

Approved by
the General Meeting of Shareholders
of Air Astana JSC
Minutes №194 dated 08 February 2024



**CORPORATE GOVERNANCE CODE OF
AIR ASTANA JOINT STOCK COMPANY**

2024

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TERMS AND DEFINITIONS

"Affiliates" - individuals and legal entities (with the exception of bodies exercising control and supervisory functions within the framework of the powers vested in them) that have the ability to directly and/or indirectly determine decisions and (or) influence decisions made by each other (one of the persons), including by virtue of a concluded transaction. The precise definition and the list of the Company's affiliates is established by the Legislation.

"AIFC MAR" – the Astana International Financial Center Market Rules (AIFC Rules No. FR0003 of 2017).

"Audit Committee" – the Audit Committee of the Board of Directors.

"Board of Directors" – the body of the Company, performing overall management of the activity of the Company, except for the matters reserved for the exclusive authority of the General Shareholders Meeting or CEO under the Legislation and/or the Charter.

"CEO" – Chief Executive Officer i.e. the sole executive body of the Company.

"Chairman" – Chairman of Board of Directors.

"Charter" – the Company's Charter.

"Code" – the Corporate Governance Code of the Company.

"Committee(s)" – committees of the Board of Directors, including Audit Committee, Nomination and Remuneration Committee, and any other committees that the Board of Directors may establish.

"Company" – Air Astana Joint Stock Company.

"Corporate Secretary" – Corporate Secretary of the Company.

"Corporate website" – the website of the Company (airastana.com);

"Director(s)" – member(s) of the Board of Directors.

"General Shareholders Meeting" – the supreme body of the Company.

"Independent Director(s)" – Directors defined as independent in the judgment of the Board of Directors, issued with due consideration for the relevant requirements of the Legislation, relevant regulatory criteria, Regulation on the Board of Directors and the Code.

"Legislation" – legislation of the Republic of Kazakhstan

"Listing Rules" - Listing Rules published by any stock exchange on (the official list of) which the Company's securities are listed.

"Nomination and Remuneration Committee" – the Nomination and Remuneration Committee of the Board of Directors.

"Shareholder(s)" - a person who is the owner of share(s) or global depository receipt(s) of the Company.

“Stakeholders” – persons whose rights under the Legislation and the Charter are related to the Company’s activity.

“UK CGC” – the UK Corporate Governance Code issued by the Financial Reporting Council Limited.

GENERAL PROVISIONS

The Company seeks to comply with good corporate governance practices, continuously improve and develop its corporate governance, and to ensure transparency of its governance arrangements to external stakeholders.

The purpose of this Code is to provide guidance in relation to the principles and standards of corporate governance that the Company strives to implement to achieve its long-term strategic goals. The Code was developed in accordance with the Legislation the AIFC MAR, the UK CGC and the Charter. It is generally aimed to follow best international practice and is supplementing other internal documents of the Company.

The Company aims:

- a) to be managed with due responsibility, accountability and effectiveness in order to maximize the market value of the Company and maintain financial stability and profitability; and
- b) to ensure transparency and due disclosure of information, as well as the effectiveness of risk management and internal control system.

This Code is aligned with the principles and standards of the AIFC MAR and adopts certain principles from the UK CGC. Some standards of this Code present more granular guidance than that provided by the AIFC MAR and UK CGC, particularly as they account for the legal framework of the Republic of Kazakhstan that governs the corporate affairs of the Company.

The Company shall report on its compliance with this Code in its annual report.

The standards are not exhaustive, and the Company may implement any additional measures as required in order for it to comply with the principles and contribute to sound and prudent corporate governance in the Company in compliance with the Legislation requirements.

SECTION A. CORPORATE GOVERNANCE PRINCIPLES

The Company shall view corporate governance as means of increasing the effectiveness of the activities of the Company, strengthening its reputation and decreasing costs for raising capital by the Company.

