Annex #12

to the minutes to the meeting of the Management Board of

Baiterek National

Managing Holding Joint-Stock Company

#33/18 dated August 24, 2018

**Report on implementation of the ACTION PLAN**

**to improve the corporate governance of**

**Baiterek NMH JSC for 2018-2019 (based on the Corporate Governance Code)**

| **#** | **Name of action** | **Completion form** | **Term of execution** | **Responsible for execution** | **Execution status**  |
| --- | --- | --- | --- | --- | --- |
| **General provisions** |  |
| 1. | Ensuring the approval of the restated Corporate Governance Codes of the Holding's subsidiaries | Resolutions of the Management Board of the Holding as the Sole Shareholder of subsidiaries | Quarter 1, 2018 | SUB (on agreement), DAM, DSCD | **Implemented.** Code of all SUBs are approved**:**HCSBK - approved with the resolution of the Management Board of the Holding #01/18 dated January 12, 2018;BD - approved with the resolution of the Management Board of the Holding #01/18 dated January 12, 2018;HCSB - approved with the resolution of the Management Board of the Holding #01/18 dated January 12, 2018;KKM - approved with the resolution of the Management Board of the Holding #01/18 dated January 12, 2018;Damu - approved with the resolution of the Management Board of the Holding #53/17 dated December 27, 2017;DBK - approved with the resolution of the Management Board of the Holding #52/17 dated December 20, 2017;KEG - approved with the resolution of the Management Board of the Holding #52/17 dated December 13, 2017;IFK - approved with the resolution of the Management Board of the Holding #01/18 dated January 12, 2018;KMC - approved with the resolution of the Management Board of the Holding #05/18 dated February 6, 2018;NATD - approved with the resolution of the Management Board of the Holding #01/18 dated January 12, 2018; |
| 2. | Preparation and submission for consideration of the Audit Committee and approval by the Board of Directors of the report on compliance/non-compliance with the principles of the Holding's Corporate Governance Code | Resolution of the Audit Committee andthe Board of Directors | May, annually | CSS | **Partially implemented.** The Audit Committee under the Board of Directors considered and approved the Report on compliance with principles and provisions of the Holding's Corporate Governance Code (Minutes # 04/18 dated May 17, 2018). Currently, the Report on compliance with principles and provisions of the Holding's Corporate Governance Code is being considered by the Acting Corporate Secretary of the Holding - Head of the Office of the Prime Minister of the RoK - N.Sh. Aldabergenov for subsequent submission to the Board of Directors of the Holding. |
| 3. | Preparation and submission for consideration of the Audit Committee and approval by the Board of Directors of the report on compliance/non-compliance with the principles of the corporate governance codes  | Resolution of the Audit Committee andthe Board of Directors of subsidiaries  | May, annually | Corporate secretaries of SUBs (by agreement), DAM – general monitoring | **Implemented.**DBK - minutes to the meeting in absentia of the BoD dated May 31, 2018KKM - minutes of the BoD #04/18 dated May 31, 2018IFK - minutes of the BoD #06 dated April 9, 2018Damu - minutes of the BoD #01/2018 dated February 23, 2018KazakhExport - minutes of the BoD #10 dated December 25, 2017NATD - minutes of the BoD #3 dated March 30, 2018BD - minutes of the BoD #03/18 dated March 29, 2018HCSB - minutes of the BoD #10-18 dated August 1, 2018HCSBK - minutes of the BoD #18 dated December 25, 2017KMC - minutes of the BoD #8 dated June 11, 2018 |
| 4. | Monitoring the implementation of the Action Plan to improve the Holding's corporate governance | Consideration of the results of monitoring the Action Plan for improvement of the Holding CG at the Management Board | Semiannually | DSCD, DAM, SUB (by agreement), CSS, ISD | **For execution in Quarter 3, 2018**Following the results of the 1st half of 2018 in Quarter 3, 2018, it is plan to submit to the Management Board of the Holding. |
| 5. | Monitoring the implementation of the Action Plan to improve the corporate governance in subsidiaries  | Consideration of the results of monitoring the Action Plan for improvement of the Holding CG at the SUB Management Board | Semiannually | SUB (by agreement), DAM, DSCD - general monitoring | **Implemented.**IAS reports on the implementation of action plans to improve corporate governance:DBK - minutes of the BoD #204-2018-05 dated May 17, 2018KKM - minutes of the BoD #04/18 dated May 31, 2018IFK - minutes of the BoD #06 dated April 9, 2018Damu - minutes of the BoD #01/2018 dated February 23, 2018KazakhExport - minutes of the BoD #5 dated May 31, 2018NATD - minutes of the BoD #4 dated April 28, 2018BD - minutes of the BoD #06/18 dated May 31, 2018HCSB - minutes of the BoD #01-18 dated February 1, 2018 HCSBK - minutes of the BoD #4 dated April 23, 2018KMC - minutes of the BoD #7 dated April 28, 2018 |
