


APPROVED BY
the Resolution
of the Sole Shareholder
owning all voting shares of
Ulba Metallurgical Plant JSC
No. 8/22 dated September 22, 2022

**AMENDMENTS AND ADDITIONS No. 2
to Regulation on the Board of Directors
Ulba Metallurgical Plant
Joint-Stock Company**

**Republic of Kazakhstan
Ust-Kamenogorsk
2022**

D. Kaliaskarova



**AMENDMENTS AND ADDITIONS No. 2
to Regulation on the Board of Directors
Ulba Metallurgical Plant
Joint-Stock Company**

Introduce changes to Regulation on the Board of Directors of Ulba Metallurgical Plant Joint-Stock Company, approved by the Resolution of Sole Shareholder, owing all voting shares of UMP JSC No. 7/20 dd. May 29, 2020 following amendments and additions:

1. Fourth paragraph of sub-clause 3.10 shall be added with:

1) sub-clause 14) read as follows:

“14) is not a representative of the shareholder at meetings of the bodies of the Company and has not been so for three years prior to his election to the Board of Directors;”;

2) sub-clause 15) read as follows:

“15) complies with other requirements established by the laws of the Republic of Kazakhstan;”.

2. Clause 6.3. shall be revised to read as follows:

“6.3. The Board of Directors considers the following issues of an important and strategic nature at in-person meetings:

1) determining the priority areas of activity of the Company and the development strategy of the Company or approving the business plan (development plan, budget) of the Company in cases provided for by the legislative acts of the Republic of Kazakhstan, as well as monitoring the implementation of the development strategy and business plan (development plan, budget) of the Company;

2) preliminary approval of the annual financial statements of the Company, submission to the Sole Shareholder of the JSC (General Meeting of Shareholders) of a proposal on the procedure for distributing the net income of the Company for the past financial year and the amount of dividend per one ordinary share of the Company;

3) determination of the quantitative composition, term of office of the executive body, election of its head and members, as well as early termination of their powers;

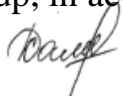
4) determining the size of official salaries and conditions of remuneration and bonuses for the head and members of the executive body, as well as assessing their performance;

5) appointment, determination of the term of office of the Corporate Secretary, early termination of his powers, assessment of the activities of the Corporate Secretary;

6) making a decision on the acquisition (alienation) of ten or more percent of the shares (stakes in the authorized capital) of other legal entities by the Company;

7) making a decision on the conclusion of major transactions by the Company, with the exception of major transactions, the decision to conclude which is made by the Sole Shareholder of the Company (General Meeting of Shareholders) in accordance with sub-clause 44.23 of clause 44 of the Charter of the Company;

8) making a decision on the conclusion of transactions by the Company, in which the Company has an interest, with organizations that are not part of the Samruk-Kazyna JSC group, in accordance with the Fund Act, as well as with individuals, with



the exception of transactions in which there is an interest, the decision on the conclusion of which is made by the Sole Shareholder of the Company (General Meeting of Shareholders) in accordance with sub-clauses 44.23-1 - 44.23-2 of clause 44 of the Charter of the Company;

9) making a decision on conclusion of major transactions (less than fifty percent of the total balance sheet value of assets as of the date of the decision on the transaction), in which there is an interest with organizations that are part of the Samruk-Kazyna JSC group, in accordance with the Fund Act;”

10) approval of the structure and staffing of the central office of the Company, as well as documents regulating the conditions and procedure for remuneration and bonuses for employees of the Company;

11) making a decision on participation of Company in the creation of other legal entities;

12) creation of committees of the Board of Directors, approval of regulations on them, as well as election of members of the committee;

13) approval of the Company risk management procedures, internal documents of the risk management and internal control system of the Company (with the exception of issues referred by the internal documents of the Company to the competence of other bodies of the Company);

- Risk Management Policies;
- Risk Management Rules;
- Quarterly Risk Management Reports;
- Regulations on the Internal Control System, an Action Plan to Improve the Internal Control System;
- risk register and map;
- risk appetite;
- other documents on risk management, in accordance with the internal documents of Company;

14) preparation of recommendations to the Sole Shareholder of the Company (General Meeting of Shareholders) on the amount, procedure for determining and conditions for paying remuneration to members of the Board of Directors of the Company;

15) approval of motivational key performance indicators for the head and members of the executive body of the Company and their target and actual values;

16) consideration of reports on the evaluation of the work of the Board of Directors and committees of the Board of Directors, a report on compliance with the principles and provisions of the Company Corporate Governance Code;

17) ensuring the functioning of the internal control system and assessing the effectiveness of the internal control system of Company;

18) assessment of the effectiveness of the corporate governance of the Company, approval of changes to the relevant documents of the Company within its competence, preparation of proposals for improving the corporate governance system to the Sole Shareholder of the Company;

19) appointment and early termination of the powers of the Ombudsman of the Company;

