

**REGULATION
on the Board of Directors of Kcell JSC**

1. General provisions

1. This Regulation on the Board of Directors of Kcell Joint Stock Company (hereinafter - the Regulation) is developed in accordance with the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Charter and the Corporate Governance Code of Kcell JSC.

2. This Regulation provides for status, working arrangements and competence of the Board of Directors of Kcell Joint Stock Company (hereinafter - the Company), procedure for convening and holding its meetings, formalization of decisions, as well as responsibility of members of the Board of Directors.

3. The Board of Directors is the management body of the Company, which exercises general management of the Company’s activities, except for resolving the issues within the exclusive competence of the General Meeting of Shareholders, as provided by the Law of the Republic of Kazakhstan “On Joint Stock Companies” and (or) the Charter of the Company.

4. The Board of Directors shall be governed in its activities by the legislation of the Republic of Kazakhstan, the Charter of the Company, the decisions of the General Meeting of Shareholders, the Corporate Governance Code, this Regulation, and other internal documents of the Company.

5. The activities of the Board of Directors shall be based on the principles of professionalism and objectivity, rationality, efficiency, activity, integrity, honesty, responsibility and accuracy.

Members of the Board of Directors must act and take objective decisions in the interests of the Company and its shareholders, avoiding conflicts.

Members of the Board of Directors shall ensure full compliance of their activities with requirements of the legislation of the Republic of Kazakhstan, the principles of the Corporate Governance Code of the Company, as well as ethical standards and generally accepted standards of business ethics.

6. In order to perform its functions effectively, the Board of Directors may request information on the financial and economic activities of the Company, as well as all necessary explanations from the Management Board and the Internal Audit Service.

The Board of Directors of the Company and members of the Board of Directors shall also have other rights and obligations stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company, this Regulation, and other internal documents of the Company.

7. Decisions of the General Meeting of Shareholders adopted within its competence shall be binding on the Board of Directors. The Board of Directors shall submit to the General Meeting of Shareholders an annual report to be included in the annual report of the Company, within the time period established by the General Meeting of Shareholders, including a report on the internal control system of the Company. The Board of Directors must submit reports to the Extraordinary General Meeting of Shareholders, if such an issue is on the agenda.

The annual report of the Board of Directors shall include, inter alia, the following information:

1) composition of the Board of Directors and the Management Board, including the Chairman of the Board of Directors, independent directors, selection criteria for independent directors, the Chairman of the Management Board and members of the committees of the Board of Directors;

2) number of meetings of the Board of Directors and its committees, and also each of the directors' attendance at meetings of the Board of Directors and committees of which he/she is a member;

3) report on the work of the committees for the performance of their functions, including the reasons for the Board of Directors' rejection of some proposals and/or recommendations of the committees;

4) report on the work of the Board of Directors and the Management Board, including full information on the issues on which decisions are made by the Board of Directors or the Management Board, as well as the issues on which decisions are delegated to the Chairman of the Management Board;

5) remuneration of independent members of the Board of Directors;

6) process of assessing the performance of the Board of Directors, committees, the Management Board, the Internal Audit Service and its head.

2. Competence of the Board of Directors

8. Competence of the Board of Directors is determined by the laws of the Republic of Kazakhstan, the Charter, the Corporate Governance Code and other internal documents of the Company.

9. The Board of Directors receives from the Management Board on a regular basis (at least quarterly) a report regarding transactions with related parties, approved by the Management Board in accordance with the requirements of the Charter.

10. The Board of Directors should:

1) monitor and, if possible, resolve potential conflicts of interest at the level of officials and shareholders, including unlawful use of the Company's property and related party transactions abuses;

2) monitor the efficiency of corporate governance practice in the Company.

11. In conjunction with the Internal Audit Committee and the Internal Audit Service, the Board of Directors:

1) at least once a year, evaluate the performance of the Company's internal control system;

2) establish a formal and transparent procedure for determining the application of the financial reporting and internal control principles and the procedure for establishing appropriate relations with external auditors of the Company.

3. Composition of the Board of Directors and its committees

12. No more than 9 (nine) members are elected to the Board of Directors, and each of them has the right to 1 (one) vote. Transfer of votes by one member to another member of the Board of Directors is prohibited.

13. The Board of Directors includes the Chairman and other members of the Board of Directors.

14. Chairman of the Company's Board of Directors is elected from among its members by a simple majority of votes of the total number of members of the Board of Directors, by open vote. The Board of Directors may re-elect its Chairman at any time by a majority vote of the total number of members of the Board of Directors.

15. In order to facilitate the effective performance of the Board of Directors' functions, to review the most important issues and make recommendations, the Board of Directors' committees are established by decision of the Board of Directors.

The committees of the Board of Directors consider the following issues:

1) strategic planning;

2) human resources and remuneration;

3) internal audit;

- 4) issues of sustainable development and social issues;
- 5) other issues provided for by the Company's internal documents.

The review of issues listed in this clause may be referred to the competence of one or several committees of the Board of Directors, except for the internal audit issues reviewed by a separate committee of the Board of Directors.

16. Committees are formed by the Board of Directors and consist of its members. If necessary, the committees may include experts with the required professional background to work in a particular committee.

The Chairman of the Company's Management Board may not be the Chairman of the Board of Directors' committee.

Each committee activities are regulated by the relevant Regulations approved by the Board of Directors, containing provisions on the composition, competence, proceedings of the committees, the procedure for electing committee members, as well as their rights and obligations.

The committees of the Board of Directors listed in subpar. 1-4, article 15 of this Regulation are chaired by independent directors.

17. Only the chairperson and its members are present at the meetings of the committees. The presence of other persons at meetings of the committees is allowed only at the invitation of the relevant committee.

18. The Board of Directors and its committees draw up a plan of their work with a schedule of meetings on an annual basis. The minutes of the committee meeting are kept and submitted to the Board of Directors.

