**Approved by resolution of “Samruk-Energy”**

**JSC Board of Directors**

**Minutes No.11/16**

**dated 12.12.2016**

**Updated**

**Minutes No. 05/18 dated 25.05.2018**

**CORPORATE GOVERNANCE SYSTEM**

**REGULATION ON THE AUDIT COMMITTEE OF BOARD OF DIRECTORS**

**OF “SAMRUK-ENERGY” JSC**

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**PSM 01-02-16**

**Astana 2016**

**The list of amendments and additions registration**

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| **No.** | **No. of an amendment** | **Page no.**  | **The date of introducing change/addition** | **Verification date** | **Signature of responsible person** |
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* 1. **Purpose**
1. This Regulation on the Audit Committee of the JSC “Samruk-Energy” Board of Directors defines the status, competence, composition, procedure of activities and functions of the Audit Committee of the Board of Directors of the Company, the procedure of convening and holding its meetings, forming solutions, as well as the rights and responsibilities of the members of the Audit Committee.
2. The Audit Committee is an advisory body of the Board of Directors of the Company and is created for an in-depth study of issues related to the competence of the Board of Directors or investigated by the Management Board in order to control the activities of the Management Board of the Company and the development of the necessary recommendations to the Board of Directors and Management Board.
	1. **Scope of use**
3. This Regulation on the Committee is in-house regulatory document and applies to all business units and employees of the Company.
4. The Committee is a standing advisory body of the Company's BoD.
5. In its activities the Committee shall be fully accountable to the Board of Directors of the Company and operates under the authorities granted to it by the Board of Directors of the Company.
6. In its activities, the Audit Committee is guided by the laws of the Republic of Kazakhstan, the Charter of the Company, resolutions of the general meeting of shareholders of the Company, the Regulation on the Board of Directors of the Company, this Regulation and other resolutions of the Board of Directors of the Company.
7. Regulation on the Committee shall be approved by the Board of Directors of the Company.
	1. **Definitions and abbreviations**
8. The following terms and definitions are used in the document:
9. **General Meeting of Shareholders – the supreme body of the Company;**
10. **Legislation** – a set of normative legal acts of the Republic of Kazakhstan adopted in the prescribed manner;
11. **Committee/s** – Committee/s of the Board of Directors
12. **Corporate Secretary** – Corporate Secretary of the Company;
13. **Independent Directors** - directors defined as independent in accordance with the Law of the Republic of Kazakhstan “On joint-stock companies”, the Charter of the Company and Corporate Governance Code;
14. **Regulation** – Provisions on the Strategic Planning Committee;
15. **Management Board** – Executive Body of the Company;
16. **IAS** – Internal Audit Service of the Company;
17. **BOD** –Board of Directors of the Company;
18. **Charter** – Charter of the Company.
19. **BU** – Business unit of the Company
	1. **Responsibility**

9. In accordance with the Instructions for ensuring security of confidential information of the Company, Chairman, members, Corporate Secretary, Company's employees and other persons invited to Committee meetings shall be responsible for the disclosure and use for personal purposes of insider and other confidential information received at the Committee meeting.

10. The Corporate Secretary shall be responsible for:

1) Compiling the draft agenda;

2) Collection and distribution of materials on approved agenda items to members of the Committee;

3)preparation of draft Committee meeting agenda, its approval and signing, provision of extracts;

4) Acquaint the Committee and invited persons with the Instructions for ensuring security of proprietary and commercial information in "Samruk-Energy" JSC.

11. Members of the Committee may engage experts and consultants with required expertise to address specific matters of the Committee’s activity in accordance with the established procedure.

12. Members of the Committee have the right to request and receive information and documents required in the work of the Committee from all BU of the Company, within the competence of the Committee.

13. Responsibility for documents that were submitted untimely and improperly to the BU responsible for the Corporate Secretary shall be borne by the heads of relevant BU of the Company.

14. Responsibility for management and compliance with the requirements of this Regulation on the Committee shall be borne by the Corporate Secretary of the Company.

**5 Normative References and related documents**

15. This Regulation on the Committee was developed to meet requirements of the Republic of Kazakhstan legislation, in-house regulatory documents of the Company:

1) Law of the Republic of Kazakhstan "On Joint Stock Companies"

2) Charter of the Company;

3) the Company's Corporate Governance Code;

4) Regulation on the Company’s Board of Directors;

5) Rules for management of internal regulatory documents of the Company;

6) Instructions for ensuring security of confidential information in the Company.

