



**KAZAKHSTAN ELECTRICITY GRID OPERATING
COMPANY (KEGOC) JSC**

**APPROVED by the Board of
Directors
of KEGOC (Minutes No. 9 dated
24 August 2018)**

COMPANY STANDARD

**Policy for professional development of the members of the KEGOC Board of
Directors and engagement of external experts as members of KEGOC's
Board of Directors.**

P KEGOC 00-206-18-CD

Copy No.

Revision 3

Effective date
_____ **2018**

Astana

1 Scope of Application

1.1 This standard (hereinafter referred to as ‘the Policy’) defines basic approach to professional development of the members of the KEGOC Board of Directors and engagement of external experts as members of the KEGOC Board of Directors.

1.2 The Policy was developed in accordance with the legislation of the Republic of Kazakhstan, the Charter, the Regulations on the Board of Directors and the Corporate Governance Code of KEGOC.

1.3 These Policy shall be applied by the members of the Board of Directors and the Corporate Secretary of KEGOC.

1.4 The Policy is an internal regulatory document of KEGOC and shall not be disclosed to other parties except for the governmental bodies, Samruk-Kazyna Sovereign Wealth Fund JSC, and subsidiaries.

2 Regulatory References

The Policy refers to the following legal acts of the Republic of Kazakhstan and regulatory documents:

Law of the Republic of Kazakhstan ‘On Joint-Stock Companies’;

KEGOC's Charter;

KEGOC Corporate Governance Code;

Regulations on the Board of Directors of KEGOC (П КЕГОС ИД-202-OCA);

Company Standard. Document Management (CT KEGOC 00-101-10);

3 Terms and Definitions

This Policy uses the following terms and definitions:

3.1 **Board of Directors:** management body of KEGOC;

3.2 **Committee:** advisory body of the Board of Directors.

3.3 **Member of the Board of Directors:** an individual elected to the Board of Directors in the manner prescribed by the legislation of the Republic of Kazakhstan;

3.4 **Corporate Secretary:** Corporate Secretary of KEGOC;

3.5 **Corporate Secretary Service:** An independent structural unit of KEGOC that supports delivery of tasks, functions, and powers by the Corporate Secretary of KEGOC and is headed by the Corporate Secretary.

4 Responsibility

4.1 This Policy shall be approved by the Board of Directors of KEGOC.

4.2 The Policy implementation shall be supervised by the Corporate Secretary.

4.3 Responsibility for managing the Policy rests with the manager of the

Corporate Secretary Service.

4.4 The Policy compliance shall be supervised by the Chairman of the Board of Directors.

4.5 The effectiveness of the Policy shall be evaluated by the Board of Directors and, if necessary, the Policy shall be amended.

5 General

5.1 The purpose of the Policy is to enhance the efficiency and robustness of the decisions of the Board of Directors of KEGOC (hereinafter referred to as ‘the Board of Directors’) by introducing a systematic, structured and transparent mechanism for developing skills and advanced training of the members of the Board of Directors and exercising their right to engage external experts if the agenda item considered by the Board of Directors, require external professional and independent expertise.

5.2 The Policy details the rights and obligations established by the Regulations on the Board of Directors for the members of the Board of Directors, as well as the Corporate Secretary in terms of advanced training and the engagement of external experts, and regulates the procedures of planning and decision-making with regard to training and engagement of external experts by members of the Board of Directors.

5.3 The members of the Board of Directors must possess the necessary knowledge and experience but cannot be experts in all areas. Thus, to expand and update the knowledge of members of the Board of Directors, that shall be able to engage external professional and independent experts in specific areas of competence of the Board of Directors.

6 Rights and obligations of members of the Board of Directors in terms of advanced training and the engagement of external experts

6.1 A member of the Board of Directors has the right to:

- improve his/her qualifications in the areas of competence of the Board of Directors at the expense of KEGOC in accordance with the procedure established by the Policy;

- engage external experts at the expense of KEGOC in accordance with the established Policy, if the member believes that the agenda item considered by the Board of Directors or a committee of the Board of Directors requires external professional and independent expertise.

6.2 A member of the Board of Directors shall be obliged to:

- as necessary, take part in qualification enhancement events in the areas relevant to the competence of the Board of Directors and related issues in the form of external and internal training programs, seminars (trainings), conferences, round tables, and forums using other generally accepted forms of advanced training;

- participate in internal and external training programmes organized by KEGOC for the members of the Board of Directors;
- when exercising his right for advanced training and engagement of external experts at the expense of KEGOC, follow the procedure established by the Policy and other internal documents of KEGOC,
- use arm's length principle in exercising their right for advanced training and engagement of external experts at the expense of KEGOC.

7 The procedure for budgeting of advanced training of the members of the Board of Directors and engagement of external experts by the members of the Board of Directors

7.1 The Board of Directors shall decide to improve the qualifications of the Board of Directors, by a majority of votes, with respect to the entire Board of Directors or individual members by approving the Professional Development Programme for the members of the Board of Directors.

7.2 Expenses for advanced training of members of the Board of Directors and engagement of the external experts for an external professional and independent examination should be provided for in the Budget of income and expenses of KEGOC for the corresponding year.

7.3 The procurement of the services of external experts shall be carried out in accordance with the internal regulatory documents of Samruk-Kazyna JSC and KEGOC JSC.

