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REPORT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR 2021

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 in which the Fund directly or indirectly owns more than fifty percent of voting shares (participation interests) (hereinafter – Organizations).

The objectives of the Corporate Governance Code are:

- improving corporate governance in the Fund and Organizations;
- ensuring transparency of management;
- confirming 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 “observe or explain”. Therefore, the Board of Directors of the Fund confirms that, taking into account the specifics of its activities and the relevant Law of the Republic of Kazakhstan “On the Sovereign Wealth Fund”, the Fund complies, in all material respects, with most of the provisions of the Corporate Governance Code, however, there is evidence that the corporate governance system needs further improvement.

The work performed to improve corporate governance is described in detail in the Corporate Governance Report of this Annual Report, and the following initiatives can be noted:

- in 2021, to improve corporate governance, an independent diagnosis of the corporate governance system was carried out with the involvement of an external consultant (PWC). Following the results of the diagnosis, an Action Plan for improving corporate governance was developed;
- by the Government Resolution No. 633 dated September 13, 2021, amendments and additions were made to the Charter and the Corporate Governance Code of the Fund;

- internal documents regulating activities in the field of corporate governance were developed and updated: the Regulations on the Board of Directors, the Regulations on the Nomination and Remuneration Committee of the Board of Directors, the restated Regulations on the Strategy Committee, the Rules for the Selection of Independent Directors, the Policy for the Appointment of Newly Elected Members of the Board of Directors, the Procedure for Corporate Governance Assessment, the Rules for the Professional Development of Members of the Board of Directors, the Rules for Attracting Experts by the Board of Directors and the Committees of the Board of Directors;
- in order to establish high ethical standards, the following documents were developed: the Anti-Corruption Policy, the Rules for Verifying the Reliability of Counterparties, the Policy for Settlement of Conflicts of Interest, the Internal Control Rules for delineating access rights to insider information and preventing the misuse of such information by insiders;
- by the decision of the Fund's Management Board No. 36/21 dated August 26, 2021, the restated Dividend Policy of the Fund in relation to subsidiaries was approved;
- based on the analysis of challenges and opportunities at the global and corporate levels, a draft 2022-2031 Development Strategy of the Fund was developed with a focus on 3 key priorities: sustainable development, responsible investments, effective and active portfolio management;
- with the aim of updating the internal regulations to meet the requirements of international professional standards of internal audit, the Board of Directors made a decision No. 187 dated September 30, 2021 to approve a restated Regulation on the Internal Audit Service, and the Audit Committee of the Board of Directors adopted a decision No. 6 dated June 10, 2021 to approve the Strategic Plan of the Internal Audit Service;

- in order to ensure transparency of the Fund's and portfolio companies' activities and timely provision of the necessary information to the Board of Directors, the Management Board quarterly submits information on the consolidated performance results of the Fund and portfolio companies for consideration by the Board of Directors;
- in 2021, in order to implement the Law of the Republic of Kazakhstan "On the Sovereign Wealth Fund", the draft 2022-2031 Development Strategy, as well as the Industrial and Innovation Policy, the Committee of the Management Board for Sustainable Development was established;
- during 2021, the Fund's portfolio companies continued to work on improving corporate governance processes in portfolio companies, and carried out

regular independent diagnostics of the corporate governance system;

- in order to represent the interests of civil society and take into account the public opinion in the discussion and decision-making process, as well as to increase accountability and transparency of the Fund and portfolio companies, in 2021, the Public Council of the Fund was formed as an advisory body.

The Fund continues to improve its corporate governance system, 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 and increase the performance efficiency of the Board of Directors and the Management Board of the Fund.



RELATED-PARTY TRANSACTIONS REPORT FOR 2021

During the reporting period, the Board of Directors did not make decisions on related-party transactions of Samruk-Kazyna JSC.

The list of related-party transactions, the conclusion of which was decided by the Management Board of the Fund:

№	Counterparty name	Sign of interest	Transaction
1	Samruk-Kazyna Construction JSC	Portfolio company	Contract of purchase and sale of bonds of Samruk-Kazyna Construction JSC
2	Tau-Ken Samruk NMC JSC	Portfolio company	Supplementary Agreement No. 1 to the agreement on the provision of temporary financial assistance between Samruk-Kazyna JSC and Tau-Ken Samruk NMC JSC No. 1169-и dated July 2, 2020
3	United Chemical Company LLP	Portfolio company	Supplementary Agreement No. 4 to the Loan Agreement No. 741-и dated December 15, 2017
4	KazMunayGas NC JSC	Portfolio company	Trust Management Agreement for 100% of common shares of KazTransGas JSC
5	NC Kazakhstan Temir Zholy JSC	Portfolio company	SAP Software Sublicense Agreement
6	Samruk-Kazyna Business Service LLP	Portfolio company	Supplementary Agreement No. 5 to the SAP Software License Trust Management Agreement No. 630-и dated December 20, 2016
7	Kazakhtelecom JSC	Portfolio company	Contract for Reimbursement of Expenses
8	United Chemical Company LLP	Portfolio company	Supplementary Agreement No. 5 to the Loan Agreement No. 741-и dated December 15, 2017
9	Samruk-Kazyna Construction JSC	Portfolio company	Land Plot Purchase and Sale Contract (hereinafter referred to as PSC)
10	KazMunayGas NC JSC	Portfolio company	Main conditions for cooperation under the project "Construction of the First Integrated Gas Chemical Complex in Atyrau region (first phase – polypropylene production, second phase – polyethylene production)
11	ShalkiyaZinc Ltd JSC	Organization of the Fund Group	Supplementary Agreement No. 1 to the Guarantee Agreement No. 847-и dated October 1, 2018
12	United Chemical Company LLP	Portfolio company	Purchase and Sale Contract for 50% of the share in the authorized capital of PVH Development LLP
13	KazMunayGas NC JSC	Portfolio company	Purchase and Sale Contract for 100% of ordinary shares
14	Qazaq Air JSC	Portfolio company	Supplementary Agreement No. 3 to the Loan Agreement No. 1025-и dated October 24, 2019
15	Kazakhtelecom JSC	Portfolio company	Supplementary Agreement No. 1 to the Kcell JSC Stock Pledge Agreement No. 1190-и dated August 18, 2020
16	NC KazMunayGas JSC, United Chemical Company LLP	Portfolio companies	Expanded basic conditions under the Polypropylene Production Complex Construction Project (KPI Project)

№	Counterparty name	Sign of interest	Transaction
17	NC KazMunayGas JSC, KLPE LLP	Portfolio company and organization of the Fund Group	Basic terms of agreements (Term Sheet) under the Polyethylene Production Complex Construction Project (Silleno project)
18	Samruk-Kazyna Construction JSC	Portfolio company	Supplementary Agreement No. 2 to the Trust Management Agreement for Office, Non-Residential and Land Plots No. 884-и dated January 24, 2019
19	KazTransGas JSC	Portfolio company	Agreement on the transfer of rights to use SAP software in the future
20	KTZ Express JSC	Organization of the Fund Group	Agreements on termination of the Agreement on the transfer of rights to use SAP software in the future No. 517-17 dated September 21, 2017
21	<ul style="list-style-type: none"> • NC Kazakhstan Temir Zholy JSC; • KazTransOil JSC; • Atyrau Oil Refinery LLP; • Kazakhstan Petrochemical Industries Inc. LLP; • Intergas Central Asia JSC; • KEGOC (Kazakhstan Electricity Grid Operating Company); • NAC Kazatomprom JSC 	Portfolio companies and organizations of the Fund Group	Supplementary agreements to agreements on the transfer of rights to use SAP software
22	Atyrau Oil Refinery LLP	Organization of the Fund Group	Terms and Conditions of the bonds
23	Tau-Ken Samruk NMC JSC	Portfolio company	Agreement on the provision of temporary financial assistance

GLOSSARY

The following definitions and abbreviations are used in this Annual Report:

Fund, Samruk-Kazyna JSC	Samruk-Kazyna Sovereign Wealth Fund Joint-Stock Company
%	percent
AIX	Stock Exchange of Astana International Financial Center
EBITDA	Earnings before interest, taxes, depreciation and amortization
EMS	Express Mail Service, international express mail delivery service
ESG	Environmental, Social, and Corporate Governance
CEO	Chief Executive Officer, Chairman of the Management Board, Director, senior management position
CRM	Customer Relationship Management
IPO	Initial Public Offering
IT	Information technology
HR	Human resources
H&S	Health & Safety
KZT	Kazakhstani tenge
LTIFR	Lost time injury frequency rate
LSE	London Stock Exchange
MBA	Master of Business Administration
M&A	Mergers and acquisitions
NAV	Net Assets Value
QAZAQ AIR, QAZAQ AIR JSC	QAZAQ AIR Joint Stock Company
ROA	Return on assets
ROE	Return on equity
S&P Global Ratings	Standard & Poor's, a subsidiary of McGraw-Hill, an American corporation engaged in analytical research of financial markets
SRS	Samruk Research Services
SPO	Secondary Public Offering
USD	US dollar
AFAPC	Automated frequency and active power control
AR	Atyrau Refinery
AMP	Administrative and managerial personnel
GDP	Gross domestic product
World War II	The Great Patriotic War
WPP	Wind power plants
RES	Renewable energy sources
OPTL	Overhead power transmission lines
GDP	Gross domestic product
HEI	Higher educational institution
Fund Group	The Fund, companies, their subsidiaries, more than 50% of voting shares (participatory interests) of which are owned by companies, as well as legal entities, more than 50% of voting shares (participatory interests) of which are owned by the said subsidiaries

