

Approved by the decision of the Board
of Directors of joint-stock company
“Astana medical university”
From 12 October 2016, № 8

Regulation

**on the assessment of activities of the Board of Directors, Committees
of the Board of Directors, Board, Internal audit service and
corporate secretary of joint-stock company “Astana medical
university”**

Astana, 2016

1. General statements

1. The present Regulation on the assessment of activities of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate secretary of joint-stock company “Astana medical university” has been worked out according to the working legislation of the Republic of Kazakhstan, Charter and Code of Corporate governance of the joint-stock company “Astana medical university” (hereinafter – Regulation) and regulates the process of assessing.
2. The main aims of assessment are to improve the effectiveness of activities of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate secretary.
3. The assessment is implemented by the Board of Directors and allows:
 - 1) To determine strengths and weaknesses (advantages and disadvantages) of own work of the Board of Directors, works of Committees of the Board of Directors, Board, Internal audit service and Corporate secretary;
 - 2) To correct target directions of activities of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate secretary,
 - 3) To determine the effectiveness of awarding system of independent members of the Board of Directors, Board Chairman and members, head and workers of Internal audit service and Corporate secretary.
 - 4) To determine the necessity in training and retraining of the Board members, workers of Internal audit service and Corporate secretary.
4. Board of Directors can implement the following types of assessment:
 - 1) Assessment of general efficiency of works of the Board of Directors, execution of obligations by members of the Board of Directors,
 - 2) Assessment of works of the Committees of the Board of Directors;
 - 3) Assessment of works of the Board and its Chairman,
 - 4) Assessment of works of the Internal audit service of and its head,
 - 5) Assessment of works of Corporate secretary.
5. Assessment must be held according to the following principles:
 - 1) Objectivity,
 - 2) Regularity of assessment and specification of assessment indices,
 - 3) Complexity.

6. Corporate secretary is a responsible person for holding annual assessment of Board of Directors in general and each member, committees of the Board of Directors, Board and its Chairman, Internal audit service in general and its head as well as Corporate secretary.
7. Assessment may be held:
 - 1) With own resources through questionnaires,
 - 2) By involving persons providing with consultation services (hereinafter – consultant),
 - 3) By using mixed approaches: using own resources in the coordination of processes on the part of consultants,
 - 4) With other ways according to the decisions of the Board Directors.

2. Assessment process

9. The decision to hold assessment is taken by the Board of Directors. This decision determines particular terms (schedule) of assessment spent and necessary resources (materials, information, reports etc.)

10. In case of taking a decision to attract consultants for assessment, this decision should be supported by a specific justification. Particularly, the reason for attracting consultants maybe the following: necessity of critical assessment of activities the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate secretary; lack of effective results of the previous assessment; before important corporate events such as forming a new content of the Board of Directors and other cases determined by the decision of the Board of Directors.

11. Assessment is held annually according to the results of annual financial reporting.

With that, according to the decision of the Board of Directors, assessment can be held twice or more in a year.

12. Criteria for assessing, methods of processing and the order of checking the results of assessment are shown in Appendices 3 and 4 of the present Regulation.

13. The process of assessing is coordinated by the Chairman of the Board of Directors.

14. The results of assessment are discussed in closed meeting of the Board of Directors that is attended only by the members of the Board of Directors. In the meeting the members of the Board of Directors must discuss conceptually the works of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate secretary and find out the factors decreasing the effectiveness of their works and suggest the ways of improving effectiveness, discuss key problems of management and control of the Company's activities.

15. Generally, assessment process should stimulate the discussion of:

- 1) The role and functions of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and corporate secretary,
- 2) Priorities of the works of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and corporate secretary,
- 3) Knowledge, skills, experience and personal qualifications, which members of the Board of Directors, Board, Internal audit service and Corporate Secretary should have,
- 4) Acting procedures of works of the Board of Directors, including the practice of preparation and holding meetings of the Board of Directors, their regularity, matters of information support of the works of the Board of Directors,
- 5) The role of Committees,
- 6) The current position of the Company and perspectives of its development,
- 7) The role of the Board Chairman in the development of the Company's activities.

16. Assessment should have comparative character with the results of the previous assessment.

17. When discussing the results of assessment of the Board and its chairman, of Internal audit service and its head, also Corporate secretary, the bodies assessed are not present. These bodies shouldn't be involved into the process of assessing their activities.

18. At the end of discussing the results, feedback is given, which should be constructive and concrete.

Feedback to the Board and its Chairman, to the head of Internal audit service and Corporate secretary is given after reaching consensus (full agreement) by the Board of Directors concerning the assessment results.

