

**Approved  
by the decision  
of the Board of Directors  
of JSC “Samruk-Energy”  
April 14, 2014  
Minutes № 84**

**Methods of Assessment of the Board of Directors  
and its Committees, the Chairman and Members of  
the Board of Directors, and the Corporate  
Secretary of the JSC “Samruk-Energy”**

## Introduction

The effectiveness of corporate governance of any national system directly depends on performance of the Board of Directors (BOD). Moreover, at the level of the companies well-functioning BOD is a key driver of the creation of corporate success.

The essential function of BOD is to assist company's management in creation of long-term added business value for shareholder and provision of management's accountability to BOD for achievement of long-term results.

Efficient BOD monitor both economic performance of company and issues of "conformity" i.e. compliance by company with requirements of the Laws, internal regulations, procedures and provisions. Complying with the Laws of the jurisdiction in which company operates is necessarily, but not enough. Sustainable and successful business development is a result of correct commercial decisions by management bodies within the corporate governance system created by company. The best results are possible if company has values, built structures and processes in BOD for creation of added value for shareholders and company as a whole.

**In other words, efficient BOD should always set the bar higher, making progress not only within issues of "conformity", but issues of effectiveness and economic performance.**

Recently, appraisal of BOD has become compliance of best practice in public and private companies worldwide. Such appraisal allows to analyze not just mechanisms of work, but to understand dynamics of these processes. With serious approach this instrument assists to achieve potential and significantly improve efficiency of BOD work.

Appraisal of BOD shall become important instrument for solving by the JSC "Samruk-Energy" (hereinafter – the Company) the following issues:

- analysis of effectiveness of BOD (implementation of best practices);
- development of adapted to the needs of the Company real work plans with step by step actions for:
  - (-) searching of hidden reserves in BOD aimed at improving of efficiency of the Company's performance;
  - (-) forming of optimal composition and structure of BOD;
  - (-) creation of necessary conditions for effective functioning of BOD and interaction between all directors;
  - (-) directors' fulfillment of its tasks and duties to shareholders and the Company;
- improvement of efficiency of BOD by increasing the contribution of certain directors and their involvement in teamwork;
- improvement of efficiency of BOD to the level of the best international standards as a whole.

**Guidance for appraisal of BOD establishes approaches, offers methods and recommendations for planning, holding and using appraisal results in practice.** The offered methods controls the process of appraisal of BOD, initiated by BOD, and doesn't cover appraisal by Shareholder (s). Processes of appraisal by Shareholder may be regulated in corresponding documents at own discretion of Shareholder. In the development of this Guidance the emphasis was put on the need of processes and mechanisms of BOD work modernization, optimisation and improving of efficiency. The emphasis is put

on the growth of production and economic performance of the Company's performance and creation by BOD added business value for shareholder (s).

Some performance indicators start to show positive effect immediately, but conditions for achievement sustainability of these performance indicators in long term (5-10 years) should be provided. Frequency of appraisal of BOD allows monitoring dynamics of changes and making the necessary adjustments and clarifications to the plans and methods of BOD.

Function of BOD, its internal procedures, composition and structure reflects the history of the Company, nature of business, industry and development priorities. Therefore, BOD of the Company shall have it starting point, improvement of its work shall be a long journey, not a one-time event. Atappraising it is necessary to pay attention to perspectives, not only to past decisions of BOD.

## 1. General Provisions

These Methods shall regulate the processes of appraisal of performance of the Board of Directors and its Committees, the Chairman and members of the Board of Directors and the Corporate Secretary of the Company.

In the process of appraisal the effectiveness shall be analyzed major areas of responsibility and directions of BOD.

### *Directions of analysis of BOD:*

Appraisal of effectiveness of BOD shall include:

- **Functions and Responsibilities:** Effectiveness of BOD and Committees fulfill its functions and duties. Individual appraisal of directors' contribution;
- **Structure and internal procedures:** Appraisal of structure and internal provisions of BOD and Committees and its compliance with the best standards of international practices;

**Standards of Conduct:** appraisal of collective culture of BOD and Committees, as well as examples of certain directors and its impact on creation of effective functioning of BOD.

In each case the process of appraisal shall be specific including local tasks, priorities and conclusions, but at the same time, it will share common logic of process (sequence) and general basic stages:

- 1) Making decision of BOD on appraisal, as well as selection of method (**self-appraisal or consultant appraisal**);
- 2) Selection of independent consultant in external appraisal;
- 3) Data collection of BOD work – mostly by questionnaire (filling standard forms by directors), individual interviews and internal documents (minutes of BOD and Committees, annual work plans);
- 4) Analysis of received data and making up of report project including basic conclusions;
- 5) Presentation of appraisals results and discussion its results at BOD meeting;
- 6) Development of activities plan on improving of BOD performance for a year (if necessary);
- 7) Familiarizing of shareholders with basic conclusions of final report and activities plan for development of BOD

### *Process and results of analysis*

<b>Things to appraise</b>	<ul style="list-style-type: none"> <li>- Functions and duties</li> <li>- Structure and internal procedures</li> <li>- Standards of conduct</li> </ul>
<b>Persons to appraise</b>	<ul style="list-style-type: none"> <li>- BOD as a whole</li> <li>- Committees</li> <li>- Directors</li> <li>- the Chairman</li> <li>- The Chairman of the Management Board</li> <li>- The Corporate Secretary</li> </ul>

Questions shall be directed to	<ul style="list-style-type: none"> <li>- Directors</li> <li>- Members of the Management Board/ Executives</li> <li>- Members of the Company</li> <li>- External interested persons</li> </ul>
Issues to discuss	<ul style="list-style-type: none"> <li>- On the basis of developed questionnaire</li> <li>- Additional issues within key trends of BOD.</li> </ul>
Things to analyze	<ul style="list-style-type: none"> <li>- Internal documents of the Company (minutes of BOD meetings and Committees, internal provisions, procedures, regulations, Codes, policies)</li> <li>- Filled questionnaire</li> <li>- Interview results (individual/groups)</li> <li>- Observation of BOD and Committees meetings</li> <li>- Certain situations</li> </ul>
Things to expect on the results of appraisal	<ul style="list-style-type: none"> <li>- Report project (discussion with the Chairman/the Corporate Secretary/ responsible Committee)</li> <li>- Analysis of comments and notes/ discussion of preliminary conclusions</li> <li>- Further development program of BOD/ Action plan</li> <li>- Final report</li> <li>- Report project on the results of appraisal for inclusion in annual report</li> </ul>

BOD appraisal shall be divided to several stages, which final result shall be improving of efficiency of BOD, directors and the Company as a whole.

