

IAS	"E-Finance Center" Joint-Stock Company	page/of
		1/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

APPROVED
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Board of Directors of the
"E-Finance Center" JSC
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(Minutes No. 10)

**Regulations on the Internal Audit Service of the "E-Finance Center"
Joint-Stock Company**

Nur-Sultan, 2021

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IAS	"E-Finance Center" Joint-Stock Company	page/of
		2/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

Content

Table of contents

1.	Definitions and abbreviations.....	3
2.	General provisions.....	3
3.	IAS status.....	4
4.	Mission and purpose of the IAS.....	5
5.	Main tasks and functions of IAS.....	5
6.	Restrictions in IAS activities.....	7
7.	Qualification requirements.....	7
8.	Rights and Powers of IAS.....	8
9.	IAS responsibility.....	10
10.	Imposition of penalties.....	10
11.	Evaluation of IAS activities.....	10
12.	Remuneration and bonuses for IAS employees.....	11
13.	Provision of information to the Board of Directors.....	12
14.	Interaction of the IAS with the Management Board.....	13
15.	Final provisions.....	14

Prepared by

Full Name	Position	Division	Signature
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IAS	"E-Finance Center" Joint-Stock Company	page/of
		3/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

1. Definitions and abbreviations

Company – "E-Finance Center" Joint Stock Company;

Положение – Regulations on the Internal Audit Service of the "E-Finance Center" Joint Stock Company;

Sole shareholder – the highest body of the Company (Ministry of Finance of the Republic of Kazakhstan);

The Board of Directors – the Company's management body;

Audit Committee (Audit Committee of the Board of Directors of the Company) – an advisory and consultative body of the Board of Directors, established to conduct detailed analysis and develop recommendations on the most important matters within the competence of the Audit Committee;

Management Board - collegial executive body of the Company;

IAS – Internal Audit Service of the Company (internal auditor).

2. General provisions

1. This Regulation defines the status of the IAS, the mission, purpose, tasks, functions, rights and responsibilities, requirements for the qualification of IAS employees, the procedure for interaction of the IAS with the Board of Directors and the Management Board and reporting to the Audit Committee, the Board of Directors, as well as the powers of the IAS auditor and the imposition of disciplinary sanctions.

2. Determination of the quantitative composition, term of office of the IAS, appointment of its employees (manager, members), as well as early termination of their powers, determination of the procedure for the operation of the IAS, the amount and conditions of remuneration and bonuses for IAS employees, decision-making on imposing disciplinary sanctions on them is carried out by the Board of Directors.

3. The functions of the IAS may be performed by the sole internal auditor of the Company.

4. Employment contracts with IAS employees are concluded on the basis of the decision of the Board of Directors by the Chairman of the Management Board in accordance with the labor legislation of the Republic of Kazakhstan.

5. The official duties, rights and responsibilities of IAS employees are determined on the basis of these Regulations, internal regulatory documents of the Company, and the employment contract.

6. The IAS, in carrying out its activities, is guided by the legislation of the Republic of Kazakhstan, the Company's Charter, decisions of the Board of Directors,
Prepared by

Full Name	Position	Division	Signature
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IAS	"E-Finance Center" Joint-Stock Company	page/of
		4/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

this Regulation, and other internal regulatory documents of the Company. Additionally, the IAS's activities are based on the International Professional Practices Framework for Internal Auditing and the Code of Ethics developed by The Institute of Internal Auditors, Inc. (hereinafter – the Standards and the Code of Ethics, respectively).

3. IAS status

7. The IAS is the Company's supervisory body, directly subordinate to and accountable to the Board of Directors, which oversees the Company's financial and economic activities, evaluates internal audit and risk management of the Company, complies with the legislation of the Republic of Kazakhstan, executes documents in the field of corporate governance and advises in order to improve the Company's activities.

8. The IAS should be independent of the influence of any persons when performing the tasks and functions assigned to it, in order to properly perform them.

9. In order to comply with the principles of objectivity and impartiality in the performance of their functions, IAS employees should not be involved in any activities that may subsequently be subject to internal audit and audit the activities or functions they performed during the period that is being audited.

10. The IAS performance is assessed by the Board of Directors.

11. IAS employees are subject to the provisions of the Company's internal regulatory documents, with the exception of documents that cannot be applied in accordance with the IAS status, the Company's Articles of Association and these Regulations.

4. Mission and purpose of the IAS

12. The mission of the IAS is to provide the necessary assistance to the Board of Directors and the Management Board in fulfilling their responsibilities to achieve the Company's strategic goals.