19. According to the assessment results, Board of Directors can take the following measures:

- 1) To determine several main tasks/directions, on which Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate Secretary should be concentrated.
- 2) To make amendments to the plans and methods of the works of the Board of Directors, Board Chairman and Members, Internal audit service and Corporate secretary.
- 3) To take into account the results in electing Board Chairman and members, head and workers of Internal audit service and Corporate secretary.

20. Corporate secretary sends assessment forms to the members of the Board of Directors.

21. Those criteria according to which the average point has been found as less than 2 on the 3-level assessment, less than 3 on the 5-level assessment that need top-priority attention of the Board of Directors, Committees of the Board of Directors, Board,

Internal audit service and Corporate secretary are considered to be weaknesses and disadvantages.

22. Corporate Secretary implementing systematization and processing information collected is responsible for its objectivity and confidentiality.

3. Criteria for assessment

3.1. Assessment of activities of the Board of Directors in general and its members

23. Criteria for assessing the activities of the Board of Directors in general and its members:

- 1) Documentation of the activities of the Board of Directors,
- 2) Content and structure of the Board of Directors,
- 3) Role and aims of the Board of Directors, Chairman of the Board of Directors,
- 4) Procedure of works of the Board of Directors and informational support of its activities,
- 5) Interaction of the Board of Directors and the Company's Board.

24. Individual assessment of the activities of the Board of Directors allows to activate their participation in the works of the Board of Directors and to find out possibilities to increase effectiveness of the works of the Board of Directors in general.

25. When holding individual assessment of the works of the Board of Directors it's recommended to pay special attention for the factors:

- 1) Competence in matters, which are under the responsibility of the Board of Directors, the Committee that includes a member of the Board of Directors,
- 2) Knowledge in the field and peculiarities of the sphere of doing business,
- 3) Attendance of meetings of the Board of Directors and its committees,
- 4) The level of participating in the discussions in meetings of the Board of Directors;
- 5) Activeness in meetings of the Board of Directors and character of voting in the process of taking decisions;
- 6) Personal characteristics of a member of the Board of Directors, their impact on the effectiveness of its work (ability of teamwork, accessibility to communicate, ability to prove viewpoints, ability to respect opinions of other people, ethic activity standards).

26. Questionnaires to assess the activities of the Board of Directors in general and its members are shown in Appendices 1 and 2 to the present Regulation which are filled by each member of the Board of Directors.

3.2. Assessment of activities of Committees of the Board of Directors

27. Assessment of activities of Committees of the Board of Directors is implemented by each member of the Board of Directors for the further discussion, summarizing and admitting by the Board of Directors a final mark for activities of the Committee.

28. When assessing activities of Committees of the Board of Directors:

- 1) Comparison of activities of a Committee with the norms of Regulations on the Committee in general,
- 2) Assessment of the compliance of results of the Committee's activities with forecasts of the Board of Directors are held.

29. Questionnaire for the assessment of activities of a Committee of the Board of Directors in matters related to internal audit is shown in the Appendix 3 of the present Regulation.

3.3. Assessment of activities of the Internal audit service and its head

30. The Committee of the Board of Directors in matters of internal audit or the Board of Directors itself holds an assessment of activities of the Internal audit service and its head and gives its results to the Corporate secretary for consideration.

31. When assessing activities of Internal audit service:

- 1) Comparison of activities of Internal audit service with the norms of the Regulation on Internal audit service,
- 2) Assessment of the compliance of results of activities of Internal audit service with forecasts of the Board of Directors/Committee of the Board of Directors are held.

32. Assessment of activities of Internal audit service and its head is held to activate the works of Internal audit service and to find possibilities to improve the effectiveness of its activity.

33. Questionnaire on the assessment of activities of Internal audit service in general and its head is given in the Appendix 4 to the present Regulation. It is filled by each member of the Committee of the Board of Directors in the matters of internal audit for further discussion, summarizing and admitting by the Board of Directors a final mark for activities of the Internal audit service and its head.

3.4. Assessment of activities of the Board in general and its Chairman

34. Regular assessment of activities of the Board and its Chairman is an important tool of control. Such assessment helps to create system of constant analysis and improving the Company's activity.

35. Criteria for assessment of activities of the Board and its Chairman:

- 1) Functional implementing obligations of the Board members,
- 2) Assessment of the contribution of the Board to working out and implementing the development strategy and plan, annual budget of the Company,

3) Introducing an effective system of full and reliable informing the members of the Board of Directors on current situation in the Company.

