

05

CORPORATE GOVERNANCE

- 112 • Corporate Governance System
- 114 • Sole Shareholder
- 114 • Board of Directors and its Committees
- 130 • Management Board and its Committees
- 136 • Remuneration Policy
- 137 • Internal Audit Service
- 137 • Compliance Service
- 138 • Risk management and internal control
- 140 • Public Council
- 144 • Information Security

А
3
КА
В
Н
Х
Р
У
М
А





Statement on Compliance with the Provisions of the Corporate Governance Code of Samruk-Kazyna JSC

In order to ensure compliance with the highest standards of corporate governance in 2012, the Sole Shareholder of Samruk-Kazyna JSC adopted the Decree of the Government of the Republic of Kazakhstan **“On Approval of the Corporate Governance Code of Joint Stock Company “Sovereign Wealth Fund “Samruk-Kazyna” (hereinafter - the Code).**

The international practice of corporate governance is not static and the revision of the principles of the Code is a standard process of improving the corporate governance system. In this regard, amendments to the Code were developed in the reporting year to bring the Fund in line with the best international practice in the field of corporate governance. The new version of the Code has been developed in accordance with provisions of the legislation of the Republic of Kazakhstan, given the principles of the UK and OECD Corporate Governance Code. The Board of Directors of the Fund by the decision dated December 14, 2022, approved the draft of the new Code and recommended for submission to the Sole Shareholder of the Fund.

By Resolution The Government of the Republic of Kazakhstan No. 590 of July 14, 2023 approved the Corporate Governance Code JSC "Samruk-Kazyna" in the new edition.

The Fund is obliged to carry out its activities in accordance with the basic principles of the Code, and in cases of non-compliance, provide explanations of the reasons for non-compliance. The Board of Directors may, for certain reasons, conclude that certain provisions of this Code are inapplicable or impossible to comply with. Control over the implementation of the Code is entrusted to the Board of Directors of the Fund.

Particular attention is paid to the issues of proper quality compliance with this Code in order to achieve sustainable success in the long term. The report on compliance/non-compliance with its principles and provisions is submitted for consideration and subsequent approval of the Board of Directors of the Fund on an annual basis.

Samruk-Kazyna JSC strives to comply with the highest standards of corporate governance, since it considers this to be one of the most important conditions for high efficiency and business sustainability, as well as the basis for socially responsible management of the Fund group.

In 2022, the main provisions of the Code for their compliance were analyzed. In the reporting year, the Fund basically complied with all the principles set out in the Code. Detailed information is provided in Annex 2.

CORPORATE GOVERNANCE SYSTEM

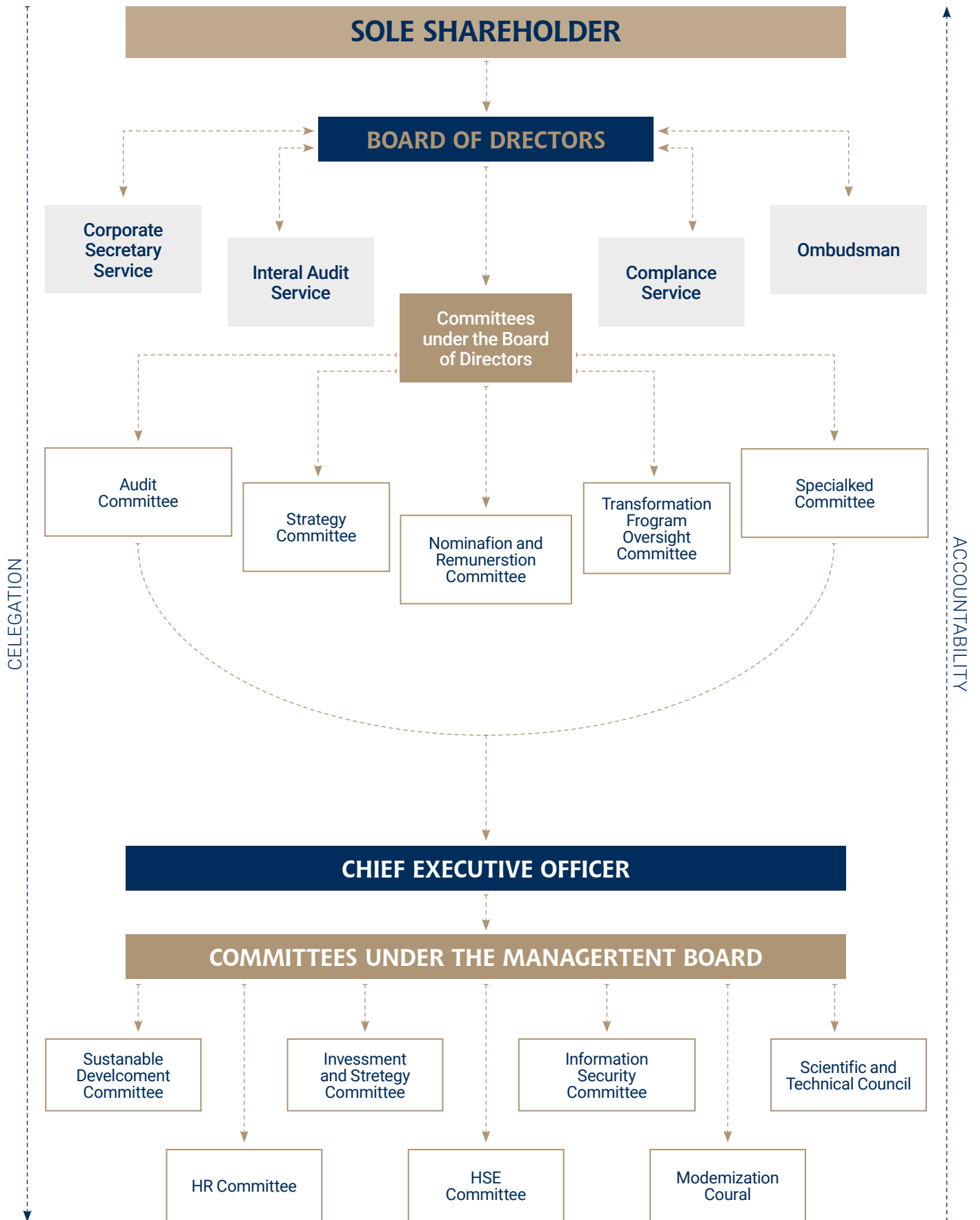
We confirm the commitment of the Fund group to follow the standards of good corporate governance with a focus on improving corporate governance practices, as well as ensuring transparency and accountability of our activities.

The Fund operates an efficient corporate governance system that

meets international standards. The corporate governance system of the Fund is a set of processes that ensure the management and control over the

Fund activities, as well as the system of relationships between the Sole Shareholder, the Board of Directors, the Management Board and stakeholders, and is aimed

at increasing long-term value and sustainable development. The Board of Directors regularly considers matters of improving the effectiveness of this system of relationships. The competence of the bodies and the procedure on decision-making are clearly defined and enshrined in the Charter.



SOLE SHAREHOLDER

The Government of the Republic of Kazakhstan is the Sole Shareholder of the Fund. The Government governs the Fund and the Organisations solely through exercising its powers of the Sole Shareholder of the Fund, as provided by the Law on the Fund and the Fund's Charter, as well as through its representation on the Fund's Board of Directors. The main principles and issues of interaction between the Government and the Fund are regulated by the Agreement on Cooperation.

The Government of the Republic of Kazakhstan segregates its powers of the Sole Shareholder of the Fund from its powers related to state regulatory functions. The Government governs the Fund to enhance the national welfare of the Republic of Kazakhstan through achieving growth in the long-term value and through managing the assets of the Fund and the Organisations effectively.

The Government provides the Fund and the Organizations with full operational independence and

does not permit interference by the Government and public authorities in the current and investment activities of the Fund and the Organizations, except in cases provided for by laws and acts of the President of the Republic of Kazakhstan. The Fund's Management Board, the Chief Executive Officer, and bodies of the the Organisations are fully autonomous and independent in their decisions and any actions within their competence.

The Sole Shareholder of the Fund has a list of tasks, decisions on which must be taken directly by the Sole Shareholder. An overview of issues referred to the exclusive competence of the Sole Shareholder is given below. These questions are fundamental to the Fund in summing up the strategic and financial results:

- Approval of the Fund's Charter;
- Approval of the annual financial statements of the Fund;
- Approval of the Development Plan of the Fund;
- Approval of the Fund's Corporate Governance Code;

- Determination of the Fund's dividend policy, taking a decision on the distribution of the Fund net income based on the results of the reporting period, taking a decision on the payment of dividends;
- Taking decisions on voluntary reorganization or liquidation of the Fund;
- Determination of the quantitative composition, term of office of the Board of Directors of the Fund, election of its members and early termination of their powers;
- Appointment and early dismissal of the Chief Executive Officer;
- Alienation of shares of companies according to the list determined by the Sole Shareholder of the Fund, as well as transfer of these shares to trust management;
- Decision-making on liquidation, reorganization of companies according to the list determined by the Sole Shareholder of the Fund.

A full list of issues referred to the exclusive competence of the Sole Shareholder is disclosed in the Charter of the Fund at www.sk.kz

BOARD OF DIRECTORS AND ITS COMMITTEES

The leading role of the Board of Directors

The Board of Directors of the Fund is a governing body accountable to the Sole Shareholder, providing strategic guidance and control over the activities of the Management Board of the Fund. The Board of Directors ensures the implementation of all provisions of the Corporate Governance Code of the Fund.

The performance of the Board of Directors is based on the principles of efficiency and responsibility, maximum alignment and implementation of the interests of the Sole Shareholder and the Fund, as well as protection of rights of the Sole Shareholder and responsibility for the operations of the Fund.

The Board of Directors is self-sustaining and independent in taking decisions and performing any actions within its competence in accordance with the Law on the Fund, the Code and the Charter.

The Board of Directors is not entitled to take decisions on issues that, in accordance with the legislative acts of the Republic of Kazakhstan and the Charter, are referred to the exclusive

competence of the Sole Shareholder (unless otherwise provided by the legislative acts of the Republic of Kazakhstan) and the Executive Body of the Fund, as well as take decisions that contradict decisions of the Sole Shareholder.

During 2022, the Board of Directors did not have any contradictions with these requirements.

The Board of Directors has sufficient authorities to manage the organization and control over the activities of the Management Board. The board of directors carries out its functions under the charter and pays special attention to the following:

- *Determining the development plan and integrating the ESG goals;*
- *Setting and monitoring the key performance indicators as part of the action plan;*
- *Organising and controlling the effectiveness of risk management and internal control systems;*
- *Approving and monitoring the effective execution of major investments and other key strategic projects within the competence of the Board of Directors;*
- *election of members of the Management Board (except for the Chief Executive Officer), remuneration, succession planning and supervision of the activities of the CEO and members of the Management Board;*
- *Meeting the provisions of the Corporate Governance Code and corporate standards of the Fund.*

A complete list of issues referred to the exclusive competence of the Board of Directors is determined by the Law of the Republic of Kazakhstan "On Sovereign Wealth Fund" and is disclosed in the Charter of the Fund at <http://www.sk.kz>

The members of the Board of Directors properly perform their duties and ensure growth of the long-term value and sustainable development of the organization.

When performing their duties, members of the Board of Directors comply with the following principles:

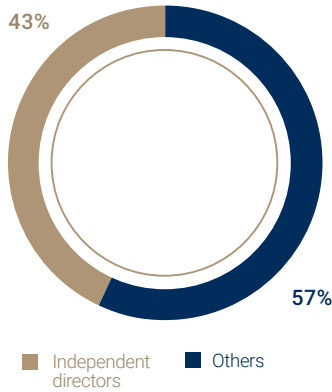
- **Act within their competence** - members of the Board of Directors make decisions and act within their powers specified in the Charter;
- **Commit sufficient time for taking part in meetings** of the Board of Directors, its Committees and preparing for the meetings - a member of the Board of Directors may not hold simultaneous membership of more than four legal entities or simultaneous Chairmanship in more than two Boards of Directors;
- **Promote the Organisation's growth in long-term value and Sustainable Development** - members of the Board of Directors act in the interests of the Organisation, treat all Shareholders fairly and follow the principles of Sustainable Development. The influence of decisions and actions of the Board of Directors members may be assessed through the following questions: what are the long-term consequences of the decision/action? What are the social and environmental impacts of the Organisation's activities? Will all Shareholders be treated fairly? What is the impact on the Organisation's reputation and high ethical standards? What is the impact on Stakeholders' interests? (While essential, this list of questions is not exhaustive);
- **Maintain high standards of business ethics** - in their actions, decisions and behaviour, members of the Board of Directors comply

with high standards of business ethics and act as role models for employees of the Fund and the Organisation;

- **Avoid conflicts of interest** - a member of the Board of Directors prevents situations in which their personal interest may affect the proper performance of their duties as members of the Board of Directors. If a conflict of interest affects or may potentially affect impartial decision-making, the members of the Board of Directors give advance notice to the Chairman of the Board of Directors and should not take part in the respective decision-making. This requirement also applies to the Board of Directors member's other actions that affect directly or indirectly the proper performance of their duties;
- **Act reasonably, skilfully and with due diligence** - members of the Board of Directors are recommended to develop their knowledge in terms of the Board of directors competence regularly and performing their duties in the Board of Directors and Committees. This may include such areas as law, corporate governance, risk management, finance and audit, Sustainable Development, industry knowledge and features of the Organisation's business. To understand issues related to the Organisation's business, members of the Board of Directors regularly visit key sites and meet employees of the Organisation.