13. The main purpose of the IAS activity is to provide the Board of Directors with independent and objective information designed to ensure effective management of the Company by introducing a systematic approach to improving risk management, internal control and corporate governance systems.

Prepared by

Full Name	Position	Division	Signature
Kozhanazarova G.A.	Internal Auditor	IAS	

IAS	"E-Finance Center" Joint-Stock Company	page/of
		5/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

5. Main tasks and functions of IAS

14. The main objectives of the IAS are:

1) evaluating, advising, and contributing to the improvement of risk management, internal control, and corporate governance processes using a systematic and consistent approach;

2) assessment of the reliability, completeness, and objectivity of the accounting system and the reliability of financial statements in the Company;

3) assessment of the rationality and efficiency of using the Company's resources and the methods (ways) used to ensure the safety of the Company's assets.

15. In accordance with the tasks assigned to it, the IAS performs the following functions in accordance with the established procedure:

1) provides the Board of Directors with independent objective information about the Company's activities;

2) evaluates the adequacy and effectiveness of the internal control system in the Company;

3) carries out an assessment of the effectiveness of the risk management system in the Company;

4) carries out an assessment on the implementation and compliance with the accepted principles of corporate governance, relevant ethical standards and values in the Company;

5) carries out an assessment of the risk of violations and the effectiveness of management of this risk in the Company;

6) evaluates compliance with the requirements of the legislation of the Republic of Kazakhstan, international agreements, internal regulatory documents of the Company, as well as compliance with the instructions of authorized and supervisory authorities, decisions of the Company's bodies, and evaluates the systems created to comply with these requirements;

7) evaluates the adequacy of the measures applied by the Company's structural divisions to ensure the achievement of their goals within the framework of the Company's strategic goals;

8) conducts an assessment of compliance with the requirements of the legislation of the Republic of Kazakhstan in the field of informatization and information security;

9) identifies and discloses any cases of violation of ethical principles in Company;

Prepared by

Full Name	Position	Division	Signature
Kozhanazarova G.A.	Internal Auditor	IAS	

IAS	"E-Finance Center" Joint-Stock Company	page/of
		6/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

10) monitors the Company's compliance with the recommendations of the external auditor;

11) assists the Management Board and employees of the Company in developing and monitoring the implementation of procedures and measures to improve the risk management and internal control system, corporate governance;

12) coordinates activities with the Company's external auditor, as well as persons providing consulting services in the field of risk management, internal control and corporate governance;

13) conducting an assessment of the security of information systems and their effective use within the framework of the established internal audit procedure;

14) prepares and submits quarterly and annual reports to the Audit Committee and the Board of Directors on the results of the IAS activities and the implementation of the annual audit plan (including information on significant risks, deficiencies, results and effectiveness of measures to eliminate identified deficiencies, the results of assessing the actual condition, reliability and effectiveness of the risk management system, internal control and corporate governance);

15) verifies compliance by members of the Management Board and employees of the Company with the provisions of the legislation of the Republic of Kazakhstan and internal regulatory documents of the Company related to insider information and anti-corruption, compliance with ethical requirements;

16) provides consultations to the Board of Directors, the Management Board, and structural divisions of the Company on the organization and improvement of internal control, risk management, corporate governance, and internal audit (including the development of internal regulatory documents and projects in these areas), as well as on other issues within the competence of the IAS;

17) participates in the development of the Company's internal regulatory documents related to corporate governance and internal control;

18) performs other functions assigned to the IAS, within its competence and without affecting the principle of its independence.

6. Restrictions in IAS activities

16. In order to comply with the principles of objectivity and impartiality in the performance of their functions, IAS employees should not:

1) be involved in any activities that may subsequently be subject to internal audit and engage in an audit of the activities or functions they performed during the period that is being audited;

Prepared by

Full Name	Position	Division	Signature
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IAS	"E-Finance Center" Joint-Stock Company	page/of
		7/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

- 2) perform duties unrelated to the activities of the IAS;
- 3) to participate in any activity that could damage the impartiality of the assessment of IAS employees or be perceived as causing such damage;
- 4) to use confidential information for personal benefit or in any other way contrary to the legislation of the Republic of Kazakhstan, or capable of harming the Company.

7. Qualification requirement

17. An IAS employee must have:

- 1) higher professional education in economics and finance, and/or accounting and auditing, and/or law, and/or computer science;
- 2) work experience in the field of audit, and/or accounting, and/or finance, and/or law, and/or information technology – at least three years;
- 3) knowledge of regulatory legal acts of the Republic of Kazakhstan, including those related to auditing, accounting and taxation;
- 4) knowledge of international financial reporting standards, as well as Standards and Code of Ethics.