| 6. | Development of Action Plans to improve corporate governance of SUBs | Resolution of the SUB BoD on approval of Action Plans to improve CG, approved by the SUB BoD | Until July 1, 2019 (every two years) | SUB (by agreement) - development and submission to the SUB BoD, DAM - control over the submission to the BoD of supervised SUBs, DSCD and CSS - general monitoring  | **Later deadline.**The monitoring will be performed in 2019. |
| 7.1 | Installation of licensed software "Indigo" Testing System | Protocol of installation of licensed software | Until July 1, 2018  | DIT | **Implemented.**"Indigo" testing system fully functions free of charge, the purchase of a license is not required. All the latest tests (risks, information security and corruption) were conducted in "Indigo" Testing System. |
| 7.2. | Testing of the Holding's employees for knowledge of the norms and provisions of the Holding's Corporate Governance Code with the help of the licensed software "Indigo" Testing System | Test result | Within two months from the date of execution of clause 7.1. | CSS, DHRD | **Implemented.**In pursuance of the requirements of the Holding's Corporate Governance Code for monitoring proper implementation of the Code, in the second decade of May, the Deputy Corporate Secretary organized and conducted testing of the Holding's employees for knowledge of the norms and provisions of the Code (official note #СКС-02-1/1650 dated May 2, 2018 on testing employees for knowledge of the norms and provisions of the Holding's Corporate Governance Code). |
| **Principle of delineation of powers** |  |
| 8. | Control over updating of the internal regulatory documents of the Holding | Resolution of the Management Board/Board of Directors/Sole Shareholder of the Holding | As required | LD | **On an ongoing basis.**On an ongoing basis LD performs legal examination of draft resolutions of the Holding bodies (Sole Shareholder, Board of Directors, Management Board) submitted to the Department for compliance with the legislation of the Republic of Kazakhstan, the requirements provided for by the internal documents of the Holding. |
| **Principle of protection of the rights and interests of the Sole Shareholder** |  |
| **Dividend Policy** |  |
| 9. | Submission of the dividend policy for consideration (approval) of the Holding's Sole Shareholder | Resolution of the Sole shareholder | November, 2018 |  DEBP | **Later deadline.**It is planned to be submitted within the specified period. |
| **Principle of effective management of the Holding by the Board of Directors and the Management Board** |  |
| **Effective Board of Directors** |  |
| 10. | Optimization of typical IR regulating the activities of the Board of Directors of SUBs | Proposals for consideration by the Holding's Management Board | March, 2018 | DAM, DSCD, CSS | **Implemented.** Resolution of the Management Board #11/18 dated March 27, 2018.The draft Standard Regulation on the Board of Directors of the joint stock company, more than fifty percent of the shares of which are directly or indirectly owned by Baiterek National Managing Holding Joint-Stock Company on the right of ownership or trust management, has been prepared and sent for approval to the structural divisions of the Holding. It is planned to be submitted for approval of the Holding's Board of Directors in September 2018. |
| 11. | Holding meetings of independent directors of the Holding with the management of subsidiaries  | Minutes to the meeting  | twice a year | CSS | **Implemented.** On March 01, 2018 a meeting of independent directors of the Holding was held with the management of subsidiaries. During the meeting, the chairmen of the management boards of NATD JSC, KKM JSC, EIC KazakhExport JSC were heard on implementation of development strategies and proposals for further development. The next meeting is scheduled for September 2018. |
| 12. | Development of Standard Rules for labor remuneration and bonuses, performance evaluation and provision of social support for employees and services that are accountable to the Board of Directors of the Holding's subsidiaries | Resolution of the Management Board  | September, 2018 | DHRD, DAM, CSS, DSCD | **For execution in Quarter 3, 2018**The draft IR is under internal discussion of the structural divisions (#ДУЧР-07-03/1744 dated May 10, 2018, e-mail to the participants of the discussion dated June 14, 2018). In July-August a discussion is planned with subsidiaries of the Holding. |
| **Remuneration of the Board of Directors members** |  |