20) appointment of the head and members of the Internal Audit Service of the Company (hereinafter - IAO), as well as early termination of their powers, assessment of the activities of IAO employees, approving the key performance indicators of the IAO employees and the Corporate Secretary, reviewing reports and assessing the final performance of the IAO employees and the Corporate Secretary, approving the bonus factor for the IAO employees and the Corporate Secretary;

21) approval of the annual audit plan of the IAO and the strategic plan of the activities of the IAO (if this document is available in the Company), consideration of quarterly and annual reports of the IAO and making decisions on them;

22) approval of large investment projects within the competence; monitoring the effective implementation of large investment projects within the competence;

23) approval of the Sustainable Development Program and other strategic documents in the field of sustainable development;

24) consideration of the report of the Executive Board of Company on financial and economic activities;

25) appointment of the head and members of the Risk and Compliance Officer Service, as well as early termination of their powers;

26) approval of key performance indicators of employees of the Risk and Compliance Officer Service, review of reports and assessment of the final performance of employees of the Risk and Compliance Officer Service, approval of the bonus factor for employees of the Risk and Compliance Officer Service of UMP JSC.

Meetings of the Board of Directors are held in person also in cases where, in accordance with the legislation or the Charter of the Company, a mandatory invitation to a meeting of the Board of Directors is required by the person who submitted the request to convene such a meeting, if such person is not a member of the Board of Directors.”.

3. Clause 7.6. shall be revised to read as follows:

“7.6 The notice of holding a meeting of the Board of Directors is signed by the Chairman of the Board of Directors, and in case of his refusal to convene the meeting, by the Chairman of the Executive Board of the Company. Notifications of the meeting of the Board of Directors and materials on the agenda items of the meeting must be sent by the Corporate Secretary of the Company or a person acting as such to the members of the Board of Directors at least 30 calendar days in advance. On issues requiring prompt decision-making due to justified operational need and / or in accordance with the instructions / decisions of the Sole Shareholder / Board of Directors of the Company, notice of the meeting of the Board of Directors and materials are provided at least 15 calendar days in advance.

Herewith, the number of issues requiring prompt decision-making should not exceed 20% of total number of issues included in the agenda of the relevant meeting of the Board of Directors.”

4. Clause 8.7. shall be revised to read as follows:

“8.7. The decision on the form of holding (in-person/absentia) meetings of the Board of Directors is made by the Chairman of the Board of Directors of Company.”.

5. Appendix No. 2 to Regulations on the Board of Directors Ulba Metallurgical Plant Joint-Stock Company shall be revised to read as follows:

**Appendix No. 2
to Regulations on the Board of Directors
of Ulba Metallurgical Plant
Joint-Stock Company**

Requirements for the content of the explanatory note and package of documents on the agenda item of the meeting of the Board of Directors of UMP JSC

Explanatory note is written on 2-3 sheets (font - Times New Roman, font size 14), where the following information should be clearly and concisely reflected:

- 1) information about the person responsible for the issue at the CEO-1 level, indicating last name, first name, middle name and position;
- 2) indication of confidentiality (in accordance with the stipulated requirements of UMP JSC internal documents);
- 3) purpose of the decision;
- 4) grounds for bringing the issue (links to the relevant article (clause, sub-clause) of the regulatory legal acts of the Republic of Kazakhstan, international agreements, decisions of the Sole Shareholder, UMP JSC Charter, internal documents of UMP JSC);
- 5) justification for submitting the issue for consideration by the Board of Directors;
- 6) quorum for holding a meeting, quorum for making a decision, the number of votes required for making a decision and the form of holding a meeting of the Board of Directors;
- 7) expected financial, economic, legal and other consequences and possible risks in the adoption and / or non-adoption of the decision by the Board of Directors;
- 8) estimated financial costs associated with the implementation of the decision of the Board of Directors on the issue, based on the approved budget of UMP JSC;
- 9) information about legislative acts, acts of higher bodies of UMP JSC, acts of the Board of Directors and committees of UMP JSC, instructions adopted earlier on the issue under consideration, and the results of their implementation;
- 10) need to subsequently bring the internal documents of UMP JSC, subsidiaries and affiliates of the company in line with the decision of the Board of Directors on the issue to be submitted;
- 11) information on corporate events subject to disclosure in accordance with the legislation of the Republic of Kazakhstan and/or internal documents of UMP JSC;
- 12) reference to the date, number and content of clauses of the decision of the Board (if any);
- 13) draft decision of the Board of Directors;
- 14) appendices.

The list of information indicated in the explanatory note defined in this Appendix is not exhaustive. Additional requirements for the explanatory note, as well as for the content of materials, including on the issues of conclusion / approval / approval of the transaction (including amendments to the agreement (agreement, contract, etc.)), approval of the annual financial report, consideration of the documents developed in the new edition, on personnel appointments are determined by the internal documents of the Company, regulating the procedure for preparing and processing materials for consideration by the Board of Directors of the Company.