

Internal Audit Service

The Fund has an independent Internal Audit Service, which is subordinate and accountable to the Fund's Board of Directors and supervised by the Audit Committee of the Fund's Board of Directors. The Board of Directors determines the composition of the Internal Audit Service, the amount of remuneration of employees, approves internal audit policies and procedures, as well as the annual audit plan and budget.

In its activities, the Service is guided by the legislation of the Republic of Kazakhstan, the Charter of the Fund, decisions of its bodies, the annual audit plan approved by the Board of Directors of the Fund and other internal regulatory documents.

The main purpose of the Internal Audit Service is to provide the Board of Directors of the Fund with independent and objective assurance and advice aimed at improving the risk management, internal control and corporate governance systems in the Fund.

In 2024, the Service fulfilled its annual audit plan by 105%, including unscheduled audits during the year. It issued recommendations to improve internal control and risk management systems, processes, principles and methods of procurement and investment activities, and the results of monitoring the implementation of recommendations were presented to the Board of Directors on a quarterly basis. Additionally, as part of consulting work, employees of the Internal Audit Service participated in unscheduled audits of individual subsidiaries of the Fund as part of working groups, and consulting work was provided to individual representatives of the Fund in the Boards of Directors of the companies.

In 2023, the Internal Audit Service successfully passed an external independent assessment conducted by the audit company PwC for compliance with the International Professional Standards for Internal Auditing and the Code of Ethics developed by the Institute of Internal Auditors. The results of the assessment confirmed that the Internal Audit Service's activities comply with the established standards and ethical norms, which demonstrates the efficiency and effectiveness of the service's work.

At the same time, no facts adversely affecting the independence or individual objectivity of internal auditors were recorded during 2024. On a quarterly basis, the reports of the Internal Audit Service were considered and discussed at the meetings of the Audit Committee and the Board of Directors of the Fund.

Compliance Service

The Compliance Service of Samruk-Kazyna JSC in its activities is guided by the Regulations on the Compliance Service of the Fund, the new version of which was approved by the decision of the Board of Directors of Samruk-Kazyna JSC dated 20 May 2024 No. 235, anti-corruption legislation of the Republic of Kazakhstan and best international practices in the field of compliance and anti-corruption.

The main purpose of the Compliance Service of the Fund is to ensure compliance with the anti-corruption legislation of the Republic of Kazakhstan, development of the compliance programme, including coordination of activities of the compliance services of portfolio companies, communications and training, support of the proactive information line (hotline), inspections and investigations, interaction with third parties, identification and settlement of conflicts of interest, development of other areas of compliance in the group of companies of the Fund.

In 2024, the Compliance Service of the Fund continued the development of the compliance function in the Group of Companies of the Fund, automation of individual elements of the compliance programme at the level of the Group of Companies of the Fund and development of interaction with the regulator, increasing the transparency of the activities of the Group of Companies of the Fund.

The Fund's management carries out systematic work aimed at promoting the ideology of integrity and strengthening public control in the corporate governance of the Fund. The Fund's management also sets the right "tone from the top", emphasises the need to comply with legal requirements and compliance policies.

The Head of the Compliance Service of the Fund takes an active part in standard-setting work on the compliance function in the quasi-public and private sectors, meetings with government agencies and the business community.

RESULTS OF THE COMPLIANCE SERVICE IN 2024:

- In connection with the amendments made to the Law of the Republic of Kazakhstan On Combating Corruption, as well as the approval in December 2023 of the Corporate Standard on Compliance Function of the Fund (hereinafter – the Corporate Standard), a new version of the Anti-Corruption Policy of Samruk-Kazyna JSC was approved on 20 May 2024.
- By the decision of the Board of Directors of the Fund dated 20 May 2024, restated Regulations on Compliance Service of Samruk-Kazyna JSC were approved.
- On 11 March 2024, the Instruction on combating corruption in Samruk-Kazyna JSC, developed by the Compliance Service in

accordance with the provisions of the Law of the Republic of Kazakhstan "On Combating Corruption".

