

# CORPORATE REPORT

Corporate Governance

Internal Audit

Risk Management System

Corporate Responsibility and Staff



2 332,86

2 330,29

2 319,93

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2 318,89

2 307,64

2 304,45

2 288,00

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2 256,38

# CORPORATE REPORT

## CORPORATE GOVERNANCE

### INFORMATION ABOUT SHAREHOLDERS

As at January 1, 2020, the total number of authorized shares of the Exchange amounted to 5 mln pieces; 974,373 of them are outstanding. The Exchange bought back 13,329 pieces of shares. The Exchange has 58 shareholders including banks, brokerage firms and retail investors (individuals). The National Bank owns 49.108% of the total number of outstanding shares.

The main change in the composition of KASE shareholders in the reporting year was that the Moscow Exchange became a shareholder and that the stakes of other shareholders in the Exchange's capital have declined proportionately.

MOEX acquired 32,360 previously unplaced KASE shares as part of the implementation of the Strategic Cooperation Agreement concluded by KASE and MOEX in October 2018. As a result, the total number of shares paid-up by KASE shareholders reached 974,373 pieces and MOEX's share in KASE's capital amounted to 3.32% of outstanding shares. The deal took place in January 2019.

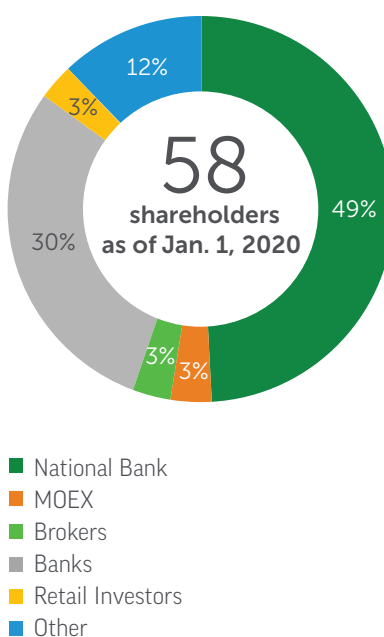
### GENERAL MEETING OF SHAREHOLDERS

General Meeting of Shareholders is the supreme management body of the Exchange in accordance with the legislation of the Republic of Kazakhstan. List of issues pertaining to the competence of the General Meeting of Shareholders is defined by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Charter of the Exchange.

In 2019, the Annual General Meeting of the Exchange's shareholders approved amendments to the Exchange's charter (taking

into account changes and additions to the legislation of the Republic of Kazakhstan) and the Regulation on the Board of Directors (the requirements for candidates for the Board of Directors and the rules and procedures for providing information about candidates for the Board of Directors are established).

**Fig.26. KASE shareholders**



## BOARD OF DIRECTORS OF KASE

The Board of Directors is the governing body of the Exchange that carries out general management of the Exchange except for the matters that are within the exclusive competence of the General Meeting of Shareholders of the Exchange according to the Law of the Republic of Kazakhstan "On Joint Stock Companies" and/or the Charter of the Exchange.

Meetings of the Board of Directors of KASE in 2019 were conducted on a regular basis in accordance with the Regulations on the Board of Directors. The Board of Directors held extraordinary meetings on an as-needed basis.

During the reporting period, the Board of Directors considered both issues of strategic and current operations of the Exchange within its competence. The issues on the agenda and decisions made on these issues are recorded in the relevant minutes of meetings of the Board of Directors of the Exchange and the decisions taken by absentee voting of its members.

During the reporting period, the Board of Directors of the Exchange held 20 meetings in presentia and 32 meetings in absentia, reviewed and approved 52 documents of the Exchange governing its internal operations including amendments to the existing internal documents of KASE in accordance with the legislation of the Republic of Kazakhstan on securities market and on joint stock companies.

On May 30, 2018, the General Meeting of Shareholders formed new Board of Directors:

- three unelected members of the Board of Directors (two representatives of the National Bank of Kazakhstan as an authorized body and owner of "a golden share" and the chairman of the Management Board of the Exchange by virtue of his/her position);
- three independent directors of the Exchange;
- three members representing interests of the Exchange's shareholders.