COMPOSITION OF THE BOARD OF DIRECTORS¹¹

Share of Independent Directors on the Board of Directors in the Fund group

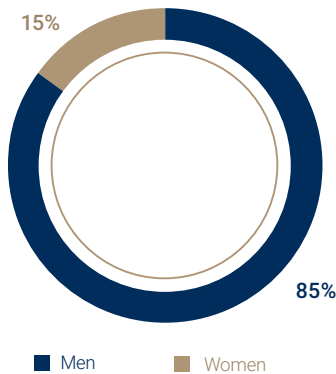


ALIKHAN SMAILOV

**Chairman of the Board of Directors,
Prime Minister of the Republic of Kazakhstan**

Election date: January 2023

Gender diversity of members of the Board of Directors in the Fund group



Education:

- Al-Farabi Kazakh State National University - Applied Mathematics;
- Kazakhstan Institute of Management, Economics and Forecasting under the President of the Republic of Kazakhstan - Master of Public Administration.

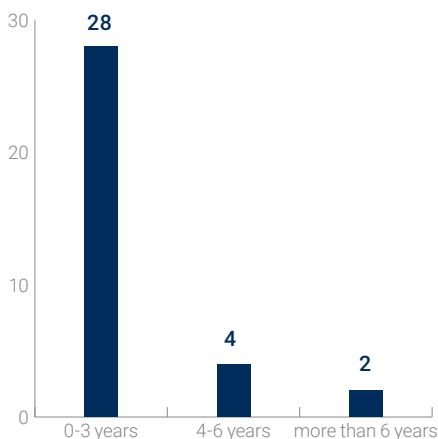
Experience:

In the period from 1993 to 1999, Alikhan Askhanovich worked as the Chief Specialist in A-Invest Investment and Privatization Fund; Deputy Head of the Department, Head of the Department of the National Statistical Agency of the Republic of Kazakhstan; Deputy Chairman of the Statistics and Analysis Committee of the Agency for Statistical Planning and Reforms of the Republic of Kazakhstan; Chief Expert, Head of the Economic Sector of the Department, State Inspector of the Executive Office of the President of the Republic of Kazakhstan.

In 1999-2003, he served as the Chairman of the Statistics Agency of the Republic of Kazakhstan. In 2003-2006, he took the position of the Vice-Minister of Foreign Affairs of the Republic of Kazakhstan, Chief Executive Officer of State Insurance Company for Export Credits and Investments Insurance JSC. In 2006-2009, he was the Vice-Minister of Finance of the Republic of Kazakhstan, President of JSC NMH KazAgro. In 2009-2014, he hold the position of the Chairman of the Statistics Agency of the Republic of Kazakhstan. In 2014-2015, he served as the Chairman of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan. In 2015-2018, he worked as the Aide to the President of the Republic of Kazakhstan. From September 2018 to February 2019, he fulfilled the duties of the Minister of Finance. On February 25, 2019, the President of the Republic of Kazakhstan by the Decree was appointed him the First Deputy Prime Minister - Minister of Finance. On January 18, 2021, the President of the Republic of Kazakhstan by the Decree reassigned him to this position. On January 11, 2022, the President of the Republic of Kazakhstan by the Decree appointed him to the post of Prime Minister of the Republic of Kazakhstan. On March 30, 2023, the President of the Republic of Kazakhstan by the Decree reassigned him to the post of Prime Minister of the Republic of Kazakhstan.

He was awarded with Yeren Yenbegi Ushin medal and other medals.

Tenure of independent directors on the Board of Directors in the Fund group



¹¹ As of May 2023, the composition of the Board of Directors of the Fund is presented as follows.



**TIMUR
SULEIMENOV**

**Member of the Board of Directors,
First Deputy Head of the Executive Office
of the President of the Republic of Kazakhstan**

Election date: January 2022

Education:

- S. Toraihyrov Pavlodar State University – Economics and Management in the Social sphere;
- S. Toraihyrov Pavlodar State University – Jurisprudence;
- University of Maryland (USA) – Master of Business Administration in the Bolashak program, Master of Business with a specialization in Finance.

Experience:

Timur Muratovich started working in 1999-2000 as the Economist Manager of family outpatient clinic No. 3 in Pavlodar. In 2002-2006 he worked as the Consultant, Chief Consultant of Ernst & Young Kazakhstan in Almaty. From 2006 to 2009, he served as the Director of the Tax Accounting and Tax Planning Department of KazMunayGas Exploration and Production JSC. From 2009 to 2010, he took the position of the Vice-Minister of Economy and Budget Planning of the Republic of Kazakhstan. From 2010 to 2012, he held the post of the Vice-Minister of Economic Development and Trade of the Republic of Kazakhstan. From 2012 to 2016, he was a member of the Board of the Eurasian Economic Commission (Minister) for Economy and Financial Policy. In 2016-2019, he worked as the Minister of National Economy of the Republic of Kazakhstan. In 2017-2019, he was the member of the Board of Directors of JSC NMH KazAgro. Since April 2019, he took the position of the member of the Board of Directors of JSC NMH Baiterek. From February to March 2019, he worked as Deputy Chief Executive Officer of the National Bank of the Republic of Kazakhstan. From March to July 2019, he took the position of the Assistant to the President of the Republic of Kazakhstan. From July 2019 to January 2022, he worked as a Deputy Chief of Staff of the President of the Republic of Kazakhstan. On January 13, 2022, by the Decree of the Head of State, he was appointed First Deputy Chief of Staff of the President of the Republic of Kazakhstan.

He was awarded with Kurmet and Yeren Yenbegi Ushin orders and other medals.



**ALIBEK
KUANTYROOV**

**Member of the Board of Directors,
Minister of National Economy of the Republic of Kazakhstan**

Election date: January 2022

Education:

- Tomsk State University - "Finance and Credit" and "Linguistics and Intercultural Communication";
- University of Michigan – Master of Applied Economics in the Bolashak program.

Experience:

He started his career in 2005 as the Leading Specialist of the Internal Administration Department, the International Relations Department of the Ministry of Economy and Budget Planning of the Republic of Kazakhstan. In 2006-2010 he worked as the Expert, Chief Expert of the Investment Policy and Planning Department of the Ministry of Economy and Budget Planning and the Ministry of Economic Development and Trade of the Republic of Kazakhstan. In November 2010, he was the Head of the Strategic Development Department of the Strategic Planning and Analysis Department of the Ministry of Economic Development and Trade of the Republic of Kazakhstan. From 2010 to 2013, he occupied the position of Deputy Director of the Budget Policy and Planning Department and the Budget Planning and Forecasting Department of the Ministry of Finance of the Republic of Kazakhstan. From February to June 2013, he worked as the Deputy Chairman of the Geology and Subsoil Use Committee of the Ministry of Industry and New Technologies of the Republic of Kazakhstan. In 2013-2019, he took the position of the Deputy Head of the Center for Strategic Research and Analysis, Deputy Head of the Social Economic Monitoring Department of the Executive Office of the President of the Republic of Kazakhstan. In 2019-2021, he fulfilled the duties of the Deputy Head of the Chancellery of the First President – Yelbasy of the Republic of Kazakhstan. In 2021-2022, he worked as the Vice Minister of National Economy of the Republic of Kazakhstan. The Head of State by the Decree dated January 11, 2022, appointed him the Minister of National Economy of the Republic of Kazakhstan. On April 04, 2023, the Head of State by the Decree reassigned him to the position of the Minister of National Economy of the Republic of Kazakhstan.

Awards: the Yeren Yenbegi Ushin medal and several jubilee medals.



**BOLAT
ZHAMISHEV**

Member of the Board of Directors – Independent Director

Election date: July 2022

Education:

- Candidate of Economic Sciences.

Experience:

In different years he held the positions of Vice-Minister of Labor and Social Protection of the Population of the Republic of Kazakhstan (November 1997 - March 1999), Vice-Minister of Finance of the Republic of Kazakhstan (March 1999 - June 2001), Vice-Minister of Internal Affairs of the Republic of Kazakhstan (June 2001 - February 2002), Vice-Minister of Finance of the Republic of Kazakhstan (February 07, 2002 - February 2003), Deputy Chairman of the National Bank (February 2003 - January 2004), Chairman of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations (January 2004 - January 2006), Deputy CEO of Eurasian Development Bank (EDB) (June 2006 - November 2007), Minister of Finance of the Republic of Kazakhstan (November 2007 - November 2013), Minister of Regional Development of the Republic of Kazakhstan (November 2013 - August 2014), CEO of Development Bank of Kazakhstan JSC (August 2014 - April 2019), Chairman of the Board of Directors of Social Health Insurance Fund NJSC (from April 2020 - August 2022).

On October 30, 2020, he was appointed Chairman of the Board of Directors of Bank RBK JSC.

On January 15, 2022, he was elected CEO of Kazakhstan Khalkyna Public Fund.

On February 17, 2022, he was elected Chairman of the Samruk-Kazyna JSC Public Council.

Awards: Kurmet, Parasat orders, Jubilee medal “10 years of Astana”.



**LUCA
SUTERA**

Member of the Board of Directors – Independent Director

Election date: July 2020

Education:

- Bocconi University (Italy) – Master’s degree in Business Economics
- IE Business School International School (Spain) - MBA Program for top executives of Global Executive MBA
- Chartered Accountant (CPA)
- Certified Director (CloD)

Experience:

Mr Sutera is an experienced finance and investment executive with 25 years of post-graduate experience, of which 17 years serving as CFO for global energy companies and Sovereign Wealth Funds in Europe, Russia and the Middle East. Mr Sutera is currently Operating Partner of Asterion Industrial Partners, a leading European Investment Management Firm focused on European Infrastructure and Group Chief Financial Officer of Energy Asset Group, a leading UK-based integrated utility company. Prior to joining Energy Asset Group, from 2015 to 2020, Mr Sutera served as Chief Financial Officer of the Nebras Power Group, a Qatar-based state-owned global energy company. From 2011 to 2015 Mr. Sutera served as Chief Financial Officer of the global Power & Water Business of TAQA, Abu Dhabi-based state-owned global energy company.



**JON
DUDAS**

Member of the Board of Directors – Independent Director

Election date: December 2019

Education:

- University of the Witwatersrand (South Africa) - Bachelor of Science (Mining Engineering);
- University of the Witwatersrand (South Africa) - Master of Science (Mineral Economics);
- Heriot-Watt University (UK) – MBA.

Experience:

Mr Dudas began his working career at Rand Mines Ltd in 1984 and has held a variety of senior managerial and executive positions across a number of commodities and functions at companies including BHP, where he was CEO of the global Aluminum division. Since 2012, Mr Dudas has been working as an independent corporate adviser to multinational mining and professional service companies. From November 2015 to December 2019, was a member of the Board of Directors of JSC NAC Kazatomprom and elected Chairman of the Board of Directors in 2018,

By the decision of the Sole Shareholder dated December 6, 2019 (Decree of the Government of the Republic of Kazakhstan No.907), he was elected to the composition of the Board of Directors of Samruk-Kazyna JSC as an independent director.

The Board of Directors by decision dated February 06, 2020, No.167 appointed him to the position of the Chairman of the Board of Directors of the Fund.

Due to the election of the Prime Minister of the Republic of Kazakhstan to the post of the Chairman of the Board of Directors of the Fund, according to the decision of the Sole Shareholder dated January 16, 2023 (Decree of the Government of the Republic of Kazakhstan No. 19), he was elected the Member of the Board of Directors of the Fund as an Independent Director.

Jon Dudas prematurely terminated his powers on the basis of his application from May 01, 2023.



**NURLAN
ZHAKUPOV**

Member of the Board of Directors, Chief Executive Officer of Samruk-Kazyna JSC

Election date: April 2023

Education:

- Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation, Faculty of International Economic Relations (1996-2001) - Bachelor of Economics, Master of Economics, Candidate of Economic Sciences

Experience:

In 2001-2003, Nurlan Karshagovich worked as the Financial Analyst at the Eurasian Industrial Association (ENRC) In 2003-2004, he held the position of the Business Manager at Chambishi Metals PLC (Zambia, Kitwe) and 2004 - 2007 - the Project Manager at Research, Investment and Development Ltd. In 2007-2009, he worked as the Analyst for the value of the company's shares traded on the stock exchange, the Credit Suisse basic materials team. In 2009-2011, he worked as the Managing Director, Member of the Management Board of JSC "National Mining Company "Tau-Ken Samruk". In 2011-2012, he became the Director of the Investment Banking Department, the Head of the Representative Office in Astana of JSC "Subsidiary Bank "RBS (Kazakhstan)". In 2012-2016, he took the position of the Executive Director of the Investment Banking Department, Head of the Representative Office in Astana of UBS AG Almaty Representative Office. In 2016-2017, he was the Managing Director for Development and Investment - Member of the Management Board of JSC "NAC "Kazatomprom". In 2017-2019, he served as the CEO of JSC SEC Astana. In 2019-2020, he was the Representative in Kazakhstan of Rothschild & Co. From 2020 to April 2023, he worked as CEO of Kazakhstan Investment Development Fund (KIDF) Management Company Ltd.

