

NAC Kazatomprom JSC	HR Department	Personnel Management
Status: in effect	KC 12 46 AA	1/21

HR Policy
NAC Kazatomprom JSC
2018-2028

Rev. No.	Pages changed	Drafted by	Agreed by	Approved by
0.		HR Director L.Kozhakhmetova _____	Executive Board of NAC Kazatomprom JSC Decision No. _____ dated _____, 2018	Board of Directors of NAC Kazatomprom JSC Minutes No. _____ dated _____, 2018

Content

1. Aim	3
2. Scope	3
3. Terms, definitions and abbreviations	3
4. Introduction	4
5. Basic principles and approaches to human resources management system building	6
6. Updated corporate values	7
7. HR key areas	8
7.1. Personnel planning – ideal profile of the employee	8
7.2. Search and selection of personnel	9
7.3. Staff adaptation	9
7.4. Staff training and development	10
7.5. Talent Management	10
7.6. Evaluation of activities	10
7.7. Reward management	11
7.8. Development of corporate culture	11
7.9. Improvement of the HR function	12
8. Key Human Resource Management Initiatives	12
9. Key Performance Indicators of the HR Policy	13
10. Annexes	14

1. Aim

HR Policy of NAC Kazatomprom JSC for 2018-2028 (hereinafter referred to as the HR Policy) defines the system of principles, key directions, approaches and methods of human resources management in NAC Kazatomprom JSC (hereinafter referred to as the Company) aimed at the Company's Development Strategy implementation for a long term.

2. Scope

This HR Policy is the basis for human resources management activities in the Company and is recommended for use by the Company's subsidiaries and affiliates (hereinafter – S&A).

The Company implements this HR Policy taking into account the priority of one or another direction of staff management system improvement, as well as degree and extent of impact of various activities and initiatives for effective implementation of the Company's Development Strategy.

S&A relations with the Company in the field of HR management suppose the following approaches:

- S&A may join to this HR Policy;
- S&A are covered by the Transformation Program;
- S&A implement all programs, initiatives and activities specified in this HR Policy.

Joint ventures relations with the Company in the field of HR management suppose the following approaches:

- JV may join to this HR Policy;
- JV is obligatorily covered by the development programs of their top managers;
- JV may be included into the coverage of the Transformation Program (upon agreeing with all participants/shareholders of JV).

3. Terms, definitions and abbreviations

The following notions, terms and abbreviations are used in this HR Policy:

Company's Group of enterprises – NAC Kazatomprom JSC and its subsidiaries and affiliates;

Senior Management - Chairman and members of the Company's Executive Board;

Employer is a physical or legal person with whom the employee is in labor relations;

Employee - an individual who is in labor relations with the Company/S&A on the terms of an employment contract;

Personnel - a team of employees of the Company performing labor functions on the basis of an employment contract;

Internal client - structural subdivisions/employees of the Company/S&A;

Initial Public Offering – the first public sale of shares of the joint stock company, including in the form of sale of depositary receipts for shares, to unlimited range of persons;

Fund – Samruk-Kazyna JSC;

Position - the staffing unit of the Company, which is assigned the range of official powers and duties established by internal documents;

Corporate culture is a set of norms, values and behaviors that are acquired by the Company in the process of adaptation to the external environment and internal integration, which have shown their effectiveness and are shared by the majority of the staff;

Motivation - the mechanism of influence on labor efficiency, the process of stimulating an employee or a group of employees to activities aimed at achieving the goals of the Company;

Successor - an employee of the Company/S&A, enlisted in the pool of talents who are applying for the replacement of an employee on the management/key position of the Company;

Candidates pool (talents pool) – a group of employees of the Company, identified based on selection, that have a potential to occupy key positions in the Company;

Talent management - a set of activities aimed at identifying employees with high potential, evaluating and improving their skills and competencies, and preparing them for the transfer to key positions for the success of the Company/S&A;

Mentoring – form of adaptation and training of new employees of the Company under the supervision of a mentor with regular constructive feedback;

KPI – key performance indicators;

Performance evaluation - an integrated and regular process, covering performance assessment and competency assessment (including potential assessment);

Remuneration system - a set of measures to attract, retain and motivate employees;

HR records management - an activity related to documentation and organization of work with personnel documents;

