

**Approved by the decision of the General
Stockholders' Meeting of Air Astana JSC
(Minutes №183 dated 31 March 2023)**

**REGULATIONS OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF AIR ASTANA JSC**

ALMATY, 2023

TABLE OF CONTENTS:

1. GENERAL PROVISIONS	3
2. COMPETENCE OF THE COMMITTEE	4
3. RIGHTS AND OBLIGATIONS OF THE COMMITTEE	4
4. COMPOSITION OF THE COMMITTEE	9
5. CHAIRMAN OF THE COMMITTEE	9
6. MEETINGS OF THE COMMITTEE	10
7. CONCLUSION	12

1. GENERAL PROVISIONS

- 1.1 The present Regulations of the Audit Committee of the Board of Directors (hereinafter as the Regulations) of Air Astana JSC (hereinafter as the Company) have been developed in accordance with the legislation of the Republic of Kazakhstan, Charter of the Company, Corporate Governance Code of the Company and best international practices in the field of corporate governance.
- 1.2 The Regulations define the status and competence of the Audit Committee of the Board of Directors of the Company (hereinafter as the Committee), its rights and obligations, composition, functions, order of formation, work and interaction with the Company's bodies.
- 1.3 The Committee is a consulting and advisory body of the Board of Directors which provides oversight on behalf of the Board of Directors and shall be created to assist the effective performance of the functions of the Board of Directors and for the fundamental study of issues which fall within the competence of the Board of Directors or which are under the review of the Board of Directors for the providing oversight of the activity of the Executive Body of the Company and developing recommendations to the Board of Directors and the Executive Body of the Company.
- 1.4 The Committee shall report to the Board of Directors and act within the authorities granted by the Board of Directors and in accordance with the present Regulations.
- 1.5 The recommendations of the Committee with regards to the issues falling within the competence of the General Stockholders' Meeting of the Company according to the Charter and approved by the Board of Directors shall be addressed to the General Stockholders' Meeting for consideration and taking decision in the order established by the legislation.
- 1.6 In its activity the Committee shall be governed by the current legislation of the Republic of Kazakhstan, Charter of the Company, Regulations of the Board of Directors of the Company, the present Regulations and other decisions of the Board of Directors of the Company.
- 1.7 The terms which are used but not defined herein shall be used in the meanings in which they are used in the Legislation, Charter and the Corporate Governance Code of the Company.

2. COMPETENCE OF THE COMMITTEE

- 2.1 The following shall fall within the competence of the Committee:
- 2.1.1 to develop recommendations to the Company's Board of Directors on the appointment and change of the external auditor, on determining the amount to be paid to the external auditor, on evaluating the quality of services rendered by the external auditor, on receiving the related services from the external auditor;
 - 2.1.2 to develop recommendations to the Company's Board of Directors on appointment and early termination of authorities of the Head of the Internal Audit Service, Chief Compliance and Sustainability Officer and the Head of the Internal Control Department;
 - 2.1.3 to hold meetings with external auditors and the Internal Audit Service without representatives of the Company's management being present;
 - 2.1.4 to initiate and conduct any investigations of the issues under the supervision of the Committee as defined in the present Regulations;
 - 2.1.5 to request for and receive any information on the activity of the Company from its employees;
 - 2.1.6 to develop recommendations to the Company's Board of Directors on involving independent consultants (experts).

3. RIGHTS AND OBLIGATIONS OF THE COMMITTEE

- 3.1 The Committee shall have the right to:
- 3.1.1 request for documents, reports, explanations and other information from the members of the Board of Directors, Committees of the Board of Directors, the Executive Body, the Internal Audit Service, the Corporate Secretary and other employees of the Company. The Company shall be obliged in the established order provide the Committee with all necessary materials and resources at own expense;
 - 3.1.2 when necessary, invite the members of the Board of Directors and Committees of the Board of Directors, Head of the Executive Body and other persons to attend its meetings;
 - 3.1.3 in the established order use the services of external experts and consultants within the amounts provided by the Budget of the Company for current year;
 - 3.1.4 each member of the Committee shall have the right to require reflecting in the minutes of the meeting of the Committee his/her own special opinion with regards to the issues of the agenda and the decisions taken.
- 3.2 The Committee shall be obliged to:
- 3.2.1 on the issue of financial statements:
 - a) review the integrity of the financial statements of the Company including its annual and semi-annual financial statements, and any formal announcements relating to the Company's

financial performance and review significant financial reporting judgements contained in them;

- b) review disclosure in the Company's financial reports for accuracy and comprehensiveness;
- c) discuss with the senior management of the Company financial statements as well as justification and applicability of the applied principles of financial statements, significant estimated figures in the financial statements and significant audit adjustments of the statements;
- d) discuss with the senior management of the Company, external auditor and the Internal Audit Services the proposed (supposed) changes in the accounting policy of the Company and impact of these changes on the statements' content;
- e) consider any significant disagreements between external auditor and the Company's management regarding the financial statements of the Company;
- f) preliminarily approve the accounting policy of the Company;
- g) make recommendation to the Board of Directors to preliminarily approve the annual financial statements of the Company prior to their release.

