

Approved
by decision of the General Meeting of Shareholders
Kcell JSC
Minutes #18 dated 24 May 2021

CORPORATE GOVERNANCE CODE
KCELL JOINT STOCK COMPANY

TABLE OF CONTENTS:

PREAMBLE

INFORMATION ON THE COMPANY

CHAPTER 1. PRINCIPLES OF CORPORATE GOVERNANCE

- 1. DEFINITION AND PRINCIPLES**
- 2. INTERNAL DOCUMENTS OF THE COMPANY**
- 3. GENERAL CORPORATE GOVERNANCE STRUCTURE**

CHAPTER 2. GOOD WORK PRACTICE OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

- 1. BOARD OF DIRECTORS**
- 2. MANAGEMENT BOARD**
- 3. INTERACTION BETWEEN THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD. THE CORPORATE SECRETARY**

CHAPTER 3. INTERACTION WITH SHAREHOLDERS AND STAKEHOLDERS

- 1. ENFORCEMENT OF THE SHAREHOLDERS' RIGHTS**
- 2. GENERAL MEETING OF SHAREHOLDERS**
- 3. PROTECTION OF THE SHAREHOLDERS' RIGHTS**
- 4. DIVIDEND POLICY**

CHAPTER 4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

- 1. POLICY AND PRACTICE OF INFORMATION DISCLOSURE**
- 2. PROTECTION OF INTERNAL INFORMATION**
- 3. FINANCIAL STATEMENTS**
- 4. INTERNAL CONTROL AND INTERNAL AUDIT**
- 5. EXTERNAL AUDIT**

CHAPTER 5. CONCLUSION

PREAMBLE

1. This document sets out the Corporate Governance Code of Kcell Joint Stock Company (hereinafter - the Code).

2. This Code objectives are to improve and systematize the corporate governance of Kcell Joint Stock Company (hereinafter - the Company), ensure greater transparency in the management of the Company and to confirm the ongoing commitment of the Company to follow the current principles of corporate governance. In particular:

- the corporate governance should be at the appropriate level of responsibility, accountability and efficiency to maximize the value of the Company and other benefits to the shareholders;
- the information disclosure, transparency and effective operation of risk management and internal control systems must be ensured in accordance with the established procedure.

3. The Code is a set of rules and recommendations that the Company shall follow in the course of its activities to ensure the high level of business ethics in relations within the Company and with other market participants.

4. The Code is elaborated in accordance with provisions of the laws of the Republic of Kazakhstan, with due consideration of the developing corporate governance practice in Kazakhstan, ethical standards, needs and conditions of companies' activities in the capital market at the current stage of their development and corporate governance principles approved in the international practice.

5. The Company acknowledges that the corporate governance practice is not of a static nature. Thus, the Company will revise the provisions of this Code from time to time, in accordance with the established procedure, in the light of changes in the legislation, recommendations and the best practice applicable to the corporate governance of joint stock companies operating in the telecommunications market.

6. The following terms and definitions are used in the Code:

Shareholders	- the shareholders of the Company
Director (s)	- a member (s) of the Company Board of Directors
Stakeholder	- a person whose exercise of rights provided for by the Legislation and the Charter, is related to the Company's activities
Legislation	- a set of laws and regulations of the Republic of Kazakhstan adopted under the established procedure
Code	- the Corporate Governance Code of the Company
Committee (s)	- the Committee (s) of the Board of Directors
Audit Committee	- the Board of Directors' Committee on Internal Audit
Conflict of interest	a situation in which the personal interest of employees might affect the decision-making process and, thus, cause damage to the Company's interests

Corporate Secretary	the Corporate Secretary of the Company
Corporate conflict	- a disagreement or dispute between: 1) Shareholders and the Company's bodies; 2) the Company's bodies and their members / employees of the Internal Audit Service; 3) the Company's body and the Company's stakeholders on corporate governance issues that adversely affect the Shareholders' interests and the Company's activities
Corporate events	- the events that have a significant impact on the Company's activities, affecting the interests of the Shareholders and investors of the Company, and defined by the Legislation
Listing rules	- the listing rules published by the Kazakhstan Stock Exchange (KASE) and/or another stock exchange where the shares of the Company are listed
Independent Directors	- the directors classified as Independent Directors (i) in accordance with the Legislation
General Meeting of Shareholders	- the supreme body of the Company
Board of Directors	- the governance body of the Company
Management Board	- the collegial executive body of the Company
Charter	- the Company's charter

7. The terms used, but not defined in this Code, shall be used in the sense being used in the Legislation, the Charter, and the Listing rules.

INFORMATION ON THE COMPANY

8. The Company operates in the telecommunications sector on the territory of the Republic of Kazakhstan. The ordinary shares of the Company are listed on the Kazakhstan Stock Exchange (KASE) and included in the representative list of shares for calculating the KASE index; they are traded on the “premium” sector of the main market.

CHAPTER 1. PRINCIPLES OF CORPORATE GOVERNANCE

1. DEFINITION AND PRINCIPLES

9. The corporate governance shall be understood as a set of processes that provide management and control over the Company's activities and include relations between the Shareholders, the Board of Directors, the Management Board, other bodies of the Company and stakeholders, in the interests of the Shareholders.

