



Annual Report 2020



САМРУК
КАЗЫНА

Who we are

Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna" is a commercial structure - an investment holding with the mission to increase the national wealth of the Republic of Kazakhstan and long-term sustainability for future generations.

Our mandate

The vision by 2028 defines the Fund as an investment holding that delivers strong financial performance, investment returns and portfolio development on par with leading sovereign wealth funds.

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2008

2010

2012

Immediately after establishment, the Fund became one of the catalysts for the recovery of the economy of Kazakhstan after the crisis. During these years, the Fund addressed several issues:

- 1** Stabilization of the financial sector through the recapitalization of commercial banks
- 2** Dealing with challenges in the shared equity-construction market
- 3** Refinancing expensive mortgage loans
- 4** Lending to small and medium-sized businesses and implementation strategic investment projects.

After successfully fulfilling the function of a crisis management tool, priority areas of the Fund's activities were identified - promoting economic modernization and improving corporate governance.

THE LAW OF THE REPUBLIC OF KAZAKHSTAN "ON THE SOVEREIGN WEALTH FUND" WAS ADOPTED

The adoption of this law is aimed at improving the interaction and clearer definition of the powers of the Government and the Fund, increasing the effectiveness of the strategic planning system and control of key performance indicators of the Fund and its subsidiaries, as well as procurement.

The Development Strategy of the Fund for 2012-2022 was approved taking into account the main directions of state policy in industrial-innovative, socio-economic and other directions of the Fund's activities.



OUR HISTORY

LAUNCH OF TRANSFORMATION PROGRAM

The Fund was assigned with a task to move from the model of the administrator of state assets to the model of a commercial holding company that effectively manages its assets portfolio and develops new industries.

2014

The Development Strategy of the Fund for 2018-2028 was approved, the main priority for which will be to improve national wealth, through increase in the profitability of Portfolio companies.

Updated Transformation Program was approved.

2018

THE FUND IS TRANSITIONING TO AN INVESTMENT FUND

The Council for the Fund Governance chaired by the First President of Kazakhstan - Yelbasy approved the Concept of transforming the Fund into an investment holding by analogy with leading sovereign wealth funds.

2020

ASSETS PORTFOLIO OF THE FUND



КазМұнайГаз
NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ

90.42% shares

Kazakhstani operator on hydrocarbon exploration, production, processing and transportation



www.kmg.kz



KAZATOMPROM
NATIONAL ATOMIC COMPANY

75% shares

Kazakhstani operator on import-export of uranium, rare metals, nuclear fuel for nuclear power plants



www.kazatomprom.kz

ҚАЗАҚСТАН ТЕМІР ЖОЛЫ



100% shares

The largest operator of the main railway network of Kazakhstan



www.railways.kz



ҚАЗАҚТЕЛЕКОМ

52.03% shares

The largest telecommunications company in Kazakhstan, has the status of a national telecom operator



www.telecom.kz

KAZPOST

100% shares

The postal operator of Kazakhstan, represents the Postal Administration of Kazakhstan at the Universal Postal Union



www.post.kz



air astana

51% shares

The largest air carrier of Kazakhstan



www.airastana.com



100% shares


Kazakhstani airline operating regional flights

 www.flyqazaq.com



100% shares

Kazakhstani operator for exploration, development, production, processing and sale of solid minerals

 www.tks.kz



90.00+1% shares

System operator of the unified electric power system of Kazakhstan

 www.kegoc.kz



100% shares

Kazakhstani company managing construction for Samruk-Kazyna JSC Group of companies

 www.skcn.kz



100% shares

The largest diverse energy holding in Kazakhstan, successfully integrated into the international energy balance

 www.samruk-energy.kz



100% interests

Kazakhstani operator for the development and implementation of investment projects in the chemical industry

 www.ucc.com.kz

As of December 31, 2020.

The list includes only large Portfolio companies of the Fund and is not exhaustive.

KEY EVENTS OF 2020

FEBRUARY

THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE FUND WAS ELECTED

By a general vote of the members of the Board of Directors of the Fund, an independent director, Jon Dudas, was elected as its Chairman. The composition of the committees under the Board of Directors of the Fund was updated.

THE FUND HELD THE FIRST FORUM TO SUPPORT DOMESTIC ENTREPRENEURS "SAMRUK BUSINESS FORUM"

During the panel session, contracts were signed between the Fund's Portfolio companies and Kazakhstani entrepreneurs in the amount of KZT34.8 billion. An off-take agreement was signed with Asia Trafo LLP for transformers for JSC NC Kazakhstan Temir Zholy, with Zhaik Petroleum LLP for methanol for the Atyrau Oil Refinery, a memorandum with Karlskrona LC AB for cantilever pumps for KazTransOil JSC, a strategic agreement on partnership with manufacturers of special equipment, a memorandum of cooperation between the Fund and JSC NC Kazakhstan Engineering.

MARCH

THE FUND SIMPLIFIED THE ACCESS OF KAZAKHSTANI ENTREPRENEURS TO PROCUREMENT

As part of implementation of the Decree of the Head of State to stabilize the economy, the Management Board of the Fund made decisions aimed at supporting Kazakhstani entrepreneurs. In particular, the Fund expands the opportunities for domestic producers to participate in procurement, not limited to the availability of certificates (ST-KZ, industrial certificates).

APRIL

THE FUND PROVIDED THE EMPLOYEES OF THE MINISTRIES WITH MEDICAL MASKS

Six million medical masks were donated by the Fund for the employees of the ministries. Thus, the Ministry of Health, the Ministry of Labor and Social Protection, and the Ministry of Internal Affairs of the Republic of Kazakhstan received two million masks each.

MAY

THE FUND ALLOCATED KZT1 BILLION TO RESTORE DAMAGED FACILITIES IN MAKTAARAL DISTRICT

The decision to provide support was made in accordance with the instructions of the President of the Republic of Kazakhstan.

JUNE

A MEETING OF THE COUNCIL FOR THE FUND GOVERNANCE WAS HELD UNDER THE CHAIRMANSHIP OF THE FIRST PRESIDENT OF KAZAKHSTAN

The Fund identified a key role in the recovery and further development of the economy. The First President of the Republic of Kazakhstan noted the important role of the Fund Group in the development of the country's economy.



THE FUND SENT KZT50 BILLION TO THE NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN

The Fund directed KZT50 billion, received from the SPO of JSC NAC Kazatomprom to the National Fund of the Republic of Kazakhstan.

THE FUND COMPLETED THE PROCESS OF PLACING SHARES OF

JSC NAC KAZATOMPROM in the form of shares and global depositary receipts (GDRs) by selling them on the stock exchange of the Astana International Financial Center (AIFC) to the citizens of the Republic of Kazakhstan. As a result of the open offer, 615 applications for the total number of 203 thousand shares and 921 thousand GDRs were received from the citizens of the Republic of Kazakhstan, which exceeded the supply level by 2.9 times. Compared to the previous placement of the Company's shares, the number of citizens who took part in the placement increased in more than 5 times and amounted to 564 people.

THE FUND AND THE MINISTRY OF HEALTH OF THE REPUBLIC OF KAZAKHSTAN SIGNED A MEMORANDUM OF COOPERATION

As part of the Memorandum, the Fund acquired and began transfer of 100 ambulances, 1000 units of oxygen concentrators, 50 artificial lung ventilation devices, 1000 pulse oximeters and 3000 antiviral drugs "Avifavir" to the Ministry of Health of the Republic of Kazakhstan. These aid positions were selected in agreement with the Ministry of Health as the most scarce.

THE FUND AND THE ASTANA INTERNATIONAL FINANCIAL CENTER SIGNED A MEMORANDUM OF UNDERSTANDING

According to the document, the parties, in particular, intend to closely cooperate and consult on the listing of shares of the Fund's companies on the AIFC stock exchange. In addition, the memorandum provides for the application of the jurisdiction of the AIFC by including the reservations of the Court and the AIFC International Arbitration Center as an institution for resolving disputes in contracts concluded by the Fund's group of companies.

THE FUND PAID OUT DIVIDENDS TO THE SOLE SHAREHOLDER IN THE AMOUNT OF KZT120 BILLION

by the end of 2019 in accordance with the decision of the Sole Shareholder.

THE FUND DONATED FIVE SOCIALLY SIGNIFICANT OBJECTS TO THE AKIMAT OF TURKESTAN REGION

the Museum of Khoja Ahmed Yasavi, a stadium for 7000 seats, the Palace of Schoolchildren, Congress Hall and the building of the regional branch of Kazpost JSC.



JULY



AUGUST



SEPTEMBER


 A square icon with a light gray background and a blue border. The word "OCTOBER" is written in blue capital letters in the center. A white diagonal line runs from the top-left corner to the bottom-right corner.

OCTOBER

THE FUND ENTERED THE LIST OF TOP-20 ADVANCED FUNDS THAT ENSURE SUSTAINABLE DEVELOPMENT

The United Nations included Samruk-Kazyna JSC in the list of 20 advanced funds ensuring sustainable development. A list of the world's top 20 pension and sovereign wealth funds is published in the UN report "How Sovereign Pension and Sovereign Funds Achieve Sustainable Development: Leadership Practices and Proposed Integration Structures" prepared by the UN Institutional Investors Partnership for Sustainable Development. 16 pension funds and 4 sovereign wealth funds were also selected for the presented list of leaders, including Temasek Holding, Future Fund and New Zealand Superannuation Fund.

