

ANNEX 2.

Information on Compliance/Non-compliance of the Principles and Provisions of the Corporate Governance Code of Joint Stock Company “Sovereign Wealth Fund “Samruk-Kazyna”, approved by Decree of the Government of the Republic of Kazakhstan of November 05, 2012, No.1403

In November 2012, the Sole Shareholder of Samruk-Kazyna JSC - the Government of the Republic of Kazakhstan - approved the Corporate Governance Code, which applies to the Fund and organizations more than fifty percent of voting shares (interests) of which is directly or indirectly owned by the Fund (hereinafter - Organizations).

The objectives of the Corporate Governance Code are:

- improvement of corporate governance in the Fund and Organizations;
- management transparency;
- confirmation of the commitment of the Fund and Organizations to follow the standards of good corporate governance.

The Corporate Governance Code is based on the principle of “comply or explain”. Consequently, the Board of Directors of the Fund confirms that, taking into account the specifics of the activity and the relevant Law of the Republic of Kazakhstan “On Sovereign Wealth Fund”, **the Fund follows most of the provisions of Corporate Governance Code in all essential aspects, however, there is evidence that the corporate governance system needs to be further improved.**

The work done in the field of improving corporate governance is described in detail in the Corporate Governance Report of this Annual Report and the following initiatives can be noted:

- in order to further improve the effectiveness of corporate governance in H2 2022, the Fund has assessed the corporate governance, including a self-assessment of the Board of Directors, by interviewing members of the Board of Directors and key structural subdivisions of the Fund in the context of the following five areas: 1) efficiency of the Board of Directors and the Management Board; 2) risk management, internal control and audit; 3) sustainable development; 4) rights of the Sole Shareholder; 5) transparency;
- the Government of the Republic of Kazakhstan by Decrees dated July 20, 2022, No. 509, dated August 2, 2022, No. 522, and dated September 26, 2022, No. 751, introduced amendments and additions to the Charter and the Corporate Governance Code of the Fund aimed at bringing it into line with the current State Planning System in the Republic of Kazakhstan, the implementation of amendments to the Law of the Republic of Kazakhstan dated December 30, 2021 “On Sovereign Wealth Fund”, changing the procedure for paying dividends on ordinary shares of the Fund, improving the norms of the Corporate Governance Code of the Fund in accordance with the best practices of corporate governance, including in terms of bringing the proportion of women in the collegial executive bodies of the Fund and organizations, as well as in the Board of Directors of organizations to the level of at least 30%;
- based on the analysis of challenges and opportunities at the global and corporate levels, a draft Development Plan of the Fund for 2023-2032 was developed focusing on three strategic directions: effective portfolio management, ecosystem for business, and sustainable development;
- the Development Plan of the Fund for 2023-2032 includes a strategic key performance indicator of the Fund to reduce its net carbon footprint by 10% by 2032 from the baseline 2021 year, confirming its commitment to ESG principles and climate change issues. For the first time, the Fund performance will be assessed in the context of environmental risks;

- as a result of the work done by the Fund to improve the occupational safety management system and to reduce the risk of accidents, the traumatism rate was reduced by 16%, from 133 to 111 employees as compared to 2021. The LTIF injury frequency rate was 0.16 and the FAR fatality rate decreased by 11% and amounted to 2.60 as compared to 2.93 in 2021;
- the Management Board submits information on the consolidated results of the Fund's activities with Portfolio Companies on a quarterly basis for consideration of the Board of Directors to ensure transparency of activities of the Fund and Portfolio Companies and timely providing of necessary information to the Board of Directors;
- in pursuance of the Instruction of the Head of State, given on January 11, 2022, at the meeting of the Majilis of the Parliament of the Republic of Kazakhstan, the Fund approved the new procurement procedure, aimed at improving procurement transparency and minimizing corruption risks, supporting local producers and suppliers, simplification of procurement and elimination of barriers to business;
- in order to combat corruption in the Fund and the group of companies, the Corporate Standard for the compliance function in Portfolio Companies of Samruk-Kazyna JSC was approved, which defines the methodological basis for the development of similar internal documents on compliance function by the group companies in order to unify approaches to the implementation of compliance function in the Fund group of companies; assessment of compliance of the Fund compliance processes with the requirements of ISO 37001 "Anti-bribery management system"; assessment of maturity of compliance function was carried out in 7 major Portfolio Companies of the Fund; the third party verification system was automated for use by the Fund and Portfolio Companies; the requirements for verification of potential suppliers registered in the EPIS system was developed, taking into account the updated Procurement Procedure of Samruk-Kazyna JSC;
- in order to increase the value of human capital, create favorable conditions and ensure competitiveness and sustainability of the labor market, the new version of the HR Policy of Samruk-Kazyna JSC was approved, which applies to the Fund and Subsidiaries of the Fund.

The Fund continues to improve the corporate governance in the Fund, demonstrates commitment to follow the standards of good corporate governance, ensures transparency of management and implements appropriate measures to further improve relations with the Sole Shareholder of the Fund, increase the performance of the Board of Directors and the Management Board of the Fund.