The Company's corporate governance is built on the concepts of fairness, integrity, responsibility, transparency, professionalism and competency. An effective corporate governance structure implies the respect for the rights and interests of all parties interested in the Company's activities and facilitates the successful operations of the Company, including a growth in its market value and maintaining its financial stability and profitability, as well as sustainability of its business in the long-term.

The corporate governance principles laid down in this section aim to create trust in the relations arising in connection with the management of the Company's affairs and are supported by the standards provided in the Code.

Principle 1: Board of Directors

The Company shall have an effective Board of Directors, which is accountable for ensuring that the Company's business is managed prudently and soundly.

Principle 2: Division of Responsibilities

There shall be a clear division between the Board of Directors' responsibility for setting the strategic aims and undertaking the oversight of the Company and the CEO's responsibility for managing the Company's business in accordance with the strategic aims and risk parameters set by the Board of Directors and in compliance with requirements of the Charter and the Legislation.

Principle 3: Board Composition and Resources

The Board of Directors and its Committees shall have an appropriate balance of skills, experience, independence and knowledge of the Company's business, and adequate resources, including access to expertise as required, and timely and comprehensive information relating to the affairs of the Company.

Principle 4: Risk Management and Internal Control

The Board of Directors shall ensure that the Company has an adequate, effective, well- defined and well-integrated risk management, internal control and compliance framework.

Principle 5: Shareholder Rights and Effective Dialogue

The Board of Directors shall ensure that the rights of shareholders are properly safeguarded through appropriate measures that enable the shareholders to exercise their rights effectively, promote effective dialogue with shareholders and other Stakeholders as appropriate, and prevent any abuse or oppression of minority shareholders.

Principle 6: Position and Prospects

The Board of Directors shall ensure that the Company's financial and other reports present an accurate, balanced and understandable assessment of the Company's financial position and prospects by ensuring that there are effective internal control, risk management and reporting requirements.

Principle 7: Remuneration

The Board of Directors must ensure that the Company has remuneration system and strategies that are well aligned with the long-term interests of the Company and compliant with the Charter and Legislation.

SECTION B. CORPORATE GOVERNANCE PRINCIPLES AND STANDARDS

PRINCIPLE 1: Board of Directors

The Company shall have an effective Board of Directors, which is accountable for ensuring that the Company's business is managed prudently and soundly.

- 1.1. The role of the Board of Directors is to provide leadership of the Company within a framework of prudent and effective controls, which enable risks to which the Company is exposed to be identified, assessed and effectively managed.
- 1.2. The Board of Directors shall set the Company's business and strategic objectives and risk parameters, ensure that the necessary financial and human resources are in place for the Company to meet those objectives, review Company's management performance in achieving those objectives and outcomes, and promote the long-term sustainability of the Company's business. For this purpose, the Board of Directors shall:
 - a) determine the nature and extent of the significant risks it is willing to take in achieving the relevant strategic objectives;
 - b) set the Company's values and standards and ensure that its obligations to its stakeholders are clearly understood and met;
 - c) account for sustainability considerations in their strategy-decision making, including the environmental, social and governance (ESG) considerations;
 - d) monitor and, if possible, eliminate potential conflicts of interest at the level of officers and Shareholders, including the misuse of the Company's property and abuse in interested party transactions;
 - e) exercise control over the effectiveness of corporate governance practices in the Company.
- 1.3. The Board of Directors shall meet sufficiently regularly to discharge its duties effectively, as frequently as deemed necessary. The Charter shall clearly set the matters reserved for its decision.
- 1.4. The Board of Directors shall ensure the mandate, composition and working procedures of the Board of Directors are well defined in the Charter and internal documents to be adopted by the Board of Directors and initiate the relevant amendments to the Charter and relevant internal documents, whenever deemed necessary for this purpose.
- 1.5. The annual report of the Company shall include a statement of how the Board of Directors operates and it shall also set out the number of meetings of the Board of Directors held in the reporting year and contain an attendance report.