THE FUND WILL INCREASE THE SHARE OF NEW INVESTMENTS IN THE ECONOMY OF KAZAKHSTAN

Investment opportunities of Kazakhstan were discussed at the Kazakhstan Investment Forum. The event was organized by the Fund in partnership with JSC NC Kazakh Invest and the Embassy of Kazakhstan to the UK. The forum was attended by the CEO of the Fund, Heads of Portfolio companies of the Fund, representatives of business communities from the UK and Kazakhstan.

FUND AND BPIFRANCE SIGNED A CO-INVESTMENT AGREEMENT FOR EUR100 MILLION

The Fund signed an agreement with the French sovereign wealth fund and the investment bank Bpifrance to create a co-investment platform for a total amount of EUR100 million. As part of the agreement, the partners aim to make minority investments in small, medium and medium-sized companies in the amount of EUR10 million to EUR40 million in various sectors of the economy - manufacturing, mechanical engineering, renewable energy and green technologies, agriculture, logistics, education, healthcare.


 A square icon with a light gray background and a blue border. The word "NOVEMBER" is written in blue capital letters in the center. A white diagonal line runs from the top-left corner to the bottom-right corner.

NOVEMBER

A MEETING OF THE COUNCIL FOR THE FUND GOVERNANCE WAS HELD CHAIRED BY THE FIRST PRESIDENT OF KAZAKHSTAN

The Head of the Fund presented to the Council for the Fund Governance chaired by the First President of Kazakhstan the Concept of transforming the Fund into an investment holding. As part of the Concept, the Fund identified key goals in the updated Development Strategy of the Fund until 2028. The main of them is the transition of the Fund in the medium term to a new format of work as an investment holding, similar to the leading sovereign wealth funds.

THE FUND ENTERED THE TOP-10 MOST EFFECTIVE FUNDS IN THE WORLD

The CEO of the Fund Akhmetzhan Yessimov entered the Top-10 Heads of investment organizations along with the Chairman of the US Federal Reserve System and the first Heads of world sovereign funds, including the China Investment Corporation (CIC), the UAE Sovereign Fund Mubadala (Mubadala Investment Company), and the Kuwait Investment Authority.

THE FUND BEGINS ACTIVE TRANSFORMATION INTO AN INVESTMENT HOLDING

The Fund's Board of Directors approved the Fund's Development Plan for 2021–2025, the main tasks for the next five years of which will be to ensure financial sustainability and stability, maintain an adequate level of liquidity in the corporate center and Portfolio companies of the Fund.

THE FUND HELD A CONFERENCE “DIGITAL SAMRUK-2020” WITH PARTICIPATION OF THE PRIME MINISTER

The Prime Minister of the Republic of Kazakhstan and the CEO of the Fund took part in the conference “Digital Samruk-2020” on the topic “Digital Transformation: Culture of Industrial Innovation”. The parties discussed updated approaches to digitalization of the Fund and the Republic of Kazakhstan, and also got acquainted with the results of the implementation of the Samruk-Kazyna Digital Transformation Program. At the moment, the portfolio of the Fund's Digital Transformation Program consists of 90 projects.

THE FUND DIRECTED KZT38.6 BILLION TO THE NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN

The Fund sent KZT38.6 billion to the National Fund of the Republic of Kazakhstan received from the SPO of JSC NAC Kazatomprom and the sale of Kyzyltu LLP by early repayment of obligations.

DECEMBER



“ Volunteers of the Samruk-Kazyna Group of Companies delivered food products to large families, families raising disabled children and lonely elderly people.

WELCOME MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



DEAR COLLEAGUES, PARTNERS, STAKEHOLDERS AND INVESTORS!

2020 was an unprecedented and unusually difficult year for both the global economy and the companies of the Fund.

In response, the Fund took appropriate measures to minimize the negative impact of the pandemic and through proactive action was able to achieve the main key indicators.

In accordance with the Development Strategy, conceptual approaches regarding transforming the Fund into an investment holding were developed. The principles and frameworks were considered and approved at the meeting of the Council for the Fund Governance chaired by the First President of the Republic of Kazakhstan - Yelbasy.

In 2020, within the framework of the execution of Decree of the Government of the Republic of Kazakh-

stan dated December 30, 2015 № 1141 "On Some Privatization Issues for 2016 – 2020", the Fund placed 6.28% of shares of JSC NAC Kazatomprom for the amount of KZT 85.2 billion and sold five assets - LPG Storage Park, Aktobe Rail and Steel Works, Continental Logistics, Intergas Finance and Vostokmashzavod. Work is in progress on 7 large companies subject to IPO / SPO or sale to strategic investors and 15 assets are to be transferred to the competitive environment by other means in 2021-2024; all of which are included in the Government Decree on privatization for 2021- 2025.

In 2020, funds from the privatization of assets in the amount of KZT 88.8 billion were transferred to the



National Fund of the Republic of Kazakhstan ahead of schedule for early repayment of long-term loans.

The Fund also paid significant attention to charitable activities. Thus, in 2020, 30 social projects were implemented at cost of more than KZT 7.03 billion, in addition to the provision of medical equipment, antiviral drugs and support for measures to prevent the spread of coronavirus infection COVID-19.

To increase operational efficiency, the Fund developed a program of large-scale transformations of controlled Portfolio companies. This program lays the foundation and general principles for the transformation of the entire Fund Group and is one of the key steps for implementation of the Fund's Development Strategy.

Given the impact of the global crisis caused by the COVID-19 coronavirus pandemic, the Fund identified the following priorities whilst updating the Transformation Program: (1) industrial safety; (2) transformation of culture; (3) customers; (4) suppliers / supply chain optimization; (5) cost optimization through process reengineering; (6) cybersecurity.

Companies' initiatives derived from these priorities are implemented through projects, the net benefits of which at the end of 2020 are estimated at KZT44.8 billion.

In addition, as part of the Digital Transformation Program, a continuous improvement process was launched, within which there is a constant search and analysis of new ideas, as well as the initiation of projects to improve the efficiency of the key business processes of Portfolio companies.



In December 2020, the second Digital Samruk 2020 conference was held in the online format with participation of the Prime Minister of the Republic of Kazakhstan. The key results of the Fund and digital transformation projects, the introduction of new technologies in the production processes of Portfolio companies, as well as areas for cooperation with the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan were discussed.

In 2020, the unified online Samruk Qyzmet recruitment platform with the main goal of transparency of the personnel selection process was effectively implemented. As a result, at the end of 2020, more than 4,500 vacancies were posted on the platform, over 32,000 applicants were registered and over 1,000 people were employed in the Fund and its subsidiaries on the Samruk Qyzmet platform.

Also in 2020, the Zhas Orken and Digital Summer programs were successfully implemented in order to employ and involve talented young people of Kazakhstan in digitalization and transformation projects in the Fund's group of companies.

BASED ON THE RESULTS OF THE FUND'S ACTIVITIES, IN 2020 THE UNITED NATIONS INCLUDED IT IN THE LIST OF 20 LEADING FUNDS THAT ENSURE SUSTAINABLE DEVELOPMENT.



In addition, the Fund received the maximum possible 10 points in the transparency rating of the sovereign wealth funds (SWF) Linaburg-Maduell Transparency Index. 10 points were also awarded to the sovereign wealth funds of developed countries such as Singapore (Temasek), the United Arab Emirates (Mubadala) and Norway (GPF).

In June 2020, the international rating agency S&P Global Ratings confirmed the long-term and short-term credit ratings of the Fund at BB+/B, the forecast as Stable, as well as determining the rating of the Fund on a national scale at kzAA+.

All these indicators confirm that the high level of transparency of the Fund at the international level with recognition by the international community of the appropriateness of the approaches and measures taken by the Fund to achieve its' strategic goals.



Unfortunately, the COVID-19 pandemic risk continues to have a direct impact on the health and safety of the Fund's employees and Portfolio companies, as well as indirect impact on other risks, including price risk, currency risk, covenant breach risk, and liquidity risk. In response, the Board of Directors pays special attention to and continuously monitors critical risks that affect the activities of the Fund Group as well as measures to mitigate such risks.

Given the current situation of the global economy, the next year is expected to be no less challenging. Despite this, the Fund will continue its work to achieve the goals and objectives set by the country's leadership, as well as within the framework of the implementation of the Fund's Development Strategy up to 2028.

JON DUDAS

Chairman of the Board of Directors
of Samruk-Kazyna JSC

WELCOME MESSAGE FROM THE CEO



DEAR COLLEAGUES, PARTNERS AND INVESTORS!

The Samruk-Kazyna Fund has successfully coped with the global crisis phenomena of 2020, completing it with the results of the above plans. Most importantly, the Group of companies prevented from production stoppages and reductions in production personnel; the implementation of investment projects continued.

The Samruk-Kazyna Fund has successfully coped with the global crisis phenomena of 2020, completing it with the results of the above plans. Most importantly, the Group of companies prevented from production stoppages and reductions in production personnel; the implementation of investment projects continued.

Certainly, the pandemic has made its own adjustments and forced the Fund's companies to respond promptly to challenges, the likelihood of which no one could have foreseen before. As much as possible, all business

processes were transferred to the remote format. The stable functioning of all 297 enterprises of the Group of companies was provided in the energy, oil and gas, uranium, telecommunications, postal and other industries, the timely payment of wages to workers - 276 thousand people.

The net income of the Samruk-Kazyna Group of Companies in the reporting period was 3 times higher than the forecast and amounted to KZT558 billion against the plan for KZT167 billion. The NAV over the



past two years has increased by 16%, or by more than KZT2 trillion.

