

ABAI KAZAKH NATIONAL PEDAGOGICAL UNIVERSITY



APPROVED
by the decision
of the Board of Directors
NJSC “Abai Kazakh National
Pedagogical University”
Protocol No.2, February 19, 2021
Chairman of the Board of directors

Ismbayeva G.I.



REGULATIONS
of the Audit Committee of the Board of Directors
Abai Kazakh National Pedagogical University

Almaty, 2021

1. General

1. These Regulations on the Audit Committee of the Board of Directors Abai Kazakh National Pedagogical University (hereinafter referred to as the Company) have been developed in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter and internal regulatory documents of the Company.

2. The Committee is a permanent consultative and advisory body of the Board of Directors of the Company (hereinafter referred to as the Board of Directors). Proposals and other requests of the Committee are of a recommendatory nature and are submitted to the Board of Directors for consideration.

3. The Regulation is an internal regulatory document 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.

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

6. Recommendations of the Committee on issues referred to the competence of the Sole Shareholder by the Charter of the Company are sent to the shareholder, if approved by the Board of Directors, to the Sole Shareholder for consideration and decision-making in accordance with the procedure established by law.

7. All issues not regulated by this Regulation are governed by the legislation of the Republic of Kazakhstan, the Charter of the Company, decisions of the Sole Shareholder, the Board of Directors and other internal documents of the Company.

8. Decisions of the Committee are drawn up in the form of protocol, written explanations on certain issues, and records are kept on them.

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

9. The composition of the Committee is formed from the members of the Board of Directors.

10. The number of members of the Committee is at least 3 (three) members of the Board of Directors. The members of the Committee are elected by the Board of Directors.

11. Chairman of the Management Board - The Rector cannot be a member of the Committee.

12. For the purpose of effective activity of the Committee, by decision of the Committee, experts with professional experience and relevant qualifications in accordance with the goals, objectives and competence of the Committee may be involved as members.

13. The terms of office of the Committee members are determined by the term of their powers as members of the Board of Directors, and may be reviewed by the Board of Directors annually.

14. The functions of the Committee secretary 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 and, upon request, 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 and documents.

3. Chairman of the Committee

15. The Chairman of the Committee can only be an independent director, whose candidacy is approved by the decision of the Board of Directors.

16. Chairman of the Committee:

- 1) organizes the activities of the Committee;
- 2) convene meetings of the Committee and preside over them;
- 3) approve the agenda of the meetings, the content of the issues submitted for discussion at the meeting of the Committee, determine the form of holding the meetings;
- 4) organizes the discussion of issues at the meetings of the Committee, as well as hearing the opinions of persons invited to participate in the meeting, taking into account the proposals of the members of the Committee;

- 5) formulates a plan of regular meetings for the current year, taking into account the plan of meetings of the Board of Directors, and approves it at a meeting of the Committee;

- 6) submit to the Board of Directors written reports on the activities of the Committee, provide the necessary clarifications regarding their content;

- 7) perform other functions within the powers of the Committee in accordance with these Regulations and other internal regulatory documents of the Company.

17. In the absence of the Chairman, by decision of the Committee, his functions are performed by a person who replaces him - one of the Committee members.

4. Procedure of the Committee

18. The Committee annually prepares a work plan of the Committee in accordance with the work plan of the Board of Directors, which is approved by the Committee.

19. Meetings of the Committee can be held both in person and in absentia. The Chairman of the Committee chooses the form of the meeting based on the nature of the issue raised.

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

20. Issues related to the preliminary approval of the reports of the Internal Audit Service are considered only at in-person meetings.

21. Materials and a draft decision on the issue of the agenda of the meeting of the

Committee are sent by the secretary to all members of the Committee and interested parties no later than 3 (three) calendar days before 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.

22. 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.

23. Decisions are taken by a simple majority of votes and only by the members of the Committee taking part in the meeting. When deciding issues, each member of the Committee has one vote. In case of equality of votes of the members of the Committee, the vote of the chairman is decisive.

24. Each member of the Committee may state his dissenting opinion, which will be reflected in the protocol of the Committee.

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 protocol of the meeting of the Committee and may be submitted for consideration by the Board of Directors.