During 2019, representatives of the National Bank of Kazakhstan, who are members of the Board of Directors on a permanent basis in accordance with the law of the Republic of Kazakhstan "On the Securities Market", were changed in the Board of Directors, namely, since April 2019, Eszhan Amantayevich Birtanov, Deputy Chairman of the National Bank, and Ivan Vyacheslavovich Serdyuk, Deputy Director of the Department of Monetary Operations of the National Bank, have been elected to the Board of Directors of the National Bank. Prior to that date, Zhanat Bostanovich Kurmanov, Deputy Chairman of the National Bank, and Adil Nurlanovich Mukhamejanov, Deputy Director of the Monetary Operations Department of the National Bank, were the members of the KASE Board of Directors.





## THE COMPOSITION OF THE BOARD OF DIRECTORS

Representatives of the authorized body  
under the Law of the Republic of Kazakhstan  
"On the Securities Market"

From January 1 to March 3, 2019



### ZHANAT KURMANOV

Chairman of the Board of Directors

Deputy Chairman of the National Bank  
of the Republic of Kazakhstan;

From April 9 to December 31, 2019



### ESZHAN BIRTANOV

Chairman of the Board of Directors

Deputy Chairman of the National  
Bank of the Republic of Kazakhstan;

From January 1 to March 31, 2019



### ADIL MUKHAMEJANOV

Deputy Director of Monetary  
Transactions Department  
of Kazakhstan's National Bank;

From May 13 to December 31, 2019



### ALINA ALDAMBERGEN

Chairman of the Management  
Board of KASE

Elected members of the governing  
body under the Law of the Republic  
of Kazakhstan "On Joint Stock Companies"



### IVAN SERDYUK

Deputy Director of Monetary  
Transactions Department

Head of executive body on the basis  
of the Charter of the Exchange

2 376,95  
2 372,48 2 375,50  
2 365,55  
2 362,88  
2 368,58

2 348,95  
2 333,30  
2 326,30

2 311,80  
2 306,45  
2 301,06  
2 297,27



**ELDAR ABDRAZAKOV**

Chairman of the Board of Directors  
of Centras Securities;



**MIRLAN TASHMETOV**

An independent director of KASE



**TALGAT AYUPOV**

Chairman of the Management  
Board of Halyk Finance;



**VICTOR KYSHPANAKOV**

Deputy Chairman of Management  
Board of BCC Invest  
Board - Subsidiary of Bank CenterCredit;



**IGOR MARICH**

An independent director of KASE

A member of the Management Board -  
Managing Director for the Money  
and Derivatives Markets of Moscow  
Interbank Currency Exchange MICEX-RTS



**KADYRZHAN DAMITOV**

Independent director of KASE

A member of the Board of Directors  
and an independent director of the Unified  
Accumulative Pension Fund

## BOARD OF DIRECTORS' COMMITTEES

The following committees of the Board of Directors and the commissions of the Exchange operate for considering the most important issues and for making recommendations to the Board of Directors.

In accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies":

- Budgeting and Strategic Planning Committee of the Board of Directors
- Internal Audit Committee of the Board of Directors;
- Committee for Personnel, Remuneration and Social Issues of the Board of Directors.

The following bodies operate at the Exchange in accordance with the Requirements for an Organizational Structure of a Trades Organizer and for the Composition of a Stock Exchange's Listing Commission of a stock exchange's listing commission approved by the resolution of the Management Board of the National Bank of the Republic of Kazakhstan:

- Listing Commission;
- Committee for Financial Statements and Issuer Audit of the Board of Directors.

The Commission on Disputes and Conflicts Resolution operates in accordance with the Procedure for Settling Disputes and Conflicts Emerging During Execution of Transactions with Financial Instruments approved by a decision of the Board of Directors. The procedure for setting up and for operation of committees and commissions of the Board of Directors of the Exchange, their numbers, competence, functions and composition are regulated by internal documents of the company approved by the Board of Directors.