1. The competence of the Audit Committee

16. The Audit Committee operates in the interests of the shareholders of the Company, and its activities are aimed at assisting the Board of Directors of the Company by:

1) working out recommendations on the establishment of an effective system of control over financial and economic activities of the Company (including, for the completeness and accuracy of financial statements);

2) making recommendations to control the reliability and efficiency of the internal control and risk management, as well as the execution of documents in the field of corporate governance;

3) making recommendations to control the independence of the external and internal audit, as well as the process of ensuring compliance with the legislation of the Republic of Kazakhstan;

4) providing recommendations on policy and structure of remuneration of the head and employees of the Internal Audit Service;

5) consideration and elaboration of qualification requirements for candidates for the post of the head and / or employees of the Internal Audit Service recommended by the Head of Internal Audit Service;

6) providing recommendations on candidates for the post of the head and employees of the Internal Audit Service;

7) development of the Policy for Planning Succession of the Head of Internal Audit Service;

8) making recommendations to determine on an annual basis the individual remuneration of the head and / or employees of the Internal Audit Service, as well as making proposals to change the remuneration of the head and / or employees of the Internal Audit Service; as well as

9) a comparative analysis of the level of the policy in remuneration of the head of Internal Audit Service in local and foreign companies, similar in scale and type of activity, and informing the Board of Directors.

**7. The Rights and Obligations of the Audit Committee**

17. The member of the Audit Committee has the authority to:

1) request and receive from officials and employees of the Company any information (documents, materials) in relation to the Company, provided this information is necessary for the discharge of functions of a member of the Audit Committee;

2) meet with the external and internal auditors without the participation of the Company’s administration;

3) initiate or conduct any investigation on matters under the jurisdiction of the Audit Committee, as defined by this Regulation;

4) acquaint with the minutes of the meetings and decisions of the Audit Committee, audit reports;

5) require the inclusion in the minutes of the meeting of the Audit Committee of their dissenting opinion on the agenda and decisions taken;

6) require the convening of a meeting of the Audit Committee;

7) submit items to the agenda of the meeting of the Audit Committee;

8) in the established order use the services of external experts and consultants within the funds provided for in the Company’s budget for the current year;

9) exercise other rights necessary to perform their powers.

10) exercise other rights provided for by the legislation of the Republic of Kazakhstan, the Charter of the Company and other internal documents of the Company.

18. Members of the Audit Committee are obliged to:

1) act honestly and in good faith in the interests of shareholders and the Company as a whole and respect the basic principles of the Corporate Governance Code;

2) give sufficient time for the effective performance of their duties;

3) participate in the work of the Audit Committee and attend its meetings;

4) make proposals for amendments to the present Regulation;

5) within its competence and in the manner prescribed by this Regulation perform any duties as may be determined by the Board of Directors.

**8. Main functions of the Committee**

19. The Audit Committee shall, in the prescribed manner, fulfill the following functions:

1) On issues of financial statements:

a) discusses financial statements with the Management of the Company and the external auditor, as well as the feasibility and acceptability of used principles of financial reporting, significant estimates made in the financial statements, significant adjustments in statements;

b) discusses with the Management of the Company and external and internal auditors the proposed (supposed) changes in the Accounting Policy of the Company and how these changes will affect the content of statements;

c) considers any significant disagreements between the external auditor and the Company’s Management regarding the Company’s financial statements;

d) preliminarily approves the Accounting Policy of the Company;

e) preliminarily approves the annual financial reporting of the Company.

2) On internal control and risk management:

a) analyzes the reports of the external and internal auditors on the status of the systems of internal control and risk management;

b) analyzes the effectiveness of internal control and risk management systems of the Company and gives suggestions on these and related issues;

c) monitors the implementation of the recommendations of the internal and external auditors of the Company in respect of the systems of internal control and risk management;

d) holds regular meetings with the Company’s Management to review existing risks and control problems and relevant plans of the Company in risk management and internal control;

e) approves the policies and procedures of the Company on the system of internal control and risk management;

f) analyzes the results and quality of the measures (corrective steps) developed by the Company to improve the system of internal control and risk management;

g) evaluates the risk map.