On April 04, 2023, he was appointed CEO of JSC "Sovereign Wealth Fund "Samruk-Kazyna"

Changes in the composition of the Board of Directors of the Fund for 2022-2023

Date	Member of the Board of Directors	Event
January 28, 2022	Kanat Bozumbayev	Early termination of powers of a member of the Board of Directors
January 28, 2022	Vyacheslav Kim	Early termination of powers of a member of the Board of Directors
January 28, 2022	Daniyar Akishev	Early termination of powers of a member of the Board of Directors
February 19, 2022	Ong Boon Hwee	Early termination of powers of a member of the Board of Directors
July 01, 2022	Bolat Zhamishev	Elected a member of the Board of Directors as the Independent Director
January 16, 2023	Alikhan Smailov Prime Minister of the Republic of Kazakhstan (ex officio)	Elected Chairman of the Board of Directors
April 04, 2023	Almassadam Satkaliyev	Early termination of powers of a member of the Board of Directors
April 04, 2023	Nurlan Zhakupov Chief Executive Officer of the Fund (ex officio);	Elected the member of the Board of Directors
May 01, 2023	Jon Dudas	Early termination of powers of a member of the Board of Directors

Work of the Board of Directors in 2022

In the reporting period, the Board of Directors Fund was focused on solving tasks within its competence through the prism of strategic goals. The list of issues and decisions are reflected in the corresponding Minutes and decisions of the Board of Directors meetings. The meetings of the Board of Directors were held in accordance with the Work Plan of

the Board of Directors of the Fund. Meetings of the Board of Directors and its Committees were held by means of in-presence or absentee voting.

As part of measures taken by the Board of Directors to increase the long-term value and sustainable development of the organization, 18 meetings of the Board of Directors of the Fund were held in 2022, of which 12 in-presence meetings and

8 absentee meetings. In total, 121 issues were considered, on which 208 instructions were given.

Based on results of the comparative analysis of the activities of the Board of Directors of the Fund for the period 2018 - 2022, there is increase in the number of issues considered in 2022, as well as decrease in the number of absentee meetings, which meets the best global corporate governance practices.

Indicator	2018	2019	2020	2021	2022
Number of meetings	11 (8 in-presence/ 3 absentee)	10 (6 in-presence/ 4 absentee)	15 (5 in-presence/ 10 absentee)	10 (8 in-presence/ 2 absentee)	18 (12 in-presence/ 6 absentee)
Number of issues	111	88	101	116	121

Issues considered by the Board of Directors in 2022, by categories:

Strategic issues	<ul style="list-style-type: none"> • Approval of the Development Plan of the Fund for 2023-2032 • Approval of the Low-carbon Development Concept (the Plan for the Transition to the Low-carbon Business Model) • Transfer of assets of the Fund to the competitive environment, determination of the method of transfer of the Fund companies • Withdrawal of shares of Joint Stock Company "National Company "KazMunayGas" for IPO • Acquisition of shares in the authorized capital of other organizations
Issues in economy and finance	<ul style="list-style-type: none"> • Determination of the audit organization that performs the audit of the Fund for 2022-2024 • Preliminary approval of the annual financial statements (consolidated and separate) of the Fund for 2021, the order of distribution of net income, taking a decision on the payment of dividends on ordinary shares and approving the amount of the dividend per ordinary share • Approval of the Annual Budget and Action Plan for 2023-2027 • Raising loan for the sum exceeding one percent of the amount of the equity capital of the Fund and determining the terms of the bond issue of the Fund. • Increase in the Fund liabilities by the size amounting to ten percent or more of its own capital through entering related-party transactions of the Fund, which are of a strategic nature
Reports	<ul style="list-style-type: none"> • Reports of the Chief Executive Officer and the Managing Director for Economics and Finance on performance indicators • HSE Reports and Prevention of the COVID-19 Spread in Portfolio Companies of Samruk-Kazyna JSC • Progress Report of the Agreement on Cooperation between the Government of the Republic of Kazakhstan and the Fund • Reports on the status of critical risks of the Fund and Portfolio Companies • Annual Report of the Fund for 2021 • Sustainability Report of the Fund for 2021 • Operating Reports of the Board of Directors and its Committees of the Fund for 2021 • Annual report on the implementation of the Fund's Charity Program for 2020 • Report on the Results of the Corporate Governance Diagnostics of the Fund (in the self-assessment format).
Issues of subsidiaries and affiliates of the Fund	<ul style="list-style-type: none"> • Placement of the Fund shares within the announced shares, determination of the method, quantity and price of their placement • Conclusion of related-party transactions of the Fund • Establishment of the consolidated limit of the Fund and formation of requirements for foreign companies • Amending the Charity Program of the Fund group in terms of determining the amounts for charitable needs (social projects)
Corporate governance issues	<ul style="list-style-type: none"> • Report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code of the Fund • Approval of the risk map/register and risk appetite • Updating the composition of Committees of the Board of Directors and the Management Board of the Fund • Giving consent for members of the Management Board of the Fund to occupy positions of a member of the Board of Directors and a member of the Supervisory Board in some companies of the Fund group and other organizations • Amending the Corporate Governance Code of the Fund
Approval/ updating of internal regulatory documents	<ul style="list-style-type: none"> • Procurement Procedure by the Fund and Legal Entities, Fifty Percent or More of the Voting Shares (Interest) of which is Directly or Indirectly Owned by the Fund on the Right of Property or Trust Management • HR Policy of the Fund • Policy on Settlement of the Conflict of Interests of the Fund • Internal Credit Policy of the Fund group • Rules for the Transfer to the Competitive Environment of the Assets of the Fund and organizations, at least fifty percent of the voting shares (equity interests) of which is directly or indirectly owned by the Fund on the right of property • Terms of Remuneration and Bonuses Payment to the Chief Executive Officer and Members of the Management Board of the Fund • Rules for Labor Payment, Remuneration, Performance Evaluation and Social Support of the Ombudsman, the Corporate Secretary and employees of the Internal Audit Service of the Fund

Strengthening Corporate Governance for the Fund Group

Strengthening corporate governance is one of the fundamental aspects to increase the long-term value of the companies. For all PCs, regardless of the plans and timing of the IPO, the goal is to significantly improve corporate governance practices to the level of listing requirements of leading international exchanges in terms of compliance, disclosure, decision-making transparency, procurement and other aspects of corporate governance.

Implementation of the best international practices of corporate governance will increase the level of perception of the company by shareholders and investors, reduce the cost of borrowed capital, and ultimately will increase the long-term value of the company.

In 2022, the Fund has taken systematic measures to ensure the effectiveness of the Board of Directors in Portfolio Companies and further improve corporate governance by:

- **maximum approximation of standards to the requirements of leading listed exchanges**, OECD regulations, recommendations of the Financial Conduct Authority, Institute of Directors. In all PCs, the Charters and Regulations on the Board of Directors have been updated in terms of delineating the competencies and powers of the Board of Directors and the Management Board, the procedure for holding meetings and the format of materials for meetings of the Board of Directors have been unified;
- **strengthening the role of the Board of Directors** of Portfolio Companies and ensuring the adoption of independent, objective

decisions of the Board of Directors by attracting highly professional independent directors. The selection criteria for members of the Board of Directors have been increased, in terms of independence and compliance with the balance of skills, experience, elements of diversity and inclusiveness, sectorial specifics (relevant requirements have been introduced in the Code, the share of Independent Directors on the Board of Directors for the Fund group has been increased to 43%, the share of women in the Fund group – up to 15%);

- **de-bureaucratization of processes**, elimination of unnecessary links, creation of additional mechanisms to increase efficiency, optimize and speed up the implementation of business processes of interaction between the Fund and Portfolio Companies when reviewing and approving documents. Amendments and additions have been made to the Manual on Engagement with Portfolio Companies;
- **qualitative disclosure of information**. The approaches to the formation of the annual report and the Sustainability Report have been revised, a self-assessment report of the Fund on compliance with the Principles of Santiago was prepared, sent to the International Group of Sovereign Wealth Fund Managers (IFSWF);
- **Introduction of ESG principles**. The Code has been updated regarding the implementation of ESG principles. Integrated EGS Implementation Plans have been approved in Portfolio Companies. KAP, KMG and KTZh have received ESG ratings, preparatory work is underway in other Portfolio Companies.

Increasing the Role of the Board of Directors. Independence of Directors and Conflict of Interests

The structure of the Board of Directors composition will be formed given the requirements to the formation of the full-fledged and effective committees that are key working bodies of the Board of Directors. The Fund will support the work with the succession of the composition of the PC Board of Directors. For this purpose, high-quality work will be ensured to maintain the Fund's talent pool for potential members of the PC Board of Directors, as well as to select and hire directors who meet the target profile.

The role of the Board of Directors in the Fund governance is increasing on an ongoing basis, with a focus on the opinion of independent directors. The Fund will strive to maintain the share of independent directors in the PCs at the level of 50%.

The Boards of Directors of the Fund group include Independent Directors. The number of Independent Directors should provide for independence in decision-making and fair treatment of all stakeholders.

An Independent Director is a person that has sufficient expertise and autonomy to make independent and objective decisions, and be free from the influence of any Shareholder, the Executive Body and other Stakeholders.

The criteria for Director independence are specified in legislation of the Republic of Kazakhstan and the Organisation's Charter.

In addition to the requirements established by the legislation of the Republic of Kazakhstan, in 2022 the **Fund strengthened the criteria for independence** in compliance with

instructions of the UK Corporate Governance Code:

- whether he/she is or has been an employee of the company or group for the past three years;
- whether he/she has or has had for the last three years a material business relationship with the company directly or as a partner, shareholder, director or general manager of the body maintaining such a relationship with the company;
- whether he/she has received or is receiving additional remuneration from the company in addition to the director's remuneration, participates in an option on the company's shares or in a performance-based payment scheme, or is a participant in the company's pension scheme;
- whether he/she has membership in the Board of Directors or has connections with other directors through participation in other companies or bodies;
- whether he/she represents a major shareholder;
- whether he/she has served on the Board of Directors for more than nine years since first appointment.

The Independent Director monitors its independence and notifies the Chairman of the Board of Directors as soon as they detect a potential loss of independence.

During 2022, the Fund continued to work to ensure compliance with the independence status of the directors of the Fund group.

Risk management issues considered by the Board of Directors

In compliance with the current Risk Management and Internal Control Policy, the Board of Directors plays an important role in forming the

appropriate leadership culture to support and develop a risk management system, as well as in implementing mechanisms to ensure that this leadership culture is reflected throughout the Fund group. The Board of Directors takes an active part in discussing issues within the framework of the risk management, internal control and audit system, provides recommendations on the effectiveness and improvement of relevant business processes.

The Board of Directors has defined the principle of "three lines of defense" in order to effectively manage risks. The first line of defense is the direct owners of business processes, who play a key role in minimizing risks. The second line of defense is the control functions, including the Risk Management and Internal Control Department, Compliance Service, Security Service, responsible for the overall organization of the risk management system and providing methodological support for the first line of defense. The third line of defense is the Internal Audit Service, which provides an objective and independent evaluation of the effectiveness of the risk management system.

The Board of Directors considers reports on the status of critical risks of the Fund and Portfolio Companies, risk management measures, approves risk maps/risk registers, risk appetite for the upcoming period on a quarterly basis. Based on results of a thorough analysis and discussions, decisions are taken to further eliminate risks and improve the corporate risk management system.

All key risks, including the risks of accidents, the risks of significant investment projects, the risks of social instability, financial risks, the litigation risks, the reputation risks,

the risk of the impact of sanctions legislation, the privatization program risks were in constant focus of attention and control of the Board of Directors.

Performance Evaluation of the Board of Directors

In 2022, the assessment of corporate governance was carried out, including a self-assessment of the activities of the Board of Directors, by questioning members of the Board of Directors and key structural subdivisions of the Fund in the context of the following five areas:

- 1) Effectiveness of the Board of Directors and the Management Body;
- 2) Risk management, internal control and audit;
- 3) Sustainable development;
- 4) Rights of the Sole Shareholder;
- 5) Transparency.

The assessment scope has covered the period from July 01, 2021, to September 30, 2022.

The overall corporate governance rating of the Fund based on the results of the self-assessment has increased as compared to the rating of 2021, which was issued based on the results of the independent assessment of PricewaterhouseCoopers LLP. The increase in the rating was influenced by a significant improvement in measures in such areas as risk management, sustainable development and transparency.

Based on results of the diagnostics, key recommendations were given for further improving the efficiency of corporate governance. As part of these recommendations, the Fund will continue to improve the quality of corporate governance.

Information on the participation of members of the Board of Directors in meetings in 2022

№ Member of the Board of Directors, position	Attendance at meetings of the Board of Directors
1. Dudas J. - Chairman of the Board of Directors, Independent Director	83%
2. Suleimenov T.M. - Member of the Board of Directors, First Deputy Head of the Executive Office of the President of the Republic of Kazakhstan	94%
3. Kuantyrov A.S. - Member of the Board of Directors, Minister of National Economy of the Republic of Kazakhstan	83%
4. Zhamishev B.B. – Independent Director	100%
5. Sutera L. - Independent Director	89%
6. Ong B.H. - Independent Director*	100%
7. Satkaliyev A.M. - Member of the Board of Directors, Chief Executive Officer of the Fund	100%

*On February 19, 2022, he resigned from the Board of Directors of the Fund

Note: The members of the Board of Directors did not participate in the meetings of the Board of Directors of the Fund for valid reasons.

Committees under the Board of Directors

Decisions of the Board of Directors are taken by a simple majority of votes, after in-depth consideration by the relevant Committees, which devote sufficient time to discuss and analyze each issue.

The Committees promote in-depth and thorough consideration of issues within the competence of the Board of Directors and improve

the quality of decisions taken, especially in such areas as audit, risk management, proper and effective application of policies of the Fund, sustainable development, including issues of occupational safety and environmental protection.