| 13. | Optimization of standard IR determining the remuneration and selection criteria for members of the Board of Directors of SUBs | Proposals for consideration by the Holding's Management Board | March, 2018 | DAM, DSCD | **Implemented.** Resolution of the Management Board #11/18 dated March 27, 2018The draft Standard Regulation on the Board of Directors of the joint stock company, more than fifty percent of the shares of which are directly or indirectly owned by Baiterek National Managing Holding Joint-Stock Company on the right of ownership or trust management, has been prepared and sent for approval to the structural divisions of the Holding. It is planned to be submitted for approval of the Holding's Board of Directors in September 2018. |
| **Committees under the Board of Directors** |  |
| 14. | Consideration of the possibility of delegation to the competence of one of the existing Committees under the Board of Directors of the Holding:- sustainable development;- possible conflicts of interest. | Resolution of the Committee | September, 2018 | CSS | **Implemented.** **1)** On July 4 of this year in pursuance of clause 96 of the Holding's Corporate Governance Code, according to which it is recommended to establish a committee or delegate the issues of sustainable development to the competence of one of the existing committees under the Board of Directors of the Holding in order to thoroughly prepare issues of sustainable development, the Holding's CSS submitted the item "On consideration of the possibility of delegating issues of sustainable development to the Committee’s competence" to the Strategic Planning Committee. As a result of the consideration, the Committee resolved to preliminarily approve the delegation of this issue to the competence of the Committee. In October of this year it is planned to make an amendment to the Regulation on the Committee in terms of the competence of the Committee to consider sustainable development issues; **2)** In pursuance of the Corrective Action Plan for the audit report of the IAS # 06/17, namely, recommendations for considering the possibility of endowing one of the existing Committees under the Board of Directors with the competence to consider issues on resolving possible conflicts of interest, on July 4 of this year the CSS submitted the item "On considering the possibility of delegating the issues of possible conflicts of interests to the competence of the Committee" for consideration of the Nominations, Remunerations and Social Issues Committee. As a result of the consideration, it was resolved to preliminary approve the item. Amendments to the Regulation on the Committee are scheduled for October of this year.  |
| **Corporate Secretary of the Holding** |  |
| 15. | Holding meetings of the Board of Corporate Secretaries of the Holding Group of Companies | Minutes to the meeting | October annually | CSS | **Later deadline.**Holding meeting of the Board of Corporate Secretaries of the Holding Group of Companies is scheduled for September/October of this year. Following the results of the meeting, information on the execution status will be provided. |
| 16. | Organization of a training event for certification of Corporate Secretaries of the Holding Group of Companies (for non-certified corporate secretaries) | Training certificates | Until the end of 2018  | CSS, DHRD, DAM, subsidiaries  | **Implemented.** The Holding's CSS organized a training event in order to standardize business processes and upgrade the skills of Corporate Secretaries of the Holding Group of Companies. In the period from 4 to 20 April of this year Samruk-Kazyna Corporate University conducted training on the certification program for Corporate Secretaries of the Holding Group of Companies. The certification program was carried out with the support and direct participation of Astana International Financial Center (AIFC), Kazakhstan Stock Exchange (KASE) and NCE RK Atameken. The corporate secretaries of MO KMC JSC, HCSB JSC, NATD JSC, KKM JSC, BD JSC, DAMU EDF JSC, as well as the Head and General Manager of the Corporate Secretary Service took part in the training. At the end of the program, all participants successfully passed testing, defended final projects and received certificates of completion of the program "Certification of Corporate Secretaries" |
| **The Holding's Ombudsman**  |  |
| 17. | Submission of the Ombudsman's report on the results of the work performed for consideration of the Nominations, Remunerations and Social Issues Committee and the Audit Committee under the Holding's Board of Directors | Resolution of the Committees  | At least once a year  | CSS | **Implemented.** On May 17, 2018, during the in-person meetings of the Nominations, Remunerations and Social Issues Committee and the Audit Committee, the report of the Ombudsman on the results of the work performed was considered. As a result of the consideration, it was resolved to approve the submitted report of the Ombudsman. At the same time, following the results of the report hearing, the Committees recognized the Ombudsman's activities as effective. The Holding's Board is also instructed to diagnose corporate culture in the Holding and its subsidiaries and provide a report on the results of diagnosing the level of corporate culture at the meeting of the Nominations, Remunerations and Social Issues Committee in November 2018. |