19. The Board of Directors has the right, at any time during the year, to require the committees to submit a report on their current activities, as well as to determine the timeframe for preparing and submitting such a report.

20. The objectives of the Strategic Planning Committee are to define and provide recommendations on the issues of determining the priority directions of the Company's activities and the strategy of its development to the Board of Directors of the Company.

21. The Internal Audit Committee's activities are aimed at assisting the Board of Directors in external and internal audit, financial reporting, internal control and risk management, compliance with the laws of the Republic of Kazakhstan, as well as other issues on the instructions of the Board of Directors.

22. The objectives of the Personnel and Remuneration Committee are to develop recommendations for the Board of Directors on appointments of personnel to the Board of Directors, heads of subsidiaries, affiliates and other employees of the Company, as well as the system of their motivation, remuneration and appraisal of the members of the Board of Directors in accordance with internal documents of the Company.

23. The objectives of the Sustainable Committee are to develop recommendations for the Board of Directors on social responsibility and sustainable development of the Company.

24. The Board of Directors and its committees are entitled to use the services of external experts and consultants in accordance with the established procedure, within the limits of the funds provided for in the Company's budget for these purposes for the relevant year.

4. Candidates to the Board of Directors

25. Candidates for election as a member of the Board of Directors of the Company may be nominated from among:

- 1) shareholders-individuals;
- 2) persons proposed for election to the Board of Directors as representatives of shareholders;
- 3) individuals who are not the shareholders of the Company and not proposed (not recommended) for election to the Board of Directors as representatives of shareholders.

26. Candidates for the position of independent director submit the following documents:

- 1) statement of consent in accordance with Annex 1 to this Regulation;

- 2) copy of the candidate's identity document;
- 3) notarized copies of academic certificates, higher degree certificates, licenses and/or patents, certificates, official papers, if any;
- 4) information about the candidate in accordance with Annex 2 to this Regulation.

27. Candidates and members of the Board of Directors must have relevant work experience, knowledge, qualifications, positive achievements required to perform their functions, and impeccable reputation in the business and industry environment and organization of effective work of the entire Board of Directors in the interests of shareholders and the Company.

28. Qualification requirements for candidates for independent members of the Board of Directors are prepared by the Personnel and Remuneration Committee.

29. Qualitative characteristics of candidates for independent members of the Board of Directors of the Company may not be lower than the qualification requirements stipulated by Annex 3 to this Regulation.

30. Number of candidates in one application cannot exceed the number of members of the Board of Directors stipulated by the Company's Charter and this Regulation.

31. Applications for nomination of candidates are prepared by the shareholders and persons eligible to be elected to the Board of Directors in writing and sent to the Company's Management Board or directly to the Chairman of the Board of Directors.

32. Application for nomination of candidates to the Board of Directors (including the case of self-nomination) specifies the following:

- 1) surname, name, patronymic, year of birth of the candidate, education, place of work and positions held in organizations (including elective ones) for the last 5 (five) years;
- 2) identity document data;
- 3) information on the number and categories of shares owned by the candidate (equity shares) in commercial organizations, as well as information about its affiliates;
- 4) surname, name, patronymic (company name for legal entities) of the shareholder (s) nominating the candidate, the number and categories of the Company shares owned by them;
- 5) addresses and contact numbers;
- 6) other information confirming the qualifications and experience of candidates.

33. The Board of Directors, on the basis of recommendations from the Personnel and Remuneration Committee, includes the surnames of the candidates in the list for voting on elections to the Board of Directors.

The Board of Directors can refuse to include the surnames of candidates in the list for voting on elections to the Board of Directors in the following cases:

- 1) incomplete information in the application, as provided for in clause 32 of this Regulation.
- 2) candidate's non-compliance with the requirements stipulated by the laws of the Republic of Kazakhstan, the Company's Charter, as well as clauses 25, 27, 28, 29 and 41 of this Regulation.

34. The list of candidates for independent directors is accompanied by evaluation forms of candidates filled in by the members of the Personnel and Remuneration Committee, as provided in Annex 4 to this Regulation.

35. The reasoned decision of the Board of Directors to refuse to include the candidate in the list for voting on elections to the Board of Directors is sent to the shareholder (s) or stakeholders who nominated the candidate within 10 (ten) business days from the date of receipt of such decision.

36. Decision of the Board of Directors to refuse to include the candidate in the list for voting may be appealed at the General Meeting of Shareholders or in court, in accordance with the laws of the Republic of Kazakhstan.

5. Procedure for electing the members of the Board of Directors, term of office and termination of authorities

37. Members of the Board of Directors of the Company (or – directors) are elected by the General Meeting of Shareholders and re-elected by the General Meeting of Shareholders in case of early termination of authorities of previously elected members of the Company's Board of Directors in accordance with the procedure established by the laws of the Republic of Kazakhstan, the Company's Charter and this Regulation.

38. The recommended number of independent directors in the Company's Board of Directors is the prevailing majority of the total number of members of the Board of Directors.

39. When electing a director, the Company's shareholders should be provided with comprehensive information about the candidate for the position of independent director, including biographical data, information about the relationship of the candidate and the Company (affiliation, cooperation, etc.) and any other information to enable shareholders to take an objective decision.

40. The Board of Directors indicates each director it considers as independent in the annual report on its activities, submitted to the General Meeting of Shareholders as part of the Company's annual report. The Board of Directors determines whether the director was independent when making decisions, specifies the reasons for recognizing the director as independent, while reflecting the director's compliance with the criteria of independence under the laws of the Republic of Kazakhstan, and also the existence of relationships or circumstances that may affect the recognition of director as independent, including, if the director:

- 1) has been an employee of the Company or its subsidiary for the past five years;
- 2) received or receives additional remuneration from the Company, except for remuneration for the work as a member of the Board of Directors;
- 3) occupying a similar position in other organizations or bodies, has significant contacts with other directors through such participation in other organizations or bodies;
- 4) represents the shareholders or state bodies;
- 5) was the director for more than nine consecutive years, except for the cases provided for by this Regulation.