Committees are established to perform in-depth analysis and formulate recommendations on the

most important matters before they are considered at the meeting of the Board of Directors. The Committees shall not exclude liability of the members of the Board of Directors for the decisions made within its authority. The committee Chairmen prepare the Operating Report of the Committee and report to the Board of Directors on the results of their activities for the year.



Audit Committee

The Committee Role

The Audit Committee is a consulting and advisory body of the Board of Directors of the Fund and was established to assist the Board of Directors of the Fund in performing its control functions over the integrity of financial statements, effectiveness of the internal control and risk

management systems, as well as compliance with the principles of corporate governance and legislation. The Audit Committee also makes recommendations to the Board of Directors of the Fund on the appointment or reappointment of an external auditor.

In accordance with requirements of the Corporate Governance Code, the Audit Committee consists exclusively of Independent Directors with in-depth knowledge and practical experience in accounting and auditing, risk management, and internal control.

Changes in the Composition of the Audit Committee

On February 19, 2022, Ong Boon Hwee, Independent Director, resigned from the Board of Directors and the Audit Committee. The Board of Directors of Samruk-Kazyna JSC by decision dated April 08, 2022, No. 195, elected Dudas Jon, Independent Director of Samruk-Kazyna JSC, a member of the Audit Committee.

The Board of Directors of Samruk-Kazyna JSC by decision dated August 25, 2022, No. 200, elected Zhamishev Bolat Bidakhmetovich a member of the Audit Committee.

Work of the Audit Committee for 2022

During the year, the Audit Committee has considered 54 issues of external and internal audit, internal control and risk management systems, financial reporting, corporate governance and compliance. In order to improve the quality of materials, as well as recommendations provided to the Board of Directors of the Fund, the Audit Committee paid special attention to the planning and preparation of meetings to allocate enough time for consideration and discussion of each agenda item, given the number of attending participants.

On External Audit

- Consideration of the selection and appointment process of the audit organization that performs the audit of Samruk-Kazyna JSC for 2022-2024;
- Consideration of the Audit Planning Report of Samruk-Kazyna JSC for 2021;
- Consideration of results of the audit of the consolidated and separate financial statements of Samruk-Kazyna JSC for the year ended December 31, 2021, and conviction of the independence of the auditors;
- Consideration of the results of the limited review procedures of the interim condensed consolidated

and separate financial statements of Samruk-Kazyna JSC for the six-month period ended on June 30, 2022;

- Consideration of information on the scope of audit and non-audit services rendered by audit organizations to the Samruk-Kazyna JSC group in 2021, and approval of the publication on the corporate Internet resource of the Fund information on remuneration paid by Samruk-Kazyna JSC to the external auditor for rendering audit and non-audit services for 2021;
- Consideration of issues on approval of rendering consulting non-audit services for Samruk-Kazyna JSC and its Subsidiaries by the audit organization of Samruk-Kazyna JSC.

On Internal Audit

- Consideration of the Annual Audit Plan of the Internal Audit Service, including amendments and additions;
- Consideration of the quarterly audit reports in accordance with the approved Annual Audit Plan, and consideration of reports on unscheduled audits;
- Performance evaluation of the Internal Audit Service employees, as well as assessment of the individual development plans of the Internal Audit Service employees;
- In order to increase the independence of Internal audit and the availability of sufficient resources, the Audit Committee approved the introduction of a separate budget for the Internal Audit Service subject to consideration and approval of the Board of Directors;
- During the year, significant efforts were made to promote value-oriented audits aimed at improving the efficiency of business processes and creating added value.

On Compliance Service

- Consideration of the semi-annual report of the Compliance Service for 2022;

- Consideration and submission of recommendations to the Board of Directors on approval of amendments and additions to the Conflict of Interest Settlement Policy of Samruk-Kazyna JSC;
- Consideration and approval of the appointment of the Compliance Service employees of Samruk-Kazyna JSC based on proposals of the Head of the Compliance Service;
- Consideration of results of a third-party-operated Hotline for anonymous reporting of compliance violations and unethical behavior.

On Internal Control and Risk Management

- Consideration and submission of the consolidated quarterly and annual risk reports of the Fund group for 2021 and 2022 to the Board of Directors;
- Consideration and giving recommendations on the preliminary plan for the development of the second line of defense within the framework of the internal control system of Samruk-Kazyna JSC;
- During the year, the Audit Committee devoted considerable time to discussing risk issues and interacting with risk owners, promoting open and transparent communication, as well as high-quality discussion of key risks.
- Additionally, the Audit Committee provided recommendations on the timing and quality of the preparation of risk reports, on the classification of risks, on their impact on the financial condition of the company, as well as on risk management measures.

On Financial Statements

- Consideration and submission of the Separate and Consolidated Financial Statements of Samruk-Kazyna JSC for the year ended December 31, 2021, to the Board of Directors for approval;
- Consideration of the interim condensed consolidated and separate financial statements of

Samruk-Kazyna JSC for M3 and M6 ended on March 30 and June 30, 2022;

- Detailed consideration and discussion with management and the external audit representative of:
 - key indicators included in the financial statements, especially those related to the impairment of non-current assets;
 - business continuity and liquidity;
 - compliance with credit covenants;
 - the impact of the January events and sanctions against the Russian Federation on the activities of the Fund group.
- In addition, the Audit Committee provided a recommendation to accelerate the process of automation and digitalization of business processes, as well as financial reporting systems.

On Corporate Governance

- Consideration of the report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code of Samruk-Kazyna JSC, approved by Government Decree

of the Republic of Kazakhstan of November 05, 2012, No.1403;

- Consideration and submission of the Annual Report and sustainability report of Samruk-Kazyna JSC for 2021 to the Board of Directors for approval;
- In order to increase confidence to the sustainability report, the investment image and the trust of stakeholders, the Audit Committee recommended considering the possibility of the independent external audit of the sustainability report of Samruk-Kazyna JSC next year.
- Consideration and recommendation to the Board of Directors of Samruk-Kazyna JSC to submit the issue "On Amending Decree of the Government of the Republic of Kazakhstan of November 05, 2012, No.1403, "On Approval of the Corporate Governance Code of Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna" for consideration of the Sole Shareholder of Samruk-Kazyna JSC.

In 2022, the Audit Committee held a total of 18 meetings, including 7 in-

presence and 11 absentee meetings. In total, the Audit Committee considered 54 issues in various areas within its competence, of which 74% of the issues were considered at the in-presence meetings and 26% of the issues were considered at the absentee meetings.

It should be noted that the absentee meetings were devoted to the approval of non-audit services rendered by the external auditor according to the policy of the Fund and in order to ensure the preservation of the independence of the external audit organization.

In addition, a number of meetings were organized with the participation of the Audit Committee members with the Head of the Internal Audit Service, the Head of the Compliance Service and the management of the Fund beyond the meetings of the Audit Committee to discuss issues of internal and external audit, risk management and internal control, corporate governance and compliance.

Participation of Committee members at meetings in 2022

Nº	Member of the Audit Committee	Position	Attendance of Committee meetings
1.	Luca Sutera	Independent Director, member of the Board of Directors of the Fund, Committee Chairman	100%
2.	Ong Boon Hwee*	Independent Director, member of the Board of Directors of the Fund, Committee Member	100%
3.	Jon Dudas	Independent Director, member of the Board of Directors of the Fund, Committee Member	100%
4.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, Committee Member	100%

**On February 19, 2022, he resigned from the Board of Directors of the Fund*

Strategy Committee

The Committee Role

The Board of Directors of the Fund by the decision dated December 13, 2018, established the Strategy Committee, whose competence includes pre-consideration and development of recommendations to the Board of Directors of the Fund on issues affecting the strategic directions of the Fund activities.

Changes in the Composition of the Strategy Committee

The Committee consists of at least three members, one of whom must be an Independent Director. The tenure of Committee members aligns with their tenure as members of the Board of Directors of the Fund.

In the period up to January 06, 2022, Asset Armanovich Irgaliyev, who held the position of Minister of National Economy of the Republic of Kazakhstan, was elected to the position of the Chairman of the Strategy Committee. On January 11, 2022, the President of the Republic of Kazakhstan by the Decree appointed Alibek Kuantyrov to the post of the Minister of National Economy of the Republic of Kazakhstan.

During 2022, the authorities of the following members of the Strategy Committee under the Board of Directors of the Fund were terminated prematurely:

- the Board of Directors of the Fund by decision of February 18, 2022, No. 192, terminated prematurely

authorities of Kim Vyacheslav Konstantinovich, the Independent Director, based on his application for early termination of his authorities as the member of the Board of Directors of the Fund with the entry into force of the decision from January 17, 2022;

- the Board of Directors of the Fund by decision of August 25, 2022, No. 200, terminated prematurely authorities of Ong Boon Hwee, the Independent Director, based on his application for early termination of his authorities as the member of the Board of Directors of the Fund with the entry into force of the decision from January 19, 2022.

Due to changing the composition of the Board of Directors of the Fund, Zhamishev Bolat Bidakhmetovich, the Independent Director, was elected as a member of the Strategy Committee according to decision of the Board of Directors of the Fund of

August 25, 2022, No. 200, with entry into force from the date of the decision.

As of December 31, 2022, the Strategy Committee consisted of the following persons:

Kuantyrov Alibek Sakenovich - the Minister of National Economy of the Republic of Kazakhstan - Chairman of the Committee;

Dudas Jon - Independent Director;

Zhamishev Bolat Bidakhmetovich – Independent Director.

Work of the Strategy Committee for 2022

In 2022, 7 in-presence meetings of the Strategy Committee were held.

The Committee meetings were held on a regular basis in accordance with the Work Plan of the Committee for 2022, which in turn included the priority and most important issues of the Committee's activities for 2022. The following issues were considered and discussed at the Committee meetings:

- approval of the 10-year strategic plan and the medium-term action plan for the 5-year planning period;
- approval of the forecast of final macroeconomic indicators for use in the Action Plans of the Fund and its Portfolio Companies for the planned period 2023-2027, as well as for 2022-2026 due to the adjustment of the Action Plan for the specified period;
- Monitoring of the medium-term Action Plan;
- Monitoring of major investment projects, as well as the status of implementation of 13 priority projects.
- Approval of the Concept for the Transition to Low-Carbon Development of the Fund, including the Plan for the Fund transition to a low-carbon business model;
- Approval of the Work Plan of the Committee and submission of the annual operating report of the Committee to the Board of Directors.

Participation of Committee members at meetings in 2022

Nº	Member of the Strategy Committee	Position	Participation in Committee meetings (%)
1.	Alibek Kuantyrov	Minister of National Economy of the Republic of Kazakhstan, Member of the Board of Directors of the Fund, Committee Chairman	100%
2.	Jon Dudas	Independent Director, Chairman of the Board of Directors of the Fund, Committee Member	100%
3.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, Committee Member	100%

Nomination and Remuneration Committee

The Committee Role

The Nomination and Remuneration Committee is responsible for providing recommendations and formulating proposals on the issues of attracting qualified specialists to the Board of Directors, the Management Board, the position of Corporate Secretary, approval of remuneration of independent directors, terms of remuneration and bonus payments paid to members of the Management Board and Corporate Secretary.

The Nomination and Remuneration Committee should comprise a majority of Independent Directors to make objective and independent decisions and prevent the influence of stakeholders on the Committee's decision-making.

Changes in the composition of the Nomination and Remuneration Committee

In accordance with Decree of the Government of the Republic of Kazakhstan of January 28, 2022, No.34 "On Amendments and Additions to Some Decrees of the Government of the Republic of Kazakhstan and Instructions of the Prime Minister of the Republic of Kazakhstan", Suleimenov T.M., First Deputy Head of the Executive Office of the President of the Republic of Kazakhstan was elected a member of the Board of Directors of the Fund.

In view of the above-mentioned change in the composition of the Board of Directors of the Fund, the Board of Directors of the Fund by decision of February 18, 2022, No.192, revised the composition of the Nomination and Remuneration Committee, including election of Suleimenov T.M. to the Committee with entering the decision into force from the date of the decision-making by the Sole Shareholder of the Fund on his election as a member of the Board of Directors of the Fund.

As of December 31, 2022, the Committee consisted of the following persons:

- Jon Dudas - an Independent Director -Chairman of the Committee;
- Suleimenov Timur Muratovich – First Deputy Head of the Executive Office of the President of the Republic of Kazakhstan, Committee Member;
- Sutera Luca – Independent Director - Committee Member.

Work of the Nomination and Remuneration Committee for 2022

In 2022, 7 (seven) meetings of the Nomination and Remuneration Committee of the Board of Directors of the Fund were held, of which 4 in-presence and 3 absentee meetings.

The Committee meetings were held on a regular basis according to the Work Plan of the Committee for 2022.

The following issues were considered and discussed at the Committee meetings:

- formation of proposals for the Board of Directors on the election of members of the Management Board;
- consideration of amendments and additions to internal regulatory documents, including those related to the HR Policy, remuneration of management and employees accountable to the Board of Directors;
- consideration of the corporate key performance indicators of the Fund in the form of the Fund KPIs Chart and performance evaluation of members of the Management Board;
- approval of the goals of the Corporate Secretary, the Ombudsman and results of their achievement;
- Approval of the Work Plan of the Committee and submission of the annual operating report of the Committee to the Board of Directors.

In 2022, 7 (seven) meetings of the Nomination and Remuneration Committee of the Board of Directors of the Fund were held via videoconference, of which 4 in-presence and 3 absentee meetings. 20 (twenty) issues were considered in accordance with the Work Plan.

