

Approved by the resolution
of the Board of Directors
of NAC Kazatomprom JSC
dated April 30, 2019
Minutes # 5/19

**REGULATION
ON THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
OF NATIONAL ATOMIC COMPANY KAZATOMPROM
JOINT STOCK COMPANY**

OBJECTIVE

This Regulation on Audit Committee of the Board of Directors of NAC Kazatomprom JSC (hereinafter – the Regulation, the Committee) defines the procedure for the formation of the composition of the Committee, the status, competence, work procedure and duties of the Committee of the Company's Board of Directors, procedure for convening and conducting the meetings, formalizing the decisions, as well as the rights and obligations of members of the Committee.

The Regulation has been developed in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter, the Corporate Governance Code of the Company (hereinafter - the Corporate Governance Code) and other internal documents of the Company

Content

1. General Provisions	3
1.1. Status	3
1.2. Competence	3
2. Forming the Audit Committee	6
2.1. Composition	6
2.2. The Chair	6
3. Rights and responsibilities of the members of the Audit Committee	6
3.1. Rights of the Audit Committee members	6
3.2. Responsibilities of the Audit Committee members	7
4. Organization of the work of the Audit Committee	7
4.1. Meetings of the Committee	7
Appendix No. 1	9

1. General Provisions

1.1. Status

1.1.1. Audit Committee is an advisory body of the Board of Directors of the Company and is established for in-depth study of issues that are within the competence of the Board of Directors or reviewed by the Board of Directors in order to monitor the activities of the executive body of the Company and develop the necessary recommendations to the Board of Directors and executive body of the Company.

1.1.2. Audit Committee reports to the Board of Directors of the Company, operates within the authorities provided by the Company's Board of Directors and this Regulation.

1.1.3. In its activities, the Audit Committee is guided by the laws of the Republic of Kazakhstan, Charter of the Company, Regulation on the Board of Directors of the Company, Instruction for preparation of materials for the meetings of the Board of Directors of Kazatomprom JSC and its committees as well as this Regulation and other decisions of the Board of Directors, General meeting of shareholders.

1.2. Competence

1.2.1. The competence of the Audit Committee of the Board of Directors includes following issues stipulated by the legislation of the Republic of Kazakhstan and the Charter of the Company.

1) On the issues of financial statements:

a) Discusses with the Company's Management and external auditor financial statements, reasonableness and acceptability of applied principles of financial statements, significant estimated indicators in the financial statements and significant adjustments to the statements;

b) Discusses with the Company's Management, external and internal auditors the proposed (assumed) changes to the Company's Accounting Policy and how these changes will affect the content of the statements;

c) Considers any significant disagreements between the external auditor and the Company's Management on the Company's financial statements;

d) Preliminarily approves the Company's Accounting Policy;

e) Preliminarily approves the annual (consolidated and separate) financial statements of the Company;

2) On the issues of internal control and risk management:

a) Analyses the reports of external and internal auditors on the state of internal control and risk management systems;

b) Analyses the effectiveness of tools of the Company's internal control and risk management systems, and makes proposals on the above and related issues;

c) Monitors the implementation of recommendations of internal and external auditors in relation to the internal control and risk management systems;

d) Holds regular meetings with the Company's leadership to consider material risks and issues of control; relevant Company's risk management and internal control plans;

e) Preliminarily approves the Company's policies and procedures for internal control and risk management systems;

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

g) Preliminarily approves the Risk Register and Risk Map of the Company, the level of risk appetite and risk limits, prepares reasonable recommendations for the Board of Directors on risk appetite and effective actions for the main risks.

3) On the issues of external audit:

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

b) Ensures receipt from the external auditor of the list of all related services that the external auditor provides (plans to provide) to the Company and discusses it with the external auditor. Evaluates how related services are compatible with independence of the auditor. Recommends the Board of Directors of the Company to take measures to ensure the independence of the external auditor;

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

d) Preliminarily approves the essential terms of the draft agreement (contract) with the external auditor to audit the annual financial statements of the Company;

e) Discusses with the external auditor how the proposed plan and scope of the audit meets the needs of shareholders and the Board of Directors of the Company;

f) Considers, together with the external auditor, the results of annual and intermediate audits, including the information of the Company's Management on the results of audits;

g) At least once every six months holds meetings with the external auditor without the participation of representatives of the Company's Management.

h) Assesses the external audit process through monitoring of fulfilment of the audit plan.