41. The following person cannot be elected to the Board of Directors:

- 1) person with outstanding conviction or outstanding conviction in accordance with the procedure established by the law;
- 2) person who had previously been the Chairman of the Board of Directors, the first head (Chairman of the Management Board), deputy head, chief accountant of another legal entity for a period not more than one year before deciding on involuntary liquidation or involuntary redemption of shares, or conservation of another legal entity declared bankrupt in the prescribed manner. This requirement applies for 5 (five) years after the date of decision on involuntary liquidation or involuntary redemption of shares, or conservation of another legal entity declared bankrupt in the prescribed manner.

No legal entity can be a member of the Board of Directors.

A member of the Board of Directors is not entitled to transfer the functions assigned to him/her in accordance with the legislative acts of the Republic of Kazakhstan and (or) the Company's Charter to other persons.

42. Members of the Management Board, other than the Chairman, may not be members of the Company's Board of Directors. The Chairman of the Company's Management Board may not be simultaneously elected as the Chairman of the Company's Board of Directors.

43. Members of the Board of Directors are elected by the shareholders by cumulative voting, using the voting ballots, except for the case when one candidate is running for one seat on the Board of Directors. The cumulative voting ballot should contain the following columns:

- 1) list of candidates to the Board of Directors;
- 2) number of votes of the shareholder;
- 3) number of votes cast by the shareholder for a candidate to the Board of Directors.

It is forbidden to include the voting options «against» and «abstained» in the cumulative voting ballot.

The shareholder has the right to cast votes on all shares owned for one candidate or distribute them among several candidates for members of the Board of Directors. The candidates with the highest number of votes are considered to be elected to the Board of Directors. If two or more candidates for members of the Board of Directors have obtained an equal number of votes, additional cumulative voting is held for these candidates by providing the shareholders with the cumulative voting ballots specifying the candidates, who have obtained an equal number of votes.

44. Contract is concluded with successful candidates for the position of independent director.

45. Members of the Board of Directors are elected for a term not exceeding 3 (three) years, unless otherwise decided by the Company's shareholders. When electing a member of the Board of Directors for a new term exceeding 6 (six) years, the candidate is subject to special consideration taking into account the need for a qualitative renewal of the composition of the Board of Directors. One and the same person may not be elected as an independent director to the Board of Directors for more than nine years in a row, but in exceptional cases, election is allowed for a term exceeding 9 (nine) years, subject to the annual election of such a person.

The directors elected should devote sufficient time to fulfil their respective responsibilities.

46. Authorities of any member (all members) of the Board of Directors of the Company may be terminated early by decision of the General Meeting of Shareholders. The decision on early termination of authorities of the members of the Board of Directors is made by a simple majority of votes of the total number of voting shares of the Company represented at the General Meeting of Shareholders.

The authorities of such members of the Board of Directors are terminated from the date of the General Shareholders Meeting's decision on the early termination of their authorities.

47. If a member of the Board of Directors attended less than half of the meetings of the Board of Directors during the calendar year or provided filled-in ballots for less than half of issues put to absentee voting, the Board of Directors must recommend to the General Meeting of Shareholders to early terminate his/her authorities.

48. In case of early termination of authorities of a member of the Board of Directors, a new member of the Board of Directors is elected by cumulative voting of those represented at the General Meeting of Shareholders, in compliance with requirements of the legislation of the Republic of Kazakhstan; and the authorities of a newly elected member of the Board of Directors expire simultaneously with the expiration of the term of office of the Board of Directors as a whole.

In case of early termination of authorities of 30 (thirty) and more percent of members of the Board of Directors, the remaining members of the Board of Directors are entitled to decide to convene an extraordinary General Meeting of Shareholders to elect a new Board of Directors, in accordance with the laws of the Republic of Kazakhstan and the Company's Charter.

49. Term of office of the Board of Directors is 3 (three) years and expires at the time of the General Meeting of Shareholders, where a new Board of Directors is elected, unless otherwise established by decision of the General Meeting of Shareholders.

50. Termination of authorities of a member of the Company's Board of Directors on his/her own initiative is carried out at any time by written notice to the Board of Directors. The authorities of this member of the Board of Directors are terminated from the moment of such notice receipt by the Board of Directors, unless the notice specifies a later date for the early termination of authorities.

6. Chairman of the Board of Directors

51. Chairman of the Board of Directors manages the Board of Directors, organizes the work, ensures the efficiency of its activities, presides at meetings of the Board of Directors in accordance with the procedure established by the laws of the Republic of Kazakhstan, the Company's Charter and this Regulation, and also:

- 1) concludes an employment contract with the Chairman of the Management Board on behalf of the Company;
 - 2) submits a candidate for appointment to the position of the Company's Internal Audit Service head;
 - 3) prepares the agenda of the meeting of the Board of Directors;
 - 4) ensures:
 - efficient work of the members of the Board of Directors and constructive relations between them and the Management Board;
 - effective relationship with the shareholders and communicating the position of shareholders to the Board of Directors;
 - timely receipt of reliable and accurate information by members of the Board of Directors;
 - providing the newly elected members of the Board of Directors with the programs of assumption of office;
 - providing answers to the shareholders' questions in accordance with the procedure established by the General Meeting of Shareholders or the Charter;
 - 5) discusses the Company's development strategy with (major) shareholders;
 - 6) fulfils other functions in accordance with the laws of the Republic of Kazakhstan.
- 52.** In the absence of the Chairman of the Board of Directors, one of the members of the Board of Directors shall perform its functions by decision of the Board of Directors.

7. Corporate Secretary

53. Corporate Secretary - an employee of the Company who is not a member of the Board of Directors and (or) the Company's Management Board, appointed by the Company's Board of Directors and accountable to the Company's Board of Directors.