Participation of Committee members at meetings in 2022

Nº	Transformation Program Oversight Committee members	Position	Participation in Committee meetings (%)
1.	Jon Dudas	Independent Director, Chairman of the Board of Directors of the Fund, Committee Chairman	100%
2.	Timur Suleimenov	First Deputy Chief of Staff of the President of the Republic of Kazakhstan, Member of the Board of Directors of the Fund, Committee Member	71%
3.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, Committee Member	100%

Transformation Program Oversight Committee

The Committee Role

The Transformation Program Oversight Committee is a consultative and advisory body of the Board of Directors of Samruk-Kazyna JSC and was established to carry out the task of monitoring and assessing the implementation of the Fund's Transformation Program, consideration of the assets privatization and restructuring issues and preparing the necessary recommendations to the Board of Directors of the Fund.

Changes in the Committee Composition

In accordance with Decree of the Government of the Republic of Kazakhstan of January 28, 2022, No.34 "On Amendments and Additions to Some Decrees of the Government of the Republic of Kazakhstan and Instructions of the Prime Minister of the Republic of Kazakhstan", Suleimenov T.M., First Deputy Head of the Executive Office of the President of the Republic of Kazakhstan was elected a member of the Board of Directors of the Fund. The authorities of Bozumbayev K.A., the member of the Board of Directors of the Fund, were prematurely terminated by the specified Decree of the Government of the Republic of Kazakhstan.

In view of the above-mentioned change in the composition of the Board of Directors of the Fund, the Board of Directors of the Fund by decision dated February 18, 2022, No. 192, revised the composition of the Transformation Program Oversight Committee, including:

- the authorities of Bozumbayev K.A., the Committee member, were terminated prematurely with the entry into force of the decision from the date of the decision by the Sole Shareholder of the Fund on the early termination of his authorities as the member of the Board of Directors of the Fund;
- the authorities of Kim V.K., the Committee member - Independent Director, were terminated prematurely based on his application for early termination of his authorities as the member of the Board of Directors of the Fund with the entry into force of the decision dated January 17, 2022;
- Suleimenov T.M. was elected the Committee member with the entry into force of the decision from the date of the decision of the Sole Shareholder of the Fund on his election as the member of the Board of Directors of the Fund.

Due to changing the composition of the Board of Directors of the Fund, Zhamishev Bolat Bidakhmetovich, the

Independent Director, was elected as a Committee member according to decision of the Board of Directors of the Fund of August 25, 2022, No. 200, with entry into force from the date of the decision.

As of December 31, 2022, the Oversight Committee consisted of the following persons:

- Jon Dudas - an Independent Director -Chairman of the Committee;
- Suleimenov Timur Muratovich – First Deputy Head of the Executive Office of the President of the Republic of Kazakhstan, Committee Member;
- Zhamishev Bolat Bidakhmetovich – Independent Director, the Committee member.

Work of the Committee for 2022

In 2022, six meetings of the Transformation Program Oversight Committee under the Board of Directors of the Fund were held, of which 3 in-presence and 3 absentee meetings.

The following issues were discussed and considered at the meetings of the Committee in 2022:

- on the realization of the Fund assets, including those related to the IPO of JSC NC KazMunayGas and

- | | | |
|--|--|--|
| <p>the determination of the method of transferring up to 100% of the shares of JSC QAZAQ AIR to the competitive environment;</p> <ul style="list-style-type: none"> the Progress Report on Assets Withdrawal of Samruk-Kazyna JSC and its Subsidiaries; | <ul style="list-style-type: none"> Amendments and Additions to the Rules for the Transfer to the Competitive Environment of the Assets of Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna" and organizations, at least fifty percent of the voting shares (equity interests) of which is directly | <p>or indirectly owned by Samruk-Kazyna JSC on the right of property;</p> <ul style="list-style-type: none"> Approval of the Work Plan of the Committee and submission of the annual operating report of the Committee to the Board of Directors. |
|--|--|--|

Participation of Committee members at meetings in 2022

Nº	Transformation Program Oversight Committee members	Position	Participation in Committee meetings (%)
1.	Jon Dudas	Independent Director, Chairman of the Board of Directors of the Fund, Committee Chairman	100%
2.	Timur Suleimenov	First Deputy Chief of Staff of the President of the Republic of Kazakhstan, Member of the Board of Directors of the Fund, Committee Member	83%
4.	Bolat Zhamishev	Independent Director, member of the Board of Directors of the Fund, Committee Member	100%

Specialized Committee

The Specialized Committee carries out a comprehensive and objective analysis of the impact of the activities of organizations owned by the Fund Group on the development of the economy or a particular branch of the economy, except for issues related to their use of the funds of the National Fund of the Republic of Kazakhstan, the Republic Budget, as well as guarantees and assets of the state.

Management Board and its Committees

The Management Board is the collegial -executive body of the Fund, which manages its current activities and is -responsible for implementing the development strategy and development plan, as well as decisions taken by the Board of Directors and the Sole Shareholder of the Fund. The Management Board of the Fund carries out its activities in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Fund, decisions of the Sole Shareholder and the Board of Directors of the Fund, the Regulations on the Management Board and other internal documents of the Fund.

The Chief Executive Officer is appointed by the decision of the Sole Shareholder. Members of the Management Board are elected by the decision of the Board of Directors of the Fund.

In their activities, the Management Board and the Chief Executive Officer are accountable to the Sole Shareholder and the Board of Directors of the Fund. The competence of the Management Board includes, inter alia, the following:

- Taking decisions on issues referred in accordance with the legislation of the Republic of Kazakhstan and (or) the Charter to the competence of the general meeting of shareholders (participants), another body of the company or other legal entity in relation to which the Fund is a shareholder, participant or has the right to a share in the property, except for decisions on issues taken by the Sole Shareholder or the Board of Directors of the Fund in accordance with the Law "On Sovereign Wealth Fund";*
- Taking prompt actions in respect of companies to prevent disruptions in the completeness and deadline of*

the implementation of investment decisions and investment projects;

- Formation of a unified (including by industry sectors of companies) financial, investment, production and economic, scientific and technical, money management, HR, social and other policies in relation to companies;*
- Approval of the rules for the development, approval, adjustment, execution and monitoring of the implementation of companies' development plans;*
- Approval of the staff size, staff schedule and organizational structure of the Fund;*
- Hearing on an annual basis the results of the Portfolio Companies activities and reporting on the results of companies' activities to the Board of Directors of the Fund;*
- Taking decisions on issues of the Fund's internal activities.*

The complete list of issues referred to the exclusive competence of the Fund's Management Board is disclosed in the Charter of the Fund at www.sk.kz.

COMPOSITION OF THE MANAGEMENT BOARD OF THE FUND¹²



**NURLAN
ZHAKUPOV**

**Member of the Board of Directors,
Chief Executive Officer of Samruk-Kazyna JSC**

Election date: April 2023

Education:

- Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation, Faculty of International Economic Relations (1996-2001) - Bachelor of Economics, Master of Economics, Candidate of Economic Sciences

Experience:

In 2001-2003, Nurlan Karshagovich worked as the Financial Analyst at the Eurasian Industrial Association (ENRC) In 2003-2004, he held the position of the Business Manager at Chambishi Metals PLC (Zambia, Kitwe) and 2004 - 2007 - the Project Manager at Research, Investment and Development Ltd. In 2007-2009, he worked as the Analyst for the value of the company's shares traded on the stock exchange, the Credit Suisse basic materials team. In 2009-2011, he worked as the Managing Director, Member of the Management Board of JSC "National Mining Company "Tau-Ken Samruk". In 2011-2012, he became the Director of the Investment Banking Department, the Head of the Representative Office in Astana of JSC "Subsidiary Bank "RBS (Kazakhstan)". In 2012-2016, he took the position of the Executive Director of the Investment Banking Department, Head of the Representative Office in Astana of UBS AG Almaty Representative Office. In 2016-2017, he was the Managing Director for Development and Investment - Member of the Management Board of JSC "NAC "Kazatomprom". In 2017-2019, he served as the CEO of JSC SEC Astana. In 2019-2020, he was the Representative in Kazakhstan of Rothschild & Co. From 2020 to April 2023, he worked as CEO of Kazakhstan Investment Development Fund (KIDF) Management Company Ltd. On April 04, 2023, he was appointed CEO of JSC "Sovereign Wealth Fund "Samruk-Kazyna".



**YERNAR
ZHANADIL**

**Managing Director for Development and Privatization -
Member of the Management Board**

Election date: September 2017

Education:

- Kazakhstan Institute of Management, Economics and Forecasting, (KIMEP), majoring in "Accounting";
- Manchester Business School, University of Manchester, UK, Master's Degree in Accounting and Finance.

Experience:

Over the years, Yernar Beisenuly has worked for Philip Morris Kazakhstan, and PricewaterhouseCoopers, the international auditing firm. In 2016, he was appointed to the position of Financial Controller of Samruk-Kazyna JSC with subsequent approval as Managing Director for Finance and Operations and Co-Managing Director for Economy and Finance - a member of the Management Board of Samruk-Kazyna JSC. At the moment, he is the Managing Director for Development and Privatization - a member of the Management Board of Samruk-Kazyna JSC.

¹² As of May 2023, the composition of the Management Board of the Fund is presented as follows.



**NAZIRA
NURBAYEVA**

**Managing Director for Economics and Finance -
Member of the Management Board**

Election date: May 2021

Education:

- University of Wisconsin Richland Center, USA, specialty "Business Administration".

Experience:

Nazira Nurtuleuovna began her career in 1998 at the PriceWaterhouse Branch. From 2002 to 2003, she worked as the Senior Consultant in tax services. From 2003 to 2004, she took the position of the Senior Tax Advisor at LUKOIL Overseas Services, Ltd. From 2004 to 2014, she served as the Senior Manager in PriceWaterhouseCoopers Tax & Advisory LLP. From 2014 to 2020, she held the position of the Director of PriceWaterhouseCoopers Tax & Advisory LLP. From June 2020 to April 2021, she worked as the Partner at Deloitte TCF LLP. Since April 2021, she has been appointed to the position of Managing Director for Economy and Finance of Samruk-Kazyna JSC - a member of the Management Board of Samruk-Kazyna JSC.



**YERNAT
BERDIGULOV**

**Managing Director for Strategy and Asset
Management - Member of the Management Board**

Election date: March 2022

Education:

- 2007-2010 University of Toronto, Canada, Public Policy and International Studies;
- 2015-2018 University of Warwick, UK, Master of Business Administration.

Experience:

Yernat Kudaibergenovich began his career in 2011 in Samruk-Kazyna JSC. In the period from 2013 to 2018, he held the positions of Director of various Departments and Adviser to the Chief Executive Officer of Samruk-Energy JSC. From 2019 to 2021, he worked at Whiteshield Partners as the Project Manager. Since 2021, he took the position of Co-Managing Director for Strategy, Sustainable Development and Digitalization of Samruk-Kazyna JSC. Since February 2022, he has been Managing Director for Strategy and Asset Management - member of the Management Board of Samruk-Kazyna JSC.



**NIKOLAI
KAZUTIN**

Managing Director for Legal Support, Counseling and Risks - Member of the Management Board

Election date: March 2022

Education:

- T. Ryskulov Kazakh University of Economics, majoring in Accounting & Audit.

Experience:

Nikolai Yurievich began his career in 2001 and worked in insurance companies as a financial analyst until 2005. In the period from 2006 to 2016, he worked at Pricewaterhousecoopers Tax and Advisory LLP. From 2016 to 2020, he held the positions of the Director of the Internal Audit Service and Adviser to the Chief Executive Officer of Kokshetau Mineral Waters JSC and East Kazakhstan Regional Energy Company JSC. From 2020 to 2022, he worked as the Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan. Since February 2022, he has been working as the Managing Director for Legal Support, Counselling and Risks.



**YELZHAS
OTYNSHIYEV**

Co-Managing Director for Strategy and Asset Management - Member of the Management Board

Election date: April 2023

Education:

- Moscow Institute of Physics and Technology in the specialty "System Integration and Management"

Experience:

Yelzhas Muratovich started his career in 2007 and worked in the consulting company "E&Y" in Moscow as an analyst until 2009. In the period from 2009 to 2012 he held the position in National Mining Company "Tau-Ken Samruk" JSC, and from 2012 to 2014, he worked for Samruk-Kazyna JSC in the Investment Projects Department. From 2014 to 2016 he took the position of the Director of the Project Analysis Department of the Fund's Investment Activities in Samruk-Kazyna Invest LLP. From 2016 to 2019, he worked as the Project Director of the New Projects Development Department, then as the Head of the Mining Assets Development Sector of the Asset Development Department of Samruk-Kazyna JSC. In the period from 2019 to 2021 Yelzhas Muratovich held the position of the Deputy General Director for Investment and Development in PlanetCare Management LLP. From May 2021 to April 2023, he served as the Deputy CEO of Kazakhstan Investment Development Fund (KIDF) Management Company Ltd.

Performance Report of the Management Board

In 2022, 70 meetings of the Management Board were held, 55 of them in-presence and 15 absentee meetings. 381 issues were considered, 365 of them in in-presence format.

The most important issues considered by the Management Board of the Fund are as follows:

- Approval of the annual financial statements of the Fund’s Portfolio Companies for 2021;
- Election of the Boards of Directors and Supervisory Boards of the Fund’s Portfolio Companies;
- Coordination and/or appointment of the CEOs of the Fund’s Portfolio Companies;
- Replenishment of the authorized capital of the Fund’s Portfolio Companies;

- Amendments to the Charters and other internal regulatory documents of Portfolio Companies of the Fund;
- Pre-approval and submission of issues for consideration of the Board of Directors of the Fund;
- Approval and/or amendments to the internal regulatory documents of the Fund;
- Changing the organizational structure and staffing of the Fund;
- Fund’s budget adjustment;
- Privatization issues;
- Approval of the related-party transactions of the Fund.