HR metrics - an indicator to evaluate or measure the effectiveness of human resources management processes in the Company;

HR function - a function for human resource management;

Grade - the level assigned to a position based on the evaluation results;

Meritocracy - management principle, according to which the leading positions should be occupied by the most capable, regardless of their social origin and financial prosperity;

Coaching - a system of principles and techniques that contribute to the development of an employee's potential that ensure maximum disclosure and effective implementation of such potential;

Competences - the qualities and skills of an employee (personal, business, leadership, professional), which contribute to the effective performance;

Competency model - a general set of competences in the Company;

Business principles - fundamental principles, benchmarks, which are the basis of business processes and are an integral part of making managerial decisions;

Organizational structure - distribution of administrative subordination and functional links of all structural subdivisions that make up the Company/S&A;

HR strategy - a set of decisions regarding the management and development of the company's human capital for maximizing the effective implementation of the development strategy;

Corporate training - specialized training for employees within a defined function;

Vocational training - mandatory training for employees without the reference to the line of profession;

Self-learning organization - an organization that constantly develops the capabilities of its employees, is in the process of continuous self-improvement, creating the necessary conditions for the training and development of employees, while creating, transferring and retaining acquired knowledge for their subsequent development and use;

Responsible subdivision - a structural subdivision responsible for human resources management, HR service.

4. Introduction

4.1. The aim of this HR Policy is the achievement of the Company's strategic goals through the effective team and individual work of skilled and motivated employees who share the corporate values of the Company (Figure 1).



Figure 1. Strategic initiatives in the field of personnel management for 2018-2028

4.2. HR Policy has been developed on the basis of the Company’s Development Strategy for 2018-2028, approved by the decision of the Board of Directors dated 08.02.2018 (hereinafter referred to as the Development Strategy), the Company’s Transformation Program for 2018-2021 (hereinafter referred to as the Transformation Program), taking into account the Reference Model for human resources management for the portfolio companies of Samruk-Kazyna JSC approved by decision of the Executive Board of Samruk-Kazyna as of May 06, 2016 No.15/16 (hereinafter referred to as the Reference Model).

4.3. The Development Strategy of the Company has set the following strategic goals:

- Focus on the core activity;
- Optimize the volume of production, processing and sales based on market conditions;
- Create value by strengthening the marketing function and expanding sales channels;
- Apply best practices in business activities;
- Develop a corporate culture appropriate to the industry’s leader.

To develop and keep a competitive advantage, the Company shall continue developing its human capital by attracting, retaining and developing a strong pool of talents.

The basis for strategic goals achievement is laid in the promotion of corporate culture, which reflects the desire of the Company to maintain its leadership in the industry. Such a culture forms a client-oriented environment, reliability, innovation and constant improvement, clear and transparent interaction, strong corporate governance and a universal safety culture.

To achieve the strategic goal “To develop a corporate culture appropriate to the industry’s leader”, the Company will implement the following strategic objectives:

- a) development of corporate culture;
- b) strengthening the HR role as a strategic business partner;
- b) corporate governance improvement.

4.4. The implementation of the Transformation Program requires significant changes in the activities of the Company. To achieve the objectives of the Program, it is required to implement a number of specific initiatives to improve business processes and simplify the structure, as well as to

change the way of thinking and the standards of behavior of employees and all stakeholders involved in the Transformation, as well as corporate culture in general.

The objectives of the Transformation Program are to achieve results on the following initiatives of the Fund:

- reengineering and digitization of business processes;
- simplification of the legal framework;
- the Company's participation in IPO;
- transformation of people;
- change management and project approach introduction.

The goals of the Transformation Program of the Company are:

- Company's achievement at 2021-year end the level of ROIC at least at WACC as of 31.12.2021;
- transition to the target operating model of NAC Kazatomprom JSC;
- achievement of the declared benefits of transformation.

4.6. The key tasks of the HR Policy for 2018-2028 are:

- accumulation and keeping knowledge within the Company;
- development of a system that would motivate staff to high performances, achievement of strategic goals of the Company;
- compliance with the best practices in human resources management;
- optimization and automation of human resource management processes based on standard processes;
- enhancing the role of corporate culture in the Company.