The appraisal can't be a one-time event. On the result of appraisal the following trends for improving of BOD work may be applied: involvement of new directors, If there is a lack of necessary knowledge and experience in certain areas, or more effective relations of BOD with the Management Board or Executive Officer should be designed; or if there is a need to amend regulations and procedures of BOD to become active and increase work contribution of certain Committees.

Success of appraisal of BOD shall be depended on all participants. Its results should contain clear conclusions and should be formed as specific recommendations. Effectiveness of appraisal shall directly depend on involvement of directors, the Chairman to the process and correct selection of external provider/consultant.

**Description of functions and responsibility of key participants:**

the Chairman	Responsible for process of appraisal, select approach and controls implementation of Action Plan , in case of its adoption
the Chairmen of Committees	Responsible for the process of effectiveness of its Committees work
the Independent Consultant	Acts as moderator and Methodist. Organizes and controls process. Inspection, professional skill and practical experience in this field provide a high level of work
the Directors	Active participation, openness, involvement in process of each director is important factor for successful appraisal
the Internal Audit Service, Constitutional Court	Responsible for process of information consolidation, making up report project at appraisal

## Function of the Chairman of BOD

The Chairman shall be fully responsible for process of analysis and appraisal of BOD.

### *Tasks and challenges in the process of appraisal*

Program of activities of the development of BOD, if necessary, should be not just developed, but implemented. Conclusions by the results of appraisal including comments and notes of directors, received during discussion of final report shall become basis for action plan. This plan should be a long-term and it should be developed annually in the light of results of further annual appraisals.

As in the situation with selection of the Independent Auditor, BOD should take into account potential **interest conflict risk**, in case of appraisal by consultant that provides to the Company other professional services. The degree of independence of such consultant should a matter of separate consideration of BOD or the Chairman.

## **2. Appraisal of the effectiveness of the Company's BOD**

(1) Principals of

### BOD appraisal Regularity

Appraisal of BOD as a whole and individually each director should be conducted regularly. Appraisal shall cover period of BOD work from date of annual general meeting of shareholders, where directors were elected, to date of beginning of appraisal process or from date appraisal of BOD. In accordance with the best practices of BOD appraisal shall be conducted independently by the Company annually with involvement of external consultant, who shall assist to the Company with appraisal once in a three year.

### Complexity

The efficiency of BOD shall be depended with efficiency of BOD functioning as a collegial body for making decision. In this regard it is necessary to conduct complex BOD appraisal that shall include appraisal of BOD and its Committees, the Chairman, the Corporate Secretary and individually each director's work.

### Continuous improvement

In order to be effective BOD, it should continuous improve and optimize its performance. It is a basic principal of continuous improvement, it is always better than the last time, always ask how to increase a value and contribution of BOD work. Results of appraisal shall be compared with the last ones. In addition, all directors should keep the deadlines, set in appraisal plan and timely provision of feedback.

### Realism

Appraisal shall be based on involvement, openness and fairness of all directors and representatives of the Company. Responses should reflect the real situation as it is perceived by respondent.

### Confidentiality

*Confidentiality should be kept regarding all participants, results shall be provided in summary form.*

(2) Participants of appraisals

The following persons/ group of persons shall be appraised annually:

- BOD as a whole
- BOD Committees
- the Chairman of BOD
- the Corporate Secretary
- individually each director

(3) Instruments

*a) Questionnaire*

Questionnaire shall allow collecting opinions of directors on BOD work as a whole, Committees, the Chairman and each director.

Basic questions: function and duties of BOD, strategy, effective management of the Company's performance, structure and composition of BOD, the Independent Directors, the Corporate Secretary, Committees' performance.

*b) Interview with directors*

Interview shall be conducted with all directors, management representatives and key interested parties. Interview shall be conducted in case of external appraisal.

*c) Analysis of internal documents and materials*

In the analysis the following internal documents shall be considered:

- the Charter of the Company
- the Provisions (BOD, the Management Board, Committees, the Corporate Secretary and etc.), policies, regulations and procedures, regulating corporate relations
- Annual plan of BOD work and actual agendas of BOD meetings
- Biographies of BOD members
- Minutes of BOD and Committees meetings
- the Code of corporate governance
- Reports on the results of corporate governance appraisal
- Reports on the results of BOD appraisal and reports on improvement of BOD work
- Other Documents by the decision of the Chairman of BOD

*d) BOD meetings observation*

By the decision of the Chairman of BOD in external appraisal, consultant may participate in BOD meeting as an observer. By the results of observation consultant shall make up opinion on atmosphere of meeting, relations between members of BOD, style and productive discussion, involvement of directors to decision making process, possible directions of optimization of BOD work and its members.

*e) Appraisal of the Corporate Secretary's performance*

Appraisal of the Corporate Secretary's performance shall be based on analysis from members of BOD, data of "BOD Assessment" questionnaire, "the Corporate Secretary" chapter. Summary data shall be discussed at meeting of the Chairman of BOD and the Corporate Secretary.