54. As part of its activities, the Corporate Secretary oversees the preparation and holding of General Meetings of Shareholders and meetings of the Company's Board of Directors, organizes the record management and ensures the workflow of the Board of Directors, ensures the convocation of meetings of the Board of Directors and keeps minutes of these meetings, provides the members of the Board of Directors with the necessary information, and also:

- 1) organizes the preparation of documents to be reviewed at a meeting of the Board of Directors, prepares proposals on the date, time, venue of the meeting;
- 2) organizes and ensures the storage of minutes of meetings, voting ballots and other documentation of the Board of Directors;
- 3) ensures submission of inquiries to the Management Board, the Internal Audit Service, the Company's independent auditor on behalf of the Board of Directors and on the instructions of the Chairman of the Board of Directors;
- 4) considers the compliance of issues submitted to meetings of the Board of Directors with the competence of the Board of Directors;
- 5) supervises the implementation of decisions of the Board of Directors and reports on the implementation of decisions of the Board at its meetings;
- 6) upon request of members of the Board of Directors, organizes the collection of additional materials and their submission to the Board of Directors;
- 7) assists in the process of directors' induction;
- 8) informs directors about new trends in the development of corporate governance and organizes consultations on management issues for directors;
- 9) ensures the coordinated and operational work of the members of the Board of Directors with shareholders, the Chairman of the Management Board, officers and employees of the Company for the purpose of efficiency of the Board of Directors;
- 10) fulfils other functions provided for by this Regulation and internal documents of the Company.

55. Status, functional responsibilities and other issues of the Corporate Secretary's activities are determined by the Board of Directors by approving the relevant Regulations on the Corporate Secretary.

8. Procedure for convening the meetings of the Board of Directors

56. The Board of Directors meets as necessary, but at least 5 (five) times a year.

57. Meeting of the Board of Directors is convened at the initiative of its Chairman or the Company's Management Board, and also at the request of any member of the Board of Directors, the Company's Internal Audit Service, auditor or any major shareholder of the Company.

58. Initiator of the meeting of the Board of Directors draws up the request to convene a meeting of the Board of Directors, which must contain the following:

- 1) name or surname, initials of the name and patronymic of the initiator of convening a meeting of the Board of Directors;
- 2) proposed agenda with the reasons for raising such issues;
- 3) proposed form of the meeting of the Board of Directors.

59. Initiator must attach the materials on the proposed agenda to the request to convene a meeting of the Board of Directors. The request for a meeting and the attached materials are sent to the Chairman of the Board of Directors or the Company's Management Board.

60. Meeting of the Board of Directors should be convened by the Chairman of the Board of Directors or the Company's Management Board no later than 10 (ten) calendar days from the date of receipt of the request for its convocation. If the Chairman of the Board of Directors refuses to convene a meeting, the initiator may apply to the Company's Management Board, which must convene a meeting of the Board of Directors not later than 5 (five) business days from receipt of the application.

The meeting of the Board of Directors is held with the obligatory invitation of the person who has submitted the request for its convocation.

61. If the Chairman of the Board of Directors refuses to convene the meeting and approve its agenda, the agenda is formed by the Company's Management Board, which provides for convocation of meeting within the timeframe stipulated by the Company's Charter and this Regulation.

62. Corporate Secretary sends a written notice to the members of the Board of Directors about the upcoming meeting of the Board of Directors, specifying the date, time, place and agenda of the meeting with attached materials on the agenda for the meeting.

63. Materials on the agenda of the meeting of the Board of Directors are sent to the members of the Board of Directors not later than 10 (ten) calendar days before the date of the meeting.

64. In order to adopt decisions based on sufficient and comprehensive information, the following materials are submitted to members of the Board of Directors:

- 1) agenda of the meeting;
- 2) explanatory notes on each pending agenda item with justification of the proposed draft decision;
- 3) documents and draft documents to be considered at the meeting;
- 4) copies of the Company's Management Board decision if the agenda item was previously reviewed by the Company's Management Board.
- 5) absentee ballot of the Board of Directors in case of absentee meeting;
- 6) other documents required for consideration and review of the agenda items, if any (presentations, calculations, copies of decisions of the committees and other collective bodies of the Company on relevant issues), reference materials that justify inclusion of these issues into agenda;
- 7) draft decision of the Board of Directors.

In the case of consideration of the decision to conclude a major transaction and (or) interested party transaction, information on the transaction should include data on the parties of the transaction, terms and conditions for execution of the transaction, nature and amount of shares of

the parties involved, as well as the valuer's report (in cases stipulated by the legislative acts of the Republic of Kazakhstan).

65. If the Company's Management Board receives a written application from member/members of the Board of Directors about significant disagreements regarding the proposed version of the draft decision on the agenda item/items prior to the meeting of the Board of Directors, the Management Board shall notify the Board of Directors of such disagreements and, before approving the agenda for the meeting of the Board of Directors, the members of the Board of Directors shall decide to consider the issue as part of the current meeting of the Board of Directors, or to exclude the issue from the agenda of the current meeting.

66. If the Company's Management Board provides periodically poor-quality and/or insufficient information (in the opinion of a member of the Board of Directors), a member of the Board of Directors may initiate, at a meeting of the Board of Directors, the issue of taking measures to improve the quality of materials submitted to the Board of Directors for consideration.

67. If it is impossible to participate in a meeting of the Board of Directors, a member of the Board of Directors must notify the Management Board and the Corporate Secretary in advance.

68. Any meeting of the Board of Directors may be postponed with consent of all members of the Board of Directors.

9. Operating procedure of the Board of Directors

69. Members of the Board of Directors are required to participate in all meetings of the Board of Directors and the committees to which they belong, except in cases of temporary disability, being on vacation, business trip, and also for other objective reasons.

70. Meeting of the Board of Directors is duly constituted, if it is attended by at least half of the members of the Board of Directors.

71. If the quantitative composition of the Board of Directors becomes less than 5 (five) members, the Board of Directors must convene an extraordinary General Meeting of Shareholders to elect new members of the Board of Directors.