SDPS	State district power station
State Commission	State Commission on Modernization of the Economy of the Republic of Kazakhstan
HPP	Hydro power plant
SPIID	State Program of Industrial and Innovative Development
Subsidiary	Subsidiaries and affiliates
Un.	Unit
EU	European Union
UES	Unified Energy System of the Republic of Kazakhstan
IS	Information system
EPIS	E-Procurement Information System of Samruk-Kazyna JSC
ICA	Intergas Central Asia Joint Stock Company
CPS	Category Procurement Strategy
KEGOC, KEGOC JSC	Kazakhstan Electricity Grid Operating Company, KEGOC Joint Stock Company
Kazpost, Kazpost JSC	Kazpost Joint Stock Company
KAP, NAC Kazatomprom JSC	National Atomic Company "Kazatomprom" Joint Stock Company
KBM	Karazhanbasmunai Joint Stock Company
KVI, COVID-19	Coronavirus Infection of 2019
kWh	kilowatt-hour
KIMEP	Kazakhstan Institute of Management, Economics and Strategic Research
km	Kilometer
KMG, NC KMG JSC	National Company "KazMunayGas" Joint Stock Company
PRC	People's Republic of China
Companies, Portfolio Companies (PCs) of the Fund	National companies and other legal entities, more than 50% of voting shares (participatory interests) of which are owned by the Fund on the right of ownership or trust management
KPI	Key performance indicator
KTZ, NC KTZ JSC	National Company "Kazakhstan Temir Zholy" Joint Stock Company
KTK, Kazakhtelecom, Kazakhtelecom JSC	Kazakhtelecom Joint Stock Company
CC	Corporate Center
m³	cubic meter
MW	Megawatt
IMF	International Monetary Fund
mln	million
billion	billion
MGP	Main Gas Pipeline
MMG, Mangistaumynaigas JSC	Mangistaumunaigas Joint Stock Company
LC	Local content
AIFC	Astana International Financial Center
NBRK	National Bank of the Republic of Kazakhstan
VAT	Value added tax
Refinery	Oil processing plant
NCE	National Chamber of Entrepreneurs
Power transmission line	Power transmission line
LP	Linear programming

FA	Fixed asset / Fixed assets
DCP	Domestic commodity producers
OMG	Ozenmunaigas Joint Stock Company
ALE	Association of Legal Entities
PKOP	PertoKazakhstan Oil Products Limited Liability Partnership
PP	Production personnel
s/i	sub-item
POCR	Pavlodar Oil Chemistry Refinery
SS	Substation
RK	Republic of Kazakhstan
BD	Board of Directors
SKI, Samruk-Kazyna Invest LLP	Samruk-Kazyna Invest Limited Liability Partnership
Media	Mass media
CIS	Commonwealth of Independent States
USD	United States of America
SE, Samruk-Energy JSC	Samruk-Energo Joint Stock Company
SEZ	Special economic zone
TKS, Tau-Ken Samruk NMC JSC	Tau-Ken Samruk National Mining Company Joint-Stock Company
trn	trillion
thous.	thousand
GWS	Goods, works and services
TCO, Tengizchevroil LLP	Tengizchevroil Limited Liability Partnership
SCEF	Specific consumption of equivalent fuel
SWF	Sovereign Wealth Fund
CECS	Centralized Emergency Control System
pc.	piece
EGRES-1, EGRES-1 JSC, Ekibastuz GRES-1 JSC	Ekibastuz GRES-1 Joint Stock Company
EGRES-2, EGRES-2 JSC, Ekibastuz GRES-2 JSC	Ekibastuz GRES-2 Joint Stock Company
Air Astana, Air Astana JSC	Air Astana Joint Stock Company
EMG, Embamunaigas JSC	Embamunaigas Joint Stock Company