(4) Functions of key participants of BOD appraisal

№	Name of activity	External appraisal with independent consultant	Self-appraisal
1	Making decision on BOD appraisal	The Chairman of BOD shall initiate consideration of issues at BOD meeting and making decision on external BOD appraisal of BOD self-appraisal	
2	Consultant selection	The Corporate Consultant shall prepare and agree with the Chairman of BOD technical task and materials for tender. The Company shall ensure selection of provider on the basis of internal procedures	No
3	Approval of plan and approach to appraisal	The Consultant shall meet with the Chairman of BOD, shall offer plan and approach to appraisal, list of persons for interview. The Chairman of BOD shall approve plan and approach to appraisal. The Corporate Secretary shall control implementation of plan	The Corporate Secretary shall offer method and plan (if necessary) to appraisal. BOD shall make decision on appraisal method and responsible persons selection, as well as shall approve plan of appraisal (if necessary). The Corporate Secretary shall control implementation of plan
4	Questionnaire	The Consultant shall offer and agree with the Chairman of BOD specified questionnaire (if necessary) The Corporate Secretary shall send questionnaire to members of BOD. Members of BOD shall fill questionnaire within fixed terms and send to Consultant. The Consultant shall collect and analyze for preparation to interview with members of BOD. Final data of analysis shall be available in report in summary form only.	The Corporate Secretary shall send questionnaires to members of BOD (adjusted): 1) BOD appraisal (to all members of BOD) 2) Committees appraisal (to members of Committee only) 3) The Chairman appraisal (appraise all members of BOD) Members of BOD shall fill questionnaires with fixed terms and shall send to the Corporate Secretary. The Corporate Secretary shall collect questionnaires and shall grant to the Internal Audit Service. The IAS shall analyze it. The final data shall be provided to the Chairman of BOD in summary form * By the decision of the Chairman of BOD collection and analysis of questionnaires may be granted to external organization for confidentiality. Final results shall be provide to the Chairman of BOD and the Corporate Secretary in summary form only.
5	Analysis of internal documents	The Corporate Secretary shall provide for familiarization to the Consultant all necessary internal documents The Consultant shall analyze internal documents	The Corporate Secretary shall analyze internal documents and provide the Chairman of BOD with statistic report on BOD work (participation of members of BOD at BOD and Committees meetings, implementation of annual plan of BOD work, an average time of meetings and number of considered issues, implementation of activities on development of BOD on the results of last a appraisals, other on agreement with the Chairman of BOD)
6	Interview	The Consultant shall conduct individual interview with the Chairman of BOD, members of BOD and the Corporate Secretary, as well as with other persons on agreement with the Chairman of BOD	No
7	Report preparation	The Consultant shall prepare report project and shall discuss it with the Chairman of BOD. The final variant of report with adjustments and additions shall send to the Chairman of BOD and the Corporate Secretary	The Chairman of BOD jointly with CS/IAS shall prepare report on appraisal of BOD and Committees. The Corporate Secretary shall prepare necessary materials on the demand of the Chairman of BOD



8	Preparation of plan of activities on the development of BOD	The Corporate Secretary shall prepare project of plan of activities on the development of BOD. The Consultant shall prepare comments to plan project. The Corporate Secretary shall discuss plan project with comments of independent provider with the Chairman of BOD	The Corporate Secretary shall prepare project of plan of activities on the development of BOD on the basis of appraisal result report and shall discuss with the Chairman of BOD (if necessary)
9	Note on BOD appraisal for inclusion to annual report	The Consultant shall prepare note project on the results of appraisal for inclusion to annual report and shall send to the Chairman of BOD and to the Corporate Secretary	The Chairman of B of shall prepare note project on the results of appraisal for inclusion to annual report (if necessary)
10	Presentation and approval reports results, development plan of BOD, note for inclusion to annual report	The Consultant shall present report and note project for inclusion to annual report, shall stimulate discussion of these issues	The Chairman of BOD shall present report and note project for inclusion to annual report shall stimulate discussion of these issues (if necessary)
11	Implementation of activities on BOD development	The Corporate secretary shall control implementation of activities and shall inform the Chairman of BOD (in case of adoption of Plan of Activities)	

(5) Terms

Appraisal process shall take at least 2-3 month. By this time final version of report must be prepared. BOD shall approve report before annual general meeting of shareholders. Thus, appraisal process shall start in January and by the end of April – beginning of May final report for consideration at BOD meeting shall be prepared.

Standard plan for self-appraisal:

- Making decision on appraisal (in case of adoption by BOD decision on external appraisal: a. Inclusion of corresponding funds to budget, b. conduction infixed procedure consultant selection procurement) July – August
- Conduction of questionnaire and interview. January- February
- Report on BOD activity and activities' plan for BOD development. March
- Presentation and approval of reports' results, development plan of Bo of D, note for inclusion to annual report. April
- Implementation of activities of BOD development May – March of next year

(6) Appraisal results

By BOD's appraisal results, report for consideration at BOD meeting shall be prepared, that shall include:

(1) By appraisal of external consultant:

- basic conclusions on the results of appraisal including comparison with last year results
- submitted data in filled questionnaires, interview results, analysis of internal documents, observance over BOD meeting
- analysis of composition, structure and competence of BOD

\* - this section shall be filled by the Head of Nomination and Remuneration Committee. In case of absence of such analysis by corresponding Committee, such analysis may be prepared by Consultant. In that case, biographies of all members of BOD in a view of current experience and competence of BOD shall be analyzed. In case of necessity, the analysis of optimal composition, competencies of BOD shall be conducted in comparison with analogue companies and the best international practices. Analysis results may be used by BOD and Committee for further work improvement. Example of such analysis is attached

- appraisal of the Chairman of BOD performance
- appraisal of members of BOD including Independent Directors performance
- appraisal of the Corporate Secretary performance
- priorities, that BOD should pay attention to in process of improvement of work for reduction or exception of detected defects

(2) At self-appraisal;

- basic conclusions based on results of appraisals including in comparison with last year results
- submitted data in filled questionnaire, in analysis of internal documents
- appraisal of the Chairman of BOD performance
- appraisal of members of BOD including Independent Directors performance
- appraisal of the Corporate Secretary performance
- priorities that BOD should pay attention to in process of improvement of work for reduction or exception of detected defects

Besides above-mentioned report on results of appraisal the following documents may be adopted:

- improvement plan of BOD work
- individual information for each member of BOD on directions of professional development and improvement of involvement and contribution to BOD work
- information for inclusion to annual report

(7) Approach for BOD appraisal

**A) Appraisal of BOD performance with attracted consultant**

JULY-AUGUST

JANUARY

FEBRUARY

MARCH

APRIL

MAY-MARCH

Adoption by BOD  
decision on appraisal

Inclusion of appraisal to  
company's budget

Selection of  
Consultant  
by BOD

Conduction of  
questionnaire by  
Consultant

Conduction of  
interview by  
Consultant

Preparation of  
draft report by  
Consultant

Participation of  
Consultant  
at BOD meeting

Report project  
discussion with the  
Chairman of the  
Board of Directors  
and CS