PRINCIPLE 2: Division of Responsibilities

There shall be a clear division between the Board of Directors' responsibility for setting the strategic aims and undertaking the oversight of the Company and the CEO's responsibility for managing the Company's business in accordance with the strategic aims and risk parameters set by the Board of Directors and in compliance with requirements of the Charter and the Legislation.

The General Shareholders' Meeting, the Board of Directors and the CEO

- 2.1. The Board of Directors shall ensure that a division of responsibilities between the General Shareholders' Meeting, the Board of Directors and the CEO is clearly established in the Charter, and initiate the relevant amendment to the Charter, whenever deemed necessary for this purpose. The distribution of responsibilities between the General Shareholders' Meeting, the Board of Directors and the CEO shall

be well balanced and comply with requirements of Legislation. No person shall have unfettered powers in making decisions. There shall be a clear division of the authority between the Company's bodies of:

- a) The election of the Board of Directors and appointment of the external auditor, decisions on key matters influencing the rights of shareholders by the General Shareholders Meeting;
- b) the oversight of the management by the Board of Directors; and
- c) the management of the Company's business by the CEO in accordance with the strategic aims and risk parameters set by the Board of Directors and in line with authorities set forth by the Charter and the Legislation.

Chairman and CEO

- 2.2. The role of the Chairman of the Board of Directors and the role of the CEO shall not be held by the same individual.
- 2.3. The Board of Directors shall ensure that there is a clear division of responsibilities between the Chairman and the CEO set up in the Company's Charter and initiate the relevant amendments to the Charter and internal documents of the Company, whenever deemed necessary for this purpose.
- 2.4. The Chairman, in accordance with the procedure established by the Legislation, the Charter and the internal documents of the Company, shall be responsible for providing leadership of the Board of Directors, ensuring its effectiveness in all aspects of the Board of Directors' role and setting its agenda.
- 2.5. The company acknowledges the standard of the AIFC MAR and UK CGC, which requires the Chairman to be independent. However, pursuant to the Charter, an individual who is not independent may be elected as a Chairman, in this case the company shall report a departure from standard of the AIFC MAR in the annual report. The Board of Directors shall then satisfy itself that there are appropriate mitigating measures in place providing it with a sufficient degree of independence and allowing it to properly discharge its functions in the interest of all Shareholders and other Stakeholders in the Company. These mitigating measures shall be briefly outlined in the annual report.
- 2.6. The annual report of the Company shall identify the Chairman and the CEO and include a high level statement of which types of decisions are within the competence of the Board of Directors and which are within the competence of the CEO.

PRINCIPLE 3: Board of Directors' Composition and Resources

The Board of Directors and its Committees shall have an appropriate balance of skills, experience, independence and knowledge of the Company's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the Company.

Balance of skills and independence

- 3.1. A major consideration that underpins the effectiveness of the Board of Directors is the availability at the Board of Directors level of the relevant skills, expertise and resources as are necessary to discharge the Board of Directors functions, taking due account of the nature, scale and complexity of the business of the Company.
- 3.2. It may well be that no single Director has all the knowledge, skills and expertise needed by the Board of Directors to discharge its functions. The Board of Directors shall have an appropriate number and mix of individuals to ensure that there is an overall adequate level of knowledge, skills and expertise commensurate with the nature, scale and complexity of the business of the Company.
- 3.3. In order to ensure that the Board of Directors is equipped with the necessary skills, expertise and resources appropriate to the business of the Company, there shall be a formal, rigorous and transparent procedure for the nomination and appointment of Directors to the Board of Directors.

Nominations to the Board of Directors shall be made on merit and against objective criteria, with due regard to the benefits of diversity on the Board of Directors, as well as requirements of the Charter and Legislation. Care shall be taken to ensure that nominees have enough time available to devote to the job. This is particularly important in the case of chairmanships.