The following meetings were held in 2019:

- 14 meetings of the Budgeting and Strategic Planning Committee of the Board of Directors;
- seven meetings of the Committee for Personnel, Remuneration and Social Issues of the Board of Directors;
- ten meetings of the Internal Audit Committee of the Board of Directors;

- 11 meetings of the Listing Commission as well as 13 instances of absentee voting of this commission;
- four meetings of the Committee for Financial Statements and Issuer Audit.

During 2019, the Budgeting and Strategic Planning Committee of the Board of Directors of the Exchange included a representative of the National Bank of Kazakhstan as an expert.

The Board of Directors fully accomplished goals, objectives, functional duties established by the Corporate Governance Code, the Charter of the Exchange, the Regulations on the Board of Directors, which resulted in the positive financial results of the Exchange in 2019.

## MANAGEMENT BOARD OF THE EXCHANGE

The Management Board is a collegial executive body and it manages day-to-day activities of the Exchange, except for the matters that are within the exclusive competence of the General Meeting of Shareholders and/or Board of Directors of the Exchange according to the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Charter of the Exchange.

Powers of members of KASE Management Board were extended until 2020 by the decision of the Board of Directors of the Exchange dated July 20, 2017.

The composition of the Management Board of the Exchange:

**Alina Aldambergen,**

Chairman of the Board;

**Idel Sabitov,**

Deputy Chairman of the Management Board;

**Natalya Khoroshevskaya,**

Deputy Chairman of the Board;

**Andrei Tsalyuk,**

Deputy Chairman of the Management Board;

**Kairat Turmagambetov,**

Managing Director for Business Development.

## INFORMATION ON REMUNERATION

Payment of remuneration and reimbursement of expenses to the members of the Board of Directors and of the Management Board of the Exchange are made in accordance with the terms and conditions of contracts concluded with them. The amounts of bonuses to the specified executives are determined by the General Meeting of Shareholders in respect of the members of the Board of Directors and by the Board of Directors in respect of the members of the Management Board based upon financial and operating results of the Exchange in the respective financial year.

## REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Charter of the Exchange and the Regulations on the Board of Directors:

- monthly remuneration of the members of the Board of Directors shall be determined by the decision of the General Meeting of Shareholders of the Exchange;
- the amount of annual bonus to any member of the Board of Directors shall not exceed 85% of the total monthly remuneration paid to this member of the Board of Directors for all months of the year for which the bonus is being paid out;
- annual bonus shall not be paid to members of the Board of Directors, who participated in less than 50% of the Board meetings, absentee voting of members of the Board of Directors, meetings of Board of Directors' committees, other standing committees and commissions of the Exchange, the members of which were these members of the Board of Directors, during the reporting financial year.

During 2019, members of the Board of Directors of the Exchange were paid KZT53,946,000 (fifty-three million nine hundred and forty-six thousand).

Bonuses are not set and are not paid to the following members of the Board of Directors of the Exchange that are representatives of the government

bodies of the Republic of Kazakhstan or who are persons that cannot receive bonuses in accordance with the legislation of the Republic of Kazakhstan:

- representatives of the National Bank of the Republic of Kazakhstan that are members of the Board of Directors under paragraph 4 of Article 84 of the Law of the Republic of Kazakhstan "On Securities Market" and subparagraph 1) of paragraph 3 of Article 17 of the Charter of the Exchange;
- chairman of the Management Board of the Exchange, who is a member of the Board of Directors by virtue of his/her position on the basis of subparagraph 2 of paragraph 3) of Article 17 of the Exchange's Charter.

## BONUSES TO THE MEMBERS OF THE MANAGEMENT BOARD OF THE EXCHANGE

In accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Charter of the Exchange and the Regulations on the Management Board:

- monthly official salary of a member of the Management Board shall be determined by the decision of the Board of Directors;
- the Board of Directors makes decision on setting the amount of annual bonuses to Management Board members for the reporting year based on the review of the performance results of the Management Board and the Exchange over the reporting year;
- amounts of annual bonuses to members of the Management Board are determined by the decision of the Board of Directors upon evaluation of work of each member of the Management Board during the reporting year;
- the Board of Directors may decide on a lump sum payment to the Management Board member.