In 2020, the value of the Fund's assets increased by KZT1.1 trillion, approaching KZT14 trillion. Growth was ensured in the oil and gas, energy, telecommunications sectors, as well as increase in the value of public assets – JSC NAC Kazatomprom, Kazakhtelecom JSC, KEGOC JSC.

Dividends in the amount of KZT120 billion was paid to the Sole Shareholder - the Government of the Republic of Kazakhstan in 2020. This is 10 times more than in 2017. In October last year, according to the UN, Samruk-Kazyna entered the top 20 leading funds in the world that ensure sustainable development and the top ten most effective sovereign funds. The maximum 10 points out of 10 possible in the transparency rating of sovereign wealth funds indicate a high level of confidence in the activities of Samruk-Kazyna.

In 2020, the Fund's Transformation Concept was presented and key goals until 2028 were identified. The main one is the transition of the Samruk-Kazyna Fund in the medium term to a new format as an investment holding, similar to the leading sovereign wealth funds. This will allow changing approaches to portfolio management and focusing resources not on solving operational issues of companies, but on the investment efficiency of investments. In 2021, the Fund will continue to update and adjust the Development Strategy, taking into account current and future challenges.

The key priorities of the Fund will be sustainable development and investments. The transition to the ESG principles is caring for the environment, people and good corporate governance practices. Modernization and technological re-equipment will ensure the reduction of emissions, increase in energy efficiency, development of renewable energy sources and decarbonization of Portfolio companies.

At the same time, the formation of the Fund for Future Generations will continue. Also the plans provide for implementation of direct investments on the principles of co-investment, which will increase the volume of commercial assets. Thus, the Fund will focus on optimization and restructuring with a full transition to active investment portfolio management by 2024.

12 priority sectors have already been identified, including information technology, infrastructure construction, green energy, chemical industry, healthcare, mechanical engineering, logistics, agriculture, mining, scientific research. This list will be updated annually as global market trends change.

In early June 2020, Samruk-Kazyna JSC completed the process of additional placement of shares and global depositary receipts of JSC NAC Kazatomprom. According to the results of placements on the London Stock Exchange (LSE) and the Astana International Financial Center (AIX), the demand for the company's shares on the part of investors exceeded the supply by 2.9 times.

KZT558

billion

NET INCOME

KZT120

billion

**DIVIDENDS PAID
TO THE SOLE SHAREHOLDER**

Thus, 6.28% of the Company's shares were sold for USD211 million or KZT85 billion. The AIXC exchange received applications in total for USD69.7 million, including 53.4% from Kazakhstani and 46.6% from foreign investors. In mid-2020, the State Commission for the Issues of Modernization of the Economy of the Republic of Kazakhstan set new terms for privatization of assets due to the deteriorating macroeconomic situation and instability in the stock markets. The terms of the IPO of JSC NC KazMunayGas, JSC NC Kazakhstan Temir Zholy and Air Astana JSC were changed.

In 2021, it is planned to transfer Kazpost JSC to the competitive environment by direct targeted sale to strategic investors. JSC NMC Tau-Ken Samruk and Qazaq Air JSC are still at the stage of formation, so the timing of their sale is revised.

The Privatization plan for 2016-2020 was completed: sold - 90, reorganized - 11 and liquidated - 42 assets. Currently, work is underway to transfer 7 large assets and 15 medium-sized assets of Samruk-Kazyna JSC to the competitive environment in 2021-2025 as part of the Privatization plan for 2021-2025.

Another key task of the Fund is to increase the transparency of procurement activities. In general, over the past two years, there has been a significant increase in competitive procurement through an open tender and request for quotations. The share of single source procurement was reduced in 5 times, competitive purchases increased in 6 times. Direct support was provided to domestic producers through categorical purchases in the amount of KZT246 billion. Savings based on the results of purchases for 2018-2020 amounted to KZT410 billion.





In 2021, the Fund intends to pay special attention to the growth of human capital - improving industrial safety, labor protection, social stability with strengthening of the institution of the Ombudsman.

To develop personnel and human capital, the Fund is consistently improving procedures for competitive selection of personnel and transparency of recruitment. The Fund launched the Samruk Qyzmet platform (qsamruk.kz). It unites 167 companies of Samruk-Kazyna JSC, more than 39,000 job seekers and 5,700 vacancies. Since the launch of the unified online recruiting platform Samruk Qyzmet, more than 1,200 candidates have been employed.

As part of increasing the efficiency of Portfolio companies, a digital transformation program will be implemented. We expect global economic growth to pick up in 2021 due to COVID-19 vaccinations and increased staff

immunization. The implementation of the planned measures allows us to look confidently into the future and be ready for new challenges.

The Board of Directors, Management and employees of the Fund make every effort to fulfill the plans and goals, to move forward in accordance with the new Development Strategy of the Fund.

I would like to express my gratitude to the Fund's team for effective and fruitful work and the opportunity to contribute to sustainable development!

ALMASADAM SATKALIYEV

CEO of Samruk-Kazyna JSC

OUR BUSINESS-MODEL

Mission

To increase national wealth of the Republic of Kazakhstan and long-term sustainability for future generations

Vision

An investment holding that delivers strong financial performance, investment returns and portfolio development on par with leading sovereign wealth funds



Strategic goals



EFFICIENCY OF COMPANIES



PORTFOLIO MANAGEMENT



SUSTAINABLE DEVELOPMENT

Strategic initiatives



IMPROVEMENT OF COMPANIES' PROFITABILITY



OPTIMIZATION OF PORTFOLIO STRUCTURE



INCOME DIVERSIFICATION



CORPORATE GOVERNANCE AND SUSTAINABLE DEVELOPMENT

Strategic results

- | | | | |
|--|--|---|---|
| <ul style="list-style-type: none"> ▪ Revenue increase ▪ Financial sustainability ▪ Cost reduction ▪ Implementation of the Digital Transformation Program | <ul style="list-style-type: none"> ▪ Privatization Program implementation ▪ Exit from non-strategic assets | <ul style="list-style-type: none"> ▪ Rebalance of investment portfolio ▪ Investment into new sectors in Kazakhstan ▪ International investments | <ul style="list-style-type: none"> ▪ Effective corporate governance ▪ Human capital development ▪ Implementation of sustainability initiatives |
|--|--|---|---|



Strengths

- A sustainable asset portfolio with a significant role in the national economy
- Experienced leadership and team with professional capabilities
- An important contribution to the economic development of Kazakhstan in attracting potential investors
- Impact on portfolio performance through divestments and reinvestments
- Adopted Corporate Governance Code based on the UK Governance Code
- The willingness and readiness of the Fund to change

Factors affecting 2020 indicators



Key risks



STRATEGIC RISKS

- Risks of the COVID-19 pandemic
- Reputation risks



FINANCIAL RISKS

- Liquidity Risks and Covenant / Listing Violations
- Currency risk



OPERATIONAL RISKS

- Social instability risk
- Risk of accidents



LEGAL RISKS

- Risk of litigation

Creating value for stakeholders

1

Sole shareholder

- Share capital
- Strategic direction and orientation
- Improving transparency and disclosure standards and practices
- Performance
- Implementation of the Development Strategy Dividends
- Transparency and disclosure of information

2

Personnel

- Development of human capital
- Labor relations based on cooperation
- Loyalty to the company
- Competitive salary
- Safe working conditions
- Professional growth
- High-quality social package
- Ensuring respect for human rights and ethics

3

Portfolio companies

- Strategic resources and capabilities
- Opportunities for future development
- Implementation of the best practices and standards
- Methodological support in the areas of development

4

Local communities, NGOs, Society

- Workforce stability and conflict resolution
- Mutual support and adaptation
- Sponsorship and charity
- Support in the regions of presence

5

State authorities

- Macroeconomic and social policy
- Ability to lobby and support
- State regulation
- Tax and social contributions
- Investments in projects that have an impact on the population
- Job creation
- Social stability rating

6

Business partners and clients

- Efficient supply chain and value chain
- Joint development, development and problem solving
- Transparency of procurement of goods, works and services (reliability, stability of results, compliance with requirements)
- Ethical Business Conduct
- Anti-corruption

7

Business community and Media

- Constructive cooperation
- Voluntary application of standards
- Community endorsement
- Reputation and loyalty
- Transparency and proper disclosure of information



Our values

P

PARTNERSHIP

- We work in partnership and trust the team
- We put the interests of the team above personal ones
- We build long-term and trusting relationships with stakeholders

R

RESPECT

- We take care of everything that surrounds us
- We act with trust and respect
- We follow laws and traditions

I

INTEGRITY

- We fulfill our commitments
- We do what we say
- We are always fair and honest

M

MERITOCRACY

- We choose worthy professionals
- We give everyone, regardless of the role, the opportunity to speak their mind
- We encourage the achievement of results

E

EXCELLENCE

- We work rationally and at the highest level of quality, using best practices and technologies
- We accept responsibility by acting in order to create added value
- We are curious, constantly learning and developing the Fund

ECONOMIC REVIEW OF KAZAKHSTAN

The area of Kazakhstan is comparable to the territory of Western Europe, while the population density in the country is one of the lowest in the world. Strategically, Kazakhstan is a link between the large and fast-growing markets of China and Asia and the markets of Russia and Western Europe, providing road, rail and sea links across the Caspian Sea.



Since gaining independence, Kazakhstan has achieved significant economic performance. The economy of Kazakhstan is one of the largest and most stable economies in Central Asia.

Over the past decade, Kazakhstan has taken significant steps in economic policy and has responsibly approached the distribution of large revenues from the commodity sector through the introduction of a fiscal system governed by clear rules.