- 3.4. All Directors shall be submitted for re-election at regular intervals, subject to continued satisfactory performance. Unless otherwise provided by the Legislation, all Directors shall be elected by shareholders in a cumulative vote. Under the normal circumstances the term of office of the Board shall not exceed 3 (three) years and pursuant to the Charter, shall not be less than 2 (two) years. The Board of Directors shall ensure the on-going effectiveness of the Board of Directors, particularly the objectivity of the decision-making by the Board of Directors and adequate succession planning in respect of Board of Directors membership, the CEO and the Company's management, so as, to ensure an appropriate balance of skills and experience within the Company and on the Board of Directors.

Chairman

- 3.5. For the appointment of a Chairman, there shall be a job specification, and an objective assessment against the relevant criteria including an assessment of the time commitment expected, recognizing the need for availability in the event of crises. Generally, the Nomination and Remuneration Committee shall undertake this function. A Chairman's other significant commitments shall be disclosed to the members of the Board of Directors before appointment and included in the annual report. Changes to such commitments shall be reported to the members of the Board of Directors as they arise, and their impact explained in the next annual report. The Company recognizes that, if a Chairman is required to be selected from those members of the Board appointed by a major shareholder, it may be unable to fully satisfy the provisions of this Clause.
- 3.6. The Chairman shall ensure that new members of the Board of Directors receive an appropriate induction on joining the Board of Directors. The Chairman shall ensure that the members of the Board of Directors continually update their skills and their knowledge and familiarity with the Company required in fulfilling their role both on the Board of Directors and its Committees. All Directors shall have appropriate knowledge of the Company and shall be provided with adequate access to its operations and staff to carry out their respective responsibilities.
- 3.7. The Company shall provide the necessary resources for developing and updating its members' of the Board of Directors knowledge and capabilities. The Chairman shall regularly review and agree with each member of the Board of Directors their training and development needs.

Executive and non-executive Directors

- 3.8. The Board of Directors shall include a combination of executive and non-executive Directors (including independent non-executive Directors). No individual or any group of individuals shall be able to dominate the Board of Directors' decision-making. At least one third of the Board of Directors shall comprise independent non-executive Directors.
- 3.9. The Board of Directors shall consider a non-executive Director to be "independent" if that Director meets, upon an assessment, objective criteria of independence set by the Board of Directors and the Legislation. Such independence criteria shall encompass independence in character and judgement of the individual by having no commercial or other relationships or circumstances which are likely to affect or could appear to impair his judgement in a manner other than in the best interests of the Company. In making the assessment of independence against such criteria, the Board of Directors shall consider matters such as whether the person:
 - a) has already served as a member of the Board of Directors for a period of 9 (nine) years; or
 - b) has been an employee of the Company or affiliated with the Company within the last 5 (five) years; or