36. Questionnaire on assessment of activities of the Board and its Chairman is shown in the Appendix 5 of the present Regulation which is filled by each member of the Board of Directors, except the Board chairman of the Company.

3.5 Assessment of the activity of the Corporate secretary

37. Assessment of activity of the Corporate secretary is implemented by each member of the Board of Directors for further discussion, summarizing and taking a final mark for activities of the Corporate Secretary by Board of Directors.

38. When assessing the activity of the Corporate Secretary is held:

- 1) Comparison of the activity of the Corporate Secretary with the norms of Charter, Code of Corporate governance and Regulation on the Corporate secretary,
- 2) Assessment of organizing meetings of the Board of Directors,
- 3) Assessment of the quality of implementing functional responsibilities by the Corporate secretary,
- 4) Assessment of the efficiency of interaction with the Sole shareholder and the Board of Directors are held.

4. Procedure of processing and considering assessment results

Data processing is held in the following way:

- 1) Average calculation of digital information according to the questionnaire filled by each member of the Board of Directors,
 - 2) Total average calculation on each of assessment criteria (Board of Directors, Committee of the Board of Directors, Board, Internal audit service and Corporate secretary) which characterizes the general assessment of working effectiveness.
 - 3) Convergence of all comments, recommendations and wishes on each assessment object to reflect range of views, but without naming the authors.
40. After analysis of all data, all assessment forms taken from the Board of Directors are destroyed to keep the opinion confidence.
41. General assessment results and information about risks and development zones are given by the Corporate Secretary to the Chairman of the Board of Directors to be discussed in the meeting of the Board of Directors.
42. In the course of this meeting, the Chairman of the Board of Directors gives all the Board of Directors a right to remark upon the theme of assessment results, gathers their suggestions on the measures aimed at improving the activity of the assessment objects. Here, if desired,

members of the Board of Directors may show up their anonymousness, i.e. to tell what marks exactly, comments and recommendations were given by them.

43. In order to observe the dynamism of effectiveness of the activities of the assessed objects, consideration of assessment results, starting from the 2nd year of holding such a procedure is carried out in two aspects: considering the results of assessment for a particular period and comparing the current results (results of a particular assessment period) with the results of the previous period.

44. The decisions taken by the Board of Directors on the directions and particular measures to develop and improve activities of the Board of Directors, members of the Board of Directors, Committees of the Board of Directors, Board, Internal audit service and Corporate secretary should be the outcome of considering assessment results in the meeting.

5. Final statements

45. Criteria for assessment should be revised regularly to reflect the changes in corporate documents.

46. Approval of the Regulation, amendments to the Regulation, as well as including changes in the assessment criteria are within the competence of the Board of Directors.

Form of assessing the works of the Board of Directors in general

Instruction to fill!!!

1. IT IS FILLED BY EACH MEMBER OF THE BOARD OF DIRECTORS BY KEEPING PRIVACY.

2. On the scale from 1-5, mark to which score your opinion on the following matters/approvals corresponds:

1 – Absolutely disagree

2 – Rather disagree

3 – On neutral position

4 – Rather agree

5 – Absolutely agree

3. If the use of certain questions, in your opinion, is not applicable for the Company and / or the work on which the question is put, is not well-organized in the Company, please write your comments/ recommendations/ wishes.

4. After filling out the questionnaire, the Corporate secretary accounts the total number of answers with the marks from 1 to 5 and accounts average value of digital information and prepares the list of comments/ recommendations/ wishes.

№	Assessment criteria	Score	Comments/recommendations/wishes
1	Members of the Board of Directors understand their powers and primary tasks		
2	Members of the Board of Directors feel their involvement and interest in the results of their works		
3	Board of Directors shows their strategic importance and constructionism (Board of Directors implements their strategic leadership over the Company, and is a constructive critic of the Board)		
4	Board of Directors understands values, mission, development strategy and takes into account all the points mentioned in taking key		

	issues		
5	Independent Board members of the company are really independent		
6	Members of the Board of Directors attend regularly in-person meetings of the Board of Directors		
7	Members of the Board of Directors have enough possibilities to communicate with the Company's Board Members apart from meetings of the Board of Directors		
8	There is enough time to discuss each issue in the meetings of the Board of Directors		
9	Chairman of the Board of Directors implements effective leading over the works of the Board of Directors		
10	Members of the Board of Directors have enough time for effective implementing their functions as a member of the Board of Directors		
11	Members of the Board of Directors are able to ask any questions for the Company's Board and are quite critical in their approaches and assessments		
12	Board of Directors holds enough number of in-person meetings		
13	Members of the Board of Directors get enough information from the Company's Board to take an appropriate decision		
14	Members of the Board of Directors get enough information between the meetings to know about key issues of the Company's activity		
15	Please, name from 1 to 5 directions on which the Board of Directors	1.	