2020 was a big shock for the world's economy. The COVID-19 pandemic and a sharp decline in exports have significantly affected the economy of Kazakhstan. In 2020, GDP fell for the first time in two decades, down to 2.6%. National mobility restrictions due to the COVID-19 pandemic have led to a decline in consumer demand and investment. The rise in inflation was driven by an increase in food prices and the depreciation of the Kazakh currency.

Economic growth is expected to rebound to 3.2% in 2021 thanks to renewed domestic activity, return in global oil demand, continued budget support measures and successful vaccination against the COVID-19 virus in the country. While maintaining the pace of recovery, economic growth is projected within 3-4% in 2021.

The Government of the Republic of Kazakhstan promptly responded to the crisis that arose against the backdrop of COVID-19 and presented a package of budgetary incentives in the amount of about 6% of GDP aimed at supporting SMEs and the population. To support further stable and sustainable economic recovery, Kazakhstan needs to foster structural reforms while effectively tackling the pandemic in order to ensure a fast, sustainable and inclusive economic recovery.

Economy forecast of the RoK

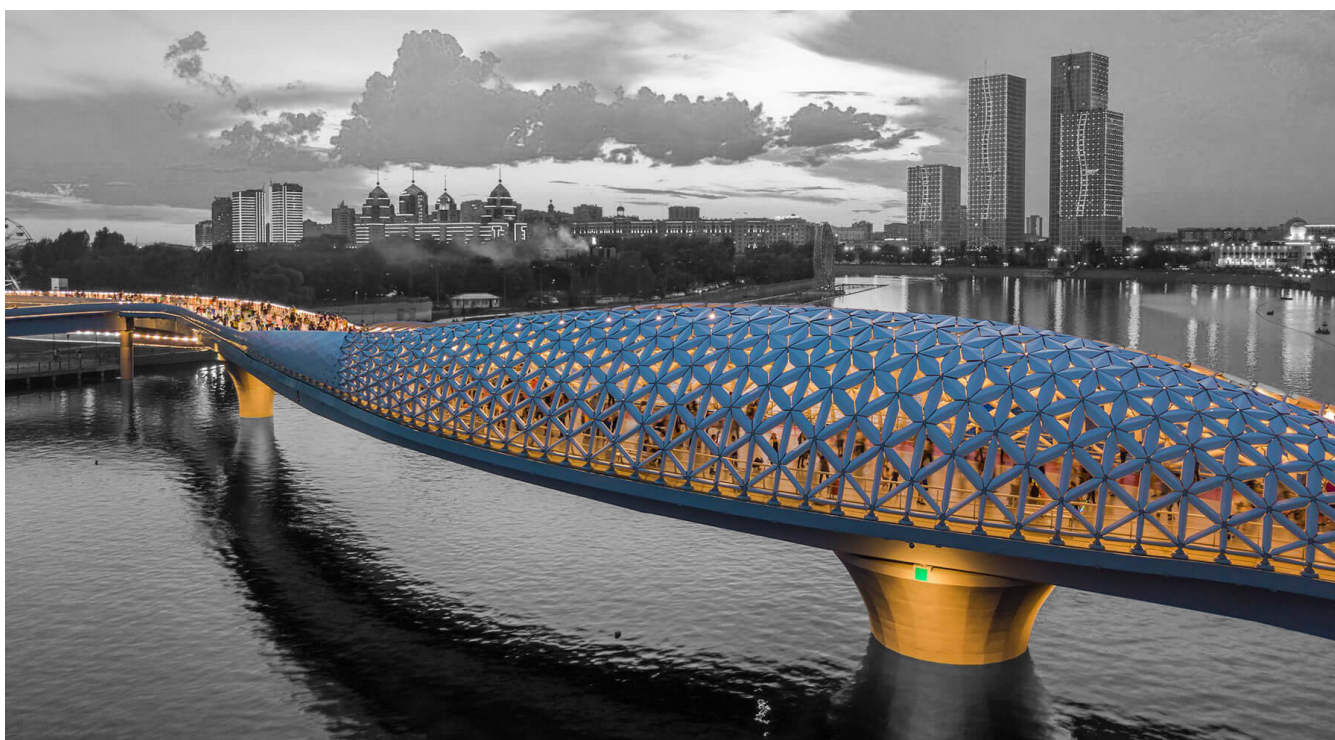
2020 OVERVIEW AND MID-TERM FORECAST

In 2020, Kazakhstan's real GDP fell to 2.6% compared to 2019 due to a significant drop in oil prices and quarantine restrictions imposed in the country, which led to unprecedented decrease in domestic demand. Industrial production showed a decrease of 0.4% compared to last year. There is decrease in transport (by 17.2%), trade (by 7.3%), and the mining industry (by 3.7%). At the same time, certain types of sectors of the real sector and services demonstrate positive growth rates - construction (increase of 11.2%), information and communications (by 8.6%), agriculture (by 5.6%), manufacturing (by 3.9%). According to preliminary estimates of the NBRK, in 2020 the current account of the balance of payments was formed with a deficit of USD5.9 billion, which is mainly due to decrease in exports of goods caused by decline in oil exports.

According to the Ministry of National Economy of the Republic of Kazakhstan, GDP growth in Kazakhstan is expected to average 4.0% during 2021-2025, supported primarily by recovery and further sustained growth in consumption, investment and net exports.

Investment will be the main driver of economic growth as government capital spending on infrastructure projects and inflows of foreign direct investment will lead to an average annual increase of 6.4% in fixed capital formation over the next five years. The growth of net exports will be supported by the implementation of the National Export Strategy and the State Program for the Development of Trade Policy under development. At the same time, special emphasis will be placed on the development of non-resource exports and import substitution measures.

The main supply-side growth drivers will be manufacturing, agriculture and service economy. It is expected that the main drivers will be the sectors of mechanical engineering, oil refining, chemical and metallurgical industries. According to forecasts, the measures taken will increase the share of the manufacturing sector in the industrial structure from 41.6% in 2019 to 58.1% in 2025.



EXCHANGE RATE

The average annual rate of USDKZT in 2020 was 413, which is 8% higher than the indicator of 2019. In January-February 2020, the tenge strengthened, but in early March it began to rapidly weaken due to the fall in oil prices caused by the escalation of the Covid-19 epidemic and the outbreak of a price war between Saudi Arabia and Russia. The national currency weakened by 17.5% in March, reaching a record high of USDKZT at 448 on April 1. From April to June, the tenge strengthened, winning back part of the losses against the backdrop of a partial recovery in oil prices. With the introduction of a second quarantine in June, the tenge weakened again, however, against the backdrop of recovery in oil prices and positive dynamics in world stock markets, as well as the development of effective vaccines against Covid-19, tenge strengthened by the end of the year. In total, in 2020, the NBRK sold USD1.905 billion from its own reserves in the domestic market in order to support the national currency. Also, since the beginning of the year, transfers were made from the National Fund for a total of USD9.05 billion. Additionally, foreign exchange trading was introduced through the Frankfurt auction.

Despite all the measures, the final general weakening of the tenge exchange rate since the beginning of the year was influenced by the following prevailing factors:

1

the fall in the price of Brent crude oil by 22%

2

the weakening of the USDRUB exchange rate by 20% at the end of 2020

3

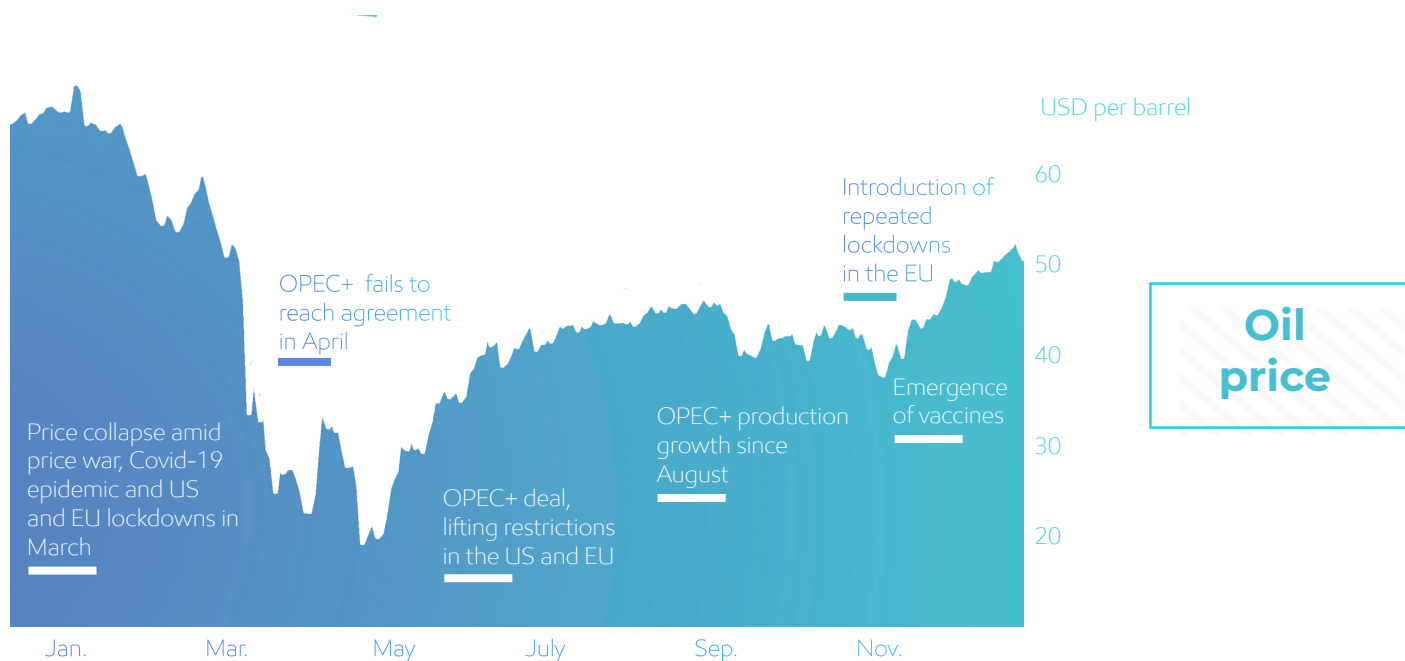
the general the weakening of emerging market currencies amid a decline in exports due to a fall in global demand and a strengthening of the dollar in certain periods, associated with a general decrease in investor risk appetite and uncertainty about stimulus measures in the United States and in the world