- c) has, or has had within the last 3 (three) years, a material business relationship with the Company, either directly or as a partner, Shareholder, Director or CEO / member of the management board of another body that has such a relationship with the Company; or
 - d) receives or has received, in the last 3 (three) years additional remuneration or payments from the Company apart from a Director's fee, or participates in the Company's share option, or a performance-related pay scheme, or is a member of the Company's pension scheme; or
 - e) is or has been in the last 5 (five) years a director, partner or employee of a firm, which is the Company's external auditor; or
 - f) has close family ties with any of the Company's advisors, Directors or CEO; or
 - g) holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies; or
 - h) represents a major shareholder or is or has been in the last 5 (five) years a director, partner or employee of a Shareholder; or
 - i) is a Government official or a state employee; or
 - j) is an Affiliate of the Company or has been an Affiliate for 3 (three) years prior to his election to the Board of Directors (except for his tenure as an independent director of the Company); or
 - k) is an Affiliate in relation to the Company's Affiliates; or
 - l) is a subordinate of the Company's officials or Affiliates of the Company and/or has been a subordinate of these persons for 3 (three) years prior to his/her election to the Board of Directors; or
 - m) is the Shareholder's representative at the meetings of the Company's bodies and/or has been as such representative for 3 (three) years prior to his/her election to the Board of Directors.
- 3.10. The terms and conditions of appointment of non-executive Directors shall be made available at the inquiry of Shareholder or Stakeholder at the Company's registered office during normal business hours and issued in compliance with the Legislation. The expected time commitment will be set out in the respective agreement whereby the non-executive Directors shall undertake that they will have sufficient time to meet what is expected of them. Their other significant commitments shall be disclosed to the Board of Directors before appointment, with a broad indication of the time involved. The Board of Directors shall be informed of subsequent changes.
- 3.11. The annual report of the Company shall identify each non-executive Director it considers to be independent, the senior independent Director (if applicable), and the Chairman and members of each Committees. It shall also state the relevant skills and expertise, which each Director brings to the Board of Directors and set out the number of meetings of each of the Committees and individual attendance by Directors.
- 3.12. As part of their role as members of the Board of Directors, non-executive Directors shall constructively challenge and help develop proposals on business objectives and strategy for achieving those objectives. Non-executive Directors shall scrutinize the performance of the CEO and management against agreed goals and objectives and monitor the reporting of their performance.

Nomination and Remuneration Committee

- 3.13. The Board of Directors shall establish and maintain a Nomination and Remuneration Committee to lead the process for nomination and make recommendations to the Board of Directors relating to the appointment of the members of the Board of Directors, CEO and other Company's senior managers the appointment of which is within the competence of the Board of Directors or General Shareholders Meeting in accordance with the Charter. A majority of members of the Nomination and Remuneration

Committee shall be independent Directors. The chairman of the Nomination and Remuneration Committee shall be an Independent Director.

- 3.14. The mandate, composition and working procedures of the Nomination and Remuneration Committee shall be well defined. The Nomination and Remuneration Committee shall make available on the Corporate website its written terms of reference explaining its role and the authority.
- 3.15. The Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, independence and experience on the Board of Directors and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- 3.16. A separate section of the annual report of the Company shall describe the work of the Nomination and Remuneration Committee, including the process it has used in relation to appointments of the Board of Directors. An explanation shall be given if neither an external consultancy nor an open advertising process has been used in the appointment of the Chairman or a non- executive Director of the Board of Directors.

Corporate Secretary

- 3.17. The responsibilities of the Corporate Secretary shall clearly include, under the direction of the Chairman, ensuring good information flows within the Board of Directors and its Committees and between the CEO and management and non-executive Directors, as well as facilitating induction and assisting with professional development of the members of the Board of Directors as required. The Corporate Secretary shall also be responsible for ensuring that Board of Directors' procedures are fully complied with, and advising the Board of Directors through the Chairman on all governance matters.
- 3.18. Appointment, determination of the term of office of the Corporate Secretary, early termination of his/her powers, as well as determination of the amount of salary and terms of remuneration shall be a matter for the Board of Directors as a whole.

Information and support

- 3.19. All members of the Board of Directors shall have access to accurate, timely and clear information relating to the business and affairs of the Company to enable them to discharge their duties, taking due account of the roles undertaken by such members. The Chairman is responsible for ensuring that members of the Board of Directors receive such information. The CEO and management have an obligation to provide such information, but members of the Board of Directors shall seek clarification or amplification where necessary. All members of the Board of Directors shall also have access to the advice and services of the Corporate Secretary, as he/she is responsible to the Board of Directors for ensuring compliance with the Board of Directors' procedures.
- 3.20. The Board of Directors shall ensure that Directors, especially non-executive Directors, have access to independent professional advice at the Company's expense where necessary to enable them to discharge their respective roles and responsibilities. Committees shall also be provided with sufficient resources including information to carry out their role and responsibilities effectively.