Plans for 2023

In 2023, it is planned to consider:

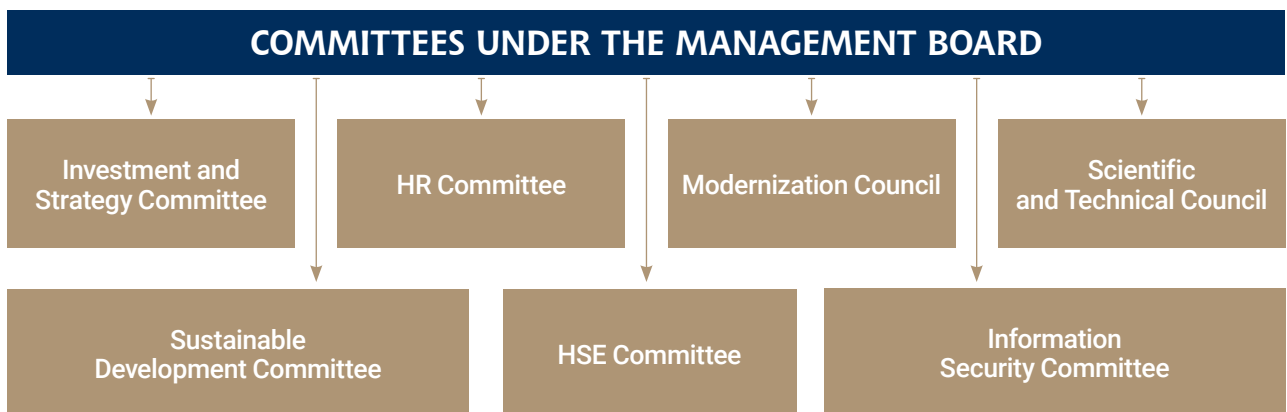
- Issues of the Fund current activities;
- Fund transactions (related-party and/or large transactions);
- HR issues of the Fund (organizational structure, staffing);
- Issues of Portfolio Companies (appointments, election of supervisory boards/boards of directors, annual financial statements, internal regulatory documents, increase in the authorized capital/number of shares, issues of participation in other legal entities, etc.);
- Approval or amendments to internal regulatory documents of the Fund;
- Reports (reports of the structural subdivisions of the Fund and reports submitted to the Board of Directors of the Fund).

Committees under the Management Board

In order to improve the effectiveness of decisions taken by the Management Board, there are seven committees: Investment and Strategy

Committee; HR Committee; Labor Protection, Occupational Safety and Environmental Protection Committee; Sustainable Development Committee;

Information Security Committee; Scientific and Technical Council and Modernization Council.



Investment and Strategy Committee

The objective of the Investment and Strategy Committee is to assist in increasing efficiency in decision-making when managing the Fund’s Asset Portfolio to achieve the Fund’s strategic KPIs by presenting a platform for discussion, developing recommendations and proposals

- on the following issues (including ensuring taking risk-based decisions):
- Strategic Development of the Fund and Portfolio Companies;
 - Management of the Fund’s portfolio of assets and the portfolio of investment projects of the Fund and Portfolio Companies;
 - Risk management (financial, investment and operational);

- Implementation of the Investment Policy, Credit Policy, Debt Management and Financial Sustainability Policy;
- Implementation of Corporate Standards for investment activities, strategic and business planning, management of large capital projects.

In 2022, 70 meetings of the Investment and Strategy Committee were held.

HR Committee

The purpose of the HR Committee is to ensure the coordination and implementation of the Fund's HR Policy, preparation of recommendatory decisions on human resource management, and providing of methodological and expert and analytical support in the field of HR for the Fund Group.

The composition of the HR Committee is determined by the decision of the Management Board of the Fund and consists of at least five permanent members, including the Chairman of the HR Committee. Representatives of the Working Body and the Secretary of the Committee (without the voting right) take part in the work of the HR Committee.

In 2022, 9 meetings of the HR Committee of the Fund were held, of which 7 in-presence meetings and 2 absentee meetings. In total, 30 issues were considered, on which 59 decisions were taken.

In particular, the following issues were considered at these meetings:

- issues of assessment of positions (grades) of individual employees of the Fund;
- issues of evaluation of individual employees of the Fund based on results of H1 2022;
- issues of training and professional development of employees of the Fund;
- issues on remuneration of employees of the Fund group on the Independence Day of the Republic of Kazakhstan and the Republic Day of the Republic of Kazakhstan.

Modernization Council

The main purpose of the Modernization Council is to manage and coordinate activities aimed at implementing the Transformation

Program in the Fund Group and introducing advanced practices, technologies and standards for effective management of Companies.

The Council is a collegial consultative and advisory body under the Management Board of the Fund, the decisions of which should be taken into account when implementing the Transformation Program.

The main tasks of the Modernization Council are:

- determination of the content, main directions, financing issues, key performance indicators, coverage and timing of the implementation of the Transformation Program;
- coordination of the introduction of the Transformation Program in the functional areas of the Fund and the Companies;
- ensuring communication between the participants of the Transformation Program in the Fund and the Companies;
- control over compliance with unified quality requirements for the introduction of the Transformation Program;
- monitoring the implementation of the Transformation Program, assessing, analyzing the results of the introduction of changes, adjusting the Program itself;
- prompt consideration of issues and problems arising during the implementation of the Transformation Program, including issues and problems of a general nature for several Companies;
- initiating the submission of issues for consideration of the relevant bodies of the Fund and state bodies of the Republic of Kazakhstan within the framework of the implementation of the Transformation Program.

Scientific and Technical Council

The Scientific and Technical Council of Samruk-Kazyna JSC was established in 2019. The main role of the Council consists of a collegial and transparent decision-making

process, selection, accounting, monitoring and control over R&D and innovation projects to ensure national welfare.

In 2022, 5 meetings of the Scientific and Technical Council were held, as a result of which 70 promising projects were approved. In general, more than 120 applications for research and development were considered.

The Corporate Standard for R&D and Innovation of Samruk-Kazyna JSC has been approved in the new version, which regulates a unified approach to the management of R&D and innovation portfolio of the Fund group.

HSE Committee

The purpose of the work of the HSE Committee is to develop recommendations for the Management Board of the Fund and representatives of the Fund on the PC Boards of Directors, as well as to coordinate the activities of Portfolio Companies in the field of occupational safety aimed at improving the work to ensure personal safety and trouble-free production in the group of the Fund companies.

The HSE Committee has been successfully serving for three years as a platform for dialogue on discussing problematic issues, exchanging experience, as well as submitting strategic initiatives and ideas in the field of occupational safety (hereinafter - OS) for consideration.

In 2022, 5 HSE Committee meetings were held, during which the following topical issues were discussed:

- progress and results of PC activities in the field of occupational safety, including monitoring of the status of implementation of the Health & Safety Action Plan within the framework of the announced "Year of Safety and Labor Protection" in

the group of Samruk-Kazyna JSC companies;

- Results of accident investigations and measures taken;
- unification and development of internal regulatory documents based on best practices;
- consideration of a number of solutions for the OS processes digitalization.

Thus, the activities of the HSE Committee in 2022 were aimed at reducing injuries in the group of the Fund Companies. The number of injured persons in 2022 as a result of industrial accidents decreased by 16% from 133 to 111 people as compared to 2021 through the functioning of the HSE Committee. The LTIF coefficient was 0.16 decrease in the FAR (Fatal Accident Rate) fatality rate by 11%.

Sustainability Committee

The purpose of creation of the Sustainability Committee is to elaborate recommendations for the Management Board of the Fund and

its representatives on the PC Boards of Directors, as well as to coordinate measures carried out by Portfolio Companies in the field of sustainable development, namely:

- Introduction of the system of systematic and continuous adherence to the sustainable development principles;
- Development of the effective system of interaction with stakeholders, confirmation of the Company's commitment to sustainable development standards;
- Ensuring the achievement of the strategic goals of the Fund and the PCs without compromising their sustainability in the long term, considering interests of stakeholders.

In 2022, one meeting of the Sustainable Development Committee was held on topical issues of sustainable development for the Fund group of companies, including energy and resource conservation.

Information Security Committee

The purpose of creation of the Information Security Committee is to develop recommendations for the Management Board of the Fund, on the construction and development of a unified information security system in the Fund Group, as well as the organization of interaction with state bodies, PC information technology subdivisions and other persons on information security issues.

During the reporting period, meetings of the Information Security Committee were held within the framework of the IT Council, at which recommendations were developed on issues of ensuring information security in Portfolio Companies. The strategies of information security of Portfolio Companies and projects to improve the level of security information are also considered.

REMUNERATION POLICY

In accordance with the Charter of the Fund and the Law of the Republic of Kazakhstan "On Sovereign Wealth Fund", the amount of remuneration for Independent Directors is determined by the Sole Shareholder.

Independent Directors are paid remuneration and reimbursed for expenses related to the responsibilities they perform in the framework of their functions.

The amount of the official salary, terms of remuneration and bonus payment of the Chief Executive Officer and members of the Management Board of the Fund are determined by the Board of Directors of the Fund. The Nomination and Remuneration Committee of the Board of Directors of the Fund plays a key role in determining their remuneration.

The remuneration system for the Chief Executive Officer and members of the Management Board of the Fund is determined in accordance with the Terms for Remuneration and Bonuses of the Chief Executive Officer and Members of the Management Board of the Fund, approved by the decision of the Board of Directors of the Fund, and includes an official salary, performance-based remuneration for the relevant period, as well as a one-time bonus for the Independence Day of the Republic Kazakhstan.

Performance-based remuneration for the relevant period is paid depending on the results of performance evaluation of the Chief Executive Officer and a member of the Management Board for the purpose of material encouragement for the

successes achieved and improving the efficiency of work.

The main condition for the payment of remuneration is the availability of consolidated final profit for the reporting year.

In 2022, the total amount of remuneration paid to key management personnel included in general and administrative expenses amounted to KZT 730 million. The specified amount includes remuneration of Independent Directors of members of the management body – the Board of Directors and remuneration paid to members of the executive body.

INTERNAL AUDIT SERVICE

The Fund has the independent Internal Audit Service, which is subordinate and accountable to the Board of Directors of the Fund and is supervised by the Audit Committee of the Board of Directors of the Fund. 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 carrying out its activities, the Service is guided by the legislation of the Republic of Kazakhstan, the Charter, decisions of the Fund bodies, the Regulations, the annual audit plan approved by the Board of Directors of the Fund, and other internal regulatory documents governing the work of the Internal Audit Service of the Fund.

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

In 2022, the annual audit plan of the Internal Audit Service was completed by 106%, taking into account unscheduled inspections during the year. Based on the results of audits, the Internal Audit Service issued recommendations, including proposals to improve existing internal control and risk management systems, processes, principles and methods of conducting activities. Information on the results of monitoring the implementation of

the recommendations issued was provided to the Board of Directors of the Fund on a quarterly basis. Additionally, as part of the consulting work, employees of the Internal Audit Service participated in synergetic audits of individual Subsidiaries of the Fund, as well as individual representatives of the Fund on the Boards of Directors of Companies were provided with consulting work.

In 2022, no facts were recorded that negatively affect the independence or individual objectivity of internal auditors. The reports of the Internal Audit Service were considered and discussed at meetings of the Audit Committee and the Board of Directors of the Fund on a quarterly basis.

COMPLIANCE SERVICE

The Compliance Service is the structural subdivision of the Fund that ensures compliance with the anti-corruption legislation of the Republic of Kazakhstan, defines anti-corruption policy, monitors the implementation of anti-corruption measures, as well as forms the internal corporate culture based on transparency and honesty, conducts business in compliance with the legislation of the Republic of Kazakhstan, best international practices and internal documents of the Fund.

The Service generally coordinates and interacts with Compliance Services of Portfolio Companies, including providing recommendations on the development of centralized compliance controls, reviewing periodic reports of Compliance Services of the Fund group of companies, preparing consolidated reports on existing compliance risks, training in order to form an anti-

corruption culture and other relevant issues in the field of compliance.

In its activities, the Compliance Service is guided by the Law of the Republic of Kazakhstan "On Combating Corruption", the Anti-Corruption Policy, the Code of Conduct and other internal documents of the Fund.

According to the results of 2022 the Compliance Service:

- Considered 855 appeals received by the Hotline;
- conclusions were issued on the materials reviewed, including on the materials submitted to the Management Board and the Board of Directors of the Fund;
- The reliability of 380 candidates was verified, including:
 - 128 audits on candidates to the Board of Directors/Supervisory Board of Portfolio Companies in terms of compliance or non-compliance with their

requirements, for election as directors;

- 252 audits on candidates for vacant positions in the Fund for the circumstances preventing the admission of a candidate for a job.

As part of the methodology development in 2022:

- development and approval of the Corporate Compliance Function Standard in Portfolio Companies of Samruk-Kazyna JSC, which defines the methodological basis for the development and implementation of effective compliance systems and programs in Portfolio Companies of the Fund, by the decision of the Management Board of the Fund;
- approval of documents regulating the procedure for verifying counterparties before establishing business relations.

In the reporting period, the Compliance Service assessed the existing anti-corruption processes for compliance with the requirements of ISO 37001 "Anti-bribery Management Systems". The Action Plan has been developed for the subsequent certification of the Fund based on the results of the evaluation.

As part of the processes automation, the information system for comprehensive verification of the reliability of third parties, including for affiliation with employees of the Fund and the group of companies, has been developed and implemented.