8. Rights and Powers of IAS

18. In order to carry out its main tasks and perform its functions, the IAS has the right, in accordance with the established procedure:

- 1) to obtain unhindered access to personnel, assets, documents, accounting records, software and any other information requested in connection with the internal audit, including information and information constituting commercial and official secrets of the Company;
- 2) request and receive any information and documents (originals and/or copies), including draft documents submitted for approval by the Sole Shareholder, the Board of Directors, the Management Board, as well as all orders/minutes of the specified bodies of the Company;
- 3) to monitor the Company's implementation of measures (corrective actions) carried out based on the results of audits;
- 4) participate in meetings and meetings of the Company's working bodies (committees, commissions, working groups, etc.) provided that the balance is maintained between the independence and objectivity of internal audit and non-involvement in the Company's operational activities;

Prepared by

Full Name	Position	Division	Signature
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IAS	"E-Finance Center" Joint-Stock Company	page/of
		8/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

5) to make proposals to the Board of Directors on improving internal audit procedures and methods, changing the control system and management policy of the Company;

6) participate in the preparation and implementation of the Company's programs and projects in the areas of IAS activities;

7) to consult with the structural divisions of the Company and other organizations on issues within the competence of the IAS;

8) to offer recommendations to the Management Board on optimization/improvement of their activities;

9) to propose recommendations to the Board of Directors on optimizing/improving the activities of the IAS;

10) attend and participate in meetings of the Board of Directors related to audit, financial reporting, corporate governance, risk management and internal control;

11) participate in programs aimed at training, retraining, and advanced training of the Company's employees and certification programs for internal auditors;

12) to exercise other rights that do not contradict the legislation of the Republic of Kazakhstan, the Company's Charter, these Regulations and internal regulatory documents of the Company.

19. Mandatory powers of the IAS auditor include::

1) ensuring the preparation of the annual audit plan of the IAS, approved in turn by the Board of Directors and monitoring its implementation;

2) ensuring the development of internal regulatory documents of the Company and methodological recommendations on internal audit and other documents related to the activities of the IAS;

3) assessment of the effectiveness of the internal control system and the risk management system, assessment of corporate governance using generally accepted standards of activity in the field of internal audit and corporate standards;

4) assistance to the Company in maintaining a reliable system of internal control, assessing its efficiency and effectiveness and contributing to its continuous improvement;

20. IAS annually prepares and submits for preliminary approval to the Audit Committee and for approval to the Board of Directors an annual audit plan, and also informs the Audit Committee and the Board of Directors about all restrictions that impede the implementation of the plan.

Prepared by

Full Name	Position	Division	Signature
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IAS	"E-Finance Center" Joint-Stock Company	page/of
		9/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

21. IAS quarterly reports on IAS performance according to the annual audit plan periods approved by the Board of Directors.

22. IAS annually submits to the Audit Committee and the Board of Directors an annual report on the performance of IAS.

9. IAS responsibility

23. The IAS is responsible for timely and high-quality performance of the functions and tasks assigned to it, in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company, this Regulation, labor contracts and other internal regulatory documents of the Company.

24. The IAS is responsible for disclosure of any information that constitutes official and/or commercial secrets in accordance with the internal regulatory documents in force in the Company, for non-observance of confidentiality of information.

10. Imposition of penalties

25. For violation of labor discipline or improper performance of the assigned labor duties by the decision of the Board of Directors, disciplinary sanctions are applied to IAS employees in accordance with the established procedure.

26. Procedures for imposing disciplinary sanctions are carried out in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of the Company.

11. Evaluation of IAS activities

27. Assessment of the efficiency of the IAS, its manager and employees is carried out by the Board of Directors on the basis of consideration of IAS reports, compliance with the deadlines for the implementation of the annual audit plan and reporting, assessment of the compliance of reports with the requirements of standards and internal regulatory documents of the IAS.

28. The IAS ensures regular (internal and external) assessment of the efficiency and quality of its work, which is submitted to the Board of Directors for consideration, while:

Prepared by

Full Name	Position	Division	Signature
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IAS	"E-Finance Center" Joint-Stock Company	page/of			
		10/14			
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.			

1) internal assessment (self-assessment) is carried out each year by the IAS independently in accordance with the Standards;

2) external assessment is carried out at least once every five years by an external auditor elected in accordance with the established procedure by the decision of the Board of Directors or by the Sole Shareholder.

12. Remuneration and bonuses for IAS employees

29. The salary is determined by the amount established by the employment contract (additional agreement) of the official salary and other payments of a compensatory and incentive nature in accordance with the legislation of the Republic of Kazakhstan and this Regulation.