Performance evaluation

- 3.21. The Board of Directors shall undertake a formal and rigorous evaluation of its own performance and that of its Committees at least annually.
- 3.22. The Chairman shall act on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of the Board of Directors and making recommendation to the General Shareholders Meeting on any changes to the composition of the Board of Directors and processes of the Board of Directors as required.
- 3.23. The Board of Directors shall state in the annual report how performance evaluation of the Board of Directors and its Committees has been conducted.

PRINCIPLE 4: Risk Management and Internal Control

The Board of Directors shall ensure that the Company has an adequate, effective, well- defined and well-integrated risk management, internal control and compliance framework.

- 4.1. The Board of Directors shall, at least annually, conduct a review of the effectiveness of the Company's risk management, internal control and compliance framework and shall report to the shareholders that it has done so. The review shall cover all aspects of material controls, including management, financial, operational and compliance controls and risk management systems. The Board of Directors may satisfy this requirement by instructing an external auditor to undertake the review and report to it on its outcome. They shall satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and effective.
- 4.2. The Board of Directors shall establish formal and transparent arrangements for considering how it shall apply the financial reporting and internal control systems, and for maintaining an appropriate relationship with its external auditors.
- 4.3. The Board of Directors shall establish policies and procedures for the identification and oversight and management of material business risks and disclose a summary of those policies and procedures in its annual report. The Board of Directors shall also ensure that CEO and Company's management implements the requisite risk management and internal control systems to manage material risks.

Audit Committee

- 4.4. The Board of Directors shall establish and maintain an Audit Committee to monitor and review the Company's internal and external audit, risk management and internal controls. The main roles and responsibilities of the Audit Committee shall be set out in written terms of reference, be available on the Corporate website and include at least the following:
 - a) monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
 - b) reviewing the Company's internal financial controls and internal controls and risk management systems, as well as presenting recommendations to the Board on the Company's risk management policy and reviewing the Company's compliance with risk management policy and internal control policies. Assessing and regularly reviewing the reports of the risk management function on the Company's risk profile and effectiveness of its risk management system;
 - c) monitoring and reviewing the effectiveness of the Company's internal audit function;
 - d) making recommendations to the Board of Directors regarding determining the amount of payment for the services of an audit organization (external auditor) for the audit of the Company's financial statements, as well as an appraiser for assessing the market value of property transferred as payment for the Company's shares or that is the subject of a major transaction;
 - e) providing recommendations to the Board of Directors regarding the composition and term of office of the Company's internal audit service, the appointment of its head and members, as well as early termination of their powers, determining the operating procedure of the Company's internal audit service, the amount and conditions of remuneration and bonuses for employees of the Company's internal audit service;
 - f) assessing and monitoring the independence and objectivity of the external auditor's judgments, as well as the effectiveness of the audit process;
 - g) providing recommendations to the Board of Directors regarding developing and implementing policy on the engagement of the external auditor to supply non-audit services;

- h) reviewing the adequacy of arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action; and
 - i) reviewing regular reports from the compliance officer, oversight of the adequacy and effectiveness of the Company's compliance function.
- 4.5. The Audit Committee shall consist only of Independent Directors. At least one of the Independent Directors appointed to the Audit Committee shall have recent and relevant financial expertise. The chairman of the Audit Committee shall be an Independent Director.
- 4.6. A separate section of the annual report shall describe the work of the Audit Committee in discharging its responsibilities. The annual report shall also explain to Shareholders how, if the external auditor provides non-audit services, external auditor objectivity and independence is safeguarded.

PRINCIPLE 5: Shareholder Rights and Effective Dialogue

The Board of Directors shall ensure that the rights of shareholders are properly safeguarded through appropriate measures that enable the shareholders to exercise their rights effectively, promote effective dialogue with shareholders and Stakeholders as appropriate, and prevent any abuse or oppression of minority shareholders.