A model for assessing the maturity of the compliance function was developed in 2022 and a pilot project was implemented to assess

the maturity of anti-corruption compliance systems in individual Portfolio Companies of Samruk-Kazyna JSC.

The strategic directions of compliance development for 2023 in the framework of combating corruption and increasing transparency of activities in the companies of the Fund Group are:

1. The development of the compliance function according to best international practice, including such areas as sanctions, listing, ESG and other types of compliance.
2. Certification of anti-corruption compliance systems for compliance with the requirements of international standards ISO 37001:2016 "Anti-bribery

Management Systems" and ISO 37301:2021 "Compliance Management System".

3. Automation of individual elements of the compliance program at the level of a group of companies.

According to the approved plans, work is underway to create an information system for automating individual elements of the compliance program, such as third-party trustworthiness verification, proactive information, identification and resolution of conflicts of interest, etc. This system will allow specialists in the field of compliance of the Fund group of companies to more effectively implement their tasks, as well as to carry out centralized control and collect the necessary information.

RISK MANAGEMENT AND INTERNAL CONTROL

The risk management system is designed to provide reasonable assurance about the achievement of strategic, operational goals, goals in the field of preparing reliable reporting and compliance objectives with applicable laws and internal requirements. Internal control is focused on achieving operational goals, goals in the field of preparing reliable reporting, compliance with applicable laws, internal requirements of the Fund and its Portfolio Companies.

The tasks of the Corporate Risk Management and Internal Control System are:

- improving risk culture and integrating risk management and internal control into all aspects of the Fund's activities;
- reducing the volatility of performance results by increasing the Fund's ability to prevent situations that threaten goal achievement, effectively respond to possible negative events and soften their consequences, if they occur, to an acceptable level;

- ensuring usage of opportunities to increase the value of assets and profitability of the Fund in the long term.

The key principles and approaches to the organization of risk management and internal control in the Fund Group are reflected in the Fund's Risk Management and Internal Control Policy. This Policy was compiled taking into account "Conceptual framework for risk management of organizations: integration with strategy and performance indicators" COSO recommendations and is designed to strengthen the responsibility of risk owners for risk management at all levels of the Fund, to 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 performing their functions, rely on the "Three lines of defense" model, where the first line of defense (business functions) is represented by structural subdivisions represented by each employee, who,

within their competence, directly identify, manage risks and perform control procedures. The second line of defense (monitoring functions) is represented, inter alia, by the Risk Management and Internal Control Department and Compliance Service of the Fund, which are responsible for monitoring the introduction by business functions of effective risk management and internal control practices, compliance with legislation and internal regulatory documents of the Fund. The third line of defense (independent assurance) is provided by the Fund's Internal Audit Service, conducts an independent assessment of the effectiveness of the risk management and internal control system and contributes to their improvement.

In the Fund and in Portfolio Companies of the Fund, the risk appetite, risk register and risk map are approved on an annual basis; management reporting on significant areas of activity is provided for consideration of the Boards of Directors / Supervisory Boards of

Portfolio Companies and the Fund on a regular basis.

A corporate risk reinsurance program is being implemented under the administration of the Fund's captive, which provides shareholders with confidence in the quality of reinsurance protection for the risks of the Fund companies.

Work continued on building an effective internal control system by documenting control procedures in the internal regulatory documents of the Fund and compliance with internal regulatory documents in the field of risk management and internal control.

Non-exhaustive list of risks of the Fund and Portfolio Companies is as follows:

Strategic risks:

Risks of significant investment projects are subject to internal and external factors. In addition to the classic project risks such as the failure of the project implementation deadlines and increase in capital expenditures, external factors such as high inflation, exchange rate changes and logistical issues negatively affect the indicators of projects. Work is being carried out on an ongoing basis to identify potential and realized risks, and measures are being developed to minimize them.

Reputation risk is a risk associated with a negative perception of the Fund and Portfolio Companies by clients, counterparties, shareholders, investors, creditors, market analysts, supervisory authorities and the general public. To manage this risk, interaction with Portfolio Companies takes place on an ongoing basis in order to build a unified image and communication policy of the Fund Group, measures are taken to ensure compliance with legal requirements and established ethical standards of behavior by the employees of the Fund and Portfolio Companies.

Financial risks:

Liquidity risks and violations of the covenant/listing requirements are risks associated with the inability of the company to finance its activities, timely and fully meet its obligations. As part of the management of these risks, limits on the degree of debt burden of the Fund and Portfolio Companies are established and monitored, various measures are taken to ensure the fulfillment of covenants by Portfolio Companies and to increase the financial stability of the Fund Group.

Operational risks:

Risk of social instability is the risk associated with the social tension of various groups of employees of the Fund and Portfolio Companies. The Center for Social Interaction and Communications analyzes the level of social stability in the Fund Group's workforce on an annual basis to monitor the state of social stability risk. Complaints and appeals of employees of the Fund Group are also monitored to control over and regulate social and labor relations. The Fund, together with Portfolio Companies, republican and local authorities, is working on systematic measures to improve the welfare of employees and resolve emerging issues.

The accidents risk is one of the key risks for production Portfolio Companies of the Fund. In 2022, the Fund group of companies set a course for the occupation safety development. Thus, 2022 was declared the "Year of Occupational Safety and Health". Within the framework of joining the international Vision Zero concept in 2022 and following the principle of "zero tolerance", the Fund, together with Portfolio Companies, has done significant work in accordance with the approved Health & Safety 2022 Plan: within the HSE Committee, work was carried out on the exchange of best practices between PCs, as well as with industry leaders; the practice of cross-audits with the participation of PC experts has been introduced; regular work is underway to improve HS management systems and introduce

the best world practices in accordance with the industry specifics of each PC.

The risk of the impact of sanctions legislation is the risks associated with the negative indirect impact of sanctions on the activities of the Fund and Portfolio Companies. The Fund group of companies is not included in any sanctions lists. However, due to the high degree of integration of the Kazakhstan and Russian economies, the introduction of a sanctions regime may have a significant impact on the activities and financial performance of the Fund group of companies. Risk mitigation is carried out by implementing the following measures: monitoring counterparties and partners for presence on sanctions lists; sanctions clauses are included in existing and new agreements; if there is a probability of the risk of violation of sanctions legislation, international law firms are involved; interaction with public authorities and other organizations is carried out in order to exchange experience on minimizing the impact of sanctions restrictions; throughout the Fund group of companies, compliance, risk management and/or legal affairs units carry out constant monitoring of compliance with sanctions restrictions when considering any issues submitted to the authorized bodies of the Fund and PCs.

Legal risks:

Litigation risk is the risk of the Fund and the Portfolio Companies being involved in major litigation. Measures are being taken to minimize these risks by prior settlement of disputes through negotiations, monitoring the Fund's obligations under existing agreements, clarifying the regulatory legal acts governing the Fund's activities, and other legal actions to protect the interests of the Fund's Group.

PUBLIC COUNCIL

The Public Council of the Fund is an advisory, supervisory body formed by the Fund in order to represent the interests of civil society and to take into account the opinion of the public when discussing and taking decisions, to increase accountability and transparency of the activities of the Fund and national companies of the Fund group.

The Government of the Republic of Kazakhstan by Decree dated November 22, 2021, No. 828, approved the Regulations on the Public Council of the Fund.

The Chief Executive Officer of Samruk-Kazyna JSC by Order dated December 28, 2021, No. 170-П, approved the composition of the Public Council of the Fund: 10 persons, including 3 representatives of the Fund, 7 representatives from civil society.

Representatives from civil society:

Chairman of the Public Council:

Zhamishev Bolat Bidakhmetovich

Members of the Public Council of the Fund:

- Bulavkina Olga Aleksandrovna – Deputy of the Senate of the Parliament of the Republic of Kazakhstan;
- Sairov Yerlan Biyakhmetovich - Deputy of the Majilis of the Parliament of the Republic of Kazakhstan;
- Zhunussova Lyazzat Olzhabayevna - First Deputy CEO of Khabar Agency JSC;
- Kazybayev Aidar Kalymtayevich – Chairman of the National ESG Club;
- Zholdybalina Alua Serikovna - Deputy Director of Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan;
- Tazhibayeva Irina Lashkarovna – Deputy Director of Institute of

Atomic Energy of the National Nuclear Center of the Republic of Kazakhstan.

Representatives of Samruk-Kazyna JSC:

- Nurbayeva Nazira Nurtuleuovna – Managing Director for Economics and Finance - Member of the Management Board of Samruk-Kazyna JSC.
- Kazutin Nikolay Yuriyevich – Managing Director for Legal Support, Counseling and Risks - Member of the Management Board of Samruk-Kazyna JSC;
- Zhanadil Yernar Beisenuly – Managing Director for Development and Privatization – Member of the Management Board of Samruk-Kazyna JSC.



BOLAT ZHAMISHEV

The public official of the Republic of Kazakhstan, Candidate of Economic Sciences.

Experience:

Chief Executive Officer of the “Kazakhstan Khalkyna” Public Fund, Member of the Board of Directors, Independent Director, Chairman of the Public Council of Samruk-Kazyna JSC, Chairman of the Board of Directors of Bank RBK JSC.

In different years he held the positions of Vice-Minister of Labor and Social Protection of the Population of the Republic of Kazakhstan, Vice-Minister of Finance of the Republic of Kazakhstan, Vice-Minister of Internal Affairs of the Republic of Kazakhstan, Deputy Chairman of the National Bank, Chairman of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations, Deputy CEO of Eurasian Development Bank (EDB), Minister of Finance of the Republic of Kazakhstan, Minister of Regional Development of the Republic of Kazakhstan, CEO of Development Bank of Kazakhstan JSC, Chairman of the Board of Directors of Social Health Insurance Fund NJSC.



OLGA BULAVKINA

Deputy of the Senate of the Parliament of the Republic of Kazakhstan, member of the Committee on Agrarian Issues, Environmental Management and Rural Development.

Experience:

Before the civil service, she worked in the field of education, private entrepreneurship. From 2002-2014, she held the position of the economist, accountant, Chief of Staff of the Akim of Shemonaikha district of East Kazakhstan region, Deputy Akim of Shemonaikha district of East Kazakhstan region, in 2014-2016. She served as the Deputy CEO of the East Kazakhstan Region branch of the Nur-Otan Party, in 2016-2019. She held the position of the Deputy Akim of Ust-Kamenogorsk, East Kazakhstan Region, in 2019-2020. She worked as the Akim of Borodulikha district of East Kazakhstan region. Since August 2020, she has been a Deputy of the Senate of the Parliament of the Republic of Kazakhstan.



YERLAN SAIROV

Deputy of the Majilis of the Parliament of the Republic of Kazakhstan, member of the Committee on Social Cultural Development.

Experience:

Public official, Candidate of Political Sciences. He is the author of 30 scientific articles, 3 books on political modeling and information technologies. Member of the National Council of Public Trust under the President of the Republic of Kazakhstan.



AIDAR KAZYBAYEV

Chairman of the National ESG Club.

Experience:

Candidate of Economic Sciences. Over the years, he worked in the Ministry of National Economy of the Republic of Kazakhstan, the Ministry of Industry and Trade of the Republic of Kazakhstan, Small-sized Enterprise Development Fund JSC, the National Bank of the Republic of Kazakhstan, the Administration of the Astana International Financial Center. Commissioner General of the Republic of Kazakhstan at EXPO-2008, EXPO-2010, EXPO-2012, EXPO-2015.



IRINA TAZHIBAEVA

Executive Director of the Nuclear Technology Safety Center

Experience:

Doctor of Physical and Mathematical Sciences, Professor. Scientific activity is related to research on the safety of nuclear and thermonuclear energy, structural and functional materials of fission and fusion reactors, decommissioning of nuclear power facilities, development of draft normative legal acts in the field of nuclear and radiation safety. At the moment, she is the Executive Director of Scientific and Technical Center for the Safety of Nuclear Technologies (TCSNT) ALE in the form of the Association, Chief Executive Officer of the Nuclear Society of Kazakhstan (NCK), Chief Researcher of the branch of the IAEA of the National Research Center of the Republic of Kazakhstan. From 2009 to the present, she is the official representative of Kazakhstan in the IAEA Scientific Council on Thermonuclear Energy, was an expert from Kazakhstan in the NATO Scientific Committee "Science for Peace and Security", representative of Kazakhstan in the IAEA working group on fast reactors. Member of the Public Council of the Ministry of Energy of the Republic of Kazakhstan from 2015 to the present. Winner of the 2017 "Altyn Adam" award - Person of the Year in Kazakhstan" in the nomination "Scientist".



ALUA ZHOLDYBALINA

Deputy Director of the Kazakhstan Institute for Strategic Studies under the President of the Republic of Kazakhstan

Experience:

Professor of the National School of Public Policy of the Academy of Public Administration under the President of the Republic of Kazakhstan. Member of the Republican Educational and Methodological Council (REMC) in the direction of "Political Science". Member of the National Scientific Council (NSC) in the direction of "Social and Humanitarian Research". Ph.D, Master of Political Science.



LYAZZAT ZHUNUSSOVA

First Deputy CEO of Khabar Agency JSC

Experience:

In different years she worked as the Financial Director, Deputy CEO of Kazakhstan Republican TV and Radio Corporation JSC, Director of Television News Agency LLP, General Director of Eurasia + ORT LLP, General Director of Managing Company "Kazmedia Ortalagi" LLP.