| **Management Board** |  |
| 18. | Development and approval of KPI scorecards of the Chairman and members of the Management Board of the Holding with target values for the corresponding year | Resolution of the Holding's Board of Directors |  Annually | DEBP | **Implemented.**KPI scorecards of the Chairman and members of the Holding's Management Board with target values for 2018 were considered and approved at the Holding's BoD on March 1, 2018, Minutes # 03/18. |
| 19. | Undating the Regulation on the Holding's Management Board | Resolution of the Holding's Board of Directors | As required | LD | **On an ongoing basis.**In the first half of 2018, no amendments and additions were made to the Regulation on the Management Board of Baiterek NMH JSC. |
| **Sustainable development principle** |  |
| 20. | Development and approval of the Sustainable Development Action Plan | Resolution of the Management Board | Quarter 2, 2018 | DSCD, DAM, DHRD, DCF, DPFPPP, DHCAM, DEBP, ISD | **Implemented.** Sustainable development actions are included in the Action Plan for the implementation of the Holding's Strategy for 204-2023 of this year with the resolution of the Management Board #15/18 dated April 15, 2018 |
| **Economic component** |  |
| 21. | Monitoring the implementation of the Holding's Development Strategy  | Resolution of the Project Office for implementation of the Development Strategy | June, 2018 | DSCD | **Implemented.** Report on implementation of the Action Plan for implementation of the Holding's Development Strategy for 2014-2023 of this year was taken into account with the resolution of the Management Board #15/18 dated April 25, 2018 |
| 22. | Monitoring the implementation of the Holding's development plan ensuring the accuracy and correctness of the data, including in terms of TFF volumes, loans, taxes, levels of development of the corporate management system | PPEC resolution | quarterly | DEBP, TD, DoA, DCF, SUB IAS (by agreement), DHRD, DSCD, DAM, DAR, DPF PPP, DHCAM, DRM, OAD, DIT, DoA, Press Service | **Implemented.** Monitoring the implementation of the Development Plans of the Holding based on the results of quarter 1, 2018 was held and considered at the meeting of the Holding's Planning & Performance Evaluation Committee (Minutes # 09/18 dated May 16, 2018; Minutes # 10/18 dated May 24, 29, 2018).Monitoring the implementation of the Development Plans of the Holding based on the results of 2-3 quarters of 2018 will be carried out in a timely manner.*Note: In accordance with the order of the Minister of National Economy of the Republic of Kazakhstan # 139 dated February 26, 2015 the implementation of the Holding Development Plan is monitored at the year-end.* |
| 23. | Presentation of assessment of the performance of KPI scorecards of the Chairman and members of the Holding's Management Board for the reporting year to the Nominations, Remunerations and Social Issues Committee under the Board of Directors (relevant item of the Nominations, Remunerations and Social Issues Committee under the Board of Directors On consenting and submission for consideration by the Board of Directors of Baiterek NMH JSC of key performance indicators scorecards of the Chairman and members of the Management Board of Baiterek NMH JSC with actual values for the reporting year within the relevant item to the Holding's Board of Directors) | Resolution of the Nominations, Remunerations and Social Issues Committee under the Board of Directors | once a year | DEBP, DAM, DHCAM, DPFPPP, DHRD, DIR, DCF, DSCD, DAR, Press Service, LD, DIT, DoA, TD | **Implemented.**The efficiency of KPI scorecards of the Chairman and members of the Management Board of the Holding for 2017 was approved by the Holding's Management Board on June 27, 2018 (Minutes # 26/18) and approved by the BoD of the Holding on July 19, 2018 (Minutes # 07/18). |
| 24. | As part of adjusting the Development Plan of the Holding, amending form # 22 of the Development Plan "Plan for the development and integration of corporate governance standards"  | Resolution of the BoD | According to the adjustment period | SUB IAS (by agreement), DAM, DSCD, DEBP | **For execution in Quarter 3, 2018** The Report on the Implementation of the Holding's Development Plan includes the ratings of SUB CG, issued as a result of the IAS audit:

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| --- | --- | --- |
| # | Company | CG rating, held in 2017 |
| 1 | DBK | 83.0 % |
| 2 | KCM | 69.2% |
| 3 | IFK | 69.0% |
| 4 | DAMU | 80.1% |
| 5 | KazakhExport | 80.1% |
| 6 | NATD | 77.5% |
| 7 | Baiterek Development | 73,9% |
| 8 | HCSB | 69.5% |
| 9 | HCSBK | 87.9% |
| 10 | KMC | 84.1% |

At the same time, within the framework of the Development Plan adjustment, the planned values will be included at a level of at least 85% for SUBs, except for KKM, IFK and HCSB, the growth of which will be planned by 5% from the actual vlue every two years. |
| 25. | Submission of information on borrowings of the Holding and SUBs for the consideration of the Holding's ALCO | ALCO resolution | Quarterly | DCF | **Implemented.** Information on borrowings of the Holding and SUBs as of June 30, 2018 was considered by the ALCO (extract from the minutes # 26/18 dated August 02, 2018) |
| **Environmental component** |  |  |  |
| 26. | Development of amendments to the Investment Policy of the Holding in terms of incorporation of environmental policy elements | Resolution of the Holding's Board of Directors | Quarter 3, 2018 | DPFPPP, DAM | **For execution in Quarter 3, 2018.**Within the work being performed on updating the Investment Policy of the Holding, project evaluation tool - Development Index - will be integrated. One of the criteria of the development index will be the impact on sustainable economic development, incl. ecology. According to the Work Plan of the Board of Directors of the Holding for 2018, the submission of the updated Investment Policy of the Holding for consideration by the Board of Directors is scheduled for September 2018. |  |  |
| 27. | Within the implementation of the sustainable development principle, determining the feasibility of developing a separate IR for the Holding's environmental policy  | Proposal to the Management Board of the Holding | Quarter 3, 2018 | DSCD, DPFPPP, DAM | **For execution in Quarter 3, 2018.**The item will be submitted for consideration of the Holding's Management Board until the end of the 3rd quarter of 2018. |  |  |
| **Social component** |  |  |  |
| 28. | Development and approval of the Unified Personnel Policy of the Holding Group of Companies  | Resolution of the Holding's Management Board | December 2018 –January 2019  | DHRD | **Later deadline.**The concept of the Unified Personnel Policy was discussed with the heads of the Holding's divisions (meeting of the Directors' Club dated April 1, 2018) and personnel services of SUBs (Ref. # 07-3-26/1125 dated April 2, 2018). Currently under the text formation. |  |  |
| 29. | Development and approval of the Concept of formation and development of the Unified Personnel Reserve of the Holding Group of Companies | Resolution of the Holding's Management Board | May, 2018  | DHRD | **Implemented.** Approved with the resolution of the Holding Management Board dated Fenruary 28, 2018 (Minutes # 07/18). |  |  |
| **Principle of risk management, internal control and audit** |  |  |  |
| **Risk management and internal control** |  |  |  |
| 30. | Development and approval of the risk matrix and controls of the Holding for 2018, 2019  | Resolution of the Holding's Board of Directors | No later than March 2018Not later than March 2019 | DRM | **Implemented.** Resolution of the Board of Directors dated March 01, 2018, Minutes #03/18 |  |  |
| 31. | Approval of the Holding's risk appetite.  | Resolution of the Holding's Board of Directors | No later than November 2018 | DRM | **Later deadline.** The risk appetite for 2019 is planned to be approved in November 2018. |  |  |
| 32. | Update and approval of key risk indicators of the Holding | Resolution of the Holding's Board of Directors | Quarterly | DRM | **Implemented.** Resolution of the Board of Directors dated March 01, 2018, Minutes #03/18 Executed for quarter 2, 2018 Resolution of the Board of Directors #05/18 dated May 17, 2018. |  |  |
| 33. | Approval of the quarterly Risk Report | Resolution of the Holding's Board of Directors | Quarterly  | DRM | **Implemented.** Resolution of the Board of Directors dated March 01, 2018, Minutes #03/18 Executed for quarter 2, 2018 Resolution of the Board of Directors #05/18 dated May 17, 2018. |  |  |
| 34. | Induction training for new employees upon employment, as well as training of current employees of the Holding  | 1) Signing a form confirming the familiarization with the welcome presentation on the risk management system.2) For current employees - distribution of IR and presentations on the risk management system from DHRD/DRM  | 1) Periodically, when employing new employees2) Annually | DRM, DHRD | **On an ongoing basis.**Orientation training was conducted in the first and the second quarter with new employees of the Holding. Additionally, in order to increase the efficiency of the process for orientation of employees and the implementation of the IAS recommendations, set out in CAP # 03/17, a Telegram bot @HRhelper\_Baiterek\_bot was developed DRM distributed IRs and presentations on the risk management system to the current employees of the Holding (Official note # ДУР-04-1/1907 dated May 21, 2018) and also tested the Holding's employees on risk management system (Official note # ДУР-04-1/2142 dated June 07, 2018). |  |  |