	should concentrate next year	2. 3. 4. 5.	
Average score			

Directors 3								
Member of the Board of Directors 4								
Member of the Board of Directors 5								
Average score								

Comments of the member of the Board of Directors: in this point the member of the Board of Directors can note those factors which hinder to show skills and knowledge which influence the level of participation in the meetings of the Board of Directors and fields (directions) in which it is necessary for him/her to improve his/her knowledge.

Form of assessing the works of Internal audit committee of the Board of Directors

Instruction to fill!!!

1. IT IS FILLED BY EACH MEMBER OF THE BOARD OF DIRECTORS BY KEEPING PRIVACY.

2. On the scale from 1-5, mark to which score your opinion on the following matters/approvals corresponds:

1 – Absolutely disagree

2 – Rather disagree

3 – On neutral position

4 – Rather agree

5 – Absolutely agree

3. After filling out the questionnaire, the Corporate secretary accounts the total number of answers with the marks from 1 to 5 and accounts average value of digital information and prepares the list of comments/ recommendations/ wishes.

№	Assessment criteria	Score	Comments/recommendations/wishes
1	Regulation on the Internal audit committee of the Board of Directors (hereinafter – Committee) approved by the Company’s Board of Directors determines clearly its functions		
2	The Committee facilitates the determination of effective system for control of financial and economical and medical activity of the Company		
3	The Committee pays enough attention to control safety and efficiency of the system of internal control and risk management		
4	The Committee pays enough attention to control independence of internal audit and the process of complying with the law and		

	internal documents of the Company		
5	The Committee members have enough experience and qualification and make enough contribution into the Committee's work		
6	The Committee acts independently from management according to the norms of business ethics and is directed to implement interests of the Only share holder		
7	Members of the Board of Directors get enough information from the Committee to take appropriate decisions on matters considered by the Committee		
8	The Committee meetings are well organized and effective, are held with the enough level of regularity and duration to discuss issues within its competence		
9	The Committee Chairman leads its activity in an effective way		
10	Accountability of the Internal audit service to the Committee and the level of its communication provides enough level of independency from the management		
11	The Committee pays enough attention to discuss the plan, resources, and powers of the Internal audit service of the Company		
12	The Committee pays enough attention to consider reports of the Internal audit service of the Company, reactions of the management and improvement measures		

13	Materials for committee meetings are full, concise and well-constructed; they are delivered in advance and contain necessary information to take justifying decisions		
14	The Committee makes assessment effectiveness of procedures directed for providing according society law and give reasonable recommendations		
15	The Committee gives weighted and useful recommendations		
Average score			

Form of assessing the works of the Internal audit service and its leader

Instruction to fill!!!

1. IT IS FILLED BY EACH MEMBER OF THE BOARD OF DIRECTORS OF INTERNAL AUDIT SERVICE BY KEEPING PRIVACY.

2. On the scale from 1-5, mark to which score your opinion on the following matters/approvals corresponds:

1 – Absolutely disagree

2 – Rather disagree

3 – On neutral position

4 – Rather agree

5 – Absolutely agree

3. After filling out the questionnaire, the Corporate secretary accounts the total number of answers with the marks from 1 to 5 and accounts average value of digital information and prepares the list of comments/ recommendations/ wishes.

№	Assessment criteria	Score	Comments/ recommendations/ wishes
Assessment of the activity of Internal audit service in general			
1	The Company provides absolute independence of the Internal audit service (hereinafter – IAS) from the Board and operational units of the Company		
2	IAS is objective in implementing its duties		
3	The Company's Board takes adequate measures on detections of the Company's IAS		
4	IAS is in the confidence of the Company's Board		
5	IAS content (from the viewpoint of knowledge and experience of its workers) lets it implement its responsibilities entrusted by the Regulation on IAS		
6	IAS describes enough clearly in its reports basic matters and risks, gives necessary data that		