- 5.1. The Board of Directors as a whole, has responsibility for ensuring that a satisfactory dialogue with Shareholders takes place. Such dialogue shall be based on the mutual understanding of objectives and provision of adequate information relating to the Company, including financial information, and how the business and affairs of the Company are carried out.
- 5.2. The Board of Directors shall hold the General Shareholders Meeting at least annually.
- 5.3. The Board of Directors shall use the General Shareholders Meeting to communicate with Shareholders on important aspects of the Company's business and affairs and encourage their participation. Shareholders shall have the opportunity to ask questions of the Chairman and members of the Board of Directors, the CEO, as well as to place items on the agenda of General Shareholders Meetings and to propose resolutions, in compliance with requirements of the Charter and Legislation.
- 5.4. At any annual General Shareholders Meeting, the Company shall propose a separate resolution on each separate issue, including resolution relating to the report and accounts. Shareholders can vote in person, or without personal presence (using a power of attorney issued by the Shareholder to a third party or to a representative of the nominee holder).
- 5.5. The Chairman and other Directors, including non-executive Directors, as appropriate shall maintain sufficient contact with major shareholders to understand their issues and concerns. The Board of Directors shall keep in touch with Shareholder opinion using means, which are most practical and efficient taking into account the nature, scale and complexity of its operations and the nature of its Shareholder base. The Board of Directors shall use its Corporate website as a forum for the posting of information such as new strategies, calendar for important meetings and other events.
- 5.6. The Chairman shall ensure that the views of Shareholders are communicated to the Board of Directors as a whole. In addition, the Chairman shall discuss governance and strategy of the Company at least with its major Shareholders. Non-executive Directors shall be offered the opportunity to attend meetings with major Shareholders and shall expect to attend such meetings especially if requested by major Shareholders.
- 5.7. The Board of Directors shall ensure that no steps are taken, which may prevent Shareholders consulting with other Shareholders on issues concerning their basic shareholder rights, subject to

exceptions to prevent abuse. Similarly, the Board of Directors shall also protect minority Shareholders from any oppressive or abusive action by controlling or major Shareholders.

Stakeholders

- 5.8. While Shareholders of the Company form the major Stakeholder group of the Company, the Board of Directors shall also ensure that there are adequate channels of communication with its other key Stakeholders as appropriate to the nature, scale and complexity of its business operations, and the environment in which it operates. The Board of Directors shall make an assessment of the level of information that shall generally be made available to the public, or to any particular group of Stakeholders, relating to the affairs of the Company, and how best to make use of its Corporate website or any other channels of communication as appropriate to disseminate relevant information.

PRINCIPLE 6: Position and Prospects

The Board of Directors shall ensure that the Company's financial and other reports present an accurate, balanced and understandable assessment of the Company's financial position and prospects by ensuring that there are effective internal control, risk management and reporting requirements.

- 6.1. The Board of Directors' responsibility to present a true, balanced and understandable assessment of the Company's financial position and prospects shall extend to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by the Legislation or Listing Rules and other applicable legislation and regulations.
- 6.2. The Board of Directors shall explain in the annual financial report its responsibility for preparing that report and accounts, and there shall be a statement by the external auditor about its reporting responsibilities.
- 6.3. The Board of Directors shall include in the annual report an explanation of the basis on which the Company generates or preserves value over the longer term (the business model) and the strategy for delivering the objectives of the Company.
- 6.4. The Board of Directors shall report in annual and half-yearly financial statements that the business is a going concern, with supporting assumptions or qualifications as necessary.

PRINCIPLE 7: Remuneration

The Board of Directors must ensure that the Company has remuneration system and strategies that are well aligned with the long-term interests of the Company and compliant with the Charter and Legislation.