| 35. | Maintaining the insider list | Signing of the notification of inclusion of a person in the insider list by an employee | Updating the list at least once a quarter | DCF, DHRD | **On an ongoing basis.**Notification to new employees was sent by official note # ДКФ-13-2/683 dated February 22, 2018, as well as official note # ДКФ-11-1/2153 dated June 08, 2018. |  |  |
| 36. | Ensuring continuous, systematic control over the disclosure of information to interested parties, including in terms of completeness of data disclosure on the corporate website in accordance with the requirements of the Law of the RK "On Access to Information" | Timeliness and completeness of information disclosure  | On an ongoing basis | Press Service, CS, DHRD, CSS | **On an ongoing basis.**The Press Service on an ongoing basis ensures timely disclosure (placement) of information on the official website of the Holding in the state, Russian and English languages at the request of structural divisions.  |  |  |
| 37. | Control over ensuring smooth operation of electronic document management systems and information security of the Holding | Official note on the results of 2018 on the availability/facts of failures and measures taken to the Service Providers | On an ongoing basis | DIT, CS | **On an ongoing basis.**DIT monitors smooth operation of the Electronic Document Management System by means of a report on the availability of the system from the supplier, as the above system is rented according to the SaaS model. Official note will be provided at the end of 2018. |  |  |
| **Internal audit** |  |  |  |
| 38. | Optimization of typical IRs regulating the activities of SUB IAS | Resolution of the Holding's Management Board | March, 2018 | DAM, DSCD | **Implemented.** Resolution of the management Bord #11/18 dated March 27, 2018 approved the Model Rules for organizing internal audit. |  |  |
| 39. | Assessment (diagnostics) of the SUB CG by SUB IAS | Report on the results of diagnostics CG, approved by the SUB BoD  | Until July 1, 2019 (every two years) | SUB IAS – assessment and submission to the SUB BoD, DAM – control over inclusion in the AAP of SUB IAS, control over the submission of the results to the SUB BoD on supervised SUBs, DSCD – general monitoring  | **Later deadline.**Execution status will be described in 2019 |  |  |
| **The principle of regulation of corporate conflicts and conflicts of interest** |  |  |  |
| 40. | Make amendments and additions to the Policy on settlement of corporate conflicts and conflicts of interests of the Holding in terms of formalizing the process of written confirmation by officials and employees of the Holding of the familiarization with the procedures for settling conflicts of interest and their observance. | Resolution of the Board of Directors of | Quarter 4, 2018 | CSS  | **Later deadline.**CSS developed a draft amendment to the Policy on settlement of corporate conflicts and conflicts of interests of the Holding in order to bring it in line with the Corporate Governance Code, and also to include in it a process of written confirmation by officials and employees of the Holding of the familiarization with procedures for settling conflicts of interest and their observance. Submission of the draft document for consideration by the Holding's Board of Directors is scheduled for October c.y. |  |  |
| 41. | Organization of the process of written confirmation by officials and employees of the Holding of the familiarization with the procedures for settling conflicts of interest and their observance. | Written confirmations | During 2019 | DHRD | **Later deadline.**Execution status will be described in 2019 |  |  |
| **Principles of transparency and objectivity of disclosure of information on the Holding's activities** |  |  |  |
| 42. | Preparation and approval of the annual report of the Holding, participation in the annual reports competition | Resolution of the Holding's Management BoardResolution of the Holding's Board of Directors, placing the annual report on the website of the Holding | September, annually | Press service, ISDs | **For execution in Quarter 3, 2018.** Annual report of the Holding for 2017 was approved with the resolution of the Board of Directors #07/18 dated July 19, 2018. It is planned to participate in the annual reports competition.  |  |  |