Introduction of principles, key directions, approaches and methods of personnel management triggers the mechanisms for achieving the goals of the Development Strategy and the Transformation Program of the Company.

5. Basic principles and approaches to human resources management system building

Key provisions of the HR Policy are aimed at transforming the HR function, contributing to more efficient activities and solving strategic goals and objectives of the Company.

HR-principles are aimed at increasing the involvement of staff and sustainable development of the Company (Table 1).

Table 1

Key HR business principles

Business principle	Description
Key personnel role	Human resources are the main asset of the Company, which requires a sufficient level of funds and resources investment for the purpose of continuous performances improvement.
Meritocracy	Assessment of each employee according to his merits, promotion of workers with high potential. Remuneration based on the results of assessment of the activities and contributions of the employee, intolerance of unsatisfactory results.
Focus on the development and bringing up specialists	Investment in professional and career growth and development of own staff, as opposed to focus on external recruitment and attracting talents from outside.
Proper human resources management is a key responsibility of managers	Managers of all levels are responsible for duly management of human resources, and for the development of their management competences for effective management of the personnel entrusted to

at all levels	them. The structural subdivision responsible for personnel management provides necessary support to managers in implementing the strategy, managing processes and supporting HR initiatives.
Strategic partnership of human resource management function and business subdivisions	Shifting of the role of the HR function from administrative-support to the role of a strategic partner for business subdivisions (internal clients).
Strategic human resource planning	Planning of the needs in human resources, as well as costs for the Company's staff, taking into account both the functional plans and needs of business subdivisions, and the labor market situation.
Principle of self-learning organization	Personal responsibility of employees for self-education (70%), development through interaction with management and colleagues (20%), training through trainings, seminars, etc. (10%).
Focus of HR function on creating value-added for internal customers	In their daily work, HR function employees need to take into account the extent to which the results of their work create added value for the internal customer, and prioritize their work based thereon.

Building of the human resources management processes according to the Reference Model is based on the concept of a process approach aimed at creating value for implementation of the Company's development strategy.

This approach offers the following advantages:

- high level of processes integration with other corporate processes of the Company;
- focus on keeping corporate values by internal customers at all levels of the Company through systematic integrated work with human resources;
- maximum transparency and logical relevance of the chain of processes, methods and controls within the function;
- strict binding of the role and responsibility for each business process;
- maximum provision of processes with regulatory documentation.

6. Updated corporate values

Corporate values are aimed at implementation of the Company's Mission «to develop uranium deposits and develop components of the value added chain, creating a long-term value for all stakeholders of the Company, according to the principles of the Sustainable Development».

According to the diagnosis of corporate culture conducted in 2017, its basic values were defined:

Value	Indicators
Safety	We take care of the environment We follow the standards of safe business We support a culture of security We are personally responsible for safety
Responsibility	We are honest with each other and partners We value the Company's reputation We respect everyone's opinion We are responsible for the result
Professionalism	We are leaders in the industry We possess and share unique knowledge

	We make well-argued decisions We achieve our goals
Development	We promote innovations We are constantly developing We are improving technology We are developing new business directions
Team	We appreciate the contribution of each We help each other We create a common result We work in a team

Reflection of values in the corporate culture that builds the targeted behavior of employees is one of the goals of the Company's HR Policy through the improvement of the human resources management system.

Implementation of corporate values of the Company is carried out in accordance with the Roadmap of the project "Development of the corporate culture of NAC Kazatomprom JSC" for a medium-term period (approved on March 16, 2018) with the following main sections:

- values introduction;
- building of the team of corporate culture agents;
- competency model updating;
- improvement of the system of performances assessment, training system, succession management and financial and non- financial incentives;
- leaders as role models;
- creation of an effective working environment;
- employer's brand creation;
- communication at all stages of the event.

7. HR key areas

7.1. Personnel planning – ideal profile of the employee.

To implement the Development Strategy, and other tasks as well, the Company needs employees with three key characteristics:

- 1) recognized professionals:
 - detailed requirements to professional skills are defined in job description;
 - among the general characteristics the following may be identified: commercial experience, work experience in international companies, profile certification, fluency in English (according to the functional), results orientation and broad outlook.
- 2) required competencies:
 - personal-business competencies are defined in the competency model, which will be updated in accordance with the new values;
 - in the long term, the Company's employees shall become the agents of change, innovators;
- 3) a high level of involvement:
 - involvement of the Company's employees is a strategic KPI and is measured annually;
 - target involvement rate for 2018 - to reach over 60% level of involvement.