3) On issues of the external audit:

a) explores issues on appointment and change of the external auditor of the Company and prepares recommendations on this issue;

b) provides obtaining from the external auditor of all related services that the external auditor renders (plans to render) to the Company and discusses it with the external auditor. Assesses whether related services are compatible with the independence of the auditor. Recommends that the Board of Directors of the Company takes measures to ensure the independence of the external auditor;

c) preliminarily approves the receipt of related services from the external auditor;

d) approves the essential terms of the draft agreement (contract) with the external auditor for the audit of the annual financial reporting of the Company;

e) discusses with the external auditor how much the proposed plan and scope of the audit meet the needs of shareholders and the Board of Directors of the Company;

f) considers, together with the external auditor, the results of the annual and interim audits, including information of the management of the Company on the results of audits;

g) holds meetings with the external auditor as a part of audit process on regularly basis;

h) prepares recommendations in regard to the external audit policy, including determination of the restrictions on services that can be provided by the external auditor;

i) evaluates the effectiveness of the external audit process.

k) makes recommendations on the remuneration of the external auditor.

The procedure for the selection of the external auditor is defined in the internal regulations of the Company.

4) On issues of the internal audit:

a) oversees the activities of the Internal Audit Service of the Company;

b) make proposals on the number, term of office of the Internal Audit Service, the appointment of its director and staff, as well as early termination of their powers, the order of work of the Internal Audit Service;

c) makes proposals to the Board of Directors on the amount and terms of remuneration and bonuses of employees of the Internal Audit Service, qualification requirements for employees of the Internal Audit Service;

d) preliminarily approves regulations on the Internal Audit Service, policies, procedures of the internal audit and other documents governing the activities of the Internal Audit Service, as well as amendments and supplements thereto, ensures the independence of the Internal Audit Service from the management of the Company;

e) preliminarily approves nominations of managers and employees of the Internal Audit Service in subsidiaries and dependent companies pf the Company, as well as submits proposals for the early termination of their powers in case of the absence of the Board of Directors and the Audit Committee;

f) preliminarily approves policies and procedures for the internal audit of subsidiaries and dependent companies of the Company in case of the absence of the Board of Directors and the Audit Committee;

g) preliminarily approves the annual audit plan of the Internal Audit Service;

h) preliminarily approves the regular reports of the Internal Audit Service which represent in a generalized format the results of the work and most significant audit comments;

i) preliminarily approves the annual budget of the Internal Audit Service and monitors its execution;

j) considers the issue of the existing constraints that stop the Internal Audit Service from carrying out tasks efficiently and contributes to the elimination of such restrictions;

k) at least once a quarter, meet with the head of the Internal Audit Service without the participation of the representatives of the Company’s management;

l) makes preliminary evaluation of the activities of the Internal Audit Service;

m) initiates holding by the Internal Audit Service, as appropriate, of independent audits (evaluations) on interest issues;

In case the executive body of the Company finds it necessary to conduct independent verification (evaluation) of the interest issue on the part of the internal audit department, the head of the executive body of the Company refers to the Audit Committee for prior authorization to carry out this independent review (evaluation)

5) On Compliance with Law:

a) evaluates the effectiveness of the internal procedures of the Company designed to ensure the Company’s compliance with law;

b) receives and examines reports of the competent authorities (including tax), external and internal auditors, the Company’s management on compliance with the law;

c) makes suggestions on the procedure “hotline” through which employees of the Company can confidentially or anonymously contact about information on alleged violations of law or abuse, including those relating to the completeness and accuracy of financial statements, as well as proposals on the procedure of reviewing and responding to such requests.

6) Reporting on Activities:

a) regularly, but not less than once a year, reports to the Board of Directors on its activities;

b) prepares information on the results of the activities of the Audit Committee for inclusion in the report of the Board of Directors and its disclosure in front of the annual general meeting of shareholders.

6) Other obligations:

a) develops, as appropriate, recommendations to the Board of Directors on special investigations (checks), including independent consultants (experts);

b) analyzes and summarizes cases of fraud and evaluates the adequacy measures taken by the executive body of the Company to prevent fraud in the future;

c) on behalf of the Board of Directors, other duties within the competence of the Committee;

d) at least once a year evaluates the results of the Ombudsman.

**9. Composition, election and term of office of the members of the Audit Committee**

20. Determination of the number of members, the term of office of the Audit Committee, election of its Chairman and members, as well as early termination of their powers within the competence of the Board of Directors of the Company.

Composition of the Audit Committee is formed solely of independent directors and experts who have the necessary expertise to work in the Audit Committee.