- By the decision of the Management Board of the Fund dated 26 December 2024, amendments and additions to the Corporate Standard on the Compliance Function of the Samruk-Kazyna JSC Group were approved, taking into account the analysis of the work of the Compliance Services of the Fund Group.
- In order to develop proposals to improve the methodology and reporting, to discuss problematic issues arising in practice, a Working Group was formed consisting of the Heads of Compliance Services of

the Compliance Group of the Fund under the chairmanship of the Head of the Compliance Service of the Fund.

- The Organisation for Economic Co-operation and Development (OECD) has completed the 5th round of monitoring of Kazakhstan legislation under the Istanbul Action Plan against Corruption. The monitoring includes critical areas such as procurement transparency and combating corruption in the quasi-public sector.
- All companies have adopted anti-corruption standards and implemented comprehensive measures to ensure integrity and prevent corruption. The issues of transparency and openness were separately noted. All assessed companies of the Fund publicly disclose information on financial and operational results, significant transactions with third parties, implementation of anti-corruption compliance programmes, as well as provide channels for whistleblowers and reporting violations of anti-corruption rules.
- The Fund's Compliance Service continues to automate the compliance function.

The E-Compliance system has been put into operation, the main purpose of which is to automate compliance processes in terms of full and comprehensive review of appeals received by the Hotline, verification of counterparties, including access to information on counterparties contained in state databases, determination of risk level, formation of standard conclusions and storage of verification results through a single interface with access for all companies of the Fund's group.

- In terms of training activities, in 2024, the Fund's Compliance Service developed and launched an online course "Business Ethics and the Role of Senior Management in the Corporate Compliance System".
- To improve the competences of the employees of the Compliance services of the Fund's Group, a training programme "Compliance Expert" was launched on the basis of Samruk Business Academy.

PLANS FOR 2025:

In 2025, the Compliance Service will continue further development of the compliance function in the Group of Companies, including improvement of the methodological framework and formation of anti-corruption culture,

further digitalisation of the compliance function, identification of compliance risks in the Fund's activities and development of a methodology for assessing the efficiency of the compliance function of the Fund's portfolio companies.

Risk Management and Internal Control

The risk management system is aimed at ensuring the achievement of strategic and operational objectives, as well as objectives in the area of reliable reporting and compliance with applicable laws and internal requirements.

Internal control focuses on achieving operational objectives, ensuring the reliability of reporting and compliance with the legislation and internal requirements of the Fund and its Portfolio Companies.

The objectives of the Corporate Risk Management and Internal Control System are as follows:

- Strengthening the risk culture and integrating risk management and internal control into all aspects of the Fund's activities.
- Reducing volatility of results by improving the Fund's ability to prevent adverse situations, respond effectively to adverse events and minimise their impact to an acceptable level.
- Ensuring that opportunities are seized to increase the value of the Fund's assets and profitability over the long term.

The main principles and approaches to the organisation of risk management and internal control in the Fund Group are reflected in the Fund's Policy on Risk Management and Internal Control. This Policy has been drawn up taking into account the recommendations

of COSO, COSO Enterprise Risk Management – Integrating with Strategy and Performance and is designed to strengthen the responsibility of risk owners for risk management at all levels of the Fund, increase the integration of risk management into all processes of the Fund.

According to the Policy, the Board of Directors and the Management Board of the Fund in the performance of their functions are based on the "Three Lines of Defence" model, where the first line of defence (business functions) is represented by structural units represented by each employee who, within their competence, directly identify, manage risks and perform control procedures. The second line of defence (monitoring functions) is represented, among others, by the Risk Management and Internal Control Department and the Compliance Service of the Fund, which are responsible for monitoring the implementation by structural units of effective risk management and internal control practices, compliance with the legislation and internal regulatory documents of the Fund. The third line (independent assurance) includes the Internal Audit Service, which provides an independent assessment of the effectiveness of the risk management and internal control system.

The Fund and portfolio companies annually approve the risk appetite, risk register and risk map, and regularly submit the Report on Significant Risks to the Board of Directors for consideration.

A corporate reinsurance programme under the administration of the Fund's captive is being implemented, which is aimed at comprehensive organisation of reinsurance protection of risks of the Fund's companies.

Work continues to improve the internal control system, including documentation of control procedures in the Fund's internal regulatory documents.