At the moment, there are gaps in the current and target characteristics of employees. To minimize the discontinuities, the following activities are planned:

- 1) timely closing of key vacancies of the Company;
- 2) attraction of international experience (through foreign specialists, consulting and other);

Rev. 0	_____, 2018	KP 12 46 AA	9/21
--------	-------------	-------------	------

- 3) implementation of the leadership program, coaching;
- 4) constant training and development under the principle «70:20:10»;
- 5) revision of the remuneration and remuneration system;
- 6) introduction of talent management system, development of career maps;
- 7) improvement of quality of management by objectives, performances evaluation;
- 8) development of corporate culture;
- 9) development of the value offer of the employer.

7.2. Search and selection of personnel.

The main approaches of competitive selection are:

- use of various sources of search: analysis of human resources within the Company, direct search in the external market, professional recruiters who can attract international experts, fairs of graduates of profile universities, etc.;
- accessibility for all candidates, depending on compliance with the requirements and professional standards;
- use of methods for candidates assessment relevant to each position, that allow taking impartial decisions during hiring;
- clear and transparent selection criteria based on job requirements (competency models);
- reasonableness and impartiality of the decisions, adherence to Meritocracy value: appointing candidates who comply at most with qualification requirements and competences;
- non-discrimination, professional, open and respectful attitude to all candidates.

The value offer of the Company as the employer to its potential candidates will help attracting relevant employees, as well as to level what the candidates expect from the Company.

The value offer of the Company is based on such basic elements as:

- unique experience - employees are given a unique opportunity to acquire valuable experience in the national company, which increases their market value;
- social significance - taking into account the role in the economy of the Republic of Kazakhstan, each employee of the Company makes his personal contribution to the development of the country;
- competitive working conditions - the Company provides competitive working conditions, which include: remuneration, training opportunities, social benefits.

7.3. Staff adaptation.

Adaptation of staff is carried out according to the principle of comprehensive assistance to a newly hired employee for him to successful enter the team, by acquainting him with the objectives of the Company, its profile, and basic rules and functional duties.

Key approaches to adaptation are:

- Corporate adaptation: a new employee is provided with information related to the Company's activities.
- Social adaptation: building of the efficient communications and relations with colleagues.
- Organizational adaptation: acquaintance with the corporate culture, formal and informal rules, traditions, orientation in working space.
- Technical (technological) adaptation: demonstration / training with a set of equipment and software.
- Professional adaptation is related with professional side of the employee's activity. He needs to master the professional aspects of the work.

- Psychophysiological adaptation: adaptation to a certain and often different from the usual work and rest regime and etc.

The introduction of these approaches presupposes the implementation of the HR Policy through measures on improvement of the process in the Company and S&A (such as the development of an internal program (Welcome-training), control of the outflow of employees during the first year of work in the Company, etc.), along with the improvement of the system of mentoring.

7.4. Staff training and development.

The main approaches of the system of education and development are:

- the Company shall create conditions within its budget, and the employee shall be responsible for the development of his own competencies within the framework of the position;
- heads of all levels are responsible for professional development of subordinates, evaluation of their effectiveness and compliance with the position held;
- HR provides quality support to the manager in training and developing subordinates: in finding solutions, selecting effective tools and providers, and organizing the learning and development process;
- the training strategy should focus on the key priorities for the development of competencies in general for the Company / S&A and support in implementing the strategies of the Company / S&A in their medium and long term;
- training should be aimed at improving professional qualifications and developing the personal-business and managerial competencies of employees and focus on filling gaps to the level claimed by the position;
- training should be based on the principle of 70-20-10 (70% - on-the-job training, 20% - mentoring and coaching, 10% - trainings and other training programs).

The introduction of these approaches presupposes implementation of the HR Policy through measures on unification and improvement of the process in the Company and S&A (such as the development of internal regulatory documents, automation of the process administration, development of competencies of responsible HR employees, etc.), along with the introduction of values in the competency model.