During 2019, members of the Exchange Board were paid KZT115,194,319.20 (one hundred and fifteen million one hundred and ninety-four thousand three hundred and nineteen tenge and twenty tiyin).

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•  
2 300,40



# INTERNAL AUDIT

The mission of the Internal Audit Service (hereinafter referred to as the IAS) is to preserve and increase the value of the Exchange by conducting objective internal audits based on risk-oriented approach, on providing recommendations and on sharing knowledge.

The IAS is governed by the legislation of the Republic of Kazakhstan and strives to build its activities in accordance with the International Standards for the Professional Practice of Internal Auditing recommended by the Global Institute of Internal Auditors.

In order to ensure the independence and objectivity of the internal audit, the IAS reports directly to the Board of Directors, the Audit Committee under it on a regular basis on its work.

The Service assesses the effectiveness of risk management system and internal controls in the area of corporate governance and the Exchange's operational activities relating to providing the following systems:

- the compliance of the Exchange's activities with the requirements of the laws of the Republic of Kazakhstan, the Charter, internal documents and resolutions of the Exchange's bodies;
- achievement of the Exchange's strategic objectives;
- efficiency and effectiveness of the Exchange's operations and its development plans;
- reliability and integrity of information on financial and economic activity of the Exchange;
- safeguarding of assets;
- quality operation of information systems, processes and procedures, the organizational chart of the Exchange, their compliance with applicable standards and best practices, the adequacy of the Exchange's resources to ensure its activities and achieve its goals;

- security of the Exchange's information assets.

According to the audit review plan approved by the Board of Directors, the IAS conducted audits within which recommendations were developed for audit participants to improve business processes, risk management and the control environment as a whole.

As a result of the audits, the Management Board of the Exchange reviews and approves relevant action plans aimed at implementing IAS's recommendations.

In the reporting year, such plans were reviewed and approved based on the results of each of the IAS audits. The Management Board constantly monitored the completeness and timeliness of implementation of the plans, as well as prioritizing the planned tasks to make the most of KASE resources.

The IAS also continuously monitored the implementation of these plans and submitted relevant opinions to the Audit Committee and the Board of Directors.





# RISK MANAGEMENT SYSTEM

Risk management at the Exchange is an integral part of its operations and is carried out at all levels, from an average employee to the Board of Directors. This activity is based on the recommendations of international standards ISO 31000, 27001, 22301.

The requirements to the Exchange's risk management system are set out in the three regulations listed below:

- the Rules for Establishing Risk Management and Internal Controls System for the Stock Exchange<sup>5</sup>;
- the Requirements for a Clearing Organization's Risk Management System, Terms and Procedures for Monitoring, Control and Managing Risks in a Clearing Organization<sup>6</sup>;
- the Requirements for a Central Counterparty's Risk Management System, Terms and Procedures for Monitoring, Control and Managing Risks in a Central Counterparty<sup>7</sup>;

In accordance with these documents, the Exchange has developed risk management policies and rules that are the main documents that guide the Exchange. Continuous improvement in risk management, risk assessment and monitoring is provided by the Risk Management Department of the Exchange.

For the purposes of the analysis, the Exchange divides risks into operational, credit, market (currency, price, interest), systemic, legal, reputational, liquidity loss risks and other risks.

The Risk Management Department focuses on managing operational risks and risks associated with investment activities, assessing current risks,

including monitoring them, advising on improving business processes, overseeing all planned measures to minimize risks, conducting stress and back-testing of the risks of the Exchange's investment portfolios, monitoring the amount of provisions accrued on financial instruments in the Exchange's investment portfolios in accordance with the International Financial Reporting Standards.