COMMODITIES

In 2020, the price of Brent crude oil fell by 22% from 66 to 51.8 USD per barrel, amid a price war between Saudi Arabia and the Russian Federation, as well as a drop in oil demand associated with the spread of the Covid-19 pandemic. According to OPEC data, the demand for oil in the second half of the year fell by 18% or 18 million barrels per day, in connection with which OPEC + decided in April to cut oil production by 9.7 million barrels per day. Further, in July, OPEC + agreed to weaken restrictions on oil production by 2 million barrels per day to 7.7 million barrels per day from August to the end of the year. The subsequent rise in the number of Covid-19 cases around the world led to the introduction of partial and full lockdowns in October, especially in the EU countries, continuing to constrain further recovery in demand. The optimism associated

with the emergence of vaccines for Covid-19 provoked a jump in oil prices in December, as well as in the fourth quarter as a whole.

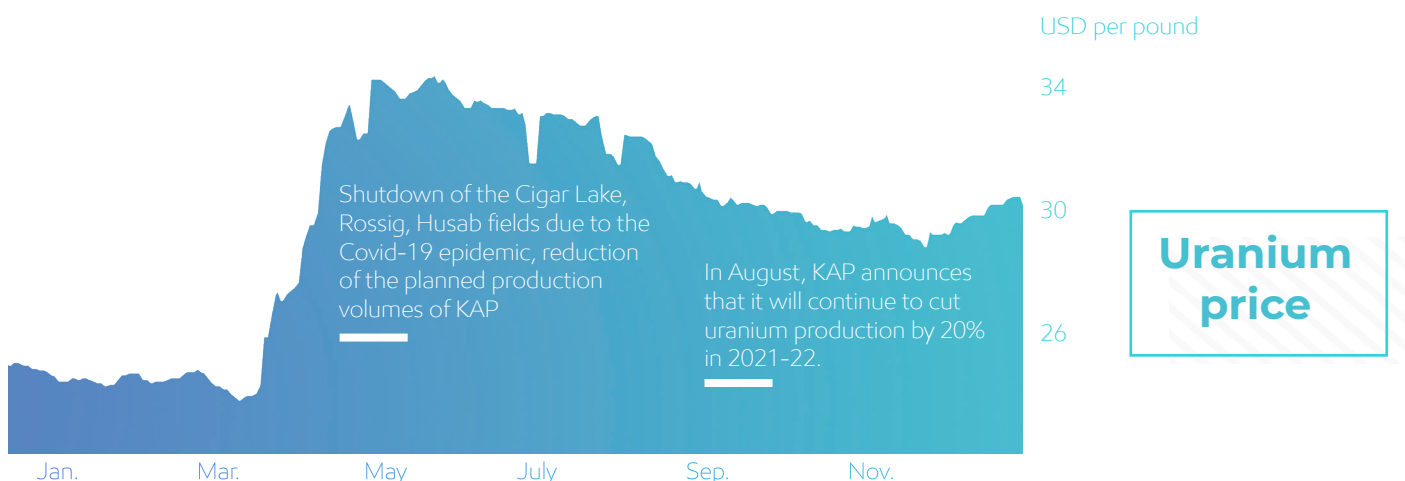
Since the beginning of February 2021, the price of Brent crude oil has exceeded USD 60 per barrel. In March 2021, OPEC + decided to maintain the current production quotas in April, which had a positive impact on the further rise in oil prices. Thus, as of March 10, the price of Brent crude oil amounted to USD 67.08 per barrel



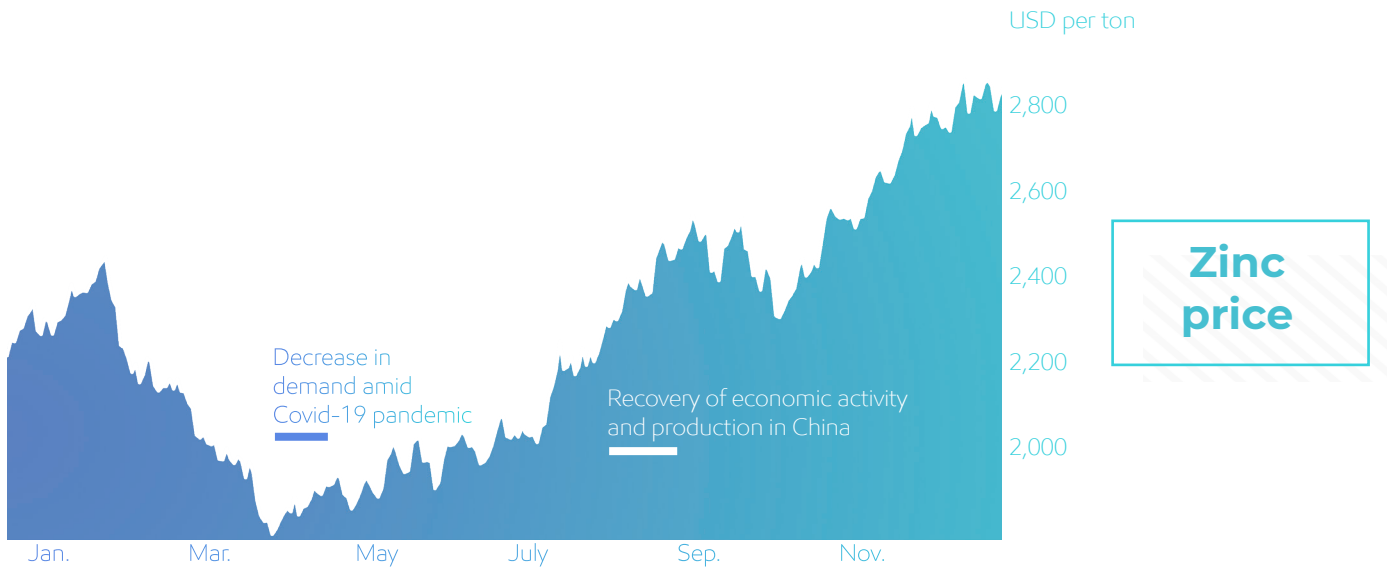
For 2021, median and average forecasts are at USD 48 per barrel with potential for further growth in 2022–2025. The positive expectations of market participants regarding oil prices are reflected in the distribution of forecasts from various institutions.

The price of uranium in 2020 rose by 20% to USD 30 per pound by the end of the year, mainly due to the suspension of the world’s largest uranium deposit Cameco Cigar Lake and the Rossing and Husab fields in Namibia due to the escalation of the Covid-19 pandemic. Nuclear power production in 2020 was estimated to be 4% lower than in 2019, according to the International Energy Agency’s electricity market

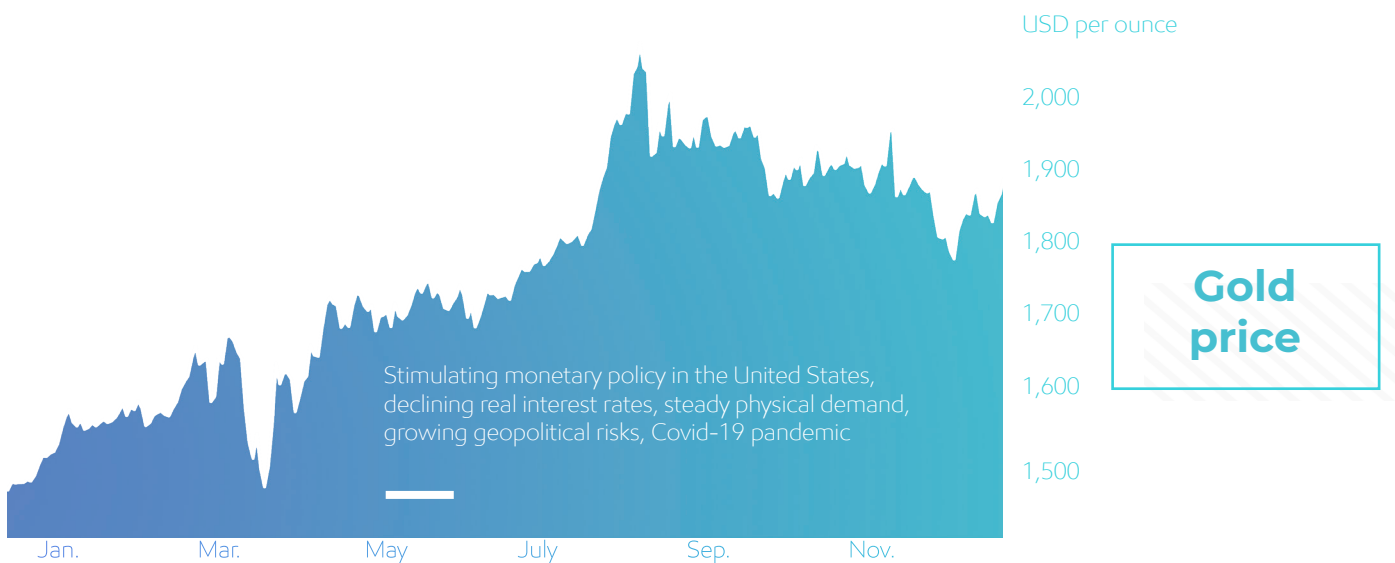
report. In addition, Kazatomprom announced in April that it would cut its planned uranium production by 4,000 tonnes in 2020. In August, the company also said it would continue to cut its uranium production by 20% in 2021–2022. Meanwhile, the demand for uranium has not been affected by the epidemic, as nuclear power plants have not been interrupted by the high costs of shutting down and restarting them. The Resources and Energy Quarterly forecast that uranium prices are expected to be at USD 34 and USD 39.8 per pound in 2021 and 2022, respectively.