10. The Company shall consider the corporate governance as a tool to improve the efficiency of the Company's activities, enhance its reputation and cut costs when raising the capital.

11. The corporate governance of the Company shall be formed on the basis of justice, honesty, responsibility, transparency, professionalism and competence. The effective corporate governance structure implies respect for the rights and interests of all persons interested in the Company's activities and promotes successful performance of the Company, including the growth of its market value and maintenance of its financial stability and profitability.

12. The corporate governance principles set out in this section are aimed at creating trust in the relations arising in connection with the governance of the Company and serve as a basis for all rules and recommendations contained in the subsequent sections of the Code.

The fundamental principles of this Code shall be as follows:

- (a) principle of the Shareholders' rights and interests protection;
- (b) principle of effective governance of the Company by the Board of Directors and the Management Board;
- (c) principle of independent operation of the Company;
- (d) principles of transparency and objectivity of disclosure of information about the Company's activity;
- (e) principles of legality and ethics;
- (f) principles of effective dividend policy;
- (g) principles of effective human resources policy;
- (h) principle of environmental protection;
- (i) policy of management of Corporate conflicts and Conflict of interest;
- (j) principle of responsibility.

13. The corporate governance structure shall comply with the Legislation and requirements of the Listing rules, as well as shall clearly define the segregation of duties between the Company's bodies.

1.1 PRINCIPLE OF THE SHAREHOLDERS' RIGHTS AND INTERESTS PROTECTION

14. The corporate governance in the Company shall be based on the principle of protecting and respecting the Shareholders' rights and legitimate interests and shall contribute to the efficient operation of the Company, including the growth in the assets and maintenance of the Company's financial stability and profitability.

15. The Shareholders shall have the rights provided for by the Legislation, the Charter and this Code.

16. The corporate governance shall provide the Shareholders with a real opportunity to exercise their rights related to participation in the corporate governance. The Shareholders shall have the right to apply to the state bodies for protection of their rights and legitimate interests if the Company's bodies perform any actions that violate the norms of the Legislation and the Charter, in accordance with the procedure prescribed by the Legislation.

17. The procedure for the information exchange between the Company and the Shareholders shall be governed by the Legislation, the Charter, the Listing rules and internal documents of the Company.

1.2 (A) OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

18. The activities of the Board of Directors shall be based on the principles of the utmost respect and realization of the interests of the Shareholders and the Company, and aimed at increasing the market value of the Company.

19. The Directors shall act on a fully informed basis, in good faith and in the interests of the Company and the Shareholders.

20. The Board of Directors shall ensure full transparency of its activities before the Shareholders.

21. No person/group of persons shall have unlimited rights to make decisions by the Board of Directors. The Chairman of the Board of Directors and the Chairman of the Management Board must not be represented by the same person.

22. The responsibility between the Chairman of the Board of Directors in charge of ensuring the Board of Directors' activities and the Chairman of the Management Board in charge of the current activities of the Company shall be clearly divided and enshrined in the relevant internal documents of the Company.

23. There should be a separation of powers between the Board of Directors and the Management Board, as set out in the Charter and the relevant Regulations on the Board of Directors and the Regulations on the Management Board.

24. The Chairman of the Board of Directors shall be responsible for managing the Board of Directors, ensure its effective activities in all aspects of the area of responsibility and shape, in accordance with the established procedure, the agenda of the meeting (s) approved by the Board of Directors. The Chairman of the Board of Directors, along with the Corporate Secretary, shall also ensure that Directors receive reliable and accurate information in due time. The Chairman of the Board of Directors shall provide an effective communication with the Shareholders, and also ensure that the Directors contribute effectively to the activities of the Board of Directors, in particular, building the constructive relationship between the Directors and the Management Board.

25. If the Board of Directors' decisions can affect differently the various groups of the Shareholders, when making a decision the Directors must rely upon the goal of ensuring the maximum benefits for the Company to allow it to carry on a successful and long-term activity.

26. The recommended number of independent directors on the Company's Board of Directors must represent the overwhelming majority of the total number of members of the Board of Directors.

27. The system of performance evaluation and fair remuneration of the Directors shall provide incentives for their work in the interests of the Company and its Shareholders. The basis of each Director's performance evaluation system shall be the goals, tasks, and duties enshrined in the Company's documents that regulate the activities of the Board of Directors and in the work plan of the Company's Board of Directors, and the functions enshrined in the Company's Charter, as well as evaluation of fulfilment of the duties and functions that, in accordance with the recommendations of international best practice of corporate governance, allow the Board of Directors solving the tasks in the best way and making the maximum contribution to the successful and sustainable development of the Company.

1.2 (B) OPERATING PRINCIPLES OF THE MANAGEMENT BOARD

28. The Company is aware that the leader in the person of the Chairman of the Management Board is needed to manage the day-to-day activities of the Company. The Company is also aware that it is necessary to solve complex problems in the management process and a collegial rather than an individual approach is required to solve them. In this regard, the Company shall establish an executive body in the form of the Management Board headed by the Chairman of the Management Board.