3.2.2 on the issue of external audit:

- a) review issues on appointment and change of the external auditor of the Company and prepare recommendations on this issue to the Board and to the General Stockholders' Meeting;
- b) agree a tender process for the selection of the external auditor;
- c) request and review the comparison matrix with commercial proposals of potential suppliers of the external auditors;
- d) preliminary approve and recommend the important terms of the draft agreement (contract) on auditing the annual financial statements of the Company and any further important changes to it;
- e) influence the appointment of an engagement partner of the external auditor;
- f) discuss with the external auditor the proposed plan and audit scope with requirements of the Stockholders and the Board of Directors of the Company;
- g) review the results of annual and semi-annual audits, including responses of the Company on audit results together with the external auditor;
- h) conduct meetings with external auditors without representatives of the Company's management being present;
- i) review development and implementation of policy related to selection of external auditor and procurement of services including non-audit services from the external auditor;

- j) review provided information/document by the external auditor explaining why the provision of non-audit service will not jeopardize the external auditor's independence and provide preliminary approval for it and submit to the Board of Directors for information;
- k) review of assessment of the independence and objectivity of the external auditor by making sure that the Company has no financial, business, employment, family or other personal relationships with the external auditor that could adversely affect the auditor's independence and objectivity;
- l) review of assessment of the effectiveness of the external audit process by obtaining from the external auditor necessary information;
- m) review the audit representation letters before signature and give particular consideration to matters where representation has been requested that relate to non-standard issues;
- n) initiate investigation the issues giving rise to resignation and consider if the external auditor resigns and if any action is required;
- o) review and monitor management's responsiveness to the external auditor's findings and recommendations.
- p) request investigation disputes between external auditors and the Company's management;
- q) preliminary approve an internal document/s for selection of the external auditor and for procurement of services from the external auditor;
- r) approve non-audit services from the external auditor by assessing the potential effect on the financial statements and the external auditor's independence and inform the Board of Directors of this approval.

3.2.3 on the issue of internal audit:

- a) make recommendation to the Board of Directors to preliminarily approve the candidate for the Head of the Internal Audit Service of the Company and the decision on early termination of his/her authorities;
- b) preliminarily approve and recommend determination of employees number, employees schedule as well as appointment and termination of authority of the IAS employees;
- c) preliminarily approve the amount and conditions of remuneration and recommend the amount of bonuses to the employees of the Internal Audit Service, preliminarily approve qualification requirements to the employees of the Internal Audit Service;
- d) preliminarily approve the Regulations of the Internal Audit Service and amendments to it;
- e) approve the Internal Audit Manual defining policies and procedures of the Internal Audit Service of the Company and a quality assurance and improvement program of the Internal Audit Service;
- f) ensure independence of the Internal Audit Service from the management of the Company and also consider any cases when independence or objectivity is impaired in fact or appearance disclosed by the Head of the Internal Audit Service;

- g) consider issues of current restrictions preventing the Internal Audit Service from fulfilling tasks in an efficient way and promoting to elimination of such restrictions;
- h) approve the Strategic Plan of the Internal Audit Service;
- i) preliminarily approve the Annual Audit Plan of the Internal Audit Service;
- j) review the summary of all reports produced by the Internal Audit Service and have access to all such reports in full, if necessary;
- k) conduct meetings with the Head of the Internal Audit Service without representatives of the Company's management being present regularly;
- l) evaluate the activity of the Internal Audit Service and provide feedback, if necessary;
- m) give instructions to the Internal Audit Service to conduct independent audit review of the issues are they are interested;
- n) consider the management's actions are taken to implement the Internal Audit Service recommendations and whether these properly support the effectiveness of the internal control system;
- o) consider the Internal Audit Service evaluation of the effectiveness of the risk, compliance and finance functions.