7.5. Talent Management

The main approaches of the system of talent management and succession are:

- development of human resources in accordance with the Company's Development Strategy;
- pool of successors shall meet the real needs of the Company in the medium and long term for the successful implementation of the Company's Development Strategy;
- successors are selected based on the principles of transparency and fairness;
- discussion of development plans is an integral part of the performance evaluation procedure for the pool of successors. It is not a promise of position, but it provides more opportunities for developing the potential of successors.

HR Policy provides for activities to build talent management processes to determine the needs for staff development, work efficiency in accordance with business objectives and career development opportunities.

7.6. Evaluation of activities

The main approaches of the personnel performance assessment system are:

- assessment of performance covers KPI and objectives, professionalism (through evaluation of professional competencies) and potential (through evaluation of personal-business and managerial competencies);
- the tools and results of assessment should be transparent to all participants in the assessment process, and are designed to contribute to the Company's performances improvement;
- the result of the assessment is, if necessary, a development plan/adjustment plan, promotion/ demotion, relocation, changes in basic remuneration, etc.;
- the principle of meritocracy implies the adoption of HR decisions in relation to employees on the basis of performance assessment of the subdivision and the employee's personal contribution, mandatory detailed and constructive feedback from the manager and intolerance to unsatisfactory results;
- discussion of career expectations of the employee assumes an obligatory assessment of the chief of the subdivision of how real are these expectations, and assistance in drawing up a plan for the individual development of the employee. Such a discussion is not a promise of position, it is aimed at understanding the ambitions of the employee and, if necessary, assisting in the orientation in the opportunities for building a career within the group of enterprises of the Company.

Activities on the application of evaluation approaches are carried out within the framework of the projects of the Transformation Program (introduction of the target model of personnel management, automation of process administration), the Roadmap for the development of corporate culture.

7.7. Reward management

The main approaches of the remuneration management system are:

- assessment of positions in the system of grades is mandatory for all administrative and management personnel of the Company;
- positioning on the labor market with regard to payment is determined out of the specifics of the market segment occupied by the Company;
- remuneration is built on the basis of internal fairness, external competitiveness and a built grading system;
- implementation of a set of social measures to fulfill the requirements of the Collective Agreement;
- variable compensation is a motivational component and depends on the performances of the Company, the structural subdivision and the employee himself;
- the social package is an integral part of the total remuneration.

Within the framework of this HR Policy, a number of measures are planned to be implemented on compensation and remuneration programs corresponding to the best practices.

7.8. Development of corporate culture

The main approaches of the process are:

- business principles of the Company should be introduced into the unique corporate culture of each business unit of the Company and its subsidiaries and affiliates;
- internal communication of strategic and tactical initiatives and decisions of the Company's top management to employees is a powerful tool for improving the corporate culture and an important priority in the work of this function;
- regular measures of engagement and development of recommendations by the HR function to improve its effectiveness are a tool for the Company's managers to change the internal environment;
- HR-principles and policies should be aimed, among other things, at increasing the involvement and social stability of the staff;

Rev. 0	_____, 2018	KP 12 46 AA	12/21
--------	-------------	-------------	-------

- the Company acts in close partnership with S&A and is the platform for the exchange of the best practices through the development of functional links and creation of professional communities;

- development of internal client-orientation is an important component of the corporate culture of the group of enterprises of the Company.

In order to meet the expectations of the Sole Shareholder of NAC Kazatomprom JSC for 2018-2022 “Development of Corporate Culture by Introducing New Values of the Company and Enhancing Employee Engagement” dated October 9, 2017 No.03-04-02/5023, the Company is implementing the project “Development of the corporate culture of NAC Kazatomprom JSC for the medium term with an annual assessment of staff involvement.

7.9. Improvement of the HR function

The main approaches of the process are:

- strategy in the field of human resources management is an integral part of the Company’s Development Strategy;

- the operational strategy in the field of human resources management should provide the Company with personnel of the required level of qualification;

- measurable HR metrics should make the HR function transparent, measurable, and meet international standards;

- the organizational structure of the Company should ensure implementation of the Company’s Development Strategy.

