

# CORPORATE CONTROL

In the event of corporate conflicts, the parties attempt to settle by negotiation to efficiently protect the interests of KMG and other stakeholders.

In order to be effectively prevented or addressed, corporate conflicts primarily need to be identified as soon and fully as possible, with all corporate governance bodies to act in a consorted manner.

Corporate conflicts are addressed by the Chairman of the Board of Directors assisted by the Corporate Secretary. If the Chairman of the Board of Directors is involved in a corporate conflict, such cases are addressed by the Nomination and Remuneration Committee.

## INTERNAL AUDIT SERVICE

The Internal Audit Service (IAS) reports and is accountable to KMG's Board of Directors and supervised by the Audit Committee of KMG's Board of Directors. The activities of the IAS are governed by Kazakhstan's laws, KMG's internal documents, and the International Standards for the Professional Practice of Internal Auditing.

The IAS focuses on providing the Board of Directors with independent and objective information to ensure the effective management of KMG and its subsidiaries and associates by employing a systematic approach towards improving risk management, internal control, and corporate governance processes.

To perform its activities in accordance with the annual audit plan, the IAS:

- assesses the reliability and effectiveness of applicable internal controls and risk management
- assesses the reliability, completeness, and objectivity of the accounting policy as well as financial statements of KMG and its subsidiaries and associates based on such policies
- assesses the efficiency of resource management at KMG and its subsidiaries and associates and the methods used to ensure asset integrity
- monitors compliance with Kazakhstan's laws, corporate operational, investment, and financial rules and regulations.

The IAS uses audit results to make recommendations on improving KMG's operations. The IAS consistently monitors and oversees the development and execution of measures to implement its recommendations.

In line with the International Standards for the Professional Practice of Internal Auditing and to ensure the proper quality of internal audit, the IAS has in place a framework for continuous professional development of auditors.

As a result, 31 of 36 employees of IAS (86%) hold international certificates and diplomas, such as:

- Certified Internal Auditor: 7
- Diploma in International Financial Reporting: 5
- Kazakhstan's Professional Accountant: 10
- Certified Accounting Practitioner/Certified International Professional Accountant: 4
- Certified Professional Internal Auditor: 13
- Certified Fraud Examiner: 2
- Certified Information Systems Auditor: 2
- Association of Chartered Certified Accountants: 1