The introduction of the new TCS and the development of the CCP functions have led to the identification of new risks associated with this area of activity. In this regard, the Exchange has introduced a risk management system as part of the functions of the CCP and default settlement system. In order to effectively manage the risks of the Exchange in the implementation of the CCP activities, the Market Risk Committee, a permanent collegiate body under the Exchange's Management Board, whose main task is to manage market risks of the Exchange, was set up. The Committee's functions include approving risk parameters, determining the parameters of the GS profitability curve, preparing recommendations to the Management Board of the Exchange to determine the list of financial instruments for which the Exchange performs the functions of the CCP, and financial instruments that can be accepted as collateral in the implementation of the CCP function, as well as other functions provided by the internal documents of the Exchange.

<sup>5</sup> approved by the Resolution of the NBRK Management Board No. 252 dated December 19, 2015

<sup>6</sup> approved by the Resolution of the NBRK Management Board No. 59 dated February 24, 2012

<sup>7</sup> approved by the Resolution of the NBRK Management Board No. 11 dated January 28, 2016

In order to maintain an effective risk management process, the Exchange has taken comprehensive measures to reduce and prevent risks in 2019. This has helped to cut the number of recurring risk events by half.

The Exchange pays a lot of attention to the development of risk culture. Training workshops and lectures on risk management are held for employees, and individual awareness-building is carried out.

In 2018, a self-assessment was conducted on compliance with the Exchange's risk management system to the recommendations of the ISO 31000:2018 Risk Management Standard based on the Exchange's status as an infrastructure organization of the financial market. In 2019, the Action Plan based on the results of this self-assessment was adopted, which includes ten activities over three years, annual self-assessment of compliance with the standard, and adjustment and update of self-assessment activities.

## **MANAGING CONTINUITY OF OPERATIONS**

The Exchange is working on the improvement of the system for managing continuity of operations. These activities are governed by internal documents such as the Policy for Managing Continuity of Operations, the Rules for Operations Continuity and Recovery, and the Continuity and Recovery of Operations Plan, which are designed in accordance with international standards and are designed to ensure the continuity of critical activities in the event of incidents and emergencies resulting in the failure of the Exchange's information systems.

In 2019, significant changes were made to the IT infrastructure of the Exchange. The Exchange refused to use the RTRS backup centre and replaced data storage and processing service provider. Instead of the RTRS Center, the Exchange launched a system of three data processing centres (DPC) - one main and two backup centres - and completely changed the continuity of operations management scheme.

At the end of the reporting period, the Exchange's IT infrastructure included servers, mainly DPCs, servers in backup DPCs (in the cities of Almaty and Nur-Sultan), the main and backup communication channels. In general, the DPCs also has hot standby servers helping to automatically switch to them the MOEX TCS in the case of failure of the main servers. Automatic switching will not affect the work of the Exchange and its client.

As part of a change in approaches to the continuity of operations management system, a virtual workplace system (VDI) has been developed and tested, which is created on the Exchange's servers and allows access to all information systems of the Exchange, regardless of the user's location. Workplace virtualization will enable rapid response to emergencies and reduce the cost of creating physical jobs.

The Exchange periodically conducts trainings and and drills related to the continuity of operations, which involve testing the operation of backup systems. In the reporting year, the plan for such drills was revised and a fully updated training system is planned to be launched in Q1 2020, taking into account the use of VDI and new DPCs.



2 291.50  
2 285.87  
2 326.30

## **INFORMATION AND PHYSICAL SECURITY**

Updated telecommunications equipment providing high level of protection against various types of cyberthreats, has been purchased and put into operation in order to minimize the risks of information security and improve the level of protection of the Exchange's information and communication infrastructure from possible cyberattacks during the reporting period. To reduce the risk of leakage of sensitive information, specialized software has been introduced to monitor the integrity of confidential files and audit trail logs. Control of the connection of devices to the corporate network of the Exchange at the ports of active networking equipment is set up. The security of the Exchange's WiFi network has been improved, a single system of authentication of administrative access to the Exchange's servers using the Exchange's domain controller has been configured and is functioning.

Also, as part of the improvement of the information security system during the reporting period, a number of checks on compliance with internal documents were carried out, audits of access rights of all users to the Exchange's information systems were carried out, as well as a set

of other measures related to strengthening user discipline in the network and systems of the Exchange.