3.2.4 on the issue of internal control and risk management:

- a) analyze reports of external auditor and the Internal Audit Service on status of internal control and risk management systems;
- b) analyze efficiency of the tools of the Company's internal control and risk management systems and give proposals regarding these and other related issues;
- c) provide oversight implementation of recommendations provided by the external auditors and the Internal Audit Services of the Company regarding the internal control and risk management systems;
- d) preliminary approve policies and procedures for risk management system of the Company;
- e) analyze results and quality of the measures (remedial steps) elaborated by the Company for the enhancement of the internal control and risk management systems;
- f) conduct meetings with the management of the Company on regular basis for considering significant risks and control issues and the Company's respective plans for improvement of the risk management and internal control systems;
- g) regularly review reports on changes of risk map, changes to the risk register, risk appetite, reports with information on realized risks, the reports of the risk management function on the Company's risk profile;
- h) review the effectiveness of controls over the financial reporting;

- i) provide oversight to the reliability and efficiency of the internal control and risk management systems;
- j) oversee the relationship between the risk management, internal control, compliance, finance, internal audit function and the external auditor to ensure that they are coordinated and operating effectively for proper coverage and avoidance of duplication of efforts;
- k) review the sufficiency of business continuity plans and processes.

3.2.5 on the issue of law compliance:

- a) evaluate the effectiveness of the internal procedures of the Company intended to provide compliance with applicable laws;
- b) review reports of the regulatory bodies (including tax inspection bodies), external and auditors and the Internal Audit Service, management of the Company on applicable law compliance issues;
- c) review the system of measures through which the Company's employees would be able to raise confidentially any issues with regards to possible inconsistencies in financial reporting or other issues and preliminary approve the "hot line" procedure for the employees of the Company to address with the information on supposed law violations and abusive practices, including information on completeness and accuracy of the financial statements on confidential and anonymous basis. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- d) review the procedures for confidential reports on violations related to financial reporting, internal control, risk management and ethical issues;
- e) provide recommendations with regard to the documents regulating the activity of the Company's Compliance and Sustainability Department;
- f) provide oversight of the adequacy and effectiveness of the Company's compliance function;
- g) review regular reports from the Company's Chief Compliance and Sustainability Officer on the issues related to corporate fraud, corruption, conflict of interest, unethical behavior, etc.

3.2.6 on the issue of reporting on activity:

- a) report to the Board of Directors on its activity on regular basis;
- b) prepare information on results of work of the Committee for presenting it in the report for the Annual Stockholders' Meeting.

3.2.7 on other issues:

- a) work out recommendations on conduction of special investigations (checks, including involvement of independent consultants (experts), if necessary;

- b) review fraud cases and evaluates the adequacy of further fraud prevention measures taken by the Executive Body of the Company;
- c) provide oversight to the Company's cybersecurity and data protection and privacy practices, processes, safeguards, resources and training;
- d) review reports on the Company's approach to controlling and mitigating the Company's exposure to cybersecurity and privacy risks, compliance with applicable information security, privacy and data protection laws, industry standards and contractual requirements;
- e) perform other duties falling within the competence of the Committee and in accordance with requirements of the present Regulations and upon the instructions by the Board of Directors.

4. COMPOSITION OF THE COMMITTEE

- 4.1 Composition, term of office of the Committee, election of its Chairman and members as well as dismissing them prior to expiration of their terms shall be subject to preliminary approval of the Board of Directors of the Company with further approval by the General Stockholders' Meeting of the Company.
- 4.2 The members of the Committee shall be elected by the majority of votes of the members of the Board of Directors of the Company with further approval by the General Stockholders' Meeting of the Company.
- 4.3 The Committee shall be chaired by an Independent Director and consist solely of Independent Directors.
- 4.4 The members of the Committee shall be obliged to inform the Board of Directors on any changes in their status of independent director as soon as possible from the moment of loss of the mentioned status or the conflict of interest arising in connection with the decisions to be made by the Committee.
- 4.5 The Chairman and members of the Committee collectively shall have in-deep knowledge and practical experience in accounting and/or preparation of financial statements and audit, risk management and internal control.
- 4.6 The Committee shall appoint a Secretary who shall provide organizational and informational support to the Committee.

5. CHAIRMAN OF THE COMMITTEE

- 5.1 The Chairman of the Committee shall be elected by the Board of Directors from among Independent Directors.

- 5.2 The Chairman of the Committee shall organize the activity of the Committee, namely:
- 5.2.1 convene and preside the meetings of the Committee;
 - 5.2.2 approve the agenda of the meetings of the Committee, including the contents of the issues to be submitted for consideration by the Committee;
 - 5.2.3 organize discussions of the issues at the meetings of the Committee as well as consider the opinions of the persons invited to the meetings;
 - 5.2.4 develop the plan of ordinary meetings for the current year in view of the plan of the meetings of the Board of Directors of the Company.