| 43. | Placement of annual financial statements after SS approval | Resolution of the Sole shareholder | June, annually | DoA, Press service | **Implemented.** The Sole Shareholder approved the annual financial statements of the Holding by Order # 498 dated July 4, 2018, published on the website on July 5, 2018, on July 5, 2017 the information on the approval of AFS for 2017 and information on non-distribution of dividends was published in the media. |  |  |
| 44. | Ensure timely disclosure (placement) of information provided for by order of the Holding #95-Б dated September 25, 2017 "On approval of the structure of the Holding’s Internet resource in the full version in Russian, Kazakh and English languages | Information on Internet-resource of the Holding | on an ongoing basis | Press service | **On an ongoing basis.**The Press Service on an ongoing basis ensures timely disclosure (placement) of information on the official website of the Holding in the state, Russian and English languages at the request of structural divisions. If necessary, the CSS (amendment/update of data) ensures the update of information on the official Internet-resource of the Holding (in Kazakh, Russian and English). Sections: "Sole Shareholder", "Board of Directors" and "Committees under the Board of Directors".  |  |  |
| 45. | Ensure submission to the Press Service of information for posting on the Holding’s Internet-resource: | Information to Press Service | Within the time specified | RSD | **On an ongoing basis.**Information was provided to the Press Service and was published on the website within the time specified.At the same time, work is currently underway to distribute sections of the new website of the Holding. |  |  |
| - general information about the Holding, mission, main tasks, goals and activities, equity capital, assets, net income; |  | as changes occur | DSCD, DoA | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - development strategy (at least, strategic goals), priority activities; |  | as changes occur | DSCD | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| investment policy |  | after updating/as changes occur | DPFPPP | Information is contained in section Investment opportunities of the website (to be supplemented after the approval of the Investment Policy) |  |  |
| - Charter and internal documents of the Holding, regulating the activities of bodies, committees, corporate secretary;  |  | as changes occur | LD, CSS, interested SDs | Information is contained in section Internal regulatory documents (to be supplemented as the new version of the website is developed). |  |  |
| - on ethical principles; |  | as changes occur | DHRD | Information is contained in section Corporate Governance in subsection Standards of Conduct (to be supplemented as the new version of the website is developed). |  |  |
| - on risk management; |  | as changes occur | DRM | Information is contained in section Corporate Governance in subsection Risk Management (to be supplemented as the new version of the website is developed). |  |  |
| - on dividend policy; |  | as changes occur | DEBP | To be posted after its approval before the end of 2018. |  |  |
| - on members of the Board of Directors; |  | on an ongoing basis | CSS | Information is contained in section About Holding in subsection Management. |  |  |
| - on members of the Management Board; |  | on an ongoing basis | DHRD | Information is contained in section About Holding in subsection Management. |  |  |
| - on financial statements; |  | quarterly | DoA | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - on annual reports; |  | annually | Press service | Information is contained in section Internal regulatory documents (annual report for 2017 is approved and will be posted until August 19, 2018) |  |  |
| - on external auditor; |  | as changes occur | DoA | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - on procurement activities, including rules, announcements and procurement results; |  | as changes occur | OAD | Information on procurement activities, including rules, announcements and results of procurement were periodically posted on the corporate website of the Holding. In connection with the introduction of the new website, the item on uploading all previously uploaded documents of the procurement process to the new version of the Holding corporate website is being negotiated with the Press Service (Official note # ДОД-10-1/2656 dated July 11, 2018). |  |  |
| - on structure of authorized capital; |  | on an ongoing basis | DCF | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - on structure of assets, including information on affiliates of all levels with a brief indication of the scope of their activities; |  | quarterly | DAM | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018)  |  |  |
| - on annual calendar of corporate events;  |  | on an ongoing basis | Press service | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - on transactions, including major ones; |  | as changes occur | RSD | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - Holding's ratings; |  | as changes occur | DCF | The information is contained in the Holding's annual report for 2016 posted on the website (annual report for 2017 was approved and will be posted until August 19, 2018) |  |  |