4) On the issues of internal audit:

a) Supervises the activities of the Internal Audit Service;

b) Makes proposals to the Board of Directors on the number of members, term of office of the Internal Audit Service, appointment of the Head and employees, termination of their powers and procedure of work of the Internal Audit Service;

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

d) Preliminarily approves the regulation on Internal Audit Service, policy and procedure of internal audit and other documents regulating the activities of the Internal Audit Service, as well as amendments and supplements to them, ensures the independence of the Internal Audit Service from the Company's Management;

e) Preliminarily approves the risk-oriented annual internal audit plan and budget (cost estimate) of the Internal Audit Service;

f) Preliminarily approves the regular reports of the Internal Audit Service, constituting generalized results of work and most significant audit comments;

g) Considers the issue of existing constraints that impede the Internal Audit Service to effectively perform the tasks and contributes to elimination of such constraints;

h) At least once a quarter holds meetings with the Head of the Internal Audit Service without the participation of representatives of the Company's Management;

i) Conducts a preliminary assessment of the activities of the Internal Audit Service;

j) Initiates independent audits (assessments) of the issues of interest by the Internal Audit Service, when necessary;

k) If the Company's executive body needs an independent audit (assessment) of the issue of interest by the Internal Audit Service, the Chairman of the Company's executive body will contact the Audit Committee to obtain prior permission for an independent audit (assessment).

5) On the issues of compliance and compliance with the legislation:

a) Supervises the activities of the Compliance Service;

b) Makes proposals to the Board of Directors on the number of members, the term of office of the compliance service, the appointment of a leader and employees, early termination of their powers and procedure of work of Compliance Service;

c) Makes proposals to the Board of Directors on the amount and conditions of remuneration and bonuses and qualification requirements for employees of Compliance Service;

d) Preliminarily approves the regulation on Compliance Service, compliance policies and procedures and other documents regulating the activities of Compliance Service, as well as amendments and supplements to them, ensures the independence of Compliance Service on the Company's leadership;

e) Preliminarily approves the annual work plan and the budget (cost estimate) of Compliance Service;

f) Preliminarily approves regular reports of Compliance Service, representing generalized results of work and the most significant comments;

g) Considers the issue of existing constraints that impede the Compliance Service to effectively perform the tasks, and contributes to elimination of such constraints;

h) Conducts a preliminary assessment of the activities of Compliance Service;

i) Initiates independent audits (assessments) of issues of interest by Compliance Service, when necessary;

j) If the Company's executive body needs an independent audit (assessment) of the issue of interest to be carried out by Compliance Service, the Chairman of the Company's executive body will contact the Audit Committee to obtain prior permission to carry out an independent audit (assessment).

k) Evaluates the effectiveness of the Company's internal procedures envisaged to ensure compliance with the legislation by the Company;

l) Receives and studies reports of authorized bodies (including tax bodies), external and internal auditors, the Company's leadership, on the issues of compliance with the law;

m) Makes proposals on the hotline through which the employees of the Company can confidentially or anonymously address the information about alleged violations of the law or abuse, including those relating to the completeness and accuracy of financial statements, as well as proposals on how to review and respond to such appeals;

n) Preliminarily approves the procedures for confidential reporting on violations regarding the preparation of financial statements, internal control, risk management and ethical issues.

7) Reporting:

On a regular basis, but at least once a year, reports to the Board of Directors on its activities. Prepares the information on the results of the Audit Committee work to be included in the report of the Board of Directors and to be disclosed in the Annual Report of the Company.

8) Other obligations:

a) Develops, as necessary, recommendations to the Board of Directors for conducting special investigations (inspections), including those with the involvement of independent consultants (experts);

b) Analyses and summarizes the cases of fraud and assesses the adequacy of measures taken by the Executive body of the Company to prevent fraud in the future;

c) Monitors quality of non-financial information and reporting, including integrated annual reports and sustainable development reports;

d) Monitors the corporate governance system of the Company, including reports on the implementation of the Plan for improvement the Corporate governance system as well as annual analysis of the compliance of the Company with the provisions and regulations of the Corporate governance Code.

e) Reviews annual report of Ombudsman;

f) On the instruction of the Chairman of the Committee, Board of Directors, performs other duties related to the competence of the Committee.