NAZIRA NURBAYEVA

Managing Director for Economics and Finance - Member of the Management Board

Experience:

She started her career in 1998 at the PriceWaterhouse Branch. From 2002 to 2003, she worked as the Senior Consultant in tax services. From 2003 to 2004, she took the position of the Senior Tax Advisor at LUKOIL Overseas Services, Ltd. From 2004 to 2014, she served as the Senior Manager in PriceWaterhouseCoopers Tax & Advisory LLP. From 2014 to 2020, she held the position of the Director of PriceWaterhouseCoopers Tax & Advisory LLP. From June 2020 to April 2021, she worked as the Partner at Deloitte TCF LLP. Since April 2021, she has been appointed to the position of Managing Director for Economy and Finance of Samruk-Kazyna JSC - a member of the Management Board of Samruk-Kazyna JSC.



YERNAR ZHANADIL

Managing Director for Development and Privatization - Member of the Management Board

Experience:

Over the years, Yernar Beisenuly has worked for Philip Morris Kazakhstan, ElitStroy LLP, and PricewaterhouseCoopers, the international auditing firm. After joining Samruk-Kazyna JSC, he was responsible for the activities of the Internal Audit Service, and served as the Secretary of the Audit Committee and the Transformation Program Oversight Committee under the Board of Directors of the Fund and was a member of the Audit Committees under the Board of Directors of a number of Fund's subsidiaries. In 2016, he was appointed to the position of Financial Controller of Samruk-Kazyna JSC with subsequent approval as the Managing Director for Finance and Operations and the Co-Managing Director for Economy and Finance - Member of the Management Board of Samruk-Kazyna JSC. Later he was appointed the Managing Director for Investments, Privatization and International Cooperation – Member of the Management Board of Samruk-Kazyna JSC. At the moment, he is the Managing Director for Development and Privatization – a member of the Management Board of Samruk-Kazyna JSC.



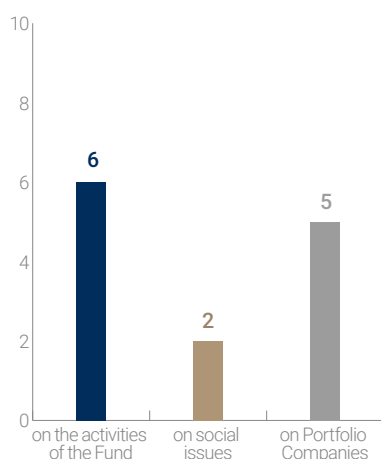
NIKOLAI KAZUTIN

Managing Director for Legal Support, Counseling and Risks - Member of the Management Board

Experience:

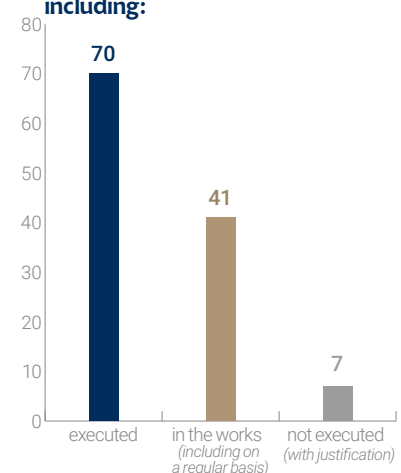
Experience: Nikolai Yurievich started his career in 2001 and worked in insurance companies as a financial analyst until 2005. In the period from 2006 to 2016, he worked at Pricewaterhousecoopers Tax and Advisory LLP. From 2016 to 2020, he held the positions of the Director of the Internal Audit Service and Adviser to the Chief Executive Officer of Kokshetau Mineral Waters JSC and East Kazakhstan Regional Energy Company JSC. From 2020 to 2022, he worked as the Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan. Since February 2022, he has been working as the Managing Director for Legal Support, Counselling and Risks.

In 2022, 13 meetings were held, including:



In addition to members of the Public Council of the Fund, external experts (230 participants) were involved in the meetings – these are opinion leaders, public figures, industry experts, representatives of associations and NGOs for comprehensive and expert consideration of issues. 118 recommendations were given, 70 of them have been implemented to date, 37 are in the works (including on a permanent basis), 7 have not been implemented for justified reasons.

Based on the results of 2022, 118 recommendations were given, including:



Each meeting of the Public Council of the Fund is covered by its own information resources (website, telegram channel of the Fund), also all accredited media participate in the meeting, events are covered both in online publications and on television.

The Work Plan of the Public Council of the Fund for 2023 is submitted given opinions and proposals of the members of the Public Council and posted on the official website of the Fund.

It is planned to consider issues related to the Comfortable School National Project, social and labor relations and the development of social partnership principles (including charity issues), public control of national companies, ESG issues, and it is also planned to hear the Operating Report of the Fund itself.

INFORMATION SECURITY

Information security (cybersecurity) is the state of security of electronic information resources, information systems and information and communication infrastructure from external and internal threats.

Information security includes strategies, methods and processes for protecting information and IT assets from unauthorized access and risks that may violate the

confidentiality, integrity or availability of information.

Corporate security extends to the security of data transmitted over a connected network, servers and end users. It covers technologies, people and processes related to maintaining a secure environment for digital assets, additionally focuses on regulatory requirements for the protection of assets and data owned by an organization.

Ensuring the security of cyberspace and protecting the information and communication infrastructure is the most important task of the state in the modern digital world. That is why information security is an integral part of national security. On behalf of the First President of the Republic of Kazakhstan, the implementation of the Cybersecurity Concept “Cyber Shield of Kazakhstan” has been launched in the country since 2017.



How is Cybersecurity Ensured in the Fund Group of Companies

According to legislative requirements of the Republic of Kazakhstan, one of the directions of the Fund operational activities is to ensure information security of the Fund information and communication infrastructure, as well as coordination of information security subdivisions of Portfolio Companies of the Fund.

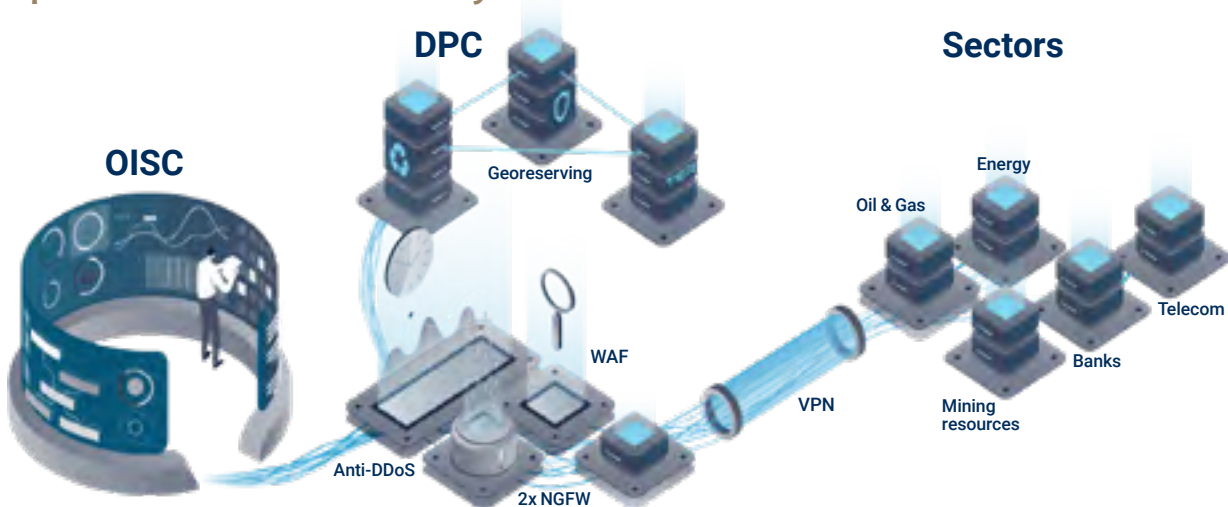
The main objectives of the Fund in this field of activity are to ensure the availability, integrity, confidentiality and fault tolerance of information.

Achieving these goals is possible through the implementation of the following tasks:

Firstly, it is the creation of a legal framework for the formation of a unified policy in the field of information security of both the Fund itself and its portfolio, subsidiaries and dependent organizations with the support of appropriate monitoring.

Secondly, ensuring the information security of the Fund and coordinating the activities of this area in all its structures.

Operational Information Security Center of the Fund



The regulation and management of coordinating the business of Portfolio Companies, subsidiaries and dependent organizations is carried out according to the Corporate Information Security Standard approved by the decision of the Management Board of the Fund.

The protection of the external perimeter and monitoring of the analysis of information security events of the Fund group of companies are provided based on the operational information security center of QazCloud LLP.

Four information security audits of the IT infrastructure of Portfolio Companies, subsidiaries and dependent organizations were held in 2022.

In total, 38 critical incidents were identified in the Fund group in 2022, for which investigations were held with the participation of digital forensics

specialists and measures were taken to protect the IT infrastructure.

Solving these issues will ensure a continuous process of improving and analyzing the security of the IT infrastructure of the Fund Group.

Considering the trend of cyber threats, the Fund has begun to develop the Information Security Development and Provision Strategy for 2023-2027.

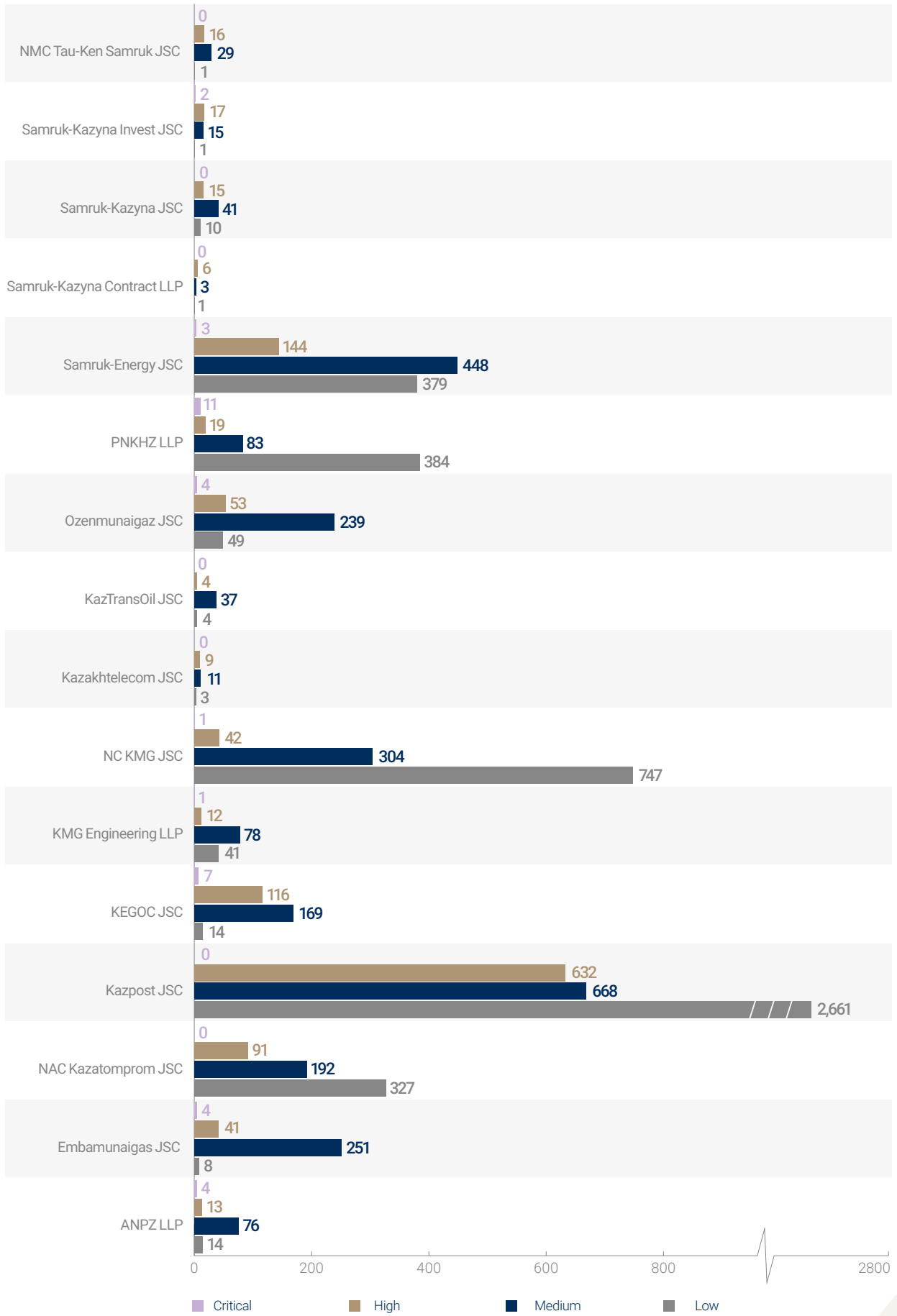
As part of the Strategy, it is planned to form a set of specific actions to counter cyber threats in the Fund and ensure the information security of its Portfolio Companies, plan the purchase of appropriate software, develop information security requirements, motivate employees to strictly comply with the norms of corporate culture and ensure cyber hygiene.

However, for the effectiveness of activities in this direction, it is necessary to solve a number of issues that are a condition for creating the Strategy.

First, to form a unified information security architecture for the entire group of the Fund companies. Secondly, it is necessary to focus on improving the level of information security in the Fund, including critical information and communication infrastructure facilities. Thirdly, to implement the requirements of the international standard ISO/IEC 27001 27001 in the Fund, followed by obtaining the appropriate certificate

Solving these issues will ensure a continuous process of improving and analyzing the security of the IT infrastructure of the Fund group.

Incident statistics for 2022 in the Fund group



Incident statistics by threat types for 2022 in the Fund group

