (representatives of shareholders) of the Company, who arrived to participate in the general meeting of shareholders after its opening, are entitled to participate in this meeting, provided they have passed the procedure of registration of participants of this meeting.

19. All shareholders of the Company have equal rights to participate in the General Meeting of Shareholders. A shareholder is entitled to participate in the General Shareholders' Meeting and vote on agenda items in person or without his/her personal presence (through his/her representative acting on the basis of a power of attorney, which may be issued to any third party or, for example, to a representative of a nominee holder servicing this shareholder). The votes cast by a shareholder when voting on the agenda items of the general meeting of shareholders in person or without his/her personal presence shall have equal force.

20. All persons whose explanations and comments may be required in the consideration of the

items on the agenda of this meeting shall be present at the General Meeting of Shareholders, and in case of their reasonable absence - the deputy of such persons and/or persons competent in the matters that are (were) under the authority of such persons.

21. The chairman of the general meeting of shareholders should endeavour to ensure that shareholders (representatives of shareholders) participating in that meeting receive answers to their questions immediately during that meeting. If the complexity of such questions makes it impossible to answer them immediately, the persons by whom they were asked shall provide written answers to them as soon as possible after the closing of the general meeting of shareholders.

22. The procedure for the election of any persons, such as members of the Board of Directors, by the General Meeting of Shareholders should be as transparent as possible and leave no doubt as to the validity of such election.

23. The procedure for collecting and counting votes at a general meeting of shareholders should be as simple and transparent as possible; shareholders should be assured that there is no possibility of any distortion of their voting results.

## **Chapter 4. Company Board of Directors**

### **Functions and principles of the Board of Directors' activities**

24. . The main functions and powers of the Board of Directors of the Company are defined by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Company's Charter, which stipulate that the Board of Directors of the Company shall, among other things:

- 1) ensure the protection of the rights and interests of the Company's Shareholders;
- 2) monitor the extent to which the Company's current activities are aligned with the priority areas of its activities as determined by the Board of Directors;
- 3) assess the Company's exposure to various risks and make decisions to eliminate or minimise such exposure or to control such risks;
- 4) initiate the development of amendments and additions to the Company's internal documents or new internal documents of the Company;
- 5) evaluate and, in case of a favourable assessment, approve amendments and additions to the Company's internal documents or new internal documents of the Company developed by the Company;
- 6) Evaluate and, in case of a favourable assessment, approve the Company's estimates of its income and expenses, as well as reports on the execution of the Company's income and expense estimates;
- 7) assess the performance of the Company's President and determine the terms and amount of his bonus.

25. In its activities, the Board of Directors shall endeavour to achieve such objectives as:

- 1) creating for the Company an atmosphere of stability and predictability, uniformity in its activities;
- 2) ensuring constructive interaction with the President of the Company;
- 3) ensuring a reasonable compromise between the interests of the Company's shareholders, the Company's commercial interests and the personal interests of its employees.

26. Persons elected to the Board of Directors of the Company as shareholders of the Company (representatives of shareholders' interests), when exercising the functions and powers of members of the Board of Directors, should behave in such a way as not to be perceived from the outside as expressing the interests of purely individual shareholders or their groups. The Board of Directors should conduct its activities in such a way as to be perceived from the outside as a place of concentration of the most professional, honest, fair and conscientious specialists with impeccable business and moral reputation.

27. In carrying out its activities, the Board of Directors shall not oppose itself to either the General Meeting of Shareholders or the President of the Company, nor shall it take any action that could be interpreted as a sign of such opposition.

28. The Board of Directors in its activities shall establish and maintain its reputation among the employees as:

- 1) a boundary to protect the Company from unfavourable external factors (taking into account possible discrepancies between the interests of shareholders, commercial interests of the Company and personal interests of its employees);



2) a body capable of effectively resolving a conflict between the Company's employees and the President of the Company.

29. The performance of the Board of Directors and its individual members is assessed by the General Meeting of Shareholders, which has the right to use such levers of influence for these purposes in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Company's Charter as follows:

1) the right to elect a person as a member of the Board of Directors an unlimited number of times;

2) the right to early termination of powers of all or individual members of the Board of Directors;

3) if necessary, determining the amount and terms of remuneration payment to the members of the Board of Directors.

30. In accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", information on the amount and composition of remuneration of the members of the Board of Directors is subject to disclosure at the General Meeting of Shareholders.

### **Formation of the Company's Board of Directors**

Only a natural person may be a member of the Board of Directors of the Company. Members of the Board of Directors are elected from among:

1) Shareholders of the Company - individuals;

2) Persons proposed (recommended) for election to the Company's Board of Directors as Shareholders' representatives;

3) Individuals who are not a Shareholder of the Company and who have not been proposed (recommended) for election to the Board of Directors as a Shareholder's representative.