	allows understanding the relation between IAS recommendations and reasons which caused faults/ detection		
7	Conclusions to each matters of agenda given by IAS satisfy expectations of the members of the Board of Directors		
8	IAS workers improve their qualifications and are trained annually		
Assessment of the activity of the Internal audit service head			
1	Actual knowledge, experience and skills of IAS head allows him to implement effective leaderships over the Company's IAS		
2	The Company's IAS head has analytical thinking skills		
3	The Company's IAS head demonstrates constant awareness on the latest changes in the professional sphere (standards, law, etc.)		
4	The Company's IAS head expresses weighted judgements on the detections in the meetings without giving over to emotions		
5	The Company's IAS head maintains his position before the Company's Board till the end, if he/she is confident in his/her rightness.		
6	The Company's IAS head provides timely realization of Annual audit plan		
7	The Company's IAS head provides checking grammar and stylistic correctness of the reported texts		
8	The Company's IAS head provides timely submission of quarter and annual reports to the consideration of the Board of Directors		
9	The Company's IAS head leads effectively IAS to provide maximum usefulness of the internal audit for the Company		
Average score			

Form of assessing the activity of the Board in general and its Chairman

Instruction to fill!!!

1. IT IS FILLED BY EACH MEMBER OF THE BOARD OF DIRECTORS BY KEEPING PRIVACY, EXCEPT THE BOARD CHAIRMAN.

2. On the scale from 1-5, mark to which score your opinion on the following matters/approvals corresponds:

1 – Absolutely disagree

2 – Rather disagree

3 – On neutral position

4 – Rather agree

5 – Absolutely agree

3. After filling out the questionnaire, the Corporate secretary accounts the total number of answers with the marks from 1 to 5 and accounts average value of digital information and prepares the list of comments/ recommendations/ wishes.

№	Assessment criteria	Score	Comments/ recommendations/ wishes
1	The Company's Board implements effectively its tasks		
2	Actual knowledge, skills and experience of the Board members allow them to lead the Company effectively		
3	The work of the Company's Board demonstrates unity of targets and objectives, team work		
4	The quality of materials given by the Company's Board in the Board meeting satisfy the requirements of members of the Board of Directors		
5	The reports of Company's Board during the meetings give enough exact information for taking weighted decisions		

6	The Company's Board takes effective measures to solve prerogative issues		
7	The Board builds an effective system of Corporate governance on interaction with the Only shareholder and the Company's Board of Directors		
8	The Company's Board takes all necessary measures to implement Company's development strategy		
9	The Company's Board works in close relation with governmental bodies of the Republic of Kazakhstan on the matters of the Company's activity		
10	The information given to the Board of Directors on the meetings is concise and well-constructed		
11	The Company's Board implements the tasks of the Board of Directors in time and in full volume		
Average score			
Assessment of the activity of the Board Chairman			
1	Board Chairman provides an effective leadership over the Company		
2	Board Chairman provides timely implementation of decisions of the Only shareholder and the Board of Directors		
3	Board Chairman shows the initiative to achieve the set strategic goals		
4	Board Chairman demonstrates a high level of accountability and informs the Board of Directors about the ways of improving ways to implement the set tasks		
5	Board Chairman has a high level of strategical vision, knowledge of the field		
6	Board Chairman demonstrates a high level of readiness to meetings of the		

	Board of Directors		
7	The behavior of the Board Chairman coincides fully with the practice of business behavior		
Average score			

Form of assessing the activity of Corporate Secretary

Instruction to fill!!!

1. IT IS FILLED BY EACH MEMBER OF THE BOARD OF DIRECTORS BY KEEPING PRIVACY.

2. On the scale from 1-5, mark to which score your opinion on the following matters/approvals corresponds:

1 – Absolutely disagree

2 – Rather disagree

3 – On neutral position

4 – Rather agree

5 – Absolutely agree

3. After filling out the questionnaire, the Corporate secretary accounts the total number of answers with the marks from 1 to 5 and accounts average value of digital information and prepares the list of comments/ recommendations/ wishes.

№	Assessment criteria	Score	Comments/recommendations/wishes
1	Corporate secretary provides explanations for newly-elected Board members		
2	Provides timely development of annual work plan of the Board of Directors		
3	Provides presentation of the information requested to members of the Board of Directors		
4	Consults the members of the Board of Directors about the materials of the Board of Directors		
5	Sends in time the agenda and materials to the Board of Directors		
6	Informs absent members about decisions taken		
7	Explains the members of the Board of Directors on the regulations of		

	documents submitted to the Board of Directors		
8	Provides control of implementing the decisions of the Board of Directors		
9	Provides timely data exchange between the Company's bodies		
10	Publishes internal documents approved by the Board of Directors on the Company's website		
Average score			