25. In an open form of voting, the Chairman of the Committee and its members may take a decision on voting on the agenda items of the Committee meeting in the presence of only the members of the Committee who have the right to vote. In such cases, experts and other persons 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.

26. A decision by absentee voting is deemed to have been adopted if there is a quorum by the established deadline in the ballots in the form in accordance with Appendix 1 to these Regulations.

The bulletin must indicate:

- 1) full 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.

27. 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 of the Company - 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 issues on the agenda.

28. Based on the results of the in-person meeting of the Committee, no later than 3 (three) business days after its holding, a protocol is drawn up in the form, in accordance with Appendix 2 to these Regulations. The protocol is signed by the Chairman of the Committee or a person replacing him, as well as the secretary of the Committee, who are responsible for the correctness of the preparation and content of the minutes.

29. Based on the results of the absentee meeting of the Committee, no later than three working days after its holding, a decision is drawn up in the form, in accordance with Appendix 3 to these Regulations. The decision is signed by the Chairman of the Committee or a person replacing him, as well as the secretary of the Committee, who are responsible for the correctness of the preparation and content of the protocol.

5. Competence of the Committee

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

1) for financial activities:

- discussion with members of the Management Board and the external auditor of the financial statements, the validity and acceptability of the principles used in them, significant estimates and adjustments;
- preliminary approval of the annual financial statements of the Company;
- preliminary approval of the Accounting Policy of the Company and introduction of changes and (or) additions to it;
- consideration of any material disagreements between the external auditor and the management of the Company concerning the financial statements of the Company.

2) for internal control and risk management:

- analysis of the efficiency of the Company's risk management system.

3) for 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 interim 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) for internal audit:

- supervising the activities of the Internal Audit Service;
- making proposals on the procedure for the work of the Internal Audit Service;
- preliminary approval of internal regulations governing the activities of the Internal

Audit Service, as well as changes and (or) additions to them;

- preliminary approval of the annual audit plan, quarterly and annual reports of the Internal Audit Service;
- coordination of proposals on the areas of development and improvement of the efficiency of the Internal Audit Service;
- Consideration of the issue of existing restrictions that impede the effective implementation of the tasks set by the Internal Audit Service, and assistance in their elimination;
- holding meetings with the head of the Internal Audit Service without the participation of representatives of the Company's management;
- providing a preliminary assessment of the activities of the Internal Audit Service;
- initiation of independent audits (assessments) 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 of the Company - Rector shall apply 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 per 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) considers other issues on behalf of the Sole Shareholder of the Company and the Board of Directors.

6. Rights and obligations of members of the Committee

31. Members of the Committee have the right, in the prescribed manner:

- 1) request and receive from officials and employees of the Company any information (information, documents, materials) in relation to the Company, if the specified information is necessary for them to perform the functions of a member of the Committee;
- 2) get acquainted with the protocol 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 protocol of the Committee meeting;
- 4) demand the convocation of a meeting of the Committee, include issues on the agenda of the meeting of the Committee;
- 5) make proposals for amendments and additions to this Regulation;
- 6) enjoy other rights provided for by the legislation of the Republic of Kazakhstan, the Charter of the Company, these Regulations, internal documents of the Company, including decisions of the Board of Directors.

32. The members of the Committee are obliged:

- 1) carry out their activities honestly and in good faith in the interests of the Company in compliance with the decisions of the Sole Shareholder and the Board of Directors;
- 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) maintain the confidentiality of all information that becomes known to them in the course of the performance of their official duties;
- 5) fulfill other obligations stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company, these Regulations, internal documents of the Company, including decisions of the Board of Directors.

7. Responsibility of the members of the Committee

33. The members of the Committee are 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 by the Company as a result of providing misleading or knowingly false information.

8. Confidentiality and inside information

34. During the term of office of the Committee members, as well as within one year after the expiration 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 must 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 an official, commercial and other secrets protected by law is determined by the Board of Directors.

35. 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

36. Approval of the Regulations on the Committee, as well as making changes and (or) additions to it, is within the competence of the Board of Directors.

37. If, as a result of changes in the legislation of the Republic of Kazakhstan, the Charter of the Company, certain provisions of the Regulations come into conflict, then such norms become invalid from the date of introduction of the relevant changes and (or) additions.