31. Election of members of the Board of Directors is carried out by cumulative voting. A shareholder has the right to cast votes on its shares in favour of one candidate or to distribute them among several candidates to the Board of Directors. The candidates with the highest number of votes shall be deemed elected to the Board of Directors of the Company. If two or more candidates to the Board of Directors have received an equal number of votes, additional cumulative voting shall be held with respect to these candidates.

32. The Chairman of the Board of Directors of the Company is elected from among its members by a majority of votes of the total number of members of the Board of Directors of the Company by open voting. The Board of Directors may re-elect the Chairman of the Board of Directors at any time.

33. The Chairman of the Board of Directors organises the work of the Company's Board of Directors, conducts its meetings, and performs other functions determined by the Charter.

34. In the absence of the Chairman of the Board of Directors of the Company, his functions shall be performed by one of the members of the Board of Directors by resolution of the Board of Directors.

35. The Chairman of the Board of Directors ensures full and effective implementation by the Board of Directors of its main functions and the building of a constructive dialogue between members of the Board of Directors, Shareholders and the President.

36. The roles and functions of the Chairman of the Board of Directors and the President should be clearly delineated and set out in the Charter and relevant internal regulations.

37. The President of the Company may not be elected Chairman of the Board of Directors.

38. When electing members of the Board of Directors of the Company, the General Meeting of Shareholders should, as a rule, strive to ensure that the interests of as many different groups of shareholders as possible are represented on the Board of Directors, and if there are equal arguments in favour of representation of several groups of shareholders on the Board of Directors, preference should be given to the election of independent directors.

### **Organisation of the activities of the Company's Board of Directors**

39. The procedure of activity of the Board of Directors of the Company is established by the legislation of the Republic of Kazakhstan, the Charter of the Company, its internal documents and decisions of the General Meeting of Shareholders of the Company and the Board of Directors of the Company.

40. The Company's Board of Directors may make decisions both at its meetings and by absentee voting. The choice of a particular method of decision-making of the Board of Directors of the Company is made by the Executive Body of the Company based on rationality, efficiency and effectiveness, taking into account the presence or absence of the need to discuss issues in person. Holding meetings of the Company's Board of Directors is recognised as the most effective form of its activity and is mandatory when considering issues where decision-making by absentee voting is expressly prohibited by the Company's Charter, its internal documents or decisions of the General Meeting of Shareholders of the Company and the Board of Directors of the Company.

41. Personal participation of a member of the Board of Directors of the Company in its meeting may be carried out in his absence at the place of the meeting of the Board of Directors of the Company using technical means of communication.

42. Unless otherwise provided for by the Company's Charter, its internal documents or resolutions of the General Meeting of Shareholders of the Company and the Board of Directors of the Company, a combination of both forms of work of the Board of Directors of the Company is allowed when one member or several members of the Board of Directors of the Company (but not more than 30% of the total number of members of the Board of Directors of the Company) cannot participate in person in a meeting of the Board of Directors of the Company. In this case, the absent member of the Company's Board of Directors shall provide the Company's Corporate Secretary with his/her personal opinion in writing on the issues submitted for consideration by the Company's Board of Directors.

43. In order to monitor the Company's current activities, members of the Company's Board of Directors have the right to establish and maintain contacts with other bodies and employees of the Company.

44. The Company's Board of Directors may establish a statute of limitations for non-disclosure by members of the Company's Board of Directors of information about the Company and its activities that constitutes an official, commercial or other secret protected by law.

## **Chapter 5. Executive Body Company**

45. The management of day-to-day operations is carried out by the sole executive body - the President of the Company. He should have high professional and personal characteristics, as well as an impeccable business reputation and adhere to high ethical standards.

46. The President manages the day-to-day operations of the Company, is responsible for the implementation of strategies, goals and objectives, as well as decisions taken by the Board of Directors of the Company and the General Meeting of Shareholders in compliance with the laws of the Republic of Kazakhstan.

47. The basic principles of the President's action are honesty, integrity, reasonableness, prudence, and regularity.

48. The President ensures that the Company is managed on a day-to-day basis (operational management) in order to grow the long-term value and sustainable development of the Company.

49. The President is accountable to the Board of Directors and shareholders. The President shall carry out his activities in such a way as not to violate the rights of the Company's shareholders and, to the maximum extent possible, combine their interests with the commercial interests of the Company and the personal interests of its employees.