As part of the plan to improve the regulatory documentation under the ISO 27001:2013 Information Security Standard and the Information Security Requirements for Banks and Organizations that Carry out Certain Types of Banking Transactions<sup>8</sup>, changes have been made to the internal documents governing the functioning of the Exchange's information security management system, as well as new internal information security documents have been developed and approved. The combination of these measures has improved the level of information security of the Exchange and reduced the risks of the Exchange in this area.

In order to improve physical security of the Exchange, the procedures for monitoring the provision of security services have been improved, and additional intrusion and alarm sensors have been installed in the premises of some departments.

## **CORPORATE RESPONSIBILITY AND STAFF**

KASE staff management system aims to build and develop a cohesive team of professional experts through the establishment of unified HR approaches and standards that include a system of selection and admission of candidates, a system of employee motivation, employee performance assessment, corporate culture formation, training and development of KASE personnel, and development of KASE corporate social responsibility.

### **HR STATISTICS**

As at December 31, 2019, the number of KASE staff was 163 people with a headcount of 152 people.

The below is the key information on the KASE staff structure at the end of the reporting period.

<sup>8</sup> approved by the Resolution of the NBRK Management Board No. 48 dated March 27, 2018



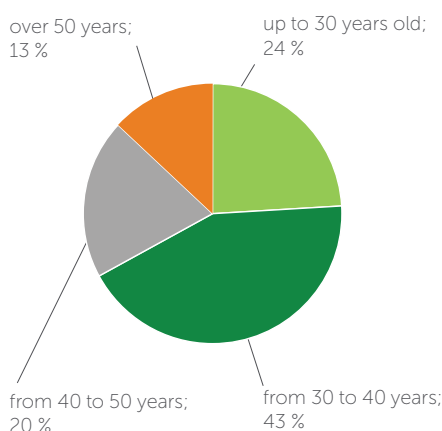
## AGE STRUCTURE OF THE EXCHANGE'S STAFF

In 2019, the main age category of employees is 30 to 40 years. The average age of employees is 37 years. Meanwhile, the share of newly hired young professionals aged under 30 was 26%.

## EMPLOYEE EDUCATION

As at the end of the reporting period, majority of KASE employees (98%) have higher education, of which 20% have received postgraduate education, including PhD degrees (7%). Ten per cent of employees received education outside the territory of the Republic of Kazakhstan.

**Fig. 27. Distribution of KASE employees by age group**



## GENDER COMPOSITION OF THE EXCHANGE

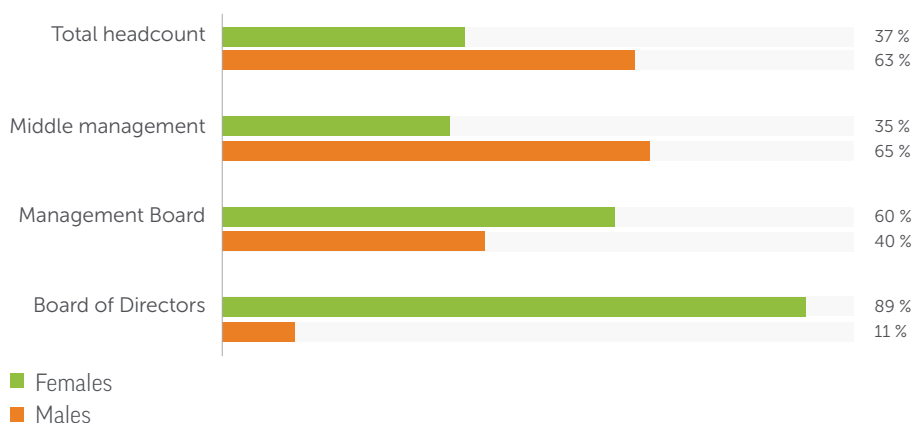
KASE has joined global initiatives to promote gender equality to enhance the role of women in society, namely the global initiative Women's Empowerment Principles developed and promoted in partnership with the UN Women and the United Nations Global Compact.