Directors' and Executive Remuneration

- 7.1. Levels of remuneration of Directors and CEO shall be sufficient to attract and retain Directors and CEO of appropriate quality, taking into account the nature, scale and complexity of the business of the Company, and to provide effective direction and leadership to the Company in managing its business and affairs successfully. In doing so, the Company shall avoid paying more than is necessary for this purpose.
- 7.2. The performance-related elements of remuneration shall form an appropriate proportion of the total remuneration package of the CEO and Company's management and shall be designed to promote the long-term interests and viability of the Company, to align their interests with those of Shareholders and other Stakeholders and to give these persons appropriate incentives to perform at the highest levels.

- 7.3. Levels of remuneration for non-executive Directors should reflect the time commitment and responsibilities of their respective roles and the objectivity of judgement in their decision-making required by them. The Company shall only pay a fixed annual fee to its non-executive Directors. No share options, phantom stock, or similar equity-linked instruments shall be granted to non-executive Independent Directors. Directors shall not be entitled to meeting attendance fees since attendance of Board and Committee meetings represents the basic duty of a Board member. The Company shall develop and disclose a clear Board of Directors' remuneration policy.
- 7.4. The Board of Directors shall ensure that there is a formal and transparent procedure for developing policies on executive and non-executive remuneration and any individual remuneration packages. No person shall decide his own remuneration, and ideally, all remuneration shall be subject to recommendations of the Nomination and Remuneration Committee.

Nomination and Remuneration Committee

- 7.5. The Board of Directors shall establish and maintain a Nomination and Remuneration Committee to assess the remuneration of Directors (including the Chairman), the CEO and other Company's senior managers the appointment of which is within the competence of the Board of Directors or General Shareholders Meeting in accordance with the Charter. The Nomination and Remuneration Committee shall comprise at least of three members, with a majority of those members being independent Directors. The chair of the Nomination and Remuneration Committee shall be an Independent Director. In addition, the Chairman of the Board of Directors may also be a member but not the chair of the Nomination and Remuneration Committee.
- 7.6. The Nomination and Remuneration Committee shall be granted responsibility for issuing recommendations on remuneration for all non-executive Directors and the Chairman (if applicable). The Nomination and Remuneration Committee shall also recommend and monitor the level and structure of remuneration for the CEO and other Company's senior managers the appointment of which is within the competence of the Board of Directors or General Shareholders Meeting in accordance with the Charter and Legislation, including key control functionaries, to ensure that the independence and objectivity of the decision-making by such control functionaries is not compromised or impaired by their remuneration structure. An important consideration that shall be taken into account in setting remuneration of key control functionaries of the Company is that their remuneration is not substantially linked to the profits generated by business or trading units whose activities are subject to monitoring and oversight by those functionaries.
- 7.7. The mandate, composition and working procedures of the Nomination and Remuneration Committee shall be well defined. The Nomination and Remuneration Committee shall make available on the Corporate website its written terms of reference explaining its role.
- 7.8. The Nomination and Remuneration Committee shall also be responsible for issuing recommendations to the Board of Directors regarding selection of any external consultants in respect of remuneration of non-executive Directors' and Company's senior managers. Where external consultants are engaged, a statement shall be made available in the annual report of whether they have any other connection with the Company.
- 7.9. Determination of the amount and terms of payment of remuneration and compensation to members of the Board of Directors is subject to approval by the General Shareholders Meeting.
- 7.10. The annual report of the Company shall contain sufficient information relating to the overall remuneration policy and strategy of the Company to demonstrate that the remuneration, particularly of the executive Directors and Company's senior management to properly link rewards to corporate and individual performance and outcomes, and to ensure that any performance-based remuneration granted is structured in such a way so as to not induce inappropriate risk taking by such individuals.

APPROVAL AND AMENDMENTS TO THE CODE

The Code comes into effect after its approval by the General Shareholders Meeting unless otherwise specified in such a decision of the General Shareholders Meeting. Changes and amendments to this Code may be made at any time based on a decision of the General Shareholders Meeting.