29. No person/group of persons shall have unlimited rights to make decisions by the Management Board.

30. The Management Board shall manage the day-to-day activities of the Company in order to perform the tasks and implement the strategy of the Company.

31. The underlying principles in the Management Board's activities shall be legality, honesty, good faith, reasonableness, regularity, professionalism, objectivity.

32. The Management Board's activities shall be based on the principle of the utmost respect for the Shareholders' interests and fully accountable to decisions of the General Meeting of Shareholders and the Board of Directors.

1.3 PRINCIPLES OF TRANSPARENCY AND FAIRNESS OF DISCLOSURE OF INFORMATION ABOUT THE COMPANY'S ACTIVITY

33. In order to enable the Shareholders to make informed decisions, as well as to bring the information about the Company's activity to the notice of the Stakeholders, the Company shall provide timely disclosure

of reliable information on the Company to the Shareholders and the Stakeholders, including its financial position, economic indicators, performance, ownership and management structure.

34. When disclosing and (or) publishing any information, the Company shall consider the provisions of the Legislation on commercial and other secrets protected by the Legislation, as well as the requirements of the Company's internal documents.

1.4 ETHICS AND COMPLIANCE PRINCIPLES

35. The Company shall act in strict compliance with the Legislation, generally accepted principles (customs) of business ethics, the Charter, provisions of this Code, the Listing rules and its contractual obligations.

36. The relations between the Shareholders, the Board of Directors' members and the Management Board shall be based on mutual trust, respect, accountability to the Shareholders and control on the side of the Board of Director and the Management Board.

1.5 PRINCIPLE OF EFFECTIVE DIVIDEND POLICY

37. The Company shall pay dividends in accordance with the Legislation, the Charter and relevant decisions of the General Meeting of Shareholders.

38. Dividends on ordinary shares of the Company may be paid on the basis of the annual, semi-annual and (or) quarterly results after the audit of the financial statements for the relevant period. When payment of dividends is declared, such dividends shall be paid in the manner established by the Legislation.

39. Dividends shall not accrue and be paid on any shares that have not been placed or have been bought back by the Company, as well as if an applicable court or the General Meeting takes a decision on the Company's liquidation.

1.6 PRINCIPLE OF EFFECTIVE PERSONNEL POLICY

40. The corporate governance in the Company shall be based on observance of the rights of the Company's employees stipulated by the Legislation and the Code of Ethics and Conduct, and shall be aimed at developing the partnership relations between the Company and its employees in solving social issues and regulating labour conditions.

41. The key focuses of the human resources policy shall be as follows: (a) preservation of jobs to the extent possible and subject to the Company's performance results; (b) improvement of working conditions and (c) compliance with the social protection standards for the Company's employees.

42. The Company shall recruit and place the employees on the basis of transparent procedures in accordance with the Company's internal documents.

43. The corporate governance shall encourage the creation of favourable and creative working environment and facilitate the professional development of the Company's employees.

1.7 SUSTAINABILITY PRINCIPLE

44. The Company recognizes the importance of its influence on the economy, environment and society and is committed to ensure its sustainable development in the long term, while striving to balance the interests of Stakeholders and increase its long-term value.

45. The Company ensures consistency of its economic, environmental and social goals for sustainable development in the long term, which includes, among other things, an increase in the long-term value for shareholders and investors.

1.8 PRINCIPLE OF MANAGEMENT OF CORPORATE CONFLICTS AND CONFLICT OF INTEREST

46. The members of the Board of Directors and the Management Board, as well as the Company's employees shall perform their professional duties in good faith and on reasonable grounds, with due care and diligence, in the interests of the Company and its Shareholders, while avoiding the conflicts.

47. In the event of conflict (occurrence), the Company's officials must promptly inform the Corporate Secretary of the event (occurrence) of conflict.

48. The members of the Board of Directors and the Management Board, as well as the Company's employees shall ensure that their activities comply in full with the requirements of the Legislation, the principles of this Code, the Charter, the Code of Ethics and Conduct, the Company's internal rules as well as generally accepted standards of business ethics.

1.8.1 POLICY OF CORPORATE CONFLICTS MANAGEMENT

49. The efficiency of works on the Corporate conflicts prevention and regulation implies, in the first instance, the most complete and early detection of such conflicts (if they occur or could occur in the Company) and clear coordination of the actions of all Company's bodies.

50. In order to ensure the objectivity of the Corporate conflict assessment and to create conditions for its effective settlement, the persons whose interests are affected or may be affected by the conflict should not participate in its settlement.

51. Should a Corporate conflict arise, the participants to such conflict shall find a way to solve it through negotiations in order to ensure effective protection of the Shareholders' rights and the Company's business reputation.

52. When the Corporate conflicts cannot be settled through negotiations, they shall be settled in strict compliance with the Legislation.

53. The Chairman of the Management Board shall, on behalf of the Company, settle the Corporate conflicts on all issues that do not fall within the competence of the Company's Board of Directors according to the Charter or Legislation, and independently determine the procedure for works on the settlement of Corporate conflicts.