| - on amount of approved dividends; |  | as changes occur | DEBP | Information will be posted after the approval of the Dividend Policy in July 2018. |  |  |
| - on news and press releases. |  | on an ongoing basis | Press service | Information is contained in section News. |  |  |
| Interaction with business partners |  |  |  |
| 46. | Meetings with representatives of international organizations (EBRD, IFC, OECD) on cooperation in the field of corporate governance, including within Astana Economic Forum | Exchange of information, minutes to the meetings if necessary | as required | DSCD, CSS, SMD | **Implemented.** In May 2018 the Holding together with the UN in Kazakhstan organized a panel discussion on achievement of the Sustainable Development Goals in Kazakhstan in the framework of Astana Economic Forum with the invitation of the business community of Kazakhstan. This event was organized to raise the awareness of Kazakhstan’s business community on the importance of achieving the global Sustainable Development Goals, particularly in the field of industrialization, innovation and infrastructure, providing decent work, achieving economic growth, sustainable urban development.The Holding's CSS held meetings with representatives of Astana International Financial Center (AIFC), Kazakhstan Stock Exchange (KASE) and NCE RK Atameken within the training event on certification of corporate secretaries of subsidiaries. During the meetings, cooperation in the field of corporate governance was discussed. In particular, the inclusion of Baiterek NMH JSC in the National Council on Corporate Governance was discussed with NCE RK Atameken.  |  |  |
| 47. | Participation in forums, round tables organized by EBRD, IFC, OECD, as well as with other national holdings | Information exchange | as required | DSCD, CSS, SMD, ISD | **Implemented.**In June 2018, Managing Director Zh.N. Shaimardanov took part in the ADB Forum on reforming state enterprises and corporate governance in Seoul, where participants exchanged views and discussed new approaches and best international corporate governance practices in quasi-state companies of ADB member states.In May 2018 the Holding together with the UN in Kazakhstan organized a panel discussion on achievement of the Sustainable Development Goals in Kazakhstan in the framework of Astana Economic Forum with the invitation of the business community of Kazakhstan. This event was organized to raise the awareness of Kazakhstan’s business community on the importance of achieving the global Sustainable Development Goals, particularly in the field of industrialization, innovation and infrastructure, providing decent work, achieving economic growth, sustainable urban development.Deputy Corporate Secretary - Head of the Corporate Secretary Service of the Holding M. Turganova took part in the round table organized by the NCE RK Atameken with representatives of national holdings and international consulting companies Deloitte, Ernst & Young, KPMG, PWC. In the course of the round table, the structure of the National Council on Corporate Governance (NCCG), mechanisms for introducing corporate governance standards were discussed. July 4-5 of this year Deputy Corporate Secretary - Head of the Corporate Secretary Service of the Holding M. Turganova took part in the XII International Forum of Corporate Secretaries "Corporate Secretary & Corporate Governance: new challenges and old concerns" ( Moscow). The main topics discussed at the Forum were innovations of corporate law, trends in the international "best practice of corporate governance", use of modern digital technologies in the implementation of corporate procedures, implementation of the UN sustainable development principles in the practice of modern companies, as well as exchange of experience and discussions on the practical aspects of corporate secretaries.  |  |  |

*Abbreviations:*

Holding – Baiterek NMH JSC

CG – Corporate Governance

BoD – Board of Directors

SUBs – subsidiaries

SMD – Supervising Managing Director

DSCD – Department for Strategy and Corporate Development

DAM – Department for Assets Management

LD – Legal Department

DRM – Department for Risk Management

CSS - Corporate Secretary Service

CS – Compliance Service

IAS – Internal Audit Service

DCF – Department for Corporate Finances

DoA – Department of Accounting

DHRD – Department for Human Resources Development

TD – Treasury Department

DPFPPP – Department for project financing and public-private partnership

DEBP – Department for Economics and Budget Planning

DHCAM – Department for housing and construction assets management

DIT – Department for Information Technologies

ISD – Interested Structural Divisions