The members of the Audit Committee must have in-depth knowledge and practical experience in the field of accounting and auditing, risk management, internal control.

In the case of attracting qualified expert by the Committee, the person should not have the right to vote. The decision on the involvement of experts adopted by the Audit Committee and the question of his involvement should be considered annually for efficiency and independence.

21. The Audit Committee shall consist of at least three members from among the independent directors.

**10. Chairman of the Committee**

22. The Chairman of the Audit Committee shall perform the following functions:

1) Chair meetings of the Committee;

2) approves the agenda of the meetings of the Audit Committee, including the content of the issues submitted for discussion at the meeting of the Audit Committee;

3) organizes discussion of issues at the meetings of the Audit Committee, as well as hears the opinions of persons invited to participate in the meeting;

4) develops a plan of regular meetings for the current year based on the plan of meetings of the Board of Directors;

 5) convenes meetings of the Audit Committee and chairs them;

 6) determines the form of the meetings of the Audit Committee.

23. In the case of absence of the Chairman, his functions shall be performed by a member of the Audit Committee by the decision of the Audit Committee

**11. The term of office and procedure of work of the Committee**

24. The Audit Committee operates in accordance with the annual work schedule approved by the Chairman of the Audit Committee.

The Audit Committee holds regular internal meetings at least once a quarter and extraordinary meetings – as required.

The Audit Committee selects the form of the meeting, noting the importance of the issues to be considered.

The Corporate secretary ensures the preparation and conduct of meetings of the Audit Committee, the collection and systematization of materials for meetings, timely sending to the members of the Audit Committee and invited persons of notifications on holding meetings of the Audit Committee meeting, agendas, materials on the agenda, minutes of the meetings, preparation of draft decisions of the Audit Committee. The Corporate secretary does not have voting rights.

25. Materials for consideration at the meeting of the Committee (hereinafter – materials) are prepared by BU that initiated the arranging of the Committee meeting.

Materials should be agreed with concerned BU in accordance with established procedure, if necessary, with the Committee members. The approval of documents submitted to the Committee by means of an electronic document management system is allowed.

26. The materials must contain the following:

1) An explanatory note containing the relevant information on the proposed item;

2) a draft decision;

 3) necessary estimations and justification of the proposed draft decision (if necessary);

4) The wording of an item submitted for consideration by the Committee, as well job title, full name of the reporter.

5) a list of persons who should be among invitees in order to consider the item, indicating the name, company and job title(if necessary);

6) other necessary materials.

27. Office memo with accompanying materials shall be submitted to the Corporate Secretary not later than 7 (seven) business days prior to the meeting.

28. Materials provided by the Company’s BU to the Corporate Secretary after the set time will not be included in the agenda and will be postponed to a next meeting.

29. The Secretary of the Committee shall check the completeness of the material prepared in accordance with paragraph 37 hereof. If the submitted material does not comply with form required, the Corporate Secretary shall require finalizing the materials or provision of additional materials.

30. The notice of meetings of the Audit Committee together with the agenda shall be sent to the persons participating in the meeting not later than five business days before the date of the meeting of the Audit Committee.

The meeting of the Audit Committee shall be considered valid if the quorum – at least two members of the Audit Committee – is available.

31. The meeting of the Audit Committee can be convened by its Chairman or at the request of:

1) any member of the Audit Committee;

2) shareholder;

3) Internal Audit Service

4) Chairman of the Management Board.

In case of failure of the Chairman of the Audit Committee to convene a meeting, the initiator has the right to appeal with such request to the Board of Directors of the Company, which is obliged to convene a meeting of the Audit Committee. The meeting of the Audit Committee shall be held with the obligatory invitation of the person making this requirement

32. 17. Decisions are taken by simple majority vote of the members of the Audit Committee participating in the meeting. In case of equality of votes the casting vote is of the Chairman of the Audit Committee.

In exceptional cases, depending on the timeliness and importance of the issues in question, participation of a member of the Audit Committee in the internal meeting of the Audit Committee is allowed, at the presence of quorum and by means of video conferencing (double-talk of the members of the Audit Committee in the “phone meeting”), as well as any other communication means. In this case, a member of the Audit Committee shall be considered as taking part in an internal meeting of the Audit Committee. At the same time, in the minutes of the meeting of the Committee the type of used conferencing shall be indicated.

Each member of the Audit Committee can express a dissenting opinion, which is presented together with the minutes of the Audit Committee.