Presentation of final  
report by Consultant and  
approval by BOD note  
text for inclusion to  
annual report

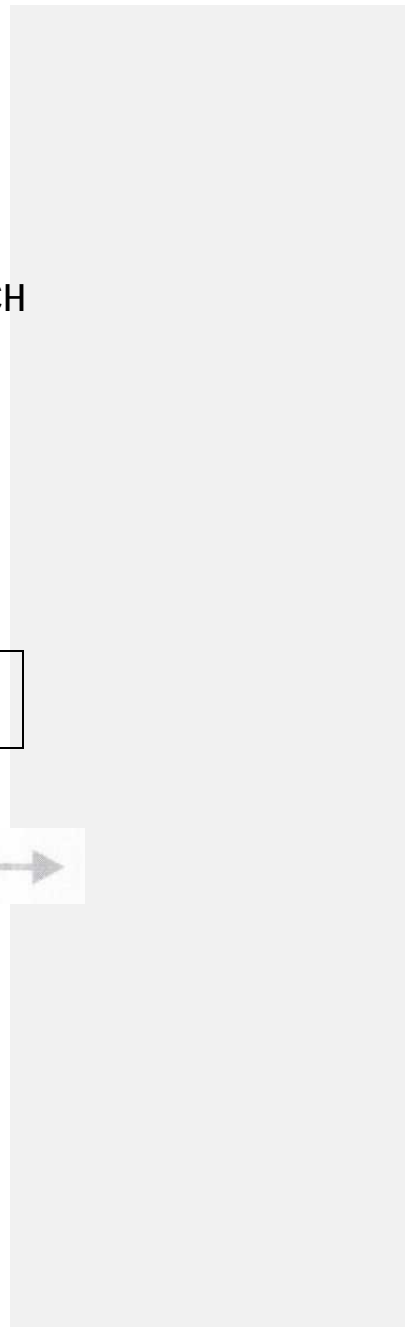
Implementation of  
development  
activities

Meeting of  
Consultant with the  
Chairman of BOD  
for elaboration of  
approach for  
appraisal

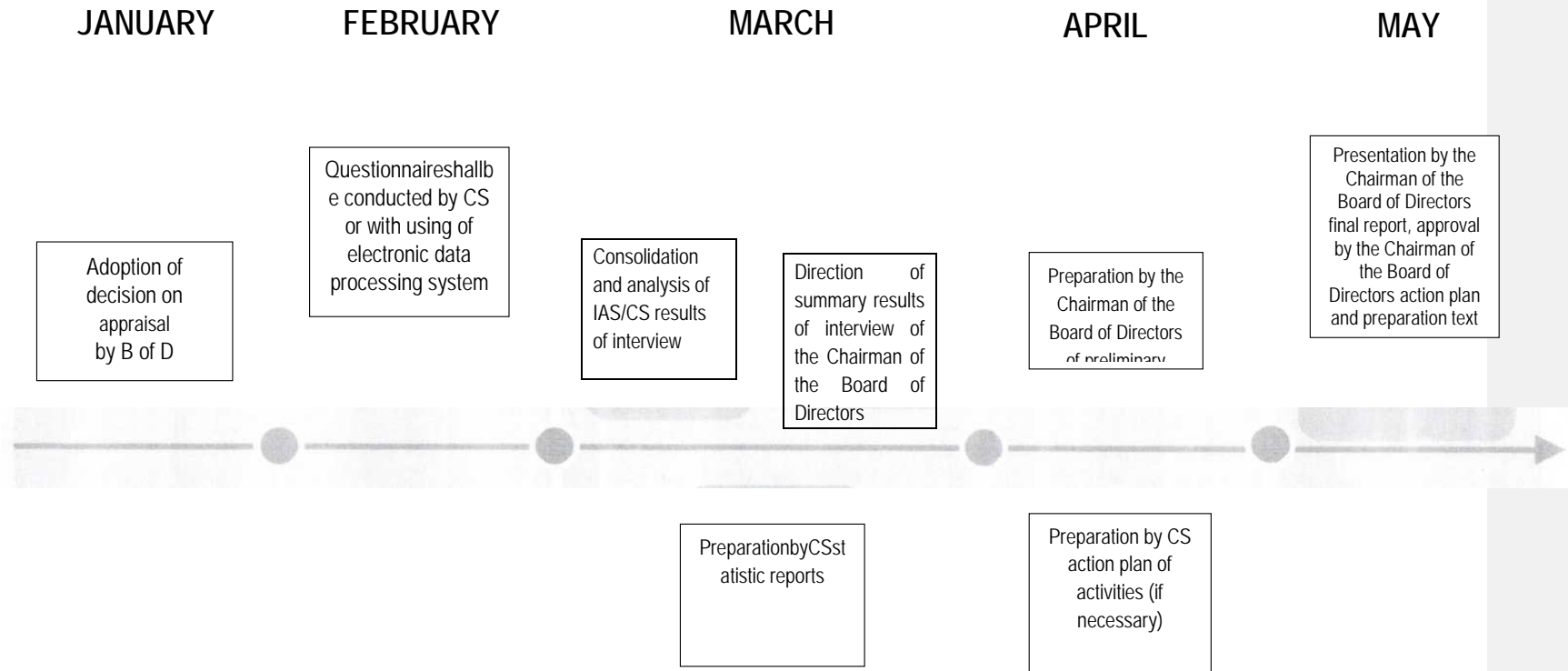
Analysis of internal  
documents by Consultant

Preparation of CS  
plan of activities

Comments of  
Consultant on  
plan of activities



**B) Self-appraisal of BOD performance**



**Annexes.**

(1) Sample of BOD appraisal form

## Questionnaire of Board of Directors appraisal (BOD)

Full Name \_\_\_\_\_

1. **Must be filled by each member of BOD**
2. **Please choose one of the following options:**
  - 1 = strongly disagree
  - 2 = disagree
  - 3 = partly agree
  - 4 = agree
  - 5 = strongly agree