There is the following trend noted at KASE: the total number of female employees is 63%, males 37%. At the same time, the top management (the Management Board and the Board of Directors of the Exchange) is represented mainly by males (73%)

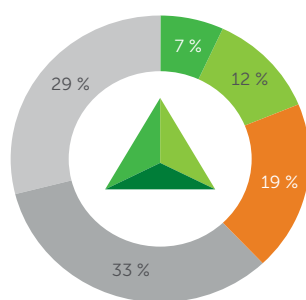
## LOYALTY OF KASE EMPLOYEES

During the reporting period, the composition of the Exchange's staff was significantly updated. In the meantime, 19% of employees have more than ten years of experience at KASE, 19% of employees have worked from five to ten years at KASE, 33% of employees have been employed with KASE from one years to five years and 29% of employees have less than one year of experience at the Exchange.

**Fig. 28. Distribution of KASE employees by gender**



**Fig. 29. KASE staff length of service**



- Have worked with KASE for 20 years and more
- Have worked with KASE from ten to 20 years
- Have worked with KASE from five to ten years
- Have worked with KASE from one to five years
- Have worked with KASE up to one years

### LABOUR REMUNERATION POLICY

KASE strives to provide a competitive remuneration to attract, retain and motivate employees.

Employee remuneration system includes fixed (official salary, allowance) and variable (bonus payment at the end of the year, payment of bonus for especially important works) components. The fixed part and the target amount of the variable part of the salary is determined based on the data of remuneration market. The variable part of the remuneration depends on the performance of KASE and the individual performance of an employee evaluated under the staff efficiency management system.

The Exchange has a system for motivating employees by giving them an annual bonus based on the annual evaluation of employees' performance, by providing bonuses for performance of particularly important work projects and innovation proposals and on the occasion of holidays and/or ceremonial dates.

According to HR management policy, in order to improve the efficiency of KASE employees and to stimulate them, the employee evaluation system is aimed at achieving corporate goals and objectives of the Exchange (MBO).

In 2019, 52 employees were awarded bonuses for their active participation in the implementation of key projects of the Exchange.

### TRAINING AND DEVELOPMENT

Training and skill improvement is part of HR management policy of KASE. The Exchange encourages employees to gain new knowledge and develop existing competencies and skills by way of internal and external training.

Professional and compulsory training is a priority area. Much attention is paid to the development of corporate competencies, leadership skills and project management skills necessary for the implementation of strategic projects of the Exchange.

In the reporting year, 39 employees of the Exchange were trained by external providers on such topics as a company's operational risks, countering the legalization (money laundering) and financing of terrorism; developing technical texts and documentation, Linux system administration, financial analysis, performance assessment, Java SE 8 Fundamentals, electronic employment contracts implementation, Oracle Database, Information Security Management System, ISO 27001, Management Technologies.

Also in 2019, a project on the appraisal of employees for compliance with positions held was implemented, which aims to determine the level of professional and qualification training of the Exchange's employees. The main criteria for evaluation of the appraisal were the ability of employees to perform their duties, as well as the level of knowledge and practical skills.

In order to prepare for the appraisal in 2019, internal workshops were held on the activities of all structural units of the Exchange by employees of these units. Thus, 111 employees of the Exchange participated in the appraisal and successfully passed it.

## KASE CORPORATE CULTURE DEVELOPMENT

One of the important components of HR policy is the formation and development of the corporate culture of KASE, which is a system of fundamental values and standards that contribute to the creation of favourable conditions for effective work, maintaining the team spirit of the team and commitment of employees to the goals and objectives of KASE.

In the reporting year, a new Code of Corporate Conduct was adopted that establishes the ethical standards of business relations and the principles of business ethics, as well as reflects the standards of corporate conduct adopted at the Exchange, based on its mission and values.

The KASE DreamTeam was formed from among active employees of the Exchange, who helped organize and conduct the following corporate events: International Women's Day, Nauryz Meiramy, Nauryz celebration together with the National Bank of Kazakhstan, Defender of the Motherland Day, Children's Day, KASE team building, New Year and other internal corporate events.