6. MEETINGS OF THE COMMITTEE

- 6.1 The Committee shall conduct regular meetings in presentia at least once a quarter and extraordinary meetings as need arises. The Committee shall annually make up the plan of work to be approved by the Chairman of the Committee.
- 6.2 The Secretary of the Committee shall ensure arranging and holding the meetings of the Committee, collection and systematization of the materials for the meetings, timely sending to the members of the Committee and invited persons notifications on holding the meetings of the Committee, the agenda of the meetings, materials on the agenda of the meetings, taking minutes of the meetings, drawing up proposed decisions of the Committee and subsequent keeping all relevant materials. Notifications on holding the meetings of the Committee and materials to them shall be sent out to the persons participating in the meeting at least 10 (ten) calendar days prior to the planned date of the meeting of the Committee. Each member of the Committee shall be entitled to waive the requirement of 10-day notice by submitting a written waiver to the Chairman of the Committee or by presence at the meeting with the purpose other than objection to the improper notification. The Secretary of the Committee shall ensure receipt of required information by all members of the Committee.
- 6.3 There will be a quorum if three Independent Directors-members of the Committee participate in the meeting of the Committee. With that, it is admitted to participate in the meeting of the Committee by way of videoconference, conference-call and using other means of communication.
- 6.4 The decision on convening ordinary meeting of the Committee, date, time and place and the agenda issues as well as the list of the persons invited to attend the meeting shall be made by the Chairman in accordance with the plan of holding the ordinary meetings of the Committee.
- 6.5 The extraordinary meeting of the Committee can be convened by its Chairman or at the request of:
- 1) any member of the Committee,
 - 2) the Stockholder,
 - 3) the Internal Audit Service,
 - 4) the Compliance and Sustainability Department,

- 5) upon written request of the General Stockholders' Meeting and the Executive Body of the Company.

If the Chairman of the Committee rejects to call the meeting, the originator shall have the right to address such request to the Board of Directors of the Company which shall be obliged to call the meeting of the Committee. The meeting of the Committee shall be conducted with necessarily invitation of the person who set up such a request.

- 6.6 The decisions of the Committee shall be made in the form of voting in presentia, in absentia or mixed voting. The Committee shall strive to minimize the number of the meetings in absentia.
- 6.7 When making decision at the meeting of the Committee, each member of the Committee shall have one vote. Decisions of the Committee shall be adopted in case if three members of the Committee voted positively for the adoption of the decision. In case of lack of consensus on the decision to be taken, each member of the Committee shall provide his/her special opinion to the Board of Directors of the Company.
- 6.8 The members of the Committee shall participate in all meetings. No person other than the Chairman of the Committee, its members and Secretary may attend the meetings, except for the cases provided by the present Regulations. One representative of each of the Stockholders and the Company shall have the right to attend the meetings of the Committee as experts, having relevant professional knowledge, with the right of receiving notifications of and materials to the meetings of the Committee, participating in discussions and expressing their opinion with regards to the issues considered, without right of voting on the agenda issues.
- 6.9 In case of necessity, the following persons may attend the meetings of the Committee by the invitation:
 - 1) Head of the Internal Audit Service;
 - 2) Partner of the External Auditor;
 - 3) Chief Executive Officer and other needed representatives of the Company, including the Chief Financial Officer and/or the VP Finance and/or Chief Accountant;
 - 4) Chief Compliance and Sustainability Officer;
 - 5) Head of the Internal Control Department;
 - 6) Independent consultants (experts).
- 6.10 In case of necessity the Committee may conduct separate meetings with the senior management of the Company, external auditor, the Internal Audit Service, the Internal Control Department and the Compliance and Sustainability Department.
- 6.11 Minutes shall be signed by the members and the Secretary of the Committee in two original counterparts one of which shall be provided to the Board of Directors of the Company with attachment of prepared materials and recommendations. The Secretary of the Committee shall keep minutes of meetings of the Committee.
- 6.12 Each member of the Committee shall have the right to express his/her special opinion which shall be recorded in the minutes of the meeting of the Committee. In cases when no decision can be made on certain matters due to the interest of any member/s of the Committee, this fact shall be recorded in the minutes of the meeting of the Committee.

7. CONCLUSION

- 7.1 The present Regulations shall come into force on the date of approval thereof by the General Stockholders' Meeting of the Company.
- 7.2 The present Regulations can be amended and changed upon the decision of the General Stockholders' Meeting of the Company.
- 7.3 Should, as a result of amendments to the legislation of the Republic of Kazakhstan, certain clauses of the present Regulations contradict the current legislation of the Republic of Kazakhstan, such clauses shall cease to be in force and, until the moment of amending the present Regulations, the current legislation of the Republic of Kazakhstan shall be governed by.