Section 1: key issues of BOD performance	Rating	Please write down your proposals or recommendations for improvement of efficiency of BOD
1. BOD understands its function, powers and zones of responsibility	1 2 3 4 5	
2. Balance of power distribution between shareholder (s), BOD and company's management is optimal	1 2 3 4 5	
3. Power distribution between shareholder (s), BOD and management is clearly fixed in internal documents and fully realized in practice	1 2 3 4 5	
4. BOD provides effective leadership based on company's values	1 2 3 4 5	
5. Balance of power and responsibility distribution between BOD, shareholder (s) and management is optimal and provides qualitative discussion and adoption of effective decision by BOD	1 2 3 4 5	
6. BOD pays deliberate attention to discussion of key issues of management activity and company development	1 2 3 4 5	
7. BOD effectively executes its obligations including for the past 12 month	1 2 3 4 5	
8. BOD determines priorities of its activity in accordance with the strategy and priorities of company	1 2 3 4 5	
<b>Section 2: strategy</b>		
1. BOD has a clear understanding about company's future in terms of reputation, philosophy, size and strategic plans (3-5 years)	1 2 3 4 5	
2. For the past 12 month BOD has developed/reviewed strategy of company with purpose of its sustainable development in accordance with its vision, mission and values	1 2 3 4 5	

3. BOD has a clear understanding of strategic approaches for business development (competitive advantages, development of new trends, growth, leadership, necessary changes)	1 2 3 4 5	
4. BOD has a clear understanding of basic stages of implementation of development plans	1 2 3 4 5	
5. BOD monitors availability of number of financial and human resources for achievement of strategic goals	1 2 3 4 5	
6. All members of BOD well understand strategy of company	1 2 3 4 5	
7. BOD adapts strategy of company in accordance with changing conditions	1 2 3 4 5	
<b>Section 3: effective performance management</b>		
1. In BOD there is effective process of approval of business/plan development plan for every five years, that is strictly complied, as well as there is appraisal of this development plan	1 2 3 4 5	
2. B of D regularly approves basic performance indicators of effectiveness (by approval of development strategy and businessplan of company) for appraisal of achievement development strategy and businessplan	1 2 3 4 5	
3. Achievement of basic performance indicators of company is being analyzed by BOD on a regular basis	1 2 3 4 5	
4. BOD monitors situation on issues that may negatively impact on company's performance	1 2 3 4 5	
5. BOD sets tasks for management and thoroughly analysis results of its work, any additional remunerations are relevant and attach to achievement of strategic goals of company	1 2 3 4 5	
6. BOD regularly considers issues of corporate and social responsibility	1 2 3 4 5	
7. BOD monitors implementation of own decisions and set up terms of its implementation	1 2 3 4 5	
<b>Section 4: members of Board of Directors (BOD)</b>		
1. Qualitative and quantitative composition of BOD and its Committees is optimal and meets current requirements	1 2 3 4 5	
2. Composition of BOD is optimal in terms of presence of necessary competences, professional skills and knowledge for future needs of company	1 2 3 4 5	
3. All members of BOD demonstrates independence in making decisions, free of any influence	1 2 3 4 5	
4. BOD set transparent process of selection and appointment of new members of BOD (and its members of Committees) that bases on accordance to objective and clear criteria, takes into consideration a need of diversity of composition of BOD ( in terms of competence and experience)	1 2 3 4 5	
5. Company has program of proper and comprehensive installation for new members of BOD	1 2 3 4 5	

6. Company has a system of succession for key top executives including members of the Management Board and managing directors of company, in accordance with strategic goals of company	1 2 3 4 5	
<b>Section 5: Board of Directors meetings (BOD)</b>		
1. BOD has well-proved procedures of its work	1 2 3 4 5	
2. Members of BOD have constructive relations based on mutual trust and respect	1 2 3 4 5	
3. Members of BOD are always prepared for BOD meetings	1 2 3 4 5	
4. BOD meetings plan in advance (in advanced approved work plan for the current year with certain list of issues) and it holds in accordance with approved schedule (meeting holding dates)	1 2 3 4 5	
5. Agenda of meeting includes the most important issues, the time of meeting is enough for discussion of every issue	1 2 3 4 5	
6. BOD clearly defines issues related to its competence and operational issues related to competence of manager	1 2 3 4 5	
7. BOD receives qualitative and timely information and financial data for adoption of reasonable decisions by directors and fulfillment of duties by members of BOD	1 2 3 4 5	
8. Management timely reacts to requests of BOD on clarification or addition of information	1 2 3 4 5	
9. Minutes of BOD correctly reflects content of discussion of BOD and adopted decisions	1 2 3 4 5	
10. BOD carries out regular monitoring for implementation of decisions adopted by BOD	1 2 3 4 5	
11. BOD doesn't consider issues and circumstances that may prevent from open discussion	1 2 3 4 5	
<b>Section 6: Independent Directors (ID)</b>		
1. ID thoroughly analyze financial results given by management regarding achievement of set goals and performance indicators and monitor financial results accountability	1 2 3 4 5	
2. ID monitor integrity of financial information and financial control system	1 2 3 4 5	
3. ID actively participate in forming of strategy proposals	1 2 3 4 5	
4. ID actively stimulate discussion for searching of optimal decision and defend its opinion when it is necessary	1 2 3 4 5	
5. ID are always prepared for meetings and significantly contribute to discussion	1 2 3 4 5	

6. ID actively support and improve its knowledge, in order to be familiar with the latest tendencies and achievements in such fields as corporate governance, financial accountability, state and development of the field and market as a whole	1 2 3 4 5	
7. Relations and communication between ID and the Chairman of BOD well adjusted formally and informally as well	1 2 3 4 5	
8. ID actively participate in development of succession system	1 2 3 4 5	
<b>Comments to section</b>		
<i>"During execution of its functions, ID should actively stimulate discussion and assist in drafting of proposals of forming company's strategy"</i>		
<i>"ID should thoroughly analyze financial results of company's performance with view to achievement of set goals and performance indicators, monitor financial results accountability. They should be confirmed in integrity of provided financial information and well-functioning of financial control and risk-management system. They are responsible for defining of reasonable level of remuneration of Executive Directors and actively participate in appointment and, if necessary, dismissal of Executive Directors, as well as in system of succession"</i>		
<i>Corporate Governance Code of the Great Britain (2012), Section A. "Independent Directors"</i>		
<b>Section 7: the Corporate Secretary (CS)</b>		
1. CS provides to BOD with necessary consultations and recommendations on all issues of corporate governance including explanation of requirements of the Laws, the Charter and internal documents of company	1 2 3 4 5	
2. CS monitors compliance by management bodies and employees the Laws of the RK, the Charter, internal documents, as well as set principals of corporate governance and forms proposals to BOD inclusion of necessary edits and additions to internal documents	1 2 3 4 5	
3. CS provides coordinated and operative exchange of information between BOD, Fund, the Management Board, Heads of departments, as well as effective communication within BOD and Committees	1 2 3 4 5	
4. CS assists to procedure of installation of new director and assists to his/her professional development	1 2 3 4 5	
5. CS provides compliance of all internal procedures of BOD work including organizational and minutes maintenance of its performance, forming and sending of materials that are necessary for organization and holding of meetings, control over timely and correct forming of submitted documents to BOD	1 2 3 4 5	
6. CS operatively informs members of BOD regarding standard legal amendments that may impact on its duties and responsibility	1 2 3 4 5	
7. CS participates in settlement of corporate disputes	1 2 3 4 5	
<b>additional questions</b>		