7.4 If necessary, the Professional Development Programme for the members of the Board of Directors of KEGOC JSC shall be amended and approved by the Board of Directors. Then, to implement the Programme, funds could be redistributed within the limits of the amounts approved in the Budget of income and expenses of KEGOC JSC.

8 Procedure for qualification improvement of the members of the Board of Directors

8.1 The advanced training of members of the Board of Directors can be carried out in the following forms:

- internal workshops (trainings) organized by KEGOC;
- external seminars (trainings) for the members of the Board of Directors conducted by other companies and organizations;
- professional articles and other information provided to the members of the Board of Directors;
- conferences, round tables, and forums;
- other forms of advanced training as decided by the Board of Directors.

8.2 The Professional Development Program for members of the Board of Directors shall be developed by a majority of votes of the Board of Directors and shall be based on:

- the results of the annual performance assessment of the Board of Directors, committees of the Board of Directors and each member of the Board of Directors that show the need in advanced training;

- the requests of individual members of the Board of Directors, subject to solid justification.

8.3 The relevant request of a member of the Board of Directors or recommendations of a committee of the Board of Directors should indicate the topics on which further training is required and the proposed form of delivery of such services.

8.4 The Chairman of the Management Board, through the Corporate Secretary, shall inform the Board of Directors if the workshop (training) for members of the Board of Directors could be delivered internally by KEGOC's employees.

8.5 The Board of Directors, by a majority vote, shall decide on the specific form of advanced training for members of the Board of Directors, based on a comparison of expenses and an assessment the independence risk for the Board of Directors implied by the proposed forms of advanced training.

8.6 The Chairman of the Management Board and the Corporate Secretary of KEGOC JSC shall regularly provide information to the members of the Board of Directors that would help to them improve their skills as the members of the Board of Directors, in particular by preparing regular reviews of the media or sending them professional featured articles on issues related to the activities of KEGOC JSC and related issues.

9 Procedure for engagement of the external experts by the members of the Board of Directors

9.1 The Board of Directors subject to proper justification and at the request of any member of the Board of Directors or recommendations of a committee of the Board of Directors, may engage external experts for consultations on specific issues of competence of the Board of Directors and committees of the Board of Directors at the expense of KEGOC.

9.2 The request of a member of the Board of Directors or recommendations of a committee of the Board of Directors should specify that require consultation and / or independent examination.

9.3 The external experts can be scientists with a scientific degree, highly qualified specialists in relevant areas of the business environment, etc.

9.4 Selection of the external experts for consultations or conducting of an independent examination on the issues of competence of the Board of Directors at the expense of KEGOC shall be based on the principle of avoiding conflict of interests.

9.5 The members of the Board of Directors shall be responsible for the proper justification of engaging the external experts at the expense of KEGOC.

9.6. The engagement of the external experts for consultations on certain issues of competence of the Board of Directors at the expense of KEGOC cannot be carried with respect to the issues of personal interests of the members of the Board of Directors.

10 Functions of the Corporate Secretary

10.1. The Corporate Secretary shall at all stages provide assistance in organizing the advanced training for the members of the Board of Directors. The Corporate Secretary shall organize the regular provision of information to the members of the Board of Directors that could support the advanced training of members of the Board of Directors of the Company.

The functions of the Corporate Secretary in organizing preparation and delivery of the advanced training for the members of the Board of Directors, and attracting of the external experts by members of the Board of Directors:

- search, collection and submission to members of the Board of Directors of information about available training activities;
- assist the members of the Board of Directors in arranging the professional development events for the members of the Board of Directors;
- development, together with the Chairman of the Board of Directors, of a draft Professional development programme for the members of the Board of Directors and the engagement of the external experts by the members of the Board of Directors;
- other functions for procurement of the advanced training services for members of the Board of Directors and the engagement of the external experts by the members of the Board of Directors in accordance with the internal regulations of KEGOC.

11 Policy management

11.1 The Policy shall be managed in accordance with CT KEGOC 00-101-10 Company Standard. Organizational Documentation Management.

11.2 This Policy shall be agreed upon with the Chairman of the Management Board, Managing Directors for Finance and Accounting, Legal Support and Risks, Head of Legal Department, Head of Corporate Development Department, Head of Internal Audit Service with an respective entry made in Approval Sheet (Appendix 1 hereto).

11.3 All members of the Company's Board of Directors shall study the requirements of the Policy.

Developed by:

Corporate

Secretary

_____ **Ye. Yertai Ramazanov**
(date and signature)

Manager
Corporate Secretary Service

_____ **Aigul Iskakova**
(date and signature)

Appendix 1
Company Standard. Policy for professional
development of the members of the
KEGOC Board of Directors and
engagement of external experts as members
of the KEGOC Board of Directors.

Approval Sheet

Form CT KEGOC 00-101-01

Position	Full name	Date	Signature
Chairman of Management Board	Bakytzhan Kazhiyev		
Managing Director for Legal Support and Risks	Tolegen Safuani		
Managing Director for Finance and Accounting	Aibek Botabekov		
Chief of Staff	Bolatbek Omarov		
Head of Internal Audit Service	Omirezhan Yessetov		
Head of Legal Department	Kabdulla Omarov		
Head of Corporate Governance Division	Aizhan Ramazanova		