The introduction of these approaches presupposes the implementation of the HR Policy through measures on unification and improvement of the process in the Company and S&A, such as (but not limited to):

- improvement of HR expertise (HR certification);
- introduction of effective HR metrics, setting SMART goals;
- transfer of routine personnel operations to consulting.

The HR function should evolve in its role from administrative support and information provision to a business advisor.

8. Key Human Resource Management Initiatives

Treating the personnel as its key asset ensuring the achievement of the best results, the Company set a strategic goal to attract, develop and keep the best personnel in Kazakhstan, and this HR Policy supports this.

Initiatives for the development of HR function are based on the main business issues of the Company:

- What kind of employees the Company needs in the current conditions to implement the tasks set?

- How does the Company plan to attract and retain the right employees?

- How can the HR function help business to achieve its objectives?

The key initiatives of the HR function for fulfillment of the Company’s strategic goals for the period up to 2028 are:

- the main focus on business needs;
- ensuring a high level of HR expertise;
- introduction of modern and effective tools;
- maximum automation of routine processes.

The implementation of the HR Policy is possible if the following conditions are fulfilled:

- 1) support of the Board of Directors of the Company on issues of labor remuneration;

2) budget support for HR initiatives;

3) the members of the Boards of Directors/Supervisory Boards of NAC Kazatomprom JSC/its subsidiaries and affiliates are involved in the search and selection of members of the executive bodies of NAC Kazatomprom JSC/its subsidiaries and affiliates.

The ongoing transformation of the HR-function will ensure implementation of the effective system of personnel management, as well as its internal control of effectiveness, create and evaluate support to business through the top-level activities of the HR strategy:

- introduction of a business partnership model (evolution of the role of HR-function from administrative support and provision of information to the business advisor),
- increasing the level of maturity of HR processes (introduction of the best practices, assessment of process efficiency and satisfaction of internal clients),
- focus on performances in HR processes that have added value (competitive selection, talent management, corporate culture management),
- automation of administrative processes (personnel administration, accounting of working hours, application for staff selection, employees assessment, etc.),
- a systematic approach to HR function in the Company and S&A (introduction of end-to-end processes in compliance with standard procedures, common principles, approaches and methods of personnel management).

The business partnership model defines the human resource management function as a strategic one, by highlighting three main roles within the function:

- HR-Business Partners - are responsible for a dialogue between business and HR-team, as well as for effective implementation of HR-services for business.
- Expertise centers - are responsible for the design of effective HR solutions, programs, processes, policies and procedures.
- The Service Center - is responsible for the effective implementation of the current HR services and tasks.

The implementation of the HR Policy will ensure introduction of an effective system of personnel management, as well as its internal control of effectiveness, creation and evaluation of business support through implementation of an action plan (Appendix 2).

9. Key Performance Indicators of the HR Policy

Implementation of the HR Policy is monitored by the responsible structural subdivision of the Company each year on the basis of objectives set under the following key performance indicators (calculation methodology is in Appendix 3):

- increase of the level of staff involvement;
- stabilization of staff movement and prevention of staff turnover, except for activities related to the optimization of the Company's structure;
- increase in the proportion of employees who have received training and advanced training;
- selection of personnel on a competitive basis;
- effectiveness of development, succession and knowledge transfer programs.
- introduction of principles, methods of this HR Policy will allow reaching the following main results:
 - reduce the lack of talent to meet business needs;
 - avoid the lack of key technical and managerial skills of the staff;
 - reduce employee turnover.

Rev. 0	_____, 2018	KP 12 46 AA	14/21
--------	-------------	-------------	-------

10. Annexes

Annex 1. Analysis of the current situation in the Company in the field of personnel management (SWOT));

Annex 2. Plan of measures to implement the HR Policy in NAC Kazatomprom JSC for 2018-2028;

Annex 3. The methodology for calculating the indicators and target values of KPI of the HR Policy for 2018-2028.

