APPROVED
by the Decision of the Board of Directors of NJSC Abylkas Saginov Karaganda Technical University (May 03, 2024, Minutes No. 3)

AMENDMENTS AND ADDITIONS TO THE ACCOUNTING POLICY OF NJSC ABYLKAS SAGINOV KARAGANDA TECHNICAL UNIVERSITY

Karaganda

1. Subparagraph 4 of paragraph 3.4 "Financial assets and liabilities" of section 3 Accounting for elements of financial statements (p. 63) shall be amended as follows:

"The Company classifies financial assets as those subsequently evaluated at amortised cost, fair value through other comprehensive income or fair value through profit or loss, based on:

a) the business model used by the organization to manage financial assets, and

(b) the characteristics of the financial asset related to the contractual cash flows.".

2. Subparagraph 6 of paragraph 3.4 of section 3 (p. 65) shall be amended as follows:

"The company recognizes in profit or loss as an impairment gain or loss the amount of expected credit losses (or their recovery) necessary to adjust the estimated reserve for losses as of the reporting "Financial Instruments"

The calculation of expected credit losses is a procedure for estimating credit losses over the expected life of a financial asset weighted by the probability of default.

To calculate the expected credit losses, the Company uses the following formula:

ECL=EAD*PD*LGD

where ECL – expected credit losses;
EAD – amount of credit requirements at risk of default EAD=P+CF;
PD – probability of default;
LGD – loss level in case of default LGD=1-RR;
P- current value of a financial asset;
CF – expected cash flow;
RR – the share of recovery of a financial asset (% of funds from total debt that can be repaid in case of default).

In the presence of a table of probability of defaults of any rating agency, instead of a formula, the Company uses it when calculating expected credit losses (ECL).

To determine the risk of default, it is necessary to apply a definition of default that corresponds to the definition used for internal credit risk management purposes for the relevant financial instrument, and consider qualitative indicators (for example, financial covenants), where appropriate. However, there is a rebuttable assumption that default occurs no later than when a financial asset is 90 days overdue, except in cases where the organization has reasonable and verifiable information demonstrating that the use of a default criterion involving a long delay in payment is more appropriate.

The estimated reserve for expected credit losses is determined by an amount equal to:

- 12-month expected credit losses (expected credit losses that arise as a result of defaults on a financial instrument that are possible within 12 months after the reporting date); or
- expected credit losses for the entire term (expected credit losses arising from all possible cases of default during the life of the financial instrument).

A provision for expected credit losses over the entire term should be recognized if the credit risk of a financial instrument has increased significantly since initial recognition. The creation of such a reserve is also necessary for contractual assets or trade receivables that do not contain a significant financing component."

3. Subparagraph 6 of sub-item "Initial and subsequent recognition of fixed assets" of paragraph 3.1 "Fixed assets" (p. 25) shall be amended as follows:

"The initial cost of an object of fixed assets includes:

- purchase price including import duties and non-refundable taxes minus trade discounts and refunds;
- any costs directly attributable to the delivery of the asset to the right place and bringing it into a condition that ensures its functioning in accordance with the intention of the Company's management.

Non-refundable tax included in the initial cost is VAT that is paid upon purchase of an asset, which cannot be offset against acquired fixed assets used for non-taxable turnover purposes in accordance with current tax legislation."

4. In the sub-item "Charging of depreciation", additions to the depreciation periods of the following types of fixed assets shell be made:

"3. Facilities:
- Power and communication lines, pipelines and gas pipelines – 15-55 years;
- Water supply and sewerage system – 10-45 years.

3.1. Transfer devices:
- Structured cabling and data transmission system – 3-7 years.

4.2. Office equipment and computing equipment:
- Computers and servers of all kinds, peripherals and data processing equipment (printers, scanners, plotters, disk and tape drives, backup storage devices) multimedia devices, copying and multiplying equipment - 3-7 years;
- Laptops – 3-7 years".

