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CORPORATE GOVERNANCE SYSTEM

Fundamental values of corporate governance

Our corporate governance is based on a number of principles, including fairness, honesty, responsibility, transparency, expertise and professional competence.

An effective corporate governance structure implies respect for the rights and interests of all parts of our Company while, at the same time, contributing to our performance, asset growth and maintenance of our financial stability and profitability in general.

Running our Company requires a high level of professionalism on the part of directors and management, along with an effective system of corporate governance and oversight.

Currently, our corporate governance structure ensures a good level of interaction between our management bodies and delineates responsibilities based on the following core principles:

- » protection of Shareholders' rights and interests
- » effective management of the Company by the Board of Directors and the executive body
- » the Company's independence
- » transparency and objective disclosure of information about the Company's activities
- » legality and ethics
- » an effective dividend policy
- » effective personnel policies
- » environmental protection
- » policies for resolving corporate conflicts and conflicts of interest
- » corporate responsibility

In an unceasing effort to adhere to high standards of corporate governance, we are constantly improving and developing our corporate governance system to ensure sustainable long-term growth in our value.

Development of corporate governance

Progress in 2017

- » In 2017, we drafted the following policies in the area of compliance: an anti-corruption policy, a conflict-of-interest policy and a whistleblowing policy.
- » We established a Treasury Committee in October 2017 to supervise our treasury functions and to improve the effectiveness of risk management associated with such functions.

Plans for 2018

- » Implementation of a compliance function and the development of policies throughout the year
- » Changes to the composition of the Board in terms of the independent directors
- » Gradual transition to a completely automated procedure for holding meetings of the Board of Directors.

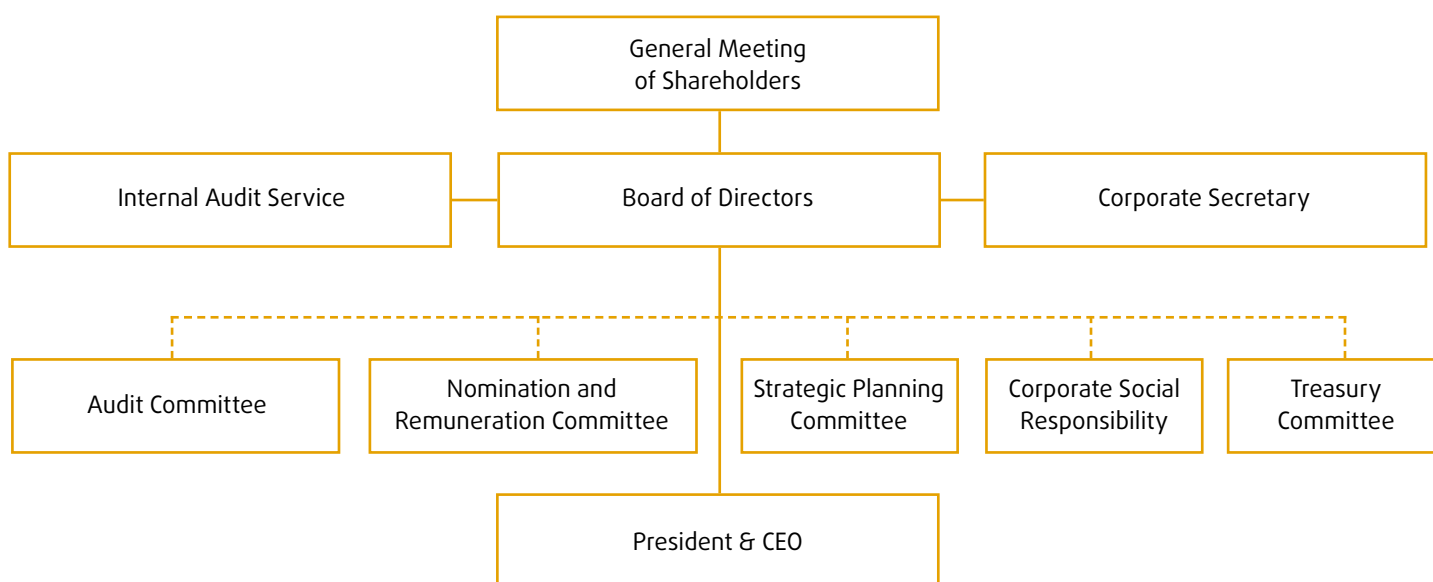
Corporate governance assessment

We introduced the practice of assessing our corporate governance system in 2008. Until 2011, annual assessments were carried out with the help of S&P, which placed our Company among the top businesses in Kazakhstan in terms of corporate governance.

From 2013 to 2015, our corporate governance system was reviewed to check its compliance with international practices on the basis of a methodology developed by the Samruk-Kazyna Sovereign Wealth Fund for all of the group companies. According to the assessments that were carried out, we

were assigned the highest ratings among all fund companies. No assessments were carried out in 2016-2017 due to a review of the fund's methodology for its compliance with the new Corporate Governance Code approved by the Government of Kazakhstan.

Corporate governance structure



GENERAL MEETING OF SHAREHOLDERS

The Company's senior corporate governance body is the General Meeting of Shareholders, which makes decisions on all key issues concerning our business. The functions and activities of the General Meeting of Shareholders are governed by the laws of the Republic of Kazakhstan, our Charter and other internal documents .

INTERNAL AUDIT SERVICE

The Internal Audit Service assists the Board of Directors and the President in the exercise of their functions in order to achieve our strategic objectives by providing independent and unbiased guarantees and consultations aimed at improved performance of the internal control, risk management and corporate governance systems.

BOARD OF DIRECTORS

Our Board of Directors is responsible to Shareholders for determining our strategic development, achieving its targets, protecting Shareholders' assets, overseeing the activities of the executive body, identifying and managing risk and ensuring the effectiveness of the internal control system, while maintaining our corporate governance principles, values and corporate culture.

CORPORATE SECRETARY

Our Corporate Secretary plays a key role in relations between and among Shareholders, the Board of Directors and the executive body; provides for seamless interaction among our various bodies; and ensures compliance with statutory and corporate requirements by our governing bodies.

COMMITTEES

Several committees have been established to facilitate the effective performance of the functions of the Board of Directors. Issues on the agenda of every Board meeting are reviewed in advance by the relevant committees to ensure a more detailed discussion and elaboration of voting recommendations for the Board of Directors.

PRESIDENT AND CEO

Our ongoing activities are managed by the President, our sole executive officer. The President executes decisions made by the General Meeting of Shareholders and by the Board of Directors.