33. Members of the Audit Committee are obliged to attend internal meetings of the Audit Committee. If necessary, at the invitation of the Chairman of the Audit Committee the following persons can attend meetings of the Audit Committee:

1) head of the internal audit service;

2) lead partner and / or other representatives of the external auditor;

3) first director and other representatives of the Company, including the chief accountant, as well as representatives of the legal department of the Company;

4) involved, in the prescribed manner, independent consultants (experts) to obtain information on the agenda.

34. In case of in absentia Committee meeting(by poll):

1) decision on absentee voting shall be made by the Chairman of the Committee, which sets the term of absentee voting.

2) questionnaires (FZ 02 PSM 01-02-11) and materials (other information) must be sent by electronic system or delivered to members of the Committee no later than 2 (two) working days after taking a decision on the voting method.

3) When sending the questionnaires, the Corporate Secretary shall verify their correct and uniform preparation by his or her signature.

4) the Corporate Secretary shall draft minutes of in absentia meeting on the basis of returned questionnaires with voting results of the Committee members; such minutes shall contain results of voting on each item and the fact of adoption (non-acceptance) of a resolution.

35. According to the results of each meeting of the Audit Committee, no later than three business days after the meeting, minutes are produced. The minutes are signed by the Chairman of the Audit Committee or the person presiding at the meeting, as well as the Corporate secretary.

The minutes of the Committee meeting (FZ 01 PSM 01-02-11) shall include:

1) the date, place and time of the meeting (or the date of absentee voting);

2) a list of members of the Committee participated in the consideration of the Committee agenda items (with an indication of the form of the meeting), as well as the list of other persons present at the meeting of the Committee;

3) agenda;

4) proposals of the Committee members on the agenda (if any);

5) items put to vote and results of voting on them;

6) decisions taken.

The Corporate secretary provides storage of minutes of the meetings of the Audit Committee.

**12. Final Provisions**

1. This Regulation as well as amendments and additions thereto shall be approved by the BOD of the Company.
2. All matters not regulated herein shall be governed by the law of the Republic of Kazakhstan, the Company Charter and other internal documents of the Company.
	1. **Forms of record**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **№** | **Description of record** | **Form of record** | **Performed by** | **Storage place** | **Storage period** |
| 1 | Minutes of the Company’s Committee | FZ 01 PSM 01-02-11 | the Corporate Secretary | the Corporate Secretary | 3 years |
| 2 | Questionnaire for absentee voting of the Company’s Committee members  | FZ 02 PSM 01-02-11 | the Corporate Secretary | the Corporate Secretary | 3 years |

FZ 01 PSM 01-02-11

**Minutes of in person/in absentia meeting of the Committee**

(Number of Minutes)

**Astana city** № \_\_ « \_\_ » \_\_\_\_\_\_ 20 \_

Venue of the Committee meeting: (address)

The meeting of the Committee started at \_\_ h \_\_ minutes.

The following members of the Committee attend the meeting (members of the Committee, which were sent questionnaires in case of absentee voting):

The Committee Chairman: (title, full name)

The Committee members: (title, full name)

The Corporate secretary: (title, full name)

Invitee: (title, full name)

The Committee Chairman (full name) provided the Committee members with meeting agenda.

The Committee **RESOLVED:**

**To approve the following meeting agenda of the Company’s Committee:**

(the wording of submitted items)

The person who submitted the item for consideration (full name) reports:

(description of submitted item)

Taking into account mentioned the above, I suggest to submit the item for consideration by the Committee

(item description)

**Voted:**

The Committee Chairaman ("FOR", "AGAINST", "ABSTAIN")

The Committee members ("FOR", "AGAINST", "ABSTAIN")

In compliance with paragraph \_\_, article \_\_ of Regulation on the Committee, The Committee **RESOLVED**: (description of a decision)

The Committee Chairman announced that all agenda items were discussed and thanked the Committee members and invitees.

The meeting of the Company’s Committee finished at \_\_ h \_\_minutes.

|  |  |
| --- | --- |
| **The Committee Chairman** | (full name) |
| **The Corporate secretary** | (full name) |

FZ 02 PSM 01-02-11

**Questionnaire**

**for absentee voting by members**

**of the Company’s Committee**

 **Astana city No.** \_\_ \_\_ \_\_\_\_\_\_ 20 \_

The Company’s location:\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Agenda:**

1.

2.

3.