50. In his activities, the President of the Company shall endeavour to achieve such goals as:

- 1) Ensuring stability and expansion of the Company's operating activities;
- 2) ensuring sustainability and improvement of the Company's financial position;
- 3) ensuring support and enhancement of the Company's business and public reputation.

## **Chapter 6. Other provisions**

### **Corporate Secretary**

51. Strict compliance by the Company's bodies and officials with procedures aimed at safeguarding the rights and interests of its shareholders, as well as adherence to applicable laws, the Company's Charter and internal documents, is ensured by the institution of the Corporate Secretary, who is appointed by and reports to the Company's Board of Directors.

52. The competence of the Corporate Secretary and the procedure for carrying out his/her activities are determined by his/her functions, as well as by applicable law, the Company's Charter,

its internal documents, decisions of the General Meeting of Shareholders and the Board of Directors; in addition, the Corporate Secretary:

- 1) corresponds with shareholders on corporate governance issues (without the right to sign letters on behalf of the Company);
- 2) ensures proper consideration by the Company's bodies of appeals of its shareholders against actions of the Company and its officials
- 3) Prepare answers to shareholders' appeals against the actions of the Company and its officials
- 4) may be involved in conflict resolution in corporate relations.

### **Significant corporate events in the Company's operations**

53. Significant corporate events in the Company's operations include events that may result in fundamental changes in the Company's operations, such as:

- 1) acquisition by the Company of shares (participatory interests in the charter capital) of another legal entity in the amount of 10 or more per cent of their total number;
- 2) an increase in the Company's liabilities by an amount equal to 10 per cent or more of its equity capital;
- 3) conclusion of a major transaction;
- 4) reorganisation of the Company;
- 5) liquidation of the Company.

54. Since material corporate events in the Company's activities critically affect the interests of its shareholders, decisions resulting from such events shall be made by the General Meeting of Shareholders of the Company and the Board of Directors of the Company within the limits of their competence (except as set forth in paragraph two of this item).

In case of abrupt market changes implying an unexpected significant corporate event in the Company's business and leaving no time for preparation and implementation of the necessary decision of the General Meeting of Shareholders of the Company or the Board of Directors of the Company, the President of the Company has the right, avoiding violation of the exclusive competence of the General Meeting of Shareholders of the Company and the Board of Directors of the Company, to take actions within the framework of an immediate adequate response to such changes, at the same time initiating the convening of an emergency meeting of the Board of Directors of the Company.

55. When preparing and implementing a resolution of the General Meeting of Shareholders of the Company or the Board of Directors of the Company relating to a material corporate event in the Company's business, the President of the Company and the Board of Directors of the Company shall ensure frank and comprehensive discussion of the draft resolution and establish a transparent and understandable mechanism and procedure for its implementation (to the extent that such frankness, comprehensiveness, transparency and understandability are possible given the information available to the Company and are consistent with the commercial interests of the Company).

56. As part of the requirements set out in Clause 56 of the Code, the Company's President and Board of Directors shall pay particular attention to:

- 1) preliminary assessment and approval of material corporate events in the Company's operations;
- 2) defining mechanisms and procedures for the realisation of material corporate events in the Company's operations;
- 3) in-depth analysis and discussion of significant corporate events in the Company's operations.

57. The President and the Board of Directors of the Company should take particular care in preparing a resolution of the general meeting of shareholders of the Company regarding its reorganisation or liquidation because of the irreversibility or difficult reversibility of such a material corporate event in the Company's business.

### **Disclosure of information about the Company and its activities**

58. With respect to information about the Company and its activities, the Company maintains a division of such information into public (open) and non-public (closed) information

59. Is public information about the Company and its activities:

- 1) general information about the Company as a legal entity, such as its location and contact

details, the composition of the Company's 'Board of Directors, the Company's Executive Body, the Company's Charter and amendments thereto;

2) general information about the Company as a joint stock company, such as the Company's share issue prospectus and amendments thereto, reports on the results of the Company's share placement;

3) other information about the Company and its activities recognised in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies" as:

- to be published in the media;
- affecting the interests of the Company's shareholders;
- to be provided to the Company's shareholders;

4) information contained in documents relating to the Company's activities;

5) information contained in the Company's internal documents (except for information contained in the Company's internal documents adopted by the President for the purpose of organising the Company's activities);

6) information received by the Company from members of Caspian Commodity Exchange JSC (brokers and dealers) participating in trades organised by the Company and other persons in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Company and subject to distribution in accordance with the legislation of the Republic of Kazakhstan, internal documents of the Company and agreements concluded by the Company.

7) other information generated by the Company in the course of its activities on organisation and conduct of trading in commodities and futures contracts and subject to distribution by the Company in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Company.