30. Payroll is calculated in accordance with the time table.

31. The amount, terms of remuneration and bonuses for IAS employees are determined by the decision of the Board of Directors, and may be changed by decision of the Board of Directors.

32. By decision of the Company's Board of Directors, IAS employees may be paid a bonus based on the results of IAS work for the reporting period (quarter), after reviewing the IAS activity report for the reporting period.

33. IAS employees may receive bonuses for state, national and professional holidays in accordance with the procedure prescribed for the Company's employees and within the limits of the savings of the approved wage fund. The corresponding bonus is carried out on the basis of an order from the Chairman of the Management Board or an official acting as such.

34. The amount of bonuses based on the results of the reporting period (for the year) is determined by a decision of the Board of Directors, previously reviewed by the Audit Committee, based on an individual approach to assessing the IAS and depends on the qualitative and quantitative characteristics of its implementation of the approved annual audit plan in the reporting period.

35. Bonuses for IAS employees are provided within the limits of the funds provided for these purposes in the Company's budget, as well as through savings on labor costs.

36. The bonuses provided for in these Regulations are not carried out in the presence of: disciplinary punishment and/or probation.

37. IAS employees are provided with a paid annual work leave of 30 (thirty) calendar days, while maintaining their average salary.

Prepared by

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IAS	"E-Finance Center" Joint-Stock Company	page/of
		11/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

38. IAS employees who have worked in the Company for at least one calendar year are paid a one-time recovery allowance in the amount of one official salary upon granting annual paid work leave.

At the same time, in the case of granting paid annual leave in parts, a one-time recovery allowance is paid to the IAS employee in full simultaneously with the accrued amount for the first part of the leave.

39. To apply for leave and receive health benefits, an IAS employee sends an application to the Chairman of the Management Board, signed by the head of the IAS (if any). On the basis of this statement, the Chairman of the Management Board or the person acting as such issues an order to grant leave to the IAS employee.

13. Provision of information to the Board of Directors

40. The IAS annually submits to the Audit Committee and the Board of Directors a report on the results of its activities by the 15th day of the second month following the reporting year.

41. Quarterly and annual reports are provided according to the approved deadlines in the annual audit plan.

42. Reports (quarterly and annual) on the results of the IAS activities should include:

1) summary conclusions on the results of the audit assignments performed in accordance with the IAS annual audit plan for the relevant year, indicating the recommendations issued (if necessary, with the relevant materials attached);

2) information about other activities and work carried out by the IAS during the reporting period (results of unscheduled audit assignments and monitoring of external auditors' recommendations, own recommendations, information about participation in trainings, etc.);

3) an audit report on the objectives and scope of the audit, summarizing the audit results for the reporting period.

43. The Board of Directors reviews reports on the activities of the IAS and makes decisions on them in accordance with the established procedure.

14. Interaction of the IAS with the Management Board

Prepared by

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IAS	"E-Finance Center" Joint-Stock Company	page/of
		12/14
Date of introduction	Regulations on the Internal Audit Service of the "E-Finance Center" Joint-Stock Company	Amendment No.

44. The IAS's relations with the Management Board should be based on the principle of independence, since the level of organizational and functional independence of the IAS has a direct impact on the objectivity of the IAS employees.

45. Based on the results of its activities, the IAS provides the Management Board with an assessment of the quality of implementation of management decisions made by managers at various levels of the Company.

46. As part of interaction with the IAS Board:

1) for information purposes, submits to the Management Board the annual audit plan for the relevant year approved by the Board of Directors;

2) provides the Management Board with copies of the relevant audit reports (quarterly and annual) based on the audit assignment.

47. The Board, in accordance with the established procedure, must:

1) contribute to the creation of an effective internal audit environment in the Company, to assist the IAS in fulfilling its mission, tasks, functions and responsibilities, and in exercising the rights of the IAS;

2) in accordance with the established procedure, ensure that the Company's budget includes expenses related to education and training on relevant topics and programs approved by the Board of Directors;

3) provide administrative (organizational and technical) support for the IAS.

48. The Board's interference in the activities of the IAS is not allowed.

15. Final provisions

49. Amendments and additions to these Regulations may be made in accordance with the established procedure by a decision of the Board of Directors.

50. In the event of changes in the legislation of the Republic of Kazakhstan and in the event of contradictions between certain provisions of these Regulations, these provisions of the Regulations become invalid until changes are made to the Regulations, the Company's officials and employees are guided by the current legal acts of the Republic of Kazakhstan or the Company's Charter.

Prepared by

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