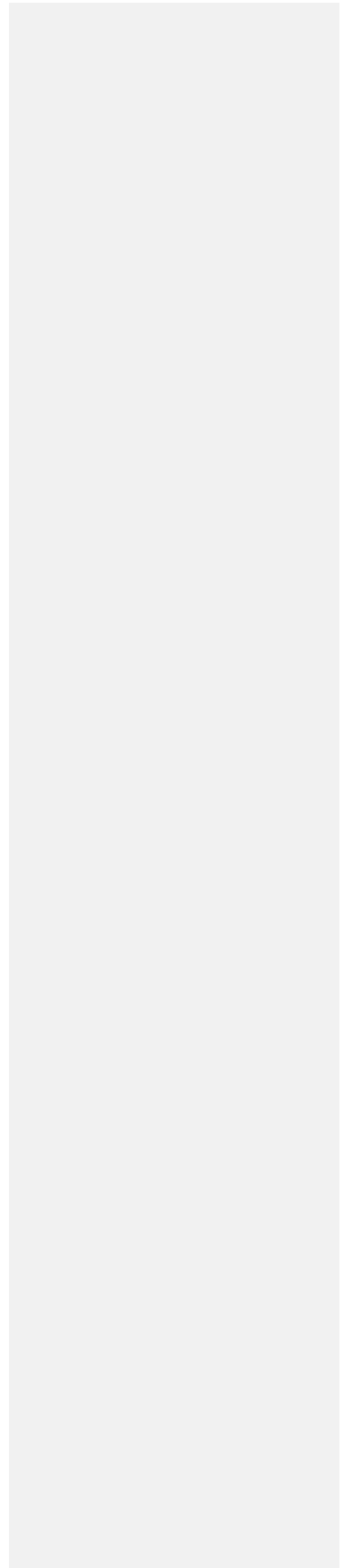
Please name 3 trends of performance that BOD should pay special attention to in future year. Please be precise in naming of trends.

1.

2.

3.

Methods of BOD appraisal is based on principal of constant improvement. Therefore, Your comments/proposals on these questionnaires are very important.



## Questionnaire of Audit Committee (AC) Appraisal

Full Name \_\_\_\_\_

1. Must be filled by each member of AC
2. Please choose one of the following options:
- 1 = strongly disagree
- 2 = disagree
- 3 = partly agree
- 4 = agree
- 5 = strongly disagree

Audit Committee (AC)	RATING	Please write down your proposals or recommendations for improvement of efficiency of BOD
1. Provision on AC clearly defines its goals, tasks and functions	1 2 3 4 5	
2. Composition of AC is well-balanced and its members have necessary competence and experience for execution of tasks and functions of AC	1 2 3 4 5	
3. Process of interaction between AC and BOD is well- proved and satisfied	1 2 3 4 5	
4. AC checks approach to audit holding, proposed by audit company, ant its capacity, ensuring understanding by interested persons capacity of audit holding and level of guarantee	1 2 3 4 5	
5. AC on a regular basis analyzes results of Internal Audit Service performance and hold discussions of the results with company management	1 2 3 4 5	
6. AC systematically controls of financial accountability process, inspects mediate and annual financial accountabilities to reasonably recommend to BOD approval of accountability releasing	1 2 3 4 5	
7. AC properly fulfills its duties to BOD in a view of :		
a. holding of inspection of effectiveness of internal control and risk-management system including internal audit function, except for the cases when functions are performed by risk committees	a. 1 2 3 4 5	
b. analysis of existing system on which basis employees of company may inform AC on possible violations or defects of financial accountability	b. 1 2 3 4 5	
8. At least one member of AC has required level of knowledge of financial accountability	1 2 3 4 5	
9. AC regularly informs BOD on its performance and present annual report	1 2 3 4 5	

10.AC discusses with external auditor results of audit, prepared by management proposals on correction of accountability and present conclusion of BOD	1 2 3 4 5	
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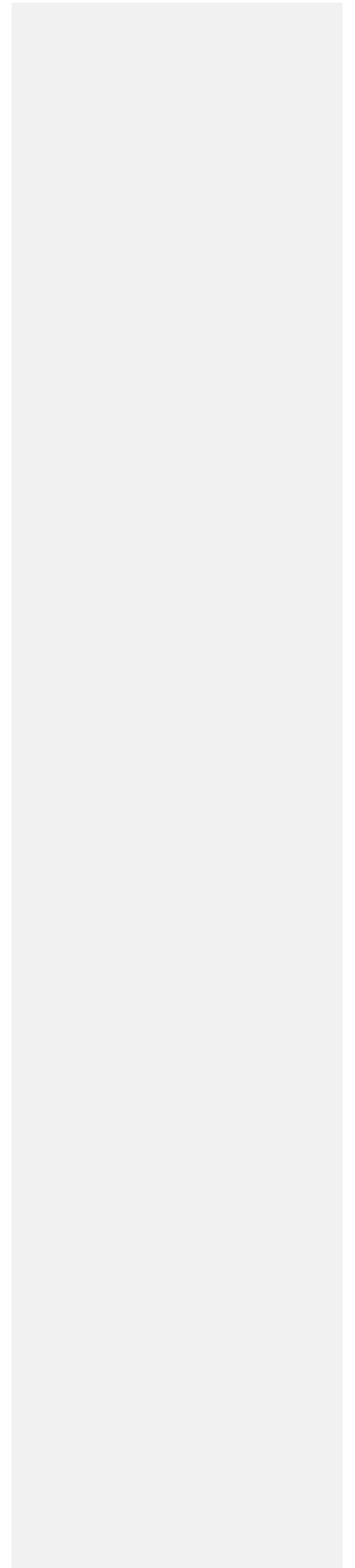
# Questionnaire of Appointments and Remuneration Committee (ARC) Appraisal