72. Decision of the Board of Directors on any issues within its competence is considered to be taken if a simple majority of the members of the Board of Directors attending the meeting of the Board of Directors voted for it, except for voting on the issues related to conclusion of transactions in which the Company has an interest, as provided by the legislative acts and/or the Company's Charter.

73. Member of the Board of Directors, who has objections to the decision taken and voted «against», may express a special opinion in writing and attach it to the minutes of the meeting of the Board of Directors.

Member of the Board of Directors, who did not participate in the meeting of the Board of Directors or who voted against the decision taken by the Company's Board of Directors in violation of the procedure established by the legislative acts of the Republic of Kazakhstan and the Company's Charter, may challenge it in court.

74. Members of the Board of Directors, as well as permanently invited Chairman of the Management Board and Corporate Secretary, participate in the meetings of the Board of Directors.

The Board of Directors can invite third parties and employees of the Company to participate in the meeting, as well as to make a decision to hold a closed meeting in which only members of the Board of Directors can participate. The persons who are not members of the executive body and members of the Internal Audit Service of the Company are not allowed to participate in the meeting of the Board of Directors, if such participation would entail the disclosure of confidential and other information protected by law and internal documents of the Company to invited persons without a signed confidentiality agreement.

Member of the Board of Directors may solicit for participation in a meeting of the Board of Directors or its committees of one invited expert on an ongoing basis. Such a solicitation substantiating the need for permanent presence of invited expert shall be sent to the Chairman of the

Board of Directors in writing no later than 5 (five) calendar days before the date of the first meeting of the Board of Directors or its committee in which such invited expert is expected to participate.

In addition to permanent invited experts, a member of the Board of Directors may solicit for one-time participation of invited experts in a meeting of the Board of Directors or its committees. Such a solicitation substantiating the need for one-time presence of invited experts shall be sent to the Chairman of the Board of Directors in writing not later than 5 (five) calendar days before the date of meeting of the Board of Directors or its committee.

The decision on participation of the invited expert in the meeting of the Board of Directors or its committee on an ad hoc or permanent basis is made by the Board of Directors before the meeting and reflected in the minutes of the meeting of the Board of Directors or in the minutes of the meeting of the Board of Directors' committee.

If more invited experts than the quantitative composition of the Board of Directors participate in the meeting of the Board of Directors, then before the meeting starts, the Board of Directors makes a reasoned decision to hold an extended meeting of the Board of Directors.

The closed meetings of the Board of Directors are held at the recommendation of the committee/committees of the Board of Directors, or at the request of a member of the Board of Directors with written notice to the Chairman of the Board of Directors no later than 5 (five) calendar days before the date of the closed meeting. If there are good reasons, the request for a closed meeting may be submitted at a later date.

75. The meeting of the Board of Directors is opened by the Chairman of the Board of Directors.

76. The Corporate Secretary determines the status of the quorum for a meeting of the Board of Directors.

77. The Chairman informs the attendees about the quorum for meeting of the Board of Directors and announces the agenda of the meeting of the Board of Directors.

The Chairman of the Board of Directors must report on the proposals received to change the agenda. The agenda may be amended and (or) supplemented if the majority of the present members of the Board of Directors voted for it.

The recommended number of issues included in the agenda of in-person meeting of the Board of Directors should not exceed ten. In exceptional cases, the Board of Directors may approve the inclusion of additional issues.

78. Consideration of the issue at a meeting of the Board of Directors includes the following stages:

- 1) presentation of report on the agenda item by a member of the Board of Directors or invited person within 5-10 minutes, depending on the complexity of the issue;
- 2) discussion of the agenda item, depending on the complexity of the issue;
- 3) proposals for the formulation of decision on the agenda item;
- 4) voting on the agenda item with signing of ballots;
- 5) counting of votes and summing up;
- 6) announcing the voting results and decision taken on the agenda item.

79. Detailed minutes are kept at the meetings of the Board of Directors. The minutes of the meeting of the Board of Directors are drafted within 3 (three) days from the date of its holding and signed by the Chairman of the Board of Directors or by the person who presided at the meeting, and the Corporate Secretary. The minutes of the meeting are posted at Board of Directors portal within 5 (five) business days after signing.

80. The minutes of the meeting contain the following:

- 1) full name and location of the Company's Management Board;
- 2) date, time and place of the meeting;
- 3) information on the persons participated in the meeting;
- 4) agenda;
- 5) issues put to vote and voting results, specifying the voting result of each member of the Board of Directors on each agenda issue of the Board of Directors meeting;

- 6) adopted decisions;
- 7) other information, as decided by the Board of Directors.

81. The Corporate Secretary may keep a transcript/audio record of the meeting of the Board of Directors in case of in-person meeting for the purposes of drafting the minutes of the Board of Directors meetings. The audio record/transcript of meetings of the Board of Directors is confidential information and is not provided to any third parties. In exceptional cases, access to audio records (without right to copy) may be granted to a member of the Board of Directors, who participated in such a meeting, upon written request addressed to the Chairman of the Board of Directors, justifying the need for audio record.

82. Members of the Board of Directors or any committee of the Board of Directors, as well as experts, can participate in the meeting of the Board of Directors or of such a committee via conference call or other type of communication that allows all participants in the meeting to hear and speak with each other.

83. During the absentee voting, the voting results on each agenda issue of the Board of Directors meeting are reflected in the absentee voting ballot, which is an integral part of the meeting minutes, and signed by each member of the Board of Directors who participated in the meeting and voting. The members of the Board of Directors who put their signatures on the ballots are considered to have taken part in the voting. A ballot without signature of a voted member of the Board of Directors is considered invalid.

84. Minutes of all Board of Directors meetings are kept at the location of the Company's Management Board.

85. The shareholders, members of the Management Board and employees of the Internal Audit Service of the Company, as well as interested subdivisions of the Company, have the right to get acquainted with the minutes of meetings of the Board of Directors for the performance of the tasks set. A copy of the minutes of the meeting of the Board of Directors must be provided to the shareholder upon his/her first request.

