APPROVED
by the decision of the
Board of Directors
NLC "Karaganda Technical University
(Minutes No. 3 dated 30/11/2020)

PROVISION
on the Audit Committee of the Board of Directors NLC "Karaganda Technical University"

1. General Provision

1. This Regulation on the Audit Committee of the Board of Directors (further referred to as the Regulation) of NLC Karaganda Technical University (further referred to as the Company) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company and international corporate governance practice.

2. The Committee is a consultative and advisory body of the Board of Directors of the Company (further referred to as the Board of Directors). All proposals developed by the Committee are recommendations that are submitted to the Board of Directors for consideration.

3. The Regulation is an internal document of the Company and is developed in accordance with the legislation of the Republic of Kazakhstan, the Charter and other internal documents of the Company.

4. The Committee is accountable to the Board of Directors, acts within the powers granted to it by the Board of Directors and these Regulations.

5. In its activities, the Committee is guided by the legislation of the Republic of Kazakhstan, the Charter of the Company, decisions of the Sole Shareholder of the Company, this Regulation and other decisions of the Board of Directors.

6. Recommendations of the Committee made on issues referred to the competence of the Sole Shareholder by the Charter of the Company are sent, if approved by the Board of Directors, to the Sole Shareholder for consideration and decision-making in the manner prescribed by law.

2. Composition, election and term of office of the members of the Committee

7. The composition of the Committee is formed from the number of independent directors. A member of the Board of Directors who is not independent may be elected to the Committee if the Board of Directors decides, as an exception, that the membership of this person in the Committee is in the interests of the Sole Shareholder and the Company.

8. The number of members of the Committee is at least 3 (three) people.

9. Members of the Committee are elected by the majority of votes of the members of the Board of Directors.

10. The terms of office of the members of the Committee coincide with the terms of their powers as members of the Board of Directors, and may be reviewed by the Board of Directors annually.

11. The functions of the Secretary of the Committee are performed by the Corporate Secretary.

The Secretary of the Committee ensures the preparation and holding of meetings of the Committee, collection and systematization of materials for meetings, timely sending to members of the Committee and invited persons notifications about holding meetings of the Committee, agenda of meetings, materials on agenda items, minutes of meetings, preparation of draft decisions of the Committee, as necessary issues extracts from the minutes of the meetings of the Committee, as well as the subsequent storage of all relevant materials.

The Secretary of the Committee ensures that the members of the Committee receive the necessary information.

3. Chairman of the Committee

12. Only an independent director can be the Chairman of the Committee.

13. The Chairman of the Committee organizes the work of the Committee headed by him, in particular:

1) organizes the work of the Committee;

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

3) organizes the discussion of issues at the meetings of the Committee;

4) develops a plan of regular meetings for the current calendar year, taking into account the plan of meetings of the Board of Directors.

5) submit to the Board of Directors of the Company written reports on the activities of the Committee and provide the necessary explanations regarding their content.

14. In the absence of the Chairman, his functions are performed by one of the members of the Committee by decision of the Committee.

4. Procedure of the Committee

15. The meetings of the Committee will be held in person or in absentia. The committee chooses the form of the meeting based on the nature of the issue raised.

In order to create favorable conditions and reduce costs for holding in-person meetings of the Committee, the participation of members of the Committee through online videoconferences is allowed. Meetings held in this order are considered in-person.

16. The Committee annually draws up a work plan of the Committee in accordance with the work plan of the Board of Directors of the Company, which is approved by the Committee.

17. At meetings in absentia, issues on preliminary approval of the reports of the Internal Audit Service cannot be considered.

18. Materials and a draft decision on the issue of the agenda of the meeting of the Committee shall be sent by the Secretary of the Committee to all members of the Committee and interested parties no later than 3 (three) calendar days prior to the planned date of the meeting. In exceptional cases, by decision of the Chairman of the Committee, materials may be sent one working day before the date of the meeting. A meeting of the Committee is considered competent if there is a quorum - at least half of the number of members of the Committee.

19. A meeting of the Committee may be convened at the initiative of its Chairman or at the request of:

1) any member of the Committee;

2) the Board of Directors;

3) the Sole Shareholder of the Company;

4) Internal audit services.

If the Chairman of the Committee refuses to convene a meeting, the initiator has the right to apply with the specified request to the Board of Directors, 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 presented the specified request.

20. Decisions are taken by a simple majority of votes of the members of the Committee participating in the meeting. When deciding issues, each member of the Committee has one vote. Transfer of voting rights by a member of the Committee to other persons, including other members of the Committee, is not allowed. In case of equality of votes of the members of the Committee, the vote of the chairman of the meeting is decisive.

21. Each member of the Committee may state his dissenting opinion, which is stitched together with the minutes of the Committee and is an integral part of it.

In cases where a decision on certain issues cannot be made due to the interest of individual members of the Committee, such a fact is recorded in the minutes of the meeting of the Committee.

22. In an open form of voting, the Chairman of the Committee and its members may decide to vote on the agenda items of the Committee meeting in the presence of only the Committee members who have the right to vote. In such cases, experts and other persons who are invited to participate in the meeting of the Committee, as observers, are present at the meeting of the Committee only when discussing issues, and at the time of voting, they leave the meeting room.

23. A decision through absentee voting shall be deemed adopted if there is a quorum in the ballots received within the prescribed period.

The bulletin must indicate:

1) full corporate name of the Company and its location;

2) the wording of the issues to be voted on and the decisions on each issue;

3) voting options for each issue: “for”, “against”, “abstained”;

4) column "Dissenting opinion";

5) the postal address to which the completed ballots should be sent;

6) the deadline for accepting ballots.