54. The Board of Directors shall settle the Corporate conflicts on the issues within its competence. In such a case, the Corporate Secretary shall be responsible for ensuring the maximum possible awareness of the Board of Directors about the essence of the Corporate conflict. The role of a mediator in resolving Corporate Conflicts is assigned to the Chairman of the Personnel and Remuneration Committee of the Board of Directors. If the Chairman of the Personnel and Remuneration Committee is involved in a Corporate Conflict, such case shall be considered by the Audit Committee.

55. The Board of Directors shall consider separate Corporate conflicts within the competence of the Management Board (for example, if the subject of the conflict is action (inaction) of this body or decisions taken by it).

1.8.2 CONFLICT OF INTEREST MANAGEMENT

56. The Conflict of interest shall be defined as a situation when the personal interest of the Company's employee affects or may affect the impartial performance of his/her official duties. The Company has a compliance function in place which, among other things, is responsible to prevent conflicts of interests.

57. All employees of the Company must behave in such a way as to prevent a situation when the occurrence of the Conflict of Interest is possible, both with regard to him/herself (or related persons), and with regard to the others.

58. The basic principles of preventing the Conflict of Interest shall be enshrined in the Company's Code of Ethics and Conduct approved by the Board of Directors.

2 INTERNAL DOCUMENTS OF THE COMPANY

59. The specific structures, procedures and practices of corporate governance shall be governed by the Charter and internal documents of the Company, including on the following:

- the Board of Directors;
- the Management Board;
- the Committees (as they are established);
- risk management;
- the Internal Audit;
- the Corporate Secretary;
- disclosure of information.

60. The above documents shall be developed in accordance with the Legislation and the corporate governance principles recognized in international practice.

3 GENERAL CORPORATE GOVERNANCE STRUCTURE

61. The division of responsibility between the Company's bodies shall be clearly stated and ensure compliance with interests of the Shareholders.

62. The Company's bodies shall have the authority and resources to perform their duties in a professional manner. Moreover, their governance must be timely, transparent and reasonable.

63. The system of the Company's bodies shall include:

- the General Meeting of Shareholders – the supreme body of the Company;
- the Board of Directors – the governance body responsible for developing the Company's strategy, general management of its activities and control of the Management Board's activities;
- the Management Board – a collegial executive body that manages the day-to-day operations of the Company and implements the strategy defined by the Board of Directors and the General Meeting of Shareholders;
- the Internal Audit – the body that oversees the financial and economic activities of the Company, evaluates internal risks and controls management, execution of documents in the field of corporate governance and provides counselling in order to improve the Company's activities.

64. The Corporate Secretary shall be charged with ensuring that the Company's bodies and officials comply with the procedures aimed at guaranteeing the rights and interests of the Shareholders, as well as the Company's commitment to the norms of Legislation on corporate governance and the Listing rules, provisions of the Charter and other internal documents of the Company. The Corporate Secretary shall also facilitate the efficient exchange of information between the Company's bodies and serve as a corporate governance adviser for the members of the Board of Directors and the Management Board of the Company.

CHAPTER 2. GOOD WORK PRACTICE OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

65. The Company considers the presence of professional and independent Board of Directors to be an important element of effective corporate governance. Furthermore, the Management Board plays a significant role in the governance process. The effective interaction between these two bodies and clear delineation of their powers is a key factor in ensuring the good corporate governance practice.

1. BOARD OF DIRECTORS

1.1 FUNCTIONS OF THE BOARD OF DIRECTORS

66. The Board of Directors is a management body that reports to the general meeting of shareholders, performs strategic management of the Company and controls the activities of the Management Board. The Board of Directors ensures the implementation of all the provisions of this Code. The Board of Directors carries out its work in accordance with the Law, the Charter, the Code and other internal documents of the Company.

67. The Board of Directors determines the Company's development strategy (directions and results), sets and keeps tracks of the key performance indicators in the development plan; organizes and oversees the performance of the risk management and internal control system by engaging the Internal Audit Service for these purposes; approves and monitors the implementation of key strategic projects that fall within the competence of the Board of Directors; focuses on issues related to election, remuneration, succession planning and overseeing the activities of the Management Board and its members, as well as corporate governance and ethics; together with the Management Board, ensures that an appropriate system for sustainable development is in place and implemented.

The Board of Directors meets at least once a year to discuss and approve the Company's development strategy.

68. The Board of Directors shall make an objective assessment of observance of the approved priority objectives with due regard to the market situation, financial performance of the Company and other factors affecting the financial and economic activities of the Company.

69. The competence of the Board of Directors shall be determined according to the Legislation and the Charter.

70. The Board of Directors shall be responsible for ensuring an appropriate dialogue with the Shareholders. The Chairman of the Board of Directors shall guarantee that the Shareholders' point of view is communicated to the Board of Directors in general. The Chairman of the Board of Directors shall discuss the Company's development strategy with the major Shareholders.

71. All Directors shall act in good faith and with due diligence in the interests of the Company and its Shareholders, taking into account all the relevant information, and make decisions objectively in the interests of the Company.

72. Each Director must participate in all meetings of the Board of Directors and the Committee where he/she is a member. An exception to this requirement shall be allowed in exceptional cases stipulated in the internal documents of the Company.