**Analysis
of the current situation in the Company in the field of personnel management
(SWOT)**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ▪ Strong image of the Company as a preferred and socially sustainable employer ▪ Low level of turnover at production ▪ High loyalty and solidarity of the Company's employees ▪ Established personnel management system ▪ Own system of training for production personnel (KNU) 	<ul style="list-style-type: none"> ▪ Resistance to change, bureaucracy ▪ Deficiency in dedicated experts ▪ Insufficient development of the candidates pool ▪ Deviation in practice from procedures regulated by internal regulations on HR issues ▪ Weak and different level of automation of HR-processes
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Possibility of investing in young specialists training ▪ Professional development and career growth of own staff ▪ New employees with experience in international companies ▪ Possibility of accumulation of knowledge and transfer of skills to young specialists ▪ Development of automation of HR-processes, digitalization 	<ul style="list-style-type: none"> ▪ Risk of loss of a unique knowledge base ▪ Risk of social and labor conflicts, social tensions in production teams due to optimization of numbers, restructuring, etc. ▪ Risk of outflow of key employees ▪ Risk of non-transparency of appointments to key positions ▪ The reality of the labor market for hiring the best staff. Risk of staff motivation reduction.

**Methodology
of calculation of indicators and target values of KPI
of HR Policy for 2018 -2028**

No.	Index	Definition, calculation principles	Index meaning
1	Degree of staff engagement, %	<p><i>[Average arithmetic value of the indexes of Satisfaction, Loyalty and Support of staff initiatives]</i></p> <p>Satisfaction includes the assessment by employees of: the system of employment, working conditions and wages; trust in decisions made by the top management; obtaining information about the Company; conditions of provision and internal satisfaction with the content of labor; selection and placement criteria; motivational programs. Loyalty includes assessment of the relationship in the team; perception of the Company by employees as a whole; opportunities for professional and career growth; corporate goals and development of the Company. The initiative support block assesses opportunities for development and self-realization of workers; programs of employees engagement in ideas development; system of recognition and award, evaluation of efforts.</p>	<p>Determination of the level of social well-being of staff through definition of an integrated index of engagement, consisting of key indices:</p> <ol style="list-style-type: none"> 1) <i>employee satisfaction,</i> 2) <i>staff's loyalty to the Company and</i> 3) <i>support of staff initiatives.</i> <p>Calculation of the degree of staff engagement is based on the results of a survey of employees' opinions according to the methodology of the Company's engagement study. Survey is held annually.</p>
2	Staff turnover, %	<p>Percentage of employees who left the organization for the period.</p> <p><i>[Number of employees who left the Company on the grounds of the labor legislation of the Republic of Kazakhstan, except for those who went to</i></p>	<p>Shows the movement of labor force from the organization. Allows you to forecast the need in staff. The indicator characterizes the overall effectiveness of personnel management.</p> <p>According to the current practice, staff turnover in organizations within no more</p>

		<p><i>subsidiaries and affiliates, for the reporting period / Average number for the reporting period] * 100%</i></p> <p>Example of calculation for certain categories (for example, top managers): <i>[Number of top-managers who left the Company on the grounds of labor legislation of the Republic of Kazakhstan, except for those who went to subsidiaries and branches, during the reporting period / Average number of top managers for the reporting period] *100%</i></p>	<p>than 14% is considered a normal threshold value (taking into account the natural decline: retirement, transition to state service, etc.). In this connection, the Company sets a task of retaining this value over a period of ten years within the given framework.</p>
3	The percentage of appointments from the candidates pool/pool of successors, %	<p>[Number of succession candidate appointed to key positions / total number of vacancies to key positions] * 100%</p>	<p>Shows the efficient use of candidate pool in the company</p>
4	Percentage of employees who received training under the mandatory leadership development program during the year	<p>[Number of top managers, managers and heads of units who passed training under the mandatory leadership development program / Average number of top managers, managers and heads of departments] * 100%</p> <p>Example of calculation for certain categories: <i>[Number of top managers trained / Average number of top managers] * 100%</i></p>	<p>Share of employees who received training under the leadership program. Indicates the level of coverage of the mandatory leadership development program among employees at the level of CEO, CEO-1, CEO-2, CEO-3.</p>

Rev. 0	_____, 2018	KP 12 46 AA	20/21
--------	-------------	-------------	-------

APPROVAL LIST

HR Policy of NAC Kazatomprom JSC for 2018-2028

No.	Structural subdivision	Position	Name	Signature	Date
1	Senior management	HR Managing Director	D.Cruysberghs		
2	Legal Department	Director	M.Yelemessov		
3	Technical Regulation and Metrology Unit	Chief	Ye.Yushchenko		