60. Disclosure of public information about the Company and its activities is carried out in accordance with the laws of the Republic of Kazakhstan, the Company's Charter and internal documents of the Company in such a way that:

1) access to this information was free and unencumbered;

2) such disclosure ensured the creation of a favourable image of the Company as a joint stock company, contributing to the attraction of additional capital by the Company, formation of a high business and public reputation of the Company;

3) such disclosure fully complied with the Company's own disclosure requirements as an organiser of trading in commodities and futures contracts.

61. Any other information about the Company and its activities that is not public in accordance with Clause 60 of the Code is classified by the Company as non-public. In addition, any information about the Company and its activities that, although meeting the criteria set forth in Clause 60 of the Code, contains information that constitutes state secrets or constitutes official or commercial secrets of the Company and other persons is classified as non-public.

62. The Company safeguards and protects non-public information about itself and its activities by applying, for example, measures such as:

1) determination of information about the Company and its activities that constitutes an official, commercial or other secret protected by law;

2) defining the list of the Company's employees who have access to information that constitutes official, commercial or other secrets protected by law.

3) imposing an obligation on the Company's employees not to disclose non-public information about the Company and its activities for the duration of their employment with the Company and for a certain period of time after their termination of employment;

4) refusal to fulfil a request to disclose information about the Company and its activities, if the requested information constitutes an official, commercial or other secret protected by law.

### **Control over the Company's operations**

63. The Board of Directors of the Company may at any time in its discretion request, and the President of the Company shall provide, a report on any of the Company's activities.

64. In order to control the Company's activities, the Company's Board of Directors may:

1) to instruct its member to carry out an audit of the Company's activities on any issue;

2) establish a temporary commission from among its members and other persons to review the Company's activities on any matter.

65. Employees of the Company, including the President, shall provide all assistance to persons

conducting an audit of the Company's activities in accordance with Clause 65 of the Code in carrying out such an audit and provide them with the necessary information, explanations and comments.

66. Any inspection of the Company's business conducted pursuant to Sections 64 and 65 of the Code shall be conducted in such a manner that:

- 1) not be in violation of applicable laws, internal documents of the Company, resolutions of the Company's General Meeting of Shareholders and Board of Directors, contractual and unilateral obligations of the Company;
- 2) not to interfere with the Company's operating activities and not to cause damage to the Company's financial position;
- 3) prevent damage to the Company's honour, dignity, business and public reputation;
- 4) not to violate the competence of the President of the Company to manage it;
- 5) to prevent unreasonable prolongation of this audit.

### **Conflict resolution in corporate relations**

67. In the event of a conflict in corporate relations (hereinafter referred to as a corporate conflict), the Company shall endeavour to resolve it in such a way that such resolution:

- 1) was based on applicable laws, the Company's charter, its internal documents, decisions of the Company's general meeting of shareholders and the Company's Board of Directors, business customs, business ethics, logic and common sense;
- 2) was not in violation of applicable laws, the Company's Charter, its internal documents, resolutions of the Company's General Meeting of Shareholders and the Company's Board of Directors, business customs, business ethics, logic and common sense;
- 3) did not interfere with the Company's operating activities. The Company's operations were not impaired and the Company's financial position was not adversely affected;
- 4) did not damage the Company's honour, dignity, business and public reputation;
- 5) maximised the interests of all participants in the corporate conflict.

68. Participants in corporate relations should endeavour to ensure that a corporate conflict is generally resolved by negotiation in accordance with paragraphs 70 and 71 of the Code and only if such resolution is not possible should it be dealt with by a court.

69. If the participants of a corporate conflict agree to settle it through negotiations, the conflict, depending on the level of its participants, its nature and the presence of possible conflicts of interest, shall be settled by the President of the Company, the Board of Directors of the Company or the General Meeting of Shareholders of the Company (taking into account the specifics established by paragraph 73 of the Code), and if such settlement is unsuccessful or if a conflict of interest is identified during such settlement, it shall be transferred to a higher body of the Company for settlement.

70. In order to resolve a corporate conflict under the jurisdiction of the Company's Board of Directors, it may establish from among its members and other persons a permanent or temporary commission headed, as a rule, by an independent director of the Company.

71. The President of the Company, the Board of Directors of the Company or the General Meeting of Shareholders of the Company, when considering a corporate conflict under its jurisdiction, shall be obliged to be as objective as possible, follow the principles set out in paragraph 68 of the Code, and endeavour to ensure that the resolution of this conflict does not give rise to a new corporate conflict.

72. The President of the Company or the Board of Directors of the Company should generally refrain from resolving a corporate conflict among the Company's shareholders unless he or she has a full understanding of the nature of the conflict and an appreciation of the ability to resolve it.