73. The Board of Directors shall develop a mechanism for evaluating its activities, create and regularly review the methods and criteria for evaluating the performance of the Board of Directors, the Directors, the Management Board, the Chairman and members of the Management Board, the Internal Audit and its head.

1.2 FORMATION OF THE BOARD OF DIRECTORS

74. The composition of the Board of Directors shall ensure a fair and objective representation of the Shareholders' interests. The number of independent non-executive directors in the Board of Directors must be adequate to ensure the independence of decision making.

75. The number of members of the Board of Directors shall be determined by the Shareholders.

76. The actual process of new Directors election shall be transparent and clear for all Shareholders.

77. All candidates for the position of Director shall have relevant work experience, knowledge, positive achievements and impeccable reputation.

78. The procedure for electing and terminating the powers of the Director and other issues related to the activities of the Board of Directors shall be defined by the Legislation, the Charter and other internal documents of the Company.

79. The members of the Board of Directors are elected for a period up to 3 (three) years, unless otherwise decided by the shareholders of the Company. When a member of the Board of Directors is elected for a new term exceeding 6 (six) years, his candidacy becomes subject to a special consideration, taking into account the need for a qualitative renewal of the Board of Directors. The same person may not be elected as an Independent Director to the Board of Directors more than (9) nine consecutive years; however, in exceptional cases it is

allowed for such the candidate to be elected for a term exceeding (9) nine years, subject to the annual reelection of such person.

80. No one is allowed to participate in taking decisions on their own appointment, election or re-election.

81. The Board of Directors shall specify each Director it considers Independent in the annual report on its activities. The Board of Directors should determine whether the Director was Independent in making decisions, state the reasons for recognizing the Director as Independent, while reflecting the Director's compliance with the criteria for independence under the Legislation, and applicable Listing Rules as well as the existence of relations or circumstances that may affect the recognition of the Director as Independent.

1.3 STRUCTURE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

82. The Board of Directors shall establish the committees for:

- (a) strategic planning;
- (b) personnel and remuneration;
- (c) internal audit;
- (d) sustainable development;
- (e) other issues stipulated by the internal documents of the Company.

83. The Committees shall be created to facilitate the efficient performance of the functions of the Board of Directors.

84. The activities of all Committees shall be regulated by internal documents approved by the Board of Directors, which contain the provisions on composition, competence, procedure for electing the members of the Committee, operation procedure of the Committees, as well as on the rights and obligations of their members. The Shareholders shall have the right to get familiarized with the regulations on the Committees.

85. The committees are formed by the Board of Directors and their members are elected from among the Directors, with Independent Directors representing the majority over the executive directors. Only Independent Directors may chair the Board of Directors committees. If necessary, Committees may include experts who have the necessary professional knowledge to work in a specific area. The term of office of a Committee member is the same as his term of office in the capacity of the Board of Directors member. The Chairman of the Management Board may not be a member of the Committee.

The Internal Audit Committee consists only of the Independent Directors. The members of the Audit Committee must have in-depth knowledge and practical experience in accounting and audit, risk management and internal control.

The Personnel and Remuneration Committee includes the majority of the Independent Directors in order to take objective and independent decisions and to prevent the influence of stakeholders (representatives of shareholders, head of executive body, employees and other persons) on the judgments of the Committee members. The members of the Personnel and Remuneration Committee must have in-depth knowledge and practical experience in personnel management and performance evaluation. The basic functions of the Personnel and Remuneration Committee include appointment, motivation KPIs, performance assessment, remuneration and succession planning for executive management; appointment and remuneration of the corporate secretary; participation in the consideration of these issues with regard to the composition of the Board of Directors, if appropriate authorities have been granted by the general meeting of shareholders. In which case, members of the Personnel and Remuneration Committee should avoid situations that may give rise to a conflict of interest and are not allowed to participate in considering issues of their own appointment and / or remuneration.

86. Prior to the beginning of the year, the Board of Directors and the Committees shall draw up a plan of activities. The meetings of the Board of Directors and the Committees shall be held on a regular basis.

1.4 ORGANIZING THE ACTIVITIES OF THE BOARD OF DIRECTORS

87. The activity of the Board of Directors is based on the principles of professionalism and integrity, rationality, efficiency, activity, fairness, honesty, responsibility and diligence.

88. The meetings of the Board of Directors shall take place in accordance with the schedule prepared annually from the beginning of its term of office, based on the principle of rationality, efficiency and regularity. The Board of Directors shall meet at least five times per calendar year.

89. The Board of Directors shall develop and follow its internal procedures regarding preparation for and holding of its meetings. These procedures shall govern all necessary parameters for the activities of the Board of Directors' meetings.

90. The Board of Directors shall take the detailed minutes of its meetings, which properly record the discussion of all issues. The minutes of the meetings shall be signed by the Chairman of the Board of Directors and the Corporate Secretary, and show the roll-call results.

91. The specifics of absentee voting for the members of the Board of Directors shall be defined by the Legislation, the Charter and internal documents of the Company.

92. The Board of Directors meetings can be in the form of in-person or absentee voting in accordance with the Company's Charter provisions. The number of meetings with absentee voting should be minimized.