In 2020, the average zinc price was at the level of USD 2,280 per ton, which is 11% lower than in 2019, as a result of reduced market demand amid the Covid-19 pandemic. In the first quarter of 2020, the zinc price steadily fell to levels of USD 1,800 per ton in March. Further, prices began to rise with the general recovery in economic activity, reaching USD 2,500 per ton in August. The biggest support for prices came from a stronger-than-expected recovery in production in China. The price is expected to stabilize at USD 2,713-2,750 per ton in 2021-2025 amid recovery in market demand.



Gold price rose 25% in 2020 to USD 1,772 per ounce amid quantitative easing by the Fed and other central banks, falling real interest rates and accelerating inflation.





At the end of 2020, the demand for passenger transportation decreased by 65.9% compared to 2019, which was the most significant decrease in the history of aviation. Slow recovery for business and leisure travel predicted given new statistics on Covid-19 infection.

Quarantine restrictions also led to decrease in rail passenger traffic by about 80% worldwide. International passenger traffic fell almost 100% with border closures, while in terms of freight traffic, operators reported decline from 20% to 35%. The UIC estimates that the sector will lose about USD125 billion in 2020-2021. In this scenario, the study assumes that business will not recover to pre-crisis levels until 2023-2024.

The second wave of the Covid-19 pandemic and the corresponding re-introduction of lockdowns in the EU, as well as growing geopolitical risks, exacerbate the resulting economic uncertainty. According to S&P Global, the global industries most affected by the current crisis are (1) aviation, (2) hotel services, (3) oil and gas production, (4) trade in car parts and equipment, and (5) restaurant business.

In general, according to the International Monetary Fund (IMF), the contraction of the world economy in 2020 is estimated at 3.5%, which is worse than during the financial crisis of 2008-2009. At the same time, this indicator is 0.9% less than anticipated in the previous forecast, due to stronger-than-expected economic dynamics in the second half of 2020. The total loss of world GDP due to the crisis caused by the pandemic in the next five years could amount to about USD28 trillion. According to IMF forecasts, in 2021, global GDP growth will recover to 5.5%, supported by massive fiscal and monetary stimulus measures. This recovery is projected to vary significantly between countries, depending on access to health care, the effectiveness of policy support, exposure to cross-country spillovers, and the structural characteristics of the economy at the onset of the crisis.



DEVELOPMENT STRATEGY OF THE FUND

In accordance with the current version of the Development Strategy for 2018-2028, the vision of the Fund is to become an investment holding by 2028, providing high financial performance, investment income and developing a portfolio at the level of leading sovereign wealth funds. The mission of the Fund is to improve the national well-being of the Republic of Kazakhstan and ensure long-term sustainability for future generations. The Fund will achieve its mission through company performance, portfolio management, and sustainable development. The Development Strategy of the Fund is aimed at implementing the strategic goals and directions of development of the Republic of Kazakhstan.

In 2020, stage 1 of implementation of the Fund's Development Strategy for 2018-2028 was completed. In general, taking into account external factors that influenced the achievement of all strategic goals and objectives, the Fund successfully completes the first stage of the Strategy implementation in 2020, with the following results:

1 NET INCOME

the Fund's net income amounted to KZT558 billion, which is 234% higher than the forecasted value of KZT167 billion. The main factor behind the excess of the actual value over the forecast was the increase in the average oil price for the whole year from USD 28 / bbl. up to 42 USD / bbl., increase in share income due to decrease in the negative exchange rate difference (from USDKZT at 450 to 413), decrease in the cost of purchasing gas and financial expenses, as well as increase in financial income

2 ASSET VALUE

the Fund's asset value growth target is achieved and amounts to 9.6% and exceeds the strategic level of 8% of the annual growth rate of net assets since 2015

3 ROACE

ROACE was 4.4%, which is 1.4 points more than the target

4 REDUCTION OF THE NUMBER OF COMPANIES

as of December 31, 2020, the number of companies in the Fund's Group amounted to 297 units

3 CHARITY

within the framework of the Charity Program of the Fund, financing of 30 projects in the amount of KZT7.03 billion was approved, and the total number of direct beneficiaries of charity projects amounted to more than 115 thousand people.

6 DEBT / EBITDA

Debt / EBITDA ratio decreased to 3.6 compared to the plan (4.1) due to EBITDA growth, mainly due to the increase in oil prices and cost optimization

7 NET BENEFITS FROM TRANSFORMATION

net benefits from transformation amounted to KZT44.8 billion, of which direct benefits amounted to KZT30.6 billion



Transformation of the Fund

The transformation of the Fund is the second stage in the implementation of the Development Strategy. Initially, the transformation of the Fund was planned to be carried out from 2021 to 2024. However, in fact, the transition may take a longer period due to the need to revise approaches due to the impact of the COVID-19 pandemic, global megatrends and the macroeconomic environment in the country. Given the current conjuncture and taking into account the importance of the Fund for the country's economy, as well as supporting the regions, it seems more expedient today to focus investments on the economy of Kazakhstan in order to implement strategic and socially significant projects. At present, a concept for the transformation of the Fund is being developed, which will reflect the key stages of the transition, realistic timeframes and conditions necessary for an effective transformation.

First of all, it is necessary to continue working to improve the efficiency of Portfolio companies. The Fund is set with the task of applying advanced corporate governance practices and ensuring transparency of activities. The implementation of the digital transformation program will continue on a systematic basis.

Privatization with elements of the People's IPO will facilitate the flow of funds, some of which will be directed to investments, which will diversify the economy, create new industries and jobs. The implementation of the People's IPO will provide an opportunity for citizens of the Republic of Kazakhstan to act as co-owners of national assets.

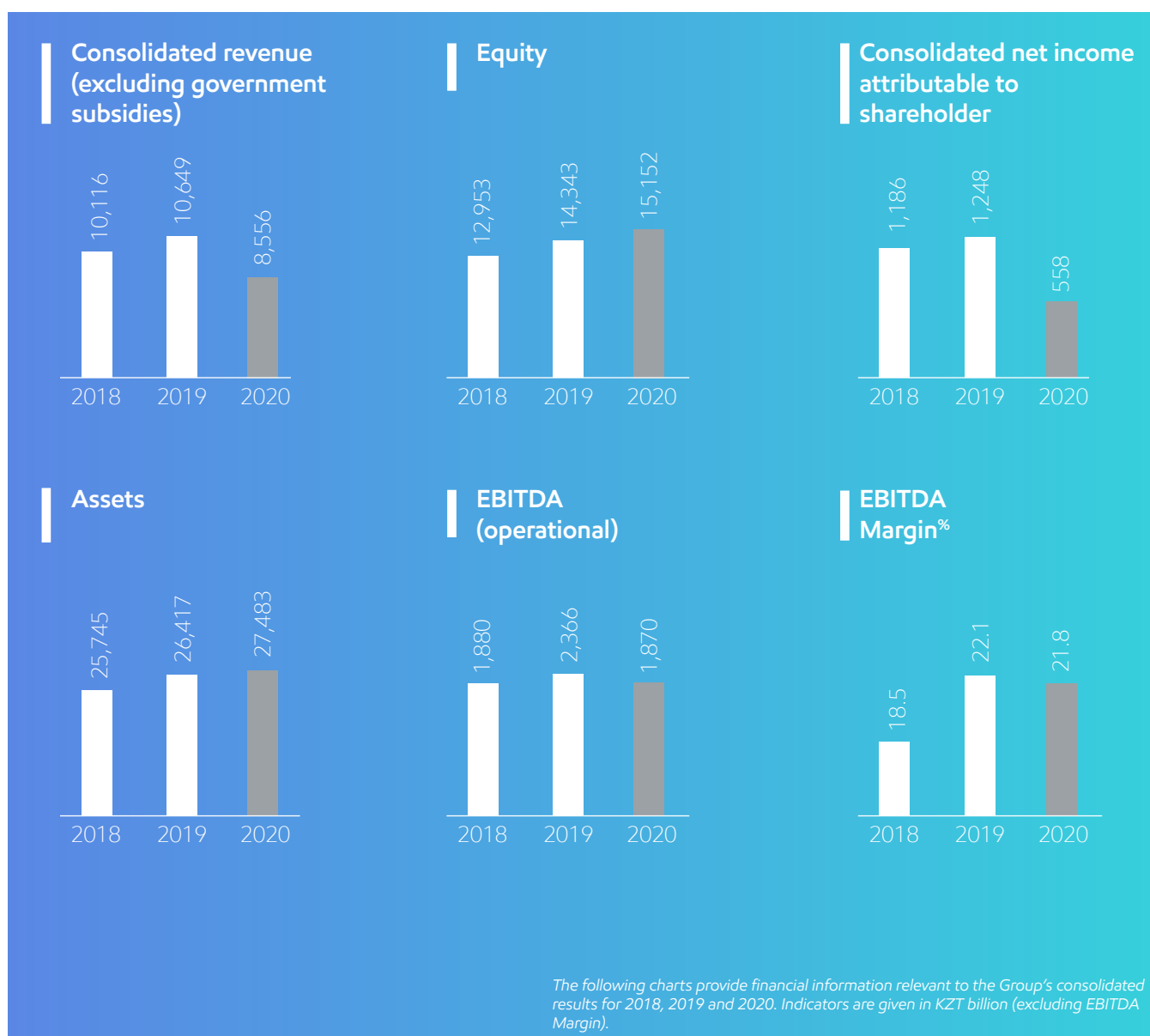
Sustainable development should be prioritized. Following the ESG principles (care of the environment, people and best practices of corporate governance) will ensure the reduction of emissions, increase in energy efficiency, development of renewable energy sources and decarbonization of Portfolio companies. Improving industrial safety, labor protection and social stability will create a favorable environment for the growth of human capital.