24. If necessary, the following persons may be present at the meetings of the Committee by decision of the Chairman of the Committee:

1) the head of the Internal Audit Service;

2) representatives of the external auditor;

3) Chairman of the Management Board - Rector, members of the Management Board, other representatives of the Company, including the chief accountant, representatives of the economic and legal structural division of the Company;

4) independent consultants (experts) engaged in accordance with the established procedure to obtain information on the agenda items.

25. Based on the results of the in-person meeting of the Committee, no later than three calendar days after its holding, a protocol is drawn up. The minutes are signed by the Chairman of the Committee or the person who presided over the meeting, as well as the secretary of the Committee, who are responsible for the correctness and content of the minutes.

26. Based on the results of the absentee meeting of the Committee, no later than three calendar days after its holding, a decision is drawn up. The decision is signed by the Chairman of the Committee or the person who presided over the meeting, as well as the Secretary of the Committee, who are responsible for the correctness of the preparation and content of the minutes.

5. Competence of the Committee

27. The competence of the Committee includes the following issues:

1) for financial statements:

- preliminary approval of the Accounting Policy of the Company and amendments to it;
- discussion with members of the Management Board and the external auditor of the financial statements, the reasonableness and acceptability of the principles used in them, significant estimates and adjustments;
- preliminary approval of the annual financial statements of the Company;
- consideration of any significant disagreements between the external auditor and the management of the Company regarding the financial statements of the Company.

2) on internal control and risk management.

- analysis of the effectiveness of the risk management system of the Company.

3) on external audit

- preliminary consideration of the issue of determining the amount of payment for the services of an audit organization, as well as an appraiser for assessing the market value of property transferred as payment for the shares of the Company, or which is the subject of a major transaction;

- consideration of the results of annual and intermediate audits, including information from the Company's management on its results;

- holding meetings with the external auditor as part of the audit process, without the participation of representatives of the Company's management.

4) on internal audit.

- supervises the activities of the Internal Audit Service;

- makes proposals on the procedure for the work of the Internal Audit Service;

- preliminarily approves the documents regulating the activities of the Internal Audit Service, as well as amendments and additions to them;

- preliminary approves the annual audit plan, quarterly and annual reports of the Internal Audit Service;

- coordinates proposals on the directions of development and increasing the efficiency of the Internal Audit Service;

- considers the issue of existing restrictions that prevent the Internal Audit Service from effectively fulfilling the assigned tasks, and contributes to their elimination;

- holds meetings with the head of the Internal Audit Service without the participation of representatives of the Company's management;

- conducts a preliminary assessment of the activities of the Internal Audit Service;

- initiates independent audits (evaluations) by the Internal Audit Service in certain areas.

If the Management Board of the Company needs to carry out an independent review (assessment) of an issue of interest, the Chairman of the Management Board-Rector applies to the Committee to obtain preliminary permission to carry out this independent review (assessment).

5) on compliance with the law:

- evaluates the effectiveness of the Company's internal procedures designed to ensure compliance with the legislation by the Company and makes recommendations for improving it.

6) for reporting on activities:

- regularly, but at least 1 (one) time a year, reports to the Board of Directors on its activities;

- prepares information on the results of the Committee's work for inclusion in the report of the Board of Directors and disclosing it in the annual report to the Sole Shareholder.

7) on other issues:

- considers other issues on behalf of the Sole Shareholder, the Board of Directors and the Chairman of the Board of Directors of the Company.

6. Rights and obligations of members of the Committee

28. A member of the Committee has the right, in the prescribed manner:

1) request and receive from officials and employees of the Company any information (documents, materials) in relation to the Company, if the specified information is necessary for him to perform the functions of a member of the Committee;

2) get acquainted with the minutes of meetings and decisions of the Committee;

3) demand that his dissenting opinion on the agenda items and the decisions made be entered into the minutes of the Committee meeting;

4) demand the convocation of a meeting of the Committee;

5) introduce issues into the agenda of the meeting of the Committee;

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

29. The members of the Committee are obliged:

1) carry out their activities honestly and in good faith in the interests of the Sole Shareholder and the Company as a whole;

2) devote a sufficient amount of time to effectively perform their duties;

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

4) make proposals for making changes and additions to this

Position;

5) maintain the confidentiality of all information that becomes known to them in the course of fulfilling the duties of a member of the Committee;

6) within the limits of their competence and in the manner prescribed by these Regulations, perform any other duties that may be determined by the Board of Directors.

7. Responsibility of the members of the Committee

30. A member of the Committee is liable to the Company and the Sole Shareholder for harm caused by his actions (inaction) in accordance with the legislation of the Republic of Kazakhstan, including losses incurred as a result of providing misleading information or knowingly false information.

8. Confidentiality and inside information

31. During the term of office of the members of the Committee, as well as within one year after the end of the term of office in the Committee, persons who are (were) members of the Committee, the secretary of the Committee and third parties involved in the work of the Committee are obliged to comply with the requirements to ensure the safety of information, constituting official, commercial and other secrets protected by law.

The procedure for ensuring the safety of information constituting official, commercial and other secrets protected by law is determined by the Board of Directors.

32. All documents related to the activities of the Committee must be kept at the location of the Company. The secretary of the Committee is responsible for the storage of these documents.

9. Final provisions

33. Approval of the Regulation on the Committee, as well as introduction of amendments and additions to it, is within the competence of the Board of Directors.

34. If, as a result of changes in legislation, the Charter, certain provisions of the Regulations come into conflict, these norms of the Regulations become invalid until the appropriate changes are made.