Full Name \_\_\_\_\_

1. Must be filed by each member of ARC
2. Please choose one of the following options:
  - 1 = strongly disagree
  - 2 = disagree
  - 3 = partly agree
  - 4 = agree
  - 5 = strongly agree

Appointments and Remuneration Committee (ARC)	RATING	Please write down your proposals or recommendations for improvement of efficiency of BOD
1. Provision on ARC clearly defines its goals, tasks and functions	1 2 3 4 5	
2. Composition of ARC is well-balanced and its members have necessary competence and experience for execution of tasks and functions of ARC	1 2 3 4 5	
3. Process of interaction between ARC and BOD is well- proved and satisfied	1 2 3 4 5	
4. ARC assists to design effective system of election and appointments for the following positions:		
a. Independent Directors	a. 1 2 3 4 5	
b. Corporate Secretary	b. 1 2 3 4 5	
c. other employees, which appointments relate to the competence of BOD	c. 1 2 3 4 5	
5. ARC properly fulfills its duties to BOD in a view of:		
a. providing of proper searching and selection of candidates to members of BOD based on compliance with objective and clear criteria and taking into account the need of diversity in composition of BOD	a. 1 2 3 4 5	
b. presence of succession plan for BOD and key executers for provision of necessary competence in company timely updating	b. 1 2 3 4 5	
6. ARC properly fulfills its duties to BOD in a view of::		
a. presence of corresponding procedures for defining of remuneration amount for management including the Management Board and for Independent Directors	a. 1 2 3 4 5	
b. provision of recommendations on remuneration of members of BOD, the Management Board and other employees in accordance with internal documents of company	b. 1 2 3 4 5	
c. ensuring of non-interference of member of BOD or key executives at determining of the level of his/her personal remuneration	c. 1 2 3 4 5	

7. ARC makes decision on payment of remuneration for past year and/or a quarter of year to members of the Management Board, the Corporate Secretary and other employees according to internal documents of company	1 2 3 4 5	
8. ARC regularly appraises effectiveness of work of the Chairman of the Management Board, members of the Management Board, Head of the Service/ the Internal Audit department and CS	1 2 3 4 5	



# Questionnaire of Strategic Planning Committee (SPC) Appraisal

Full Name \_\_\_\_\_

1. Must be filled by each member of SPC
2. Please choose one of the following options:
  - 1 = strongly disagree
  - 2 = disagree
  - 3 = partly agree
  - 4 = agree
  - 5 = strongly agree

Strategy Committee (SPC)	RATING	Please write down your proposals or recommendations for improvement of efficiency of BOD
1. BOD clearly define annual goals and priorities for SPC	1 2 3 4 5	
2. Composition of SPC is well-balanced and its members have necessary competence and experience for execution of tasks and functions of SPC	1 2 3 4 5	
3. Within process of consideration of strategy and program of innovative development, SPC take into account a wide range of factors including market appraisal, competitive environment, advanced innovative technologies, trends and existing business models	1 2 3 4 5	
4. Within process of consideration of strategy, SPC appraise possibilities of company in a view of its:		
a. competences – presence of necessary knowledge, skills, experience, inspection	a. 1 2 3 4 5	
b. production capabilities – presence of required professionals, organizational structure and management system	b. 1 2 3 4 5	
c. culture – relations, values, principals and approaches	c.1 2 3 4 5	
5. SPC regularly appraises strong and weak sides of company	1 2 3 4 5	
6. SPC regularly appraises strategic possibilities	1 2 3 4 5	
7. SPC defines and discusses "critical factors of success" implementation of strategy and innovative policy of SPC	1 2 3 4 5	

(1) Sample of the Chairman appraisal form

## Questionnaire of the Chairman of BOD Appraisal

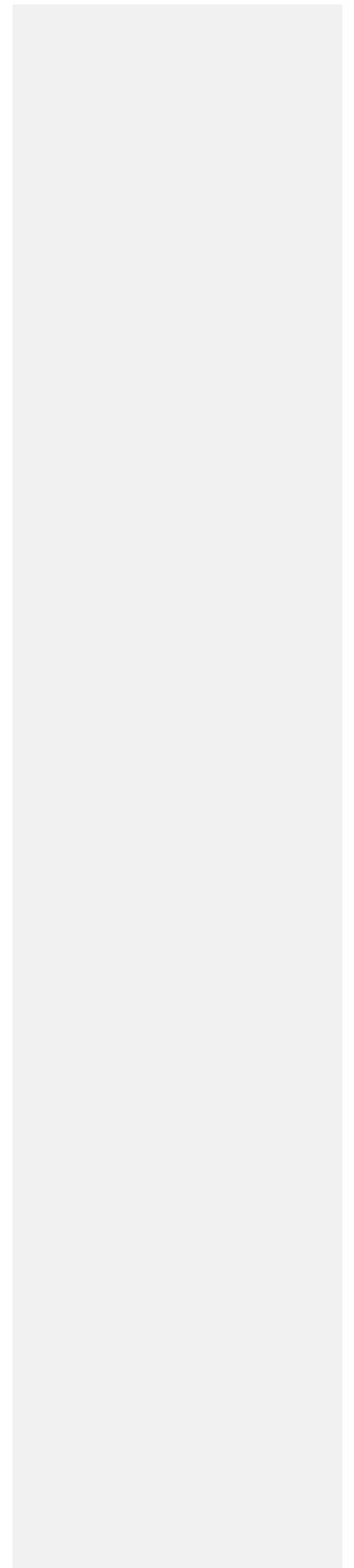
Full Name \_\_\_\_\_

Members of Board of Directors appraise the Chairman of BOD.