At the same time, in order to effectively transform, systemic support of the Government in the field of regulatory policy is needed, especially in terms of market liberalization and pricing.



MANAGEMENT REPORT

FINANCIAL AND OPERATING RESULTS OF THE FUND'S GROUP



Consolidated assets of the Fund Group amounted to KZT27.5 trillion as of December 31, 2020, which is KZT1,066 billion, or 4% more compared to the same indicator in 2019. EBITDA (operating) and EBITDA margin at the end of 2020 amounted to KZT1,870 billion and 21.8%, respectively, while similar indicators at the end of 2019 amounted to KZT2,366 billion and 22.1%.

At the end of 2020, the Fund Group paid in total KZT871 billion to the budget in taxes and payments. General and administrative expenses amounted to KZT426 billion.

REVENUE BY SEGMENTS, KZT BILLION

Segment	2018	2019	2020
Sales of crude oil	3,757	3,529	1,972
Sales of oil refined products	2,603	2,590	1,844
Railway cargo transportation	858	970	1,076
Sales of gas products	783	875	810
Sales of uranium products	400	468	563
Oil and gas transportation fee	315	389	290
Air transportation	292	331	163
Electricity complex	278	240	263
Sales of refined gold	257	436	638
Telecommunication services	214	432	520
Oil processing fees	175	195	192
Electricity transmission services	145	222	287
Railway passenger transportation	85	86	39
Interest income	46	39	40
Postal services	43	46	42
Less: Crude oil Quality Bank	(18)	(15)	(2)
Less: indirect taxes and commercial discounts	(500)	(587)	(538)
Other revenue	383	400	357
	10,116	10,649	8,556

The amount of consolidated revenue at the end of 2020 amounted to KZT8.6 trillion, which is less than the indicator of 2019 by KZT2 trillion, or 20%. Compared to 2019, the largest deviations are observed in such segments as the sale of crude oil (- KZT1,558 billion), the sale of petroleum products (- KZT746 billion), air transportation

(- KZT168 billion). At the same time, growth is observed in the following segments compared to the same period last year: sales of refined gold (+ KZT202 billion), sales of uranium products (+ KZT 95 billion) and telecommunication services (+ KZT 87 billion).

Revenue factors from other activities



SALES OF URANIUM PRODUCTS

Increase in the sales volume of uranium oxide by 2.4%, to 16,431 tons, and growth in the average price by 14.5%, to USD29.54 per lb, increased by the growth of the USD exchange rate on average 7.9% compared to 2019.



FREIGHT TRANSPORTATION

Freight revenues increased by 11%, mainly due to a 3.5% increase in freight turnover (mainly in export and transit traffic) and an increase in the exchange rate (Swiss franc) for the calculation of transit revenues. The decrease in revenue from passenger traffic was due to decline in the volume of passenger traffic by 50.3%.



SALES OF REFINED GOLD

Increase in the price (by USD309, from USD1,461 to USD1,770) and the volume of sales of refined gold by 4 tons, increased by the growth of the USD exchange rate on average 7.9% compared to 2019.



SALES OF CRUDE OIL

Reduction in oil and gas condensate production by 7.9% to 21,752 thousand tons. The fall in oil prices from USD64 per bbl. in 2019 to USD42 per bbl. in 2020. At the same time, the positive impact of increase in the exchange rate from USDKZT 383 in 2019 to USDKZT 413 in 2020.



AIR TRANSPORTATION SERVICES AND MAINTENANCE

The decrease is due to the suspension of operations due to the COVID-19 pandemic.



EE TRANSPORTATION AND RELATED SUPPORT

The increase is mainly due to growth in the volume of sales of purchased electricity produced by renewable energy sources and increase in revenues from the provision of services to ensure the readiness of electric capacity to bear the load, as well as increase in income from regulated services due to growth in tariffs and in the volume of services.

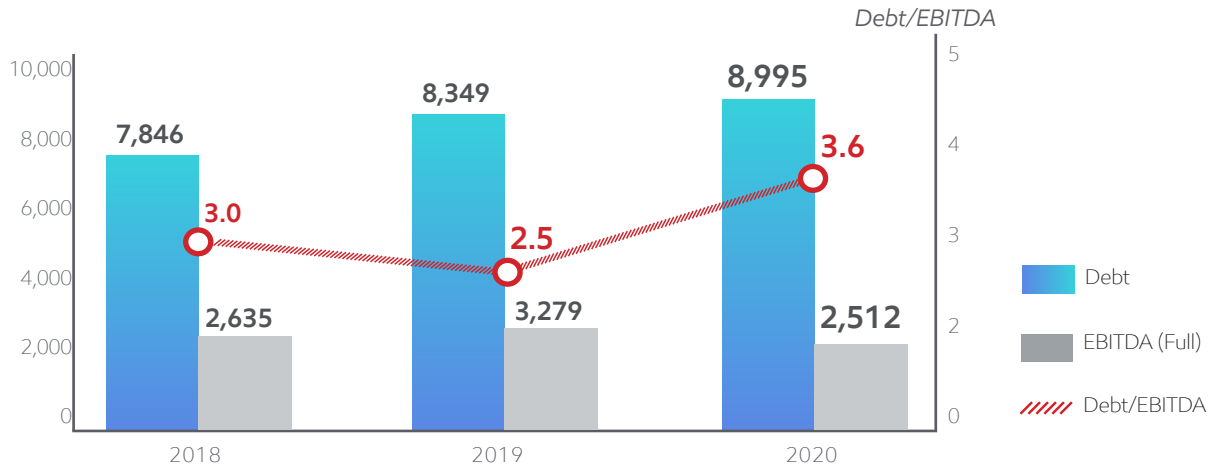


TELECOMMUNICATION SERVICES

Growth in revenues from data transmission network services, mobile communications, the effect of the consolidation of MTS LLP from H2 2019.

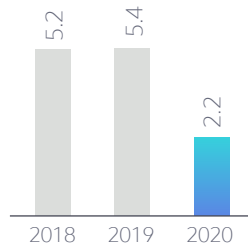


**DEBT AND EBITDA OF THE FUND,
KZT BILLION (CONSOLIDATED)**

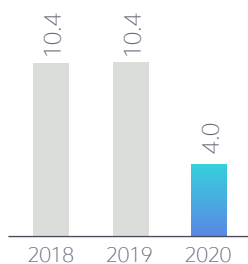


At the end of 2020, the Debt / EBITDA ratio increased to 3.6 compared to 2019 due to a decrease in EBITDA by KZT767 billion, mainly due to the impact of the pandemic and a decrease in oil prices, as well as an increase in consolidated debt by KZT646 billion due to the weakening of the tenge and the development of the KPI loan for the construction of a petrochemical complex in the Atyrau region.

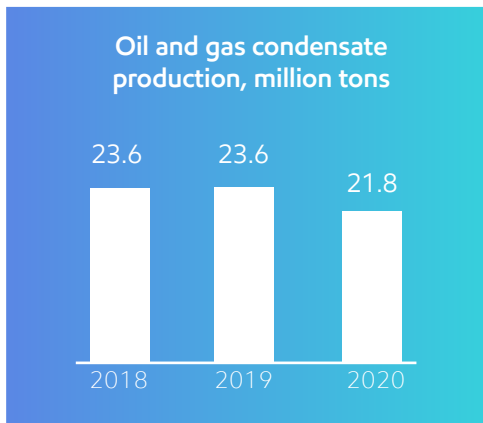
ROA, %



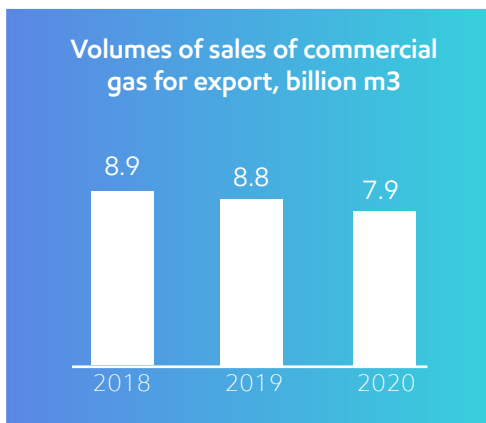
ROE, %



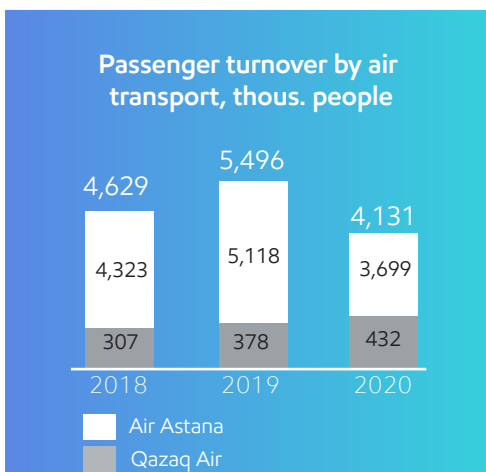
Key performance indicators of the Fund's largest Portfolio Companies`



The decrease in oil and gas condensate production by JSC NC KazMunayGas by 7.9% in 2020 compared to 2019 was due to decline in production volumes at OMG, EMG, MMG, TCO, KBM caused by restrictions on oil production at individual fields in accordance with the requirements of the OPEC + Agreement. The decline by PetroKazakhstan Inc. and Kazgermunay, was due to natural depletion of reserves in the Kumkol group of fields. At the same time, there is increase in Kashagan B.V. in connection with the capital repair in 2019 and growth in the level of injection in 2020, due to preventive work in 2019 at Karachaganak.