93. The Directors shall be aware of the financial and economic condition of the Company and, when making decisions, interact with the Management Board members and the Company's employees in order to clarify issues that arise.

1.5 EVALUATION OF THE BOARD OF DIRECTORS PERFORMANCE

94. The Board of Directors shall regularly, once in three years, give a comprehensive assessment of its activities, the work of its Committees, and each of the Directors. The results shall be discussed at the Board of Directors' meeting.

1.6 INFORMATION AND ADVANCED TRAINING

95. Each of the Directors must be provided with information in a timely manner, according to the Charter, in form and content allowing him/her to discharge the Director's duties.

96. The Chairman of the Board of Directors shall be responsible for ensuring that the Directors receive accurate, timely and clear information. The Management Board and the Internal Audit Service must provide such information, and each of the Directors may require explanations or clarifications, when necessary.

97. The Board of Directors and its Committees may engage external experts and consultants in the prescribed manner, within the funds provided for in the Company's budget for the relevant calendar year.

98. The Board of Directors should be provided with all necessary resources to carry out its functions in full.

1.7 REMUNERATION

99. The issues related to the remuneration of the Directors shall be decided by the General Meeting of Shareholders.

100. The level of remuneration shall be adequate to hire, retain and motivate the Directors and their effective activity.

101. The Company shall have a transparent remuneration policy for the Directors. The level of remuneration for the Directors shall be adequate to the time dedicated to their work and to the quality of duties performance by the Directors.

102. The remuneration conditions for the Directors shall be reflected in the contracts signed and, when necessary, in the internal document of the Company.

103. The Company shall disclose information about the level of remuneration for the Directors in accordance with the Legislation. The information about remuneration for the Directors for the reporting period shall be subject to mandatory disclosure in the annual report.

2. MANAGEMENT BOARD

104. The Management Board reports to the Board of Directors, manages the Company's day-to-day activities and ensures that they are in line with the strategy, development plan and decisions adopted by the General Meeting of Shareholders and the Board of Directors.

105. The Management Board has the right to make decisions on any issues concerning the Company's that, according to the Legislation and the Charter, are outside the scope of competence of other bodies of the Company.

106. The Management Board is responsible for the information disclosure and public information coverage of the Company's activities in accordance with the Legislation and the Listing rules, and must ensure the protection and integrity of internal (proprietary) information.

107. The role, functions, criteria for selecting a candidate for the Management Board and organizational procedure of the Management Board, in addition to the Code, shall be determined by the Charter and internal documents of the Company.

2.1 FORMATION OF THE MANAGEMENT BOARD

108. When electing the Management Board members, the Board of Directors shall follow the provisions of the Company's internal documents that define the qualification requirements to candidates for these positions and the procedure for their election. The Board of Directors may terminate the powers of members of the Management Board in accordance with the established procedure.

109. The proposals on candidates to the Management Board shall be submitted by the Chairman of the Management Board for consideration by the Board of Directors. The Chairman of the Management Board shall have the right to propose a candidate recommended for election to the same vacant position of the Management Board, no more than two times, subject to the provisions of item 112 of the Code.

110. If the Board of Directors rejects the candidate proposed by the Chairman of the Management Board for the same vacant position of the Management Board for the second time, the right to make proposal for a candidate for this vacant position will pass to the Chairman of the Board of Directors.

111. The candidates for the positions on the Management Board must have the experience, knowledge and qualifications required for proper performance of their duties, have a positive reputation and enjoy confidence of the majority of the members of the Board of Directors.

112. The selection and election of members of the Management Board shall be based on the most transparent and clear procedures set out by the Board of Directors and in accordance with recommendations from the Personnel and Remuneration Committee.

2.2 WORK PROCEDURE OF THE MANAGEMENT BOARD

113. The work procedure of the Management Board shall be governed by the Regulations on the Management Board.

2.3 REMUNERATION AND PERFORMANCE EVALUATION

114. The level of remuneration for the Chairman and members of the Management Board shall be defined by the Board of Directors on the recommendation of the Personnel and Remuneration Committee.

115. The policy on remuneration of the Management Board members shall be transparent. The remuneration shall encourage the Management Board members to achieve the high performance.

3. INTERACTION BETWEEN THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD. THE CORPORATE SECRETARY

116. The effective corporate governance requires an open dialogue between the Board of Directors and the Management Board. The Corporate Secretary shall play a key role in organization of this process.

117. The Corporate Secretary shall perform his/her duties on a full-time basis. The Corporate Secretary must be qualified to ensure that the bodies comply with the requirements of the Legislation on corporate governance and internal documents of the Company. The Corporate Secretary shall ensure a clear interaction between the Company's bodies in accordance with the Charter and other internal documents of the Company, and also inform the Company's officials on new trends in the development of corporate governance.

118. The Corporate Secretary shall ensure and control due review of the Shareholders' requests by the appropriate bodies of the Company and resolution of conflicts related to the violation of the Shareholder rights. The Corporate Secretary is responsible to ensure timely review of such requests by the Company's bodies.

119. It is the Corporate Secretary's responsibility to ensure a normal flow of information within the Board of Directors, its Committees, between the Management Board and the Board of Directors, as well as assisting in the on-boarding process for the Directors.