1. Must be filled by each member of BOD including the Chairman (as a self-appraisal)
2. Please choose one of the following options:
  - 1 = strongly disagree
  - 2 = disagree
  - 3 = partly agree
  - 4 = agree
  - 5 = strongly agree

THE CHAIRMAN of BOD APPRAISAL (THE CHAIRMAN)	RATING	PLEASE WRITE DOWN YOUR PROPOSALS OR RECOMMENDATIONS FOR IMPROVEMENT of EFFICIENCY of BOD
1. The Chairman ensures effectiveness of BOD in all aspects of its performance	1 2 3 4 5	
2. The Chairman sets high standards of honesty and fairness, demonstrating leadership in professional ethics in accordance with values of company	1 2 3 4 5	
3. The Chairman consults with members of BOD before approval of agenda of BOD meeting	1 2 3 4 5	
4. The Chairman provides to members of BOD with precise, timely and adequate information, which is necessary for adoption of effective decisions	1 2 3 4 5	
5. The Chairman holds BOD meetings efficiently and complies with set goals of meetings	1 2 3 4 5	
6. The Chairman secures a right to each member of BOD for initiation of discussion and declaration of personal opinion during meetings	1 2 3 4 5	
7. The Chairman sets enough time for discussion of each issue, especially strategic ones	1 2 3 4 5	
8. The Chairman assists to set atmosphere of trust, openness and constructive discussion between members of BOD	1 2 3 4 5	
9. The Chairman provides consideration and adoption by BOD decision regarding character of significant risks of company	1 2 3 4 5	
10. The Chairman ensures effective interaction between shareholders	1 2 3 4 5	

11. The Chairman ensures effective interaction with key interested persons		
12. The Chairman informs members of BOD on issues, concerning shareholders	1 2 3 4 5	
13. The Chairman regularly discusses with each member of BOD his/her needs in educating and professional development	1 2 3 4 5	
14. The Chairman holds meetings with members of BOD for informal discussion and relations development	1 2 3 4 5	
15. The Chairman monitors the CS to comply with its role and to contribute in improvement of efficiency of BOD	1 2 3 4 5	
16. The Chairman creates BOD as a single team for members of BOD for interested persons	1 2 3 4 5	
17. Communications and relations between Independent Directors and the Chairman of BOD are effectively designed formally and informally as well.	1 2 3 4 5	





(3) Sample form of individual appraisal of BOD performance with attraction of consultant

## Questionnaire of individual appraisal

Full Name \_\_\_\_\_ Company \_\_\_\_\_

1. Filled by each member of Board of Directors under confidentiality. Results shall be given in summary form.
2. Please choose one of these options to the following questions:
  - 1 = satisfactory
  - 2 = **good**
  - 3 = excellent

number	Full Name	Knowledge and understanding of industry	Business assessments	Strategic intellection	Meetings attendance	Preparedness to meetings	Team work	Participation and contribution to work of BOD and Committees	General contribution
1.									
2.									
3.									
4.									
5.									
6.									

Please write down your comments (if there are) regarding certain director (s):

(2) Sample form for appraisal of the competence of members of BOD at self-appraisal

## Form for Appraisal of the Competence of Members of BOD

1. Filled by the Chairman of BOD for each member of BOD and by each member of BOD at self-appraisal
2. Please choose one of the options ("high"/ "average"/ "low") for appraisal of the competence/expertise of member of BOD work in the following:

**High** - an appraised person fully possesses mentioned competence/expertise

**Average** - mentioned competence/expertise of an appraised person may be extended

**Low** - mentioned competence/expertise of an appraised person should be improved

Competence/Expertise	Full Name of Member of BOD			Comments
	High	Average	Low	
Strategic intellection				
Skill of working with financial information <sup>1</sup>				
Law/Corporate Governance				
Communication with shareholders				
Human Resources Management				
Mergers and Acquisitions				
Communication with stakeholders/PR				
Knowledge and understanding of industry				
International experience of doing business				
Business assessments				
Dispute management				
Risk-management				
Team work				
Participation and contribution to BOD and Committees work				

<sup>1</sup> Knowledge of managing and financial accountability, budgeting, key financial performance indicators

(3) Content of standard report on results of appraisal of BOD performance

1. Content
2. Information on capacity of work with names of persons participated in appraisal
3. Abstracts for results of appraisal of BOD performance of last period
4. Enumeration of strong and weak sides of BOD identified as a result of appraisal including such topics as:
  - Analysis of powers and responsibilities balance between shareholder, BOD and the Management Board;
  - Composition of BOD;
  - Competences of BOD;
  - Structure of BOD;
  - Function of the Chairman of BOD and interrelations of the Chairman of the Board of Directors and Executive Director;
  - The Corporate Secretary of BOD;
  - Analysis of key processes (strategic planning, internal audit and risk-management, appraisal and motivation of Top-management, succession, appointment of key managers and members of BOD, issues of social responsibility);
  - Organization of BOD work;
  - Independent Directors performance;
  - B of D as a team;
  - Distribution of issues in agenda;
5. Aggregated data of questionnaires (separately allocate questions received by more than 0.5 point by representatives of shareholder and ID; as well as allocate questions received an average score less than "4")
6. Extra: summary interview data
7. Key conclusions of appraisal and issues for discussion at BOD on mentioned above trends
8. Activities Plan on development of BOD for year
9. Information on participation of members of BOD at meetings
10. Extra: distribution of strategic, operational and procedure issues of agenda of BOD meetings for year
11. Other annexes

(6) Standard form of activities plan on improvement of Board of Directors and its Committees work

Number	Name of activity	Responsible persons	Terms
1.	The Chairman of BOD - holding of regular meetings with all members of BOD and individually meetings with Independent Directors	The Chairman of BOD	
2.	Composition and structure of Board of Directors: - auditioning of existing and required competences to BOD - auditioning of quantitative composition of BOD - providing of proposals with required competences and optimal quantitative composition of BOD to the Fund	The Chairman of BOD, Appointments and Remuneration Committee	
3.	Function of BOD - holding of seminar for development of members of BOD on function of BOD in modern companies and the latest approaches to BOD work	The Chairman of BOD, CS	
4.	Etc.		
5.			
6.			