86. Provision of information that is confidential and constitutes official, commercial or other secrets of the Company protected by law may be limited by decision of the Company's Board of Directors.

87. Meetings of the Board of Directors are provided for in-person or absentee voting with justification for choosing a specific voting form, while the number of meetings with absentee voting should be minimized.

88. The list of issues for consideration and decision-making at the meetings of the Board of Directors is provided for by the Company's Charter.

89. Meetings of the Board of Directors are held in combination of in-person and absentee voting when one or several directors are unable to attend in person the meeting of the Board of Directors. In this case an absent director is entitled to participate in the discussion of the issues under consideration, using technical means of communication (conference call), and must submit his/her opinion in writing within 2 (two) business days after convocation of the Board of Directors meeting.

10. Peculiarities of meetings of the Board of Directors via absentee voting

90. Decisions of the Board of Directors without holding a meeting are taken via absentee voting by signing the ballots.

91. Decisions of the Board of Directors taken by absentee voting are valid subject to the quorum required to hold a meeting of the Board of Directors, as provided by the Company's Charter and this Regulation.

92. Decision on conducting the absentee voting is taken by the Chairman of the Board of Directors.

93. Decision on absentee voting determines and establishes the following:

- 1) agenda of the meeting held by absentee voting;

- 2) form of the voting ballot;
- 3) list of information provided to the members of the Board of Directors;
- 4) address and deadline for receiving the absentee ballots.

94. Members of the Board of Directors should consider the issues included in the agenda of the absentee meeting within 10 (ten) business days after receiving the ballot.

95. Following the results of absentee meeting, the Corporate Secretary draws up the meeting minutes with attached documents reflecting the opinions of members of the Board of Directors on the issues considered.

96. Procedure for decision-making by the Board of Directors via absentee voting on the issues not covered by this section is governed by the standards established for in-person voting of the members of the Board of Directors.

97. When holding absentee meetings of the Board of Directors, the Company has the right to use the electronic voting system for members of the Board of Directors by signing a ballot with a digital signature in the manner provided for by the legislation of the Republic of Kazakhstan. The procedure for such voting can be established by a separate document approved by the Board of Directors.

11. Settlement of corporate conflicts and conflicts of interest

98. The Board of Directors settles corporate conflicts on the issues within its competence. In this case the Corporate Secretary must ensure that the Board of Directors is comprehensively informed about the nature of corporate conflict.

99. In the event of conflict (occurrence), members of the Board of Directors must promptly inform the Corporate Secretary of the existence (occurrence) of conflict.

100. The Board of Directors considers separate corporate conflicts that may arise or have arisen in connection with decisions of the Management Board. The list of such conflicts is determined by the Board of Directors.

101. During their tenure, members of the Board of Directors may not:

1) establish or participate in the activities of other commercial organizations competing with the Company, unless this is expressly permitted by the decision of the Company's General Meeting of Shareholders;

2) receive remuneration, directly or indirectly, for influencing the decisions made by the Board of Directors.

102. Member of the Board of Directors interested in the issue submitted for consideration by the Board of Directors must bring this information to the attention of the Chairman of the Board of Directors. At the same time, he/she does not participate in the discussion and voting on this issue, and the relevant entry is made in the minutes of the meeting of the Board of Directors.

103. Member of the Board of Directors is deemed to be interested in the transaction by the Company if such member is:

1) a party to the transaction or participates in it as a representative or intermediary;

2) an affiliate of legal entity that is a party to the transaction or participates in it as a representative or intermediary.

104. In order to avoid corporate conflicts, members of the Board of Directors should monitor the state of the Company and maintain constant contact with members of the Management Board, the Internal Audit Service and employees of the Company.

12. Remuneration of directors

105. Remuneration is paid to the members of the Company's Board of Directors during their tenure. The issues related to the remuneration of members of the Board of Directors are submitted for consideration by the General Meeting of Shareholders.

106. Amount of remuneration should be sufficient to attract, retain and motivate the members of the Board of Directors and their effective activities.

107. Amount of remuneration for the members of the Board of Directors should be adequate to the time they spent for performing their duties and the quality of their performance.

108. The Company discloses information on the amount of remuneration for the members of the Board of Directors in accordance with the laws of the Republic of Kazakhstan.

13. Evaluation of the Board of Directors' performance

109. The Board of Directors ensures a formal and comprehensive assessment of its activities, the work of its committees, each of the members of the Board of Directors. The evaluation methods are self-assessment: an annual assessment performed by the Board of Directors, or an independent assessment: performed by an independent consultant at least once every three years. The results of assessment are discussed at the meeting of the Board of Directors.

110. Members of the Board of Directors hold annual meetings under the leadership of one of the independent members of the Board of Directors to evaluate the work of the Chairman of the Board of Directors.

111. The Chairman of the Board of Directors, members of the Personnel and Remuneration Committee get acquainted with the results of performance evaluation of the Board of Directors, its committees and each of the directors, and, if necessary, make proposals to the shareholders on election of new members to the Board of Directors and/or on removal of directors from office.

14. Assumption of office and professional development of members of the Board of Directors

112. Newly elected members of the Board of Directors undergo the program of assumption of office approved by the Board of Directors, which they are entitled to demand from the Chairman of the Board of Directors.

113. The Chairman of the Board of Directors provides the newly elected directors with the programs of assumption of office, and also organizes appropriate training for full assumption of office.

114. The Board of Directors takes measures to regularly improve the knowledge and skills of the members of the Board of Directors required for their work on the Board of Directors. At the same time, the Board of Directors approves a plan for improving the knowledge and skills of the members of the Board of Directors within the amounts provided for in the Company's budget.

15. Liability of members of the Board of Directors

115. The Chairman of the Board of Directors is responsible for ensuring mutually acceptable relations of the Board of Directors with the Company's shareholders.