2. Forming the Audit Committee

2.1. Composition

2.1.1. It is a competence of the Company's Board of Directors to determine the number of Committee's members, term of powers of the Audit Committee, election of the Committee's Chair and the members as well as early termination of their powers.

2.1.2. The Audit Committee is formed from the members of the Company's Board of Directors and experts without the right to vote, who have necessary expertise to work in the Committee.

2.1.3. Audit Committee consists of at least three members. Experts are not considered as members of the Committee.

2.1.4. Only an independent director of the Board of Directors of the Company can be a member of the Audit Committee.

2.1.5. As part of the Audit Committee, at least one of its members should have an extensive work experience relevant to education in the field of accounting and financial reporting and/or finance and/or auditing.

2.1.6. Experts of the Committee without the right to vote are engaged by the decision of the Committee.

2.1.7. The Secretary of the Audit Committee is appointed by the decision of the Audit Committee, and performs the functions of organizing the work and informing the Audit Committee.

2.2. The Chair

2.2.1. The Chair of the Committee is elected by the Board of Directors from independent directors.

2.2.2. The Chair of the Audit Committee performs the following functions:

- 1) Organizes the work of the Audit Committee;
- 2) Convenes meetings of the Audit Committee and chairs them;
- 3) Keeps records of the meetings;
- 4) Prepares a report on the activities of the Audit Committee and reports to the Board of Directors on the results of such activities at regular Board of Directors meetings.

2.2.3. In the absence of the Chair, his functions are performed by one of the members of the Audit Committee on the decision of the Audit Committee.

3. Rights and responsibilities of the members of the Audit Committee

3.1. Rights of the Audit Committee members

3.1.1. A member of the Audit Committee shall have the right to perform the following in the established manner:

1) Request and receive from the officials and employees of the Company any information (documents, materials) regarding the Company, if the specified information is required to perform the functions of a member of the Audit Committee;

2) Hold meetings with external and internal auditors without the participation of representatives of the Company's Management;

2-1) Participate in the tender committee of the Company for the selection of the external auditor of the Company;

3) Initiate or conduct any investigations on matters within the competence of the Audit Committee as determined by this Regulation;

4) Familiarize with the Minutes of the meetings and decisions of the Audit Committee and audit reports;

5) Require the inclusion of their own special opinions to the agenda items and decisions taken into the Minutes of the Audit Committee meetings;

- 6) Require the convening of a meeting of the Audit Committee;
- 7) Put items to the agenda of the Audit Committee meeting;
- 8) Exercise other rights stipulated by the current legislation of the Republic of Kazakhstan, Charter of the Company and other internal documents of the Company.

3.2. Responsibilities of the Audit Committee members

3.2.1. Each Committee member is obliged to attend at least 75 (seventy-five) % of the Committee meetings per year.

3.2.2. The Audit Committee holds at least three meetings with the external auditor prior to the issuance of the audit report as part of the audit process to discuss audit issues and observations.

4. Organization of the work of the Audit Committee

4.1. Meetings of the Committee

4.1.1. Committee annually draws up and approves the work plan of the Committee.

4.1.2. Committee holds regular in-presentia meetings with attendance of the Head of the Internal audit service and the Head of the risk-management unit. The frequency of the meetings of the Committee is at least 4 (four) meetings a year.

4.1.3. In accordance with the Charter of the Company, the meetings of the Committee can be either in-presentia or in-absentia. Committee chooses the format of the meeting based on the importance of the issues addressed. At the same time, at least 75 (seventy five) % of the Committee's meetings should be held in-presentia.

4.1.4. During in-absentia voting on the issues of the agenda, ballots are used that are compiled in accordance with Appendix No. 1 hereto.

4.1.5. The ballot for in-absentia voting must be submitted by the Committee Secretary to the members of the Committee no later than 10 (ten) working days before the date of the counting of votes for in-absentia voting with notification of its holding (agenda of the meeting).