At the end of each quarter, the management of the Exchange conducts KASE Townhall, the main task of which is to provide employees with information about interim work results and plans for the reporting period, about the latest news related to the activities of the Exchange's employees.

In 2019, two internal workshops dubbed KASE Insight were held, the main task of which was to inform employees on new areas/trends of the Exchange's activities. The main themes of KASE Insight were "Megatrends: ESG, Gender Equality" and "Publicity of a Company through Social Investment. Principles of ESG and the introduction of the Green Office project in companies. How to monetize your brand through social investment".

## CORPORATE VALUES

An important component of the operation of the Exchange as a team of professionals implementing strategically important projects for the development of the stock market is the presence of corporate values that meet current challenges and help the self-identification of the KASE team.

In the reporting year, a set of measures was carried out to update corporate values of the Exchange. The work was initiated due to the adoption of a new strategy for the development of KASE for the next three-year period, as well as due to the expansion of the Exchange's activities, the introduction of new projects and business processes, in particular with the expansion of clearing activities and the activities of the Central Counterparty, the introduction of new trading and clearing systems.

The definition of updated corporate values was carried out in several stages with the involvement of the entire KASE team and taking into account the opinion of each employee. One of the stages of this work was a survey of KASE employees about their vision of the Exchange as a market player and an employer. The results of the survey were taken into account when determining steps to further develop the corporate culture and a number of projects of the Exchange.

After the internal discussion and voting of the Exchange employees, the following concepts are defined as key values: innovativeness, responsibility, openness and care, which were reflected in the following wording of the corporate values of the Exchange:

- ▲ **We operate on the principles of innovativeness and sustainability for the general good, always adapting to changes**
- ▲ **We are responsible for our decisions, proving our team's professionalism and the high quality of services**
- ▲ **We cooperate with our partners, clients and with each other on the principles of openness and transparency**
- ▲ **We care for the future of our country, clients and employees, creating conditions for their development**





KASE corporate values symbolize the desire to bring business and team together to develop the stock market, introduce new technologies, products and services, improve existing services and technologies in a changing modern environment, and help achieve sustainability by all market participants.

The personnel of the Exchange has chosen from among the colleagues, KASE employees that represent corporate values by demonstrating personal qualities, which most correspond to the key terms of updated corporate values: openness, innovativeness, responsibility and consideration for the others.

The election of KASE value holders will be held among employees of the Exchange on an annual basis.

#### **SOCIAL RESPONSIBILITY**

The Exchange pays special attention to improving the financial literacy of Kazakhstan's young people as part of the development of corporate social responsibility. In this regard, the Exchange continues its active cooperation with universities of Kazakhstan, in the organization of internships and traineeship at the Exchange, the employment of high potential students and conducts introductory guest lectures and workshops on the stock market at the Exchange and in universities.

In 2019, two introductory lectures were held: for students of ALMAU (23 participants), Kazakh-German University (15 participants). Thirty students, three of whom were later employed, completed the traineeship and internship at KASE.

In 2019, KASE employees, at the initiative of the KASE DreamTeam, took an active part in organizing and holding a charity event for children of orphanage No. 1. KASE workers gave children more than 100 sweet gifts for the New Year.

#### **ENVIRONMENTAL RESPONSIBILITY**

As part of ESG standards, KASE continues to adhere to environmental sustainability principles:

- measures of lean consumption of paper, consumables and energy resources are taken;
- electronic documentation management systems, including electronic reporting systems, are improved;
- measures are implemented to reduce energy consumption and improve energy efficiency.



▲ 2 514,45

▲ 2 433,8

▲ 2 278,33

## CONTACTS AND COMPANY DETAILS

Kazakhstan Stock Exchange  
Joint-Stock Company

Location: 280 Baizakov St., 050040, city of Almaty,  
Northern Tower of MFC Almaty Towers, 8th floor.

BIN 931 240 000 220  
Tel: 8 (727) 237 53 00

ALMATY STOCK EXCHANGE