116. Members of the Board of Directors shall not use or allow the use of property and/or property rights and interests of the Company in contradiction to the Charter or decisions of the General Meeting of Shareholders of the Company.

117. Members of the Board of Directors are liable to the Company and shareholders for damage caused by their actions and (or) inaction, and for losses suffered by the Company strictly within the framework of imperial rule of law of the Republic of Kazakhstan. The Company's officials, except for the official interested in the transaction and who proposed the conclusion of transaction, which resulted in losses for the Company, are exempted from liability if they voted against the decision taken by the Company's body, which resulted in losses for the Company or the shareholder, or did not participate in the voting for good reason.

118. If several members of the Board of Directors are liable, then their liability to the Company is joint and several.

119. Based on the decision of the General Meeting of Shareholders, the Company is entitled to file a lawsuit against a member of the Board of Directors for compensation of damage or losses caused to the Company.

120. When determining the grounds and degree of liability of members of the Board of Directors, the conditions of business turnover and other circumstances that are important for making a decision on damages must be taken into account.

121. The Board of Directors is responsible for providing a justified and clear assessment of interim and other public reports, as well as information that is subject to mandatory submission in accordance with the laws of the Republic of Kazakhstan, the listing rules of stock exchanges where the Company's shares are traded, the Charter and internal documents of the Company.

122. Members of the Board of Directors found guilty by a court for committing crimes against property, in the sphere of economic activity or against the interests of service in commercial or other organizations, and also exempted from criminal liability under the clauses 3), 4), 9), 10) and 12) of the first part of Article 35 or Article 36 of the Criminal Procedure Code of the Republic of Kazakhstan for committing the said crimes, cannot perform the duties of the Company's officials, as well as the representative of the shareholders at the General Meeting of Shareholders for five years from the date of cancellation of conviction or expungement of conviction in the manner prescribed by the law of the Republic of Kazakhstan, or exemption from criminal liability.

123. The Company provides liability insurance for independent members of the Board of Directors for potential damages.

16. Procedure for approval of the Regulation on the Board of Directors and making amendments and/or supplements

124. This Regulation is approved by decision of the General Meeting of Shareholders. Any amendments and/or supplements to the Regulation are made by the decision of the General Meeting of Shareholders in accordance with the established procedure.

125. If certain articles of this Regulation conflict with the laws as a result of changes in the laws of the Republic of Kazakhstan, these articles become null and void until amendments are made to the Regulation. In this case the members of the Board of Directors must be guided by the laws of the Republic of Kazakhstan.

Kcell JSC

Statement of Consent

I hereby confirm my consent to be included in the list for election to the Board of Directors of Kcell JSC as an independent director. I also confirm that I am not an affiliate of the said joint-stock company and have not been one for the past three years, I am not an affiliate with respect to affiliates of the said joint-stock company and have no subordinacy to their officials – affiliates of Kcell JSC; I am not a civil servant; I am not an auditor of the said joint-stock company and have not been one for the past three years, did not participate in the audit of Kcell JSC as an auditor working in the audit organization, and have not participated in such an audit for the past three years.

Position, organization

(signature)

Full name

Annex 2
to the Regulation on the Board of Directors
Kcell JSC

Candidate's photo

Information about the candidate
for the position of independent director of Kcell JSC

1. General information:

Surname, name, patronymic	
	(in full accordance with the identity card (passport), in case of change in surname, name, patronymic - specify when and for what reason they were changed)
Date and place of birth	
Permanent residence, phone numbers	
	(specify the detailed address, the office, home, contact phone numbers, including the postal code)
Nationality	
Full details of identity document	

2. Information about affiliation:

Information about close relatives (parents, spouse, brother, sister, adult children), and also relatives in-law (brother, sister, parents, children of the spouse):

#	Surname, name, patronymic	Date, month, year of birth, individual identification number (IIN)	Relationship	Place of employment and position
1				
2				
3				

Direct or indirect participation in the authorized capital of legal entities:

#	Name and location	Statutory activities of legal entity	Amount and share of your participation
1			
2			
3			

3. Professional information:

Education, including vocational education, relevant to the job profile	
	(specify the name and location of educational institution, faculty or department, period of study, qualification awarded, details of the diploma)
Additional education, including refresher courses in the field of his/her employment, academic degrees	
	(specify the name and location of educational institution, period of study, details of the diploma, certificate)
Work experience in the area of providing and (or) regulating the financial services, including in the field he/she intends to work	(to be filled in by the heads of the internal audit service, chief accountants)
	(specify the number of years of work in financial organizations, holding the position of auditor, accountant by type of activity)
Work experience in managerial position in the field he/she intends to work	
	(describe the existing work experience: job functions, professional skills)
Work experience in the Board of Directors	
Language skills	
Knowledge of business similar to the profile of Kcell JSC	
Work experience outside the Republic of Kazakhstan	
Ability to dedicate time to the work of Independent Director	
Work experience in the listed companies/ companies in the process of listing	
Ability to chair a committee of the Board of Directors	
Current achievements	
	(specify information on this issue, for example, the names of scientific publications, participation in scientific research, legislative initiatives, etc.)
Membership in professional organizations	
	(specify information on this issue, for example, the Chamber of Auditors, Actuaries)
Other relevant information	

	(specify information characterizing the professional competence of candidate)
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4. Employment history:

#	Employment period (month, year)	Name of the organization, positions and job functions, details of organization
1		
2		
3		

5. Other information:

Outstanding conviction or unexpunged conviction, in accordance with the procedure established by the law of the Republic of Kazakhstan, for crimes committed in the field of economic activity, for corruption and other crimes against the interests of public service and public administration	Yes/ No
Data on suspension from duty for violation of the laws of the Republic of Kazakhstan	Yes/No; if yes, when and who applied the measure
He/she was previously a senior employee of organization recognized as bankrupt, in respect of which the decision on involuntary liquidation, conservation, involuntary redemption of shares was made	Name of organization, position, employment period
Other relevant information	(Specified arbitrarily)

I (surname, name, patronymic of the candidate for the position of Independent Director)

_____ confirm that I carefully checked this information and it is reliable and complete. I acknowledge that the false information provided by me is the basis for reconsideration (revocation) of consent on my appointment (election).