5. In paragraph 3.1., replace the words "Land lease" with "Right-of-use assets".

6. Subparagraph 11 of the sub-item "Recognition and evaluation" of paragraph 3.15 "Employee benefits" (p. 162) shall be amended as follows:

"The expected expenses for bonuses based on the results of the reporting year, accrued and paid in the subsequent period, are taken into account by creating a reserve."

7. Subparagraph 1 of paragraph 3.15 of Employee benefits (p. 163) shall be amended as follows:

"The expected expenses for bonuses and remuneration, taking into account social tax and deductions, which are of a regular or periodic nature, are taken into account by creating a reserve in the period for which they are paid, provided that the criteria for recognizing such expenses are met.

The Company provides compensation payments for work leave in the amount of the official salary for recovery for annual leave once a calendar year in accordance with the procedure determined by the Collective Agreement."

8. Subparagraph 3 of paragraph 3.15 of Employee benefits (p. 163) shall be amended as follows:

"Inventory of vacation reserves and employee bonus reserves is carried out once a year at the end of the reporting period. The unused amounts of the created reserves are reversed."

9. Subparagraph 2 of sub-item "Disclosure of information" of paragraph 3.15 of Employee benefits (p.164) shall be amended as follows:

"The basis for calculating wages is the timesheet. Payments for part-time teaching and scientific activities of key management personnel and related surcharges and allowances are recorded in production accounts."

10. Paragraph 3.15 of Employee benefits should include the sub-item "Other long-term employee benefits":

"The Company pays a lump-sum remuneration to employees:

- in connection with the anniversary (55 years for women and 60, 70, 80 years for men and women) - in the amount of the official salary, depending on the length of service in the Company.

Assumptions are used when calculating benefit obligations for anniversaries:

-regarding the probability of dismissal during the period of work before the specified dates are reached;

-discount rates and salary indexation. Lump-sum payments to anniversaries are subject to evaluation.

In the Company, the amount of wages is set depending on the length of service, and also assumes a separate allowance for the length of service, which in turn is calculated using certain coefficients for the total length of service of an employee in this field of activity for the reporting year.

Seniority is a type of work experience, which is the number of years of performing a certain professional activity, which gives grounds to appoint a pension for years of service, as well as various salary allowances and other benefits in labor relations.

The seniority allowance is accounted for as other long-term benefits.

These payments relate to other long-term employee benefits that are subject to evaluation and accounting.

The Company uses the projected unit method to determine the present value of defined benefit obligations and the corresponding cost of services for the current period, as well as, where applicable, the cost of services from previous periods.

The projected conditional unit method (sometimes called as the accumulated remuneration method, proportionally distributed over the period of provision of services by an employee, or the remuneration/duration of work method) considers each period of work as the basis for the right to an additional conditional unit of remuneration and evaluates each conditional unit of remuneration separately in order to determine the obligation at the end of the period.

When determining the present value of the defined benefit obligation and the cost of services of the current period, as well as, if applicable, the cost of services of previous periods, the Company distributes remuneration by periods of work according to the formula established by the program. However, if the services rendered by an employee in subsequent years lead to a significant increase in the amount of remuneration compared to previous years, the Company distributes remuneration on a uniform basis:

a) from the time when the services provided by the employee for the first time are the basis for receiving remuneration under the program (regardless of whether future work affects the amount of remuneration);

b) prior to the time when the further provision of services by the employee does not lead to a significant increase in the remuneration due to him in accordance with the program, except in cases where such an increase arises as a result of subsequent wage increases.

Actuarial assumptions reflect changes in future remuneration that are provided for by the formalized terms of the program (or a practice-based obligation that goes beyond these terms) at the end of the reporting period.

The following assumptions are used to evaluate other long-term employee benefits:

- discount rate;
- inflation expectations;
- salary increase depending on the length of service;
- staff turnover

Disclosure of information

The Company discloses information on the amounts recognized as expenses in relation to other long-term employee benefits. The Company recognizes the net liability (asset) of the employee benefit program in the statement of financial position.”