The volume of sales of commercial gas for export by JSC NC KazMunayGas decreased in 2020 by 10.2% compared to 2019, which is due to the lack of gas sales to Uzbekistan and reduction in gas sales to the Russian Federation.

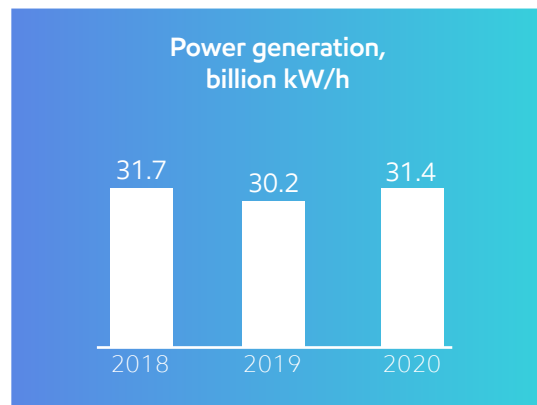


The indicator for passenger traffic by air showed a decrease in Air Astana JSC in 2020 due to a 72% decrease in the number of passengers transported on a domestic air route caused by the introduction of emergency in the country from mid-March to May 2020 and a partial resumption of operational activities in accordance with sanitary and epidemiological the requirements of the Republic of Kazakhstan. A similar indicator for QAZAQ AIR JSC in 2020 increased by 14% compared to 2019 due to increase in the fleet from 3 to 5 aircraft in 2019, as well as the suspension of flights of other air carriers and the relocation of the base to Nur-Sultan.

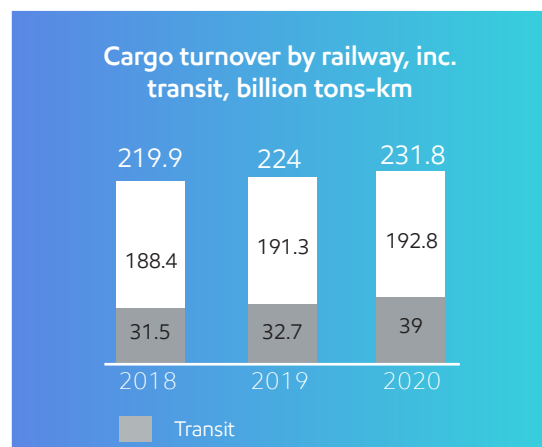




In 2020, there was increase by 4.0% compared to 2019 in electricity generation by Samruk-Energy JSC due to growth in the volume of EGRES-1 by 1,165 million kWh. At the same time, the volume of consumption in the domestic market increased by 1,606 million kWh compared to the actual (106%).

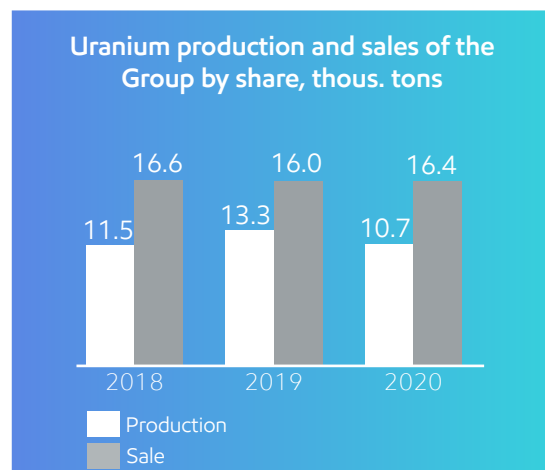


The growth of freight turnover in JSC NC Kazakhstan Temir Zholy in comparison with the previous year by 3.5% is mainly due to the growth of freight turnover in transit traffic (19.4%).



KAZATOMPROM
NATIONAL ATOMIC COMPANY

Uranium production volumes at JSC NAC Kazatomprom in 2020 are lower compared to the same period in 2019 due to the planned reduction in production due to decrease in development activities and the number of personnel in Q2 2020 amid the COVID-19 pandemic. In 2020, there is a slight increase in uranium sales in accordance with the supply plan and schedule.



OPERATIONAL EFFICIENCY IMPROVEMENT



- ◆ A gushing oil inflow was obtained at the Bekturly Vostochny exploration block in the Mangistau region, with a flow rate of up to 85 tons per day based on the results of a comprehensive geological and geophysical study of historical data, basin modeling, high-tech seismic exploration and optimal placement of an exploration well;
- ◆ The construction of the largest gas pipeline in the history of the country, Beineu-Bozoi-Shymkent, was completed. The last stage of the project was the launch of a new Ustyurt compressor station in the Aktobe region;
- ◆ Embamunaygas JSC drilled the longest horizontal well in the KMG group of companies. The technology allows to develop hard-to-recover oil reserves of the Emba fields, the peak of exploitation of which took place many years ago;
- ◆ Within the framework of the project "Development of the information system "ABAI", the development of the modules "Monitoring of complications", "Technological mode", "Visualization center" have been completed, and work is underway to implement them. For the other two modules ("Selection of DPE", "Prototype DB ABAI"), the development work was completed from 42% to 61%. The concept of the project is the consolidation of Upstream block data on a single information platform using Big Data technology, Artificial Intelligence and Machine Learning tools, which will reduce the share of ineffective drilling wells at the same production level, increase the efficiency of geological and technical measures through real-time analytics and reduce operating costs.

- ◆ Specific consumption of diesel fuel for traction of trains has been reduced from 27.9 to 27.34 kg per 10,000 t-km gross;
- ◆ Increased the speed of container transit trains by 4% on the PRC - EU route from 1,108 to 1,152 km per day due to improved train traffic management;
- ◆ The average daily mileage of a locomotive was increased by 1.2% from 644.8 to 653.1 km per day due to improved train traffic management;
- ◆ 6 mobile diagnostic complexes were put into operation, which carry out diagnostics of the railway. The frequency of railway diagnostics has been increased from 2 times a year to 2 times a month. In 2020, more than 277,000 km of railway were diagnosed. Found 1630 pcs. dangerous acutely defective rails.





- ◆ Completed the implementation of the project for the modernization of the Shardara HPP. The installed capacity of the HPP was increased from 100 MW to 126 MW;
- ◆ The integrated planning system has been implemented at three subsidiaries and affiliates of SE - Ekibastuz GRES-1 LLP, Ekibastuz GRES-2 Station JSC and Moinak HPP JSC. Owing to the choice of optimal operating conditions of the station through the IRS (loading of units, selection of operating modes, etc.), the specific consumption of equivalent fuel has been reduced to 359 g / kWh at Ekibastuz GRES-1 LLP and to 368.6 g / kWh at Ekibastuz GRES-2 Station JSC.



- ◆ Within the framework of the project Reconstruction of 220-500 kV overhead lines of KEGOC branches, construction and installation works were carried out at 17 out of 24 power transmission line facilities. Since the beginning of the project, 850 km out of 2,029 km of overhead lines have been reconstructed, including 625 km were reconstructed in 2020;
- ◆ Within the framework of the project Strengthening the electrical network of the Western zone of the UES as of 31.12.2021 11 contracts were concluded for design and survey work on overhead lines and substations with project institutes.

- ◆ Deployed a wireless data transmission network LPWAN in 14 cities of Kazakhstan for automatic remote collection of readings from utility meters. The new M2M network will allow the company to further develop IoT in Kazakhstan, and to transfer metering data to energy resources and utilities services without labor-intensive costs;
- ◆ Provided a technological platform for the iKapitalist crowdfunding platform, on the basis of which the first deal for financing small and medium-sized businesses was launched;
- ◆ Completed the construction of fiber-optic communication lines in 14 regions of the country;
- ◆ A large-scale project for the verification of subscriber numbers was launched, which implies "binding" a subscriber's contact mobile number to his personal account in the company system.





- ◆ Within the framework of the project “Development of a hypermarket of services based on post.kz”, the updated Portal and Post.kz mobile application were put into operation. The volume of transactions on post.kz is 1,522,493 units. Also launched a pilot project Go Post - a mobile application for in-house and freelance couriers. In-house couriers handled 94,385 EMS shipments, freelance - 6,594;
- ◆ Within the framework of the “Cashless City” project, work was