(signature, date)

**Qualification requirements for candidates
for independent directors
of Kcell JSC**

I. Candidate for election as an independent director to the Company's Board of Directors must meet the following requirements:

1. Compliance with the status of independent director according to sub clause 20), Article 1 of the Law of the Republic of Kazakhstan «On Joint Stock Companies», including:

1) not an affiliate of the Company and was not such an affiliate for 3 (three) years before election to the Board of Directors (except for holding the position of the Company's independent director);

2) not an affiliate with respect to affiliates of the Company;

3) no subordination to the officials of the Company or affiliated organizations of the Company and had no subordination to such persons for 3 (three) years before election to the Board of Directors;

4) not a civil servant;

5) not a representative of shareholder at the meetings of bodies of Kcell JSC and was not such representative for 3 (three) years before election to the Board of Directors;

6) does not participate in the audit of the Company as an auditor working in the audit organization, and did not participate in such an audit for 3 (three) years before election to the Board of Directors.

2. Public announcement of own status of independent director before election to the Board of Directors.

3. Higher education and a Master's Degree or additional education in management. All other conditions being equal, preference should be given to candidates with education in the field corresponding to the core business of the Company, or in the field of finance or management.

4. Work experience in companies, including: relevant professional experience in the type of economic activity corresponding to the organization profile or professional experience in areas corresponding to the functional areas of the position, **at least 15 years**, including experience in the companies, preferably in listed/public companies, corresponding to the core business of the Company as a member of the Board of Directors and/or in managerial positions, **at least 3 years**.

5. Special skills in certain areas related to the functional responsibilities of independent director, membership in committees of the Board of Directors, well-developed communication skills, work ethic is based on the principles of transparency, objectivity, constructiveness and professionalism.

6. Mandatory possession of general information on key issues specific to the organization, similar in scope and nature of operations with the Company, including understanding of the following:

1) regulatory obligations;

2) competitive environment in national and international markets;

3) specifics of corporate finance, audit and internal control, strategy and/or on the issues of appointment and/or remuneration for providing expert opinion in membership in the relevant committee of the Company's Board of Directors.

7. Ability to analyse comprehensively and evaluate objectively the information provided and develop an independent position on the issue based on the principles of legality, fairness and equal treatment of all shareholders. **The candidate is able to express own opinion and to hold it even if it differs from the majority opinion.**

8. Impeccable reputation/positive achievements in the business and/or industry environment, adherence to high ethical standards. In the candidate's biography there are no facts of committing a crime in economic activity, as well as an administrative offense in entrepreneurial activity.

9. Sufficient time to participate in the work of the Board of Directors, not only during meetings of the Board of Directors, but also for proper study of materials for meetings of the Board of Directors.

10. Cannot be a member of more than 4 (four) Boards of Directors of other companies.

II. Person cannot be a candidate for independent directors, if:

1. Previously hold the position of Chairman of the Board of Directors, first head (Chairman of the Management Board), deputy head, chief accountant of another legal entity not more than 1 (one) year prior to the decision on involuntary liquidation or involuntary redemption of shares or conservation of another legal entity declared bankrupt in the prescribed manner. This requirement applies for 5 (five) years after the date of decision on involuntary liquidation or involuntary redemption of shares or conservation of another legal entity declared bankrupt in the prescribed manner.

2. With outstanding conviction or unexpunged conviction in accordance with the procedure established by the law of the Republic of Kazakhstan.

3. In dependent relations with the Company, in addition to working on the Board of Directors, with shareholders, members of the Management Board.

4. An official or employee of a competing organization.

**Assessment form of candidate
for Independent Director**

Full name of candidate _____

“TOTALLY ACCEPTABLE” – 3 scores; “ACCEPTABLE” – 2 scores; “ACCEPTABLE TO A MINIMAL EXTENT” – 1 score; “TOTALLY UNACCEPTABLE” – 0 score

#	Criteria	Score	Comments
	1. Qualification requirements:		
1	Education		
2	- professional experience in the relevant industry, both in specialty and in managerial work required for effective activity		
3	- experience of participating in business in Kazakhstan, the CIS and other international markets		
4	- corporate governance experience		
5	- special skills in certain areas related to the functional duties of independent director, membership in committees of the Board of Directors (for example, in finance and accounting, risk management, audit and internal control, strategic management, etc.)		
	2. Competencies:		
6	- subject knowledge		
7	- knowledge of the problems and trends of the national and world economy		
8	- deep knowledge of the market of goods (services) delivered (rendered)		
9	- position and suggestions on priority issues		
10	- ability to transform own knowledge and experience into decisions, creative use of accumulated experience		
11	- management skills		
	3. Personal qualities and abilities:		
12	- business reputation		
13	- leadership skills		
14	- responsibility		
15	- business ethics		

16	- candidate's life plans and goals, their degree of seriousness and prospects; candidate's consistency and success in achieving own goals, etc.		
17	- impact on others: appearance, speech (focuses on the core of the question, states own ideas logically, clearly and reasonably; constructs the grammatically correct sentences), etc.		
	TOTAL SCORE (O): defined as the sum of scores by criteria: $O = (\text{total scores of section 1} + \text{total scores of section 2} + \text{total scores of section 3})/17$		

Final assessment:

- 3 – 2,8 – candidate is totally acceptable;
- 2,7 – 2 – candidate is acceptable;
- 1,9 – 1 – candidate is acceptable to a minimal extent;
- less than 1 – candidate is totally unacceptable.

Recommendations of member of the Personnel and Remuneration Committee, the Board of Directors of Kcell JSC:

Full name of member of the Personnel and Remuneration Committee, the Board of Directors, Kcell JSC: _____

Signature _____