On the \_\_\_\_\_\_\_\_agenda item: the Committee **RESOLVED:**

|  |  |
| --- | --- |
| FOR | **AGAINST (dissenting opinion) ABSTAIN** |

On the item put to a vote in this questionnaire, a member of the Committee puts his signature (or tick) under one of provided boxes: "For", "Against", "Abstain". In case of the vote "Against" or "Abstain", a member of the Committee has the right to express a dissenting opinion.

**Final date for submission of the signed questionnaire to the Corporate Secretary is \_\_\_\_\_\_\_\_\_20\_\_year**

**The questionnaire for absentee voting is available at the following address:**

**The Committee member \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**(Signature required) (Full name)**

**"\_\_\_" \_\_\_\_\_\_\_\_\_ 20\_\_**

**The Corporate Secretary \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Approved by the Resolution of «Samruk-Energy» JSC Board of Directors**

**No.05/18 dated 25.05.2018**

**Amendments and Additions to the Regulations**

**on the Audit Committee**

**of «Samruk-Energy» JSC Board of Directors**

 1. Paragraphs 11 and 12 should be eliminated.

 2. Subparagraphs 4)–6) and 8)–9) in paragraph 16 should be reworded as follows:

 «4) recommendations presentation on the policy and structure of remuneration for the head and employees of the Internal Audit Service and the **«Compliance» Service**;

5) consideration and development of qualification requirements for the applicants as the head and / or employees of the Internal Audit Service and the **«Compliance» Service**, represented by the head of the Internal Audit Service and the **«Compliance» Service**;

6) recommendations submission on candidates for the positions of the head and employees of the Internal Audit Service and the **«Compliance» Service;**

8) making annual recommendations on determining individual remuneration of the head and / or employees of the Internal Audit Service and the **«Compliance» Service**, as well as making proposals on changing the remuneration of the head and / or employees of the Internal Audit Service and the **«Compliance» Service;**

9) conducting a comparative analysis of the level and policy of remuneration of the head of the Internal Audit Service and the **«Compliance» Service** in Kazakhstan and foreign companies, similar in scale and type of activity, and informing the Board of Directors.»;

3. Subparagraph 2) of paragraph 19 should be supplemented with subparagraphs «з» and «и» with the following content:

«з) carries out control over risks in the field of sustainable development and compliance, quality of non-financial information and reporting;

и) recommends measures to reduce risks in assessing the effectiveness and approval of transactions, as well as investment projects.».

4. Subparagraph 4) of paragraph 19 should be supplemented with subparagraphs «о» and «п» of the following content:

«о) reviews quarterly reports on the effectiveness of the internal control system, including internal financial control from the executive body and the results of IASs testing and / or by external auditors;

п) conducts an assessment of the positions of the head and employees of the Internal Audit Service. Develops proposals to the Board of Directors on the approval of grades of the head and employees of the Internal Audit Service;».

5. Paragraph 19 should be supplemented with subparagraph 6-1) of the following content:

«6-1) On compliance issues:

а) supervises the activities of the **«**Compliance» Service of the Company;

б) makes proposals to the Board of Directors on the quantitative composition, term of office of the «Compliance» Service, the appointment of its head and employees, as well as the early termination of their powers and the procedure of work for the «Compliance» Service;

в) makes proposals to the Board of Directors on the amount and terms of remuneration and bonuses paid to employees of the «Compliance» Service with the qualification requirements for the employees of the «Compliance» Service;

г) preliminarily approves the Regulations on the «Compliance» Service and other documents regulating the activities of the «Compliance» Service, as well as changes and additions to them and ensures the independence of the **«**Compliance» Service from the management of the Company;

д) preliminarily approves regular reports of the «Compliance» Service;

е) considers the issue of existing restrictions preventing the «Compliance» Service from efficiently performing the assigned tasks, and helps to eliminate such restrictions;

ж) holds meetings with the head of the «Compliance» Service without the participation of management representatives of the Company at least once a quarter;

з) conducts preliminary assessment of the «Compliance» Service;

и) not less than once a year considers the «Compliance» Service reports on the «hot line of confidential information», informing the Board of Directors on all important issues;

к) conducts an assessment of the positions of the head and employees of the «Compliance» Service. Develops proposals to the Board of Directors on approving the Grades of the head and employees of the «Compliance» Service.».

6. Paragraph 22 should be supplemented with subparagraph 5-1) of the following content:

«5-1) approves job descriptions of the head and employees of the «Compliance» Service;».