4.1.6. Ballot for in-absentia voting and other information (materials) must be sent to members of the Committee via postal / electronic or other communication, or delivered personally.

4.1.7. A decision by in-absentia voting shall be deemed adopted if there is a quorum according to ballots received within the prescribed period.

4.1.8. It is allowed that a member of the Committee takes part in the in-presentia Committee meeting, if there is a quorum, through a video conference (interactive audio-visual communication), conference call (simultaneous conversation through the telephone), or other means of communication. In such a case, the member of the Committee is considered to have participated in the in-presentia meeting. At the same time, the type of communication used shall be indicated in the Minutes of the Committee meeting.

4.1.9. Responsible departments shall regularly monitor the Work plan of the Committee and prepare materials accordingly.

4.1.10. Materials for the meetings of the Committee shall be prepared in accordance with the Instruction for preparation of materials for the meetings of the Board of Directors of Kazatomprom JSC and its committees.

4.1.11. Meeting of the Committee may be convened at the initiative of its Chair or Board of Directors of the Company or at the request of the following:

- 1) any member of the Audit Committee;
- 2) audit organization auditing the Company;
- 3) Shareholder;
- 4) Internal Audit Services of the Company;
- 5) Compliance Service.

4.1.12. If the Chair of the Committee refuses to convene a meeting, the initiator has the right to address this request to the Board of Directors of the Company, which is obliged to convene

a meeting of the Committee. The meeting of the Committee is held with the obligatory invitation of the person who has addressed the above requirement.

4.1.13. Notification for convening the meeting of the Committee is provided in the form of the agenda of the meeting, which contains information on the date, time and place of the meeting, items of the agenda, and information on whether the meeting is held in-presentia or in-absentia. The Chair of the Committee approves the agenda beforehand.

4.1.14. The agenda of the meeting of the Committee with the relevant materials is prepared and circulated by the Secretary of the Committee to all Committee members and interested parties at least 10 (ten) working days before the planned date of the meeting.

4.1.15. A meeting of the Committee is considered valid if there is a quorum - at least half of members of the Committee.

4.1.16. The decisions are made by a simple majority of votes of participating Committee members. In case of equality of votes, the Chair of the Committee shall have the deciding vote.

4.1.17. Non-committee personnel may attend meetings only on the invitation of the Committee Chair.

4.1.18. Based on the results of each (in-presentia or in-absentia) Committee meeting, Minutes shall be drawn up in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. The Minutes shall be signed by the Chair or by the person who chaired the meeting and by members of the Committee who attended the meeting, as well as by Secretary of the Committee, who are all responsible for the correctness and the content of the Minutes of the meeting.

4.1.19. The Secretary of the Committee shall keep the minutes of the Committee meetings in the Company. The term of storage of the Minutes of the Committee meetings shall be regulated by the legislation of the Republic of Kazakhstan and the Charter of the Company.

**Ballot of in-absentia
to the meeting of the Audit Committee of the Board of Directors
of National Atomic Company Kazatomprom JSC**

Venue of NAC Kazatomprom JSC (Executive Board of NAC Kazatomprom JSC):

Meeting of the Audit Committee of the Board of Directors of NAC Kazatomprom JSC convened by: _____.

Date of submission of this Ballot to the member of the Audit Committee of the Board of Directors of NAC Kazatomprom JSC _____ 20__ .
Full name

The deadline for accepting the ballots ____ 20__ until 16.30.

Explanation of the procedure for filling in the bulletin:

We request you to vote on each decision by putting a signature in the appropriate column for each agenda item.

If you vote for the decision, please put your signature in FOR column.

If you vote against the decision, please put your signature in AGAINST column.

If you abstain from making a decision, please put your signature in ABSTAINED column.

In case of voting AGAINST or if ABSTAINED, a member of the Audit Committee of the Board of Directors has the right to express his/her special opinion to be attached separately in written form.

AGENDA:

1. _____

DECISION OF THE MEMBER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS ON THE AGENDA ISSUES:

- 5.3. _____
- 5.4. _____

Voting Result:

Full name	For	Against	Abstained