120. The status, functions and responsibilities of the Corporate Secretary shall be governed by the Company's internal documents approved by the Board of Directors.

121. The appointment and termination of the Corporate Secretary shall be within the competence of the Board of Directors. The procedure for appointment and termination of the Corporate Secretary, qualification requirements for candidates to the position of Corporate Secretary are set out in the Regulations on the Corporate Secretary of the Company, approved by the Board of Directors.

The Corporate Secretary's performance is assessed by the Board of Directors on an annual basis in accordance with the Rules of assessment and bonus payment to the Company's employees based on key performance indicators.

CHAPTER 3. INTERACTION WITH SHAREHOLDERS AND STAKEHOLDERS

122. In its relations with the stakeholders (customers, employees, shareholders, suppliers, business partners, competitors, society and environment), the Company shall be governed by and shall comply with the Code of Ethics and Conduct.

1. ENFORCEMENT OF THE SHAREHOLDERS' RIGHTS

123. The Company shall ensure realization of the basic rights of the Shareholders, in accordance with the procedure established by the Charter, including the right to participate in the corporate governance and in the election of the Board of Directors, and the right to get a share of the Company's profits (dividends).

124. The Company shall provide the Shareholders an opportunity to effectively participate in making decisions on the issues within the competence of the General Meeting of Shareholders according to the Legislation.

125. The Company shall bring to the attention of its Shareholders, in full and in a timely manner, the information about its activities that affects the Shareholders' interests, in the manner prescribed by the Charter, the internal documents of the Company and the requirements of the Listing rules.

126. The Company shall provide the Shareholders with reliable information about its financial and economic activities and their results in accordance with the requirements of the Legislation and the Listing rules.

127. The Company shall ensure the fair and equal treatment of all Shareholders, regardless of the type of shares owned by them.

128. The Shareholders shall be able to effectively participate and vote at the General Meeting of Shareholders, and also to be informed about the voting procedure.

2. GENERAL MEETING OF SHAREHOLDERS

2.1 ORGANIZATION OF THE GENERAL MEETING OF SHAREHOLDERS

129. The organization and procedure for holding the General Meeting of Shareholders must meet the following requirements:

- fair and equal treatment of all Shareholders;
- opportunity for all Shareholders to participate at General Meetings;
- provision of the maximum organizational and reporting information;
- simplicity and transparency of conducting the General Meeting of Shareholders.

130. The information and materials submitted to the Shareholders before holding the General Meeting of Shareholders, as well as procedures for their submission, shall provide the most complete picture of the essence of the issues discussed, answers to all their questions and opportunity to make reasonable decisions on the issues of the agenda. The Company must notify of the holding of the General Meeting of Shareholders, within the time period stipulated by the Legislation.

131. The ways of presenting information on convening the General Meeting of Shareholders shall ensure timely notification of all Shareholders. When necessary, the notification shall be duplicated and the different methods of notification shall be used. In order to simultaneously provide information about the Company's activities to all Shareholders, to ensure equal treatment of them, the information on convening the General Meeting of Shareholders shall be posted on the Company's corporate website (www.investors.kcell.kz).

132. Each Shareholders has an opportunity to get acquainted with the list of persons participating in the work of the General Meeting of Shareholders. The process of getting acquainted with list of persons entitled to participate and receive materials of the General Meeting of Shareholders shall be simple and easy for all Shareholders.

133. The information materials circulated in the course of preparation for the General Meeting of Shareholders shall reveal the essence of the issues under consideration in full and be systematized in relation to the agenda of the General Meeting. The simplest and easiest procedure for obtaining or getting acquainted with these materials shall be established.

134. The Corporate Secretary shall ensure that the Shareholders are provided with the requested information within the time period stipulated by the Legislation.

135. The requirements of information disclosure shall not impose on the Company an excessive administrative burden or cause any unreasonable costs.

136. The Chairman of the Board of Directors shall ensure that answers to the Shareholders' questions are provided.

2.2 HOLDING OF GENERAL MEETING

137. The procedure of the General Meeting of Shareholders shall ensure equal opportunity to all Shareholders to enjoy their rights to participate in the General Meeting of Shareholders. The Shareholders may vote in person or without personal attendance (by the power of attorney issued personally by the Shareholder to a third party or a representative of nominee shareholder).

138. The work schedule of the General Meeting of Shareholders shall be based on reasonable sufficiency and possibility of extensive discussion of the agenda issues and making informed decisions on them.

139. The clear time limit for speeches shall be established at the General Meeting of Shareholders.

140. The time for registration shall be sufficient to allow all participants to get registered, however the registration time shall not be limited to the start of the General Meeting of Shareholders, i.e. the participants who arrive after the start of the meeting should be included in its further work and have the right to vote on issues put to the vote after their registration.

141. The quorum shall be determined for each agenda item of the General Meeting of Shareholders.

142. The Chairman of the General Meeting shall strive to let the Shareholders receive answers to all questions immediately at the General Meeting of Shareholders.

When the complexity of questions impedes immediate answer, the Chairman of the Management Board shall submit the written answers as soon as reasonably practicable after closing of the General Meeting of Shareholders.

143. The procedure for collecting and counting the votes shall be as simple and transparent as possible. The Shareholders shall feel certain in excluding the possibility of any falsification of the voting results.

144. The date and time of the General Meeting of Shareholders shall be defined in such a way that the largest number of persons entitled to participate in the meeting could attend.

145. The General Meeting of Shareholders shall be conducted in the city of the Management Board location.

146. The voting results of the General Meeting of Shareholders or the results of absentee voting shall be reported to the Shareholders by publishing them in the Kazakh and Russian languages on the website of the financial statements depository and on the Company's corporate website (www.investors.kcell.kz) within the term established by law.

3. PROTECTION OF THE SHAREHOLDERS' RIGHTS

147. The Company has adopted the system for registering the Shareholders' applications and effective settlement of Corporate conflicts.

148. The Central securities depository shall maintain the register of the Company's shareholders.

CHAPTER 4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

1. POLICY AND PRACTICE OF INFORMATION DISCLOSURE

149. The information disclosure shall be aimed at creating a favourable image of the Company that shall facilitate the capital raising, sustain the confidence of the Shareholders and investors, and also increase the operational and financial performance.

150. The information disclosure system shall satisfy the principles of access to information about the Company and full protection of the Company's confidential internal information.

151. The information disclosure shall ensure the opportunity of free and easy access to the publicly available information in the Company.

152. The information disclosure on the website of the financial statements depository and on the website of stock exchanges shall be in accordance with the procedure established by the Legislation and the Listing rules.

153. The information on Corporate events of the Company shall be additionally disclosed on the Company's corporate website (www.investors.kcell.kz).

2. PROTECTION OF INTERNAL INFORMATION

154. When disclosing the information, the Company shall take into account that information constituting a commercial, official and other secret protected by the Legislation must be protected. The conditions for access to such information, as well as the possibility of obtaining it, shall be determined by the Company, in light of the need for compliance with the balance between the openness of the Company and the desire not to harm its interests.

155. By making information publicly available, the Company must ensure the integrity and protection of confidential internal information in accordance with the requirements of applicable law and (or) the Company's disclosure requirements established by the Board of Directors.

156. The Company shall take measures to protect confidential information in accordance with the Legislation and internal documents of the Company.

157. The Company shall develop and use an effective system of control over the use of confidential and internal information. The Company shall establish the adequate procedures, systems and controls to define, monitor and disseminate internal information, and shall take all necessary actions ensuring that the information disclosed is not false or misleading.

158. The Company's employees shall commit not to disclose the confidential internal (official) information during their employment with the Company. The Company shall establish the time limitation for non-disclosure of such information after termination of employment in the Company.

159. The members of the Board of Directors, members of the Management Board and the Company's employees shall not use confidential and internal information for personal advantage.

3. FINANCIAL STATEMENTS

CONTROL SYSTEM OF THE COMPANY'S FINANCIAL AND ECONOMIC ACTIVITIES

160. The Company shall prepare the financial statements in accordance with the international financial reporting standards.

161. The financial reporting and auditing in the Company shall be based on the following principles:

- completeness and accuracy;
- impartiality and independence;
- professionalism and expertise.

162. The control system of the Company's financial and economic activities shall be built on a strictly regulated basis by the Board of Directors.

163. The Board of Directors and the Management Board shall be responsible for the accuracy of annual reports and financial statements.

4. INTERNAL CONTROL AND INTERNAL AUDIT

164. The Company shall delimit the competence of the bodies included in the control system of the Company's financial and economic activities, depending on their relation to the processes of development, approval, use and evaluation of the internal control system.

165. The Internal Audit function is responsible to oversee the financial and economic activities of the Company, make an assessment in the field of internal control, risk management, execution of documents in the field of corporate governance and provide counselling in order to improve the Company's activities. The Internal Audit employees may not be elected to the Board of Directors and the Management Board.

166. The Internal Audit Service reports directly to the Board of Directors and provides it with information about the results of its activities. The Audit Committee shall monitor the activities of Internal Audit. The tasks and functions of the Internal Audit, its rights and responsibilities shall be defined by the Regulations on the Internal Audit approved by the Board of Directors.

167. The Audit Committee shall make preliminary assessment of the Internal Audit performance and makes recommendations to the Board of Directors for taking a relevant decision.

5. EXTERNAL AUDIT

168. In order to obtain an independent opinion on the reliability and objectivity of the financial statements, the Company shall audit the annual financial statements, and also review the quarterly financial statements, with the help of external auditor (audit organization) in accordance with the requirements of the Legislation.

169. The Audit Committee makes recommendations to the Board of Directors on the appointment, reappointment or termination of an audit organization.

170. The recommendations of the Audit Committee shall be communicated by the Board of Directors to the Shareholders for consideration when making decision on selection of an audit organization.

171. The Company shall change from time to time, at least once every five years, the audit organization and/or the partner who prepares an opinion in the audit organization.

172. The Management Board shall be responsible for the completeness and accuracy of the financial information provided.

CHAPTER 5. CONCLUSION

173. The Company shall develop and approve the additional internal documents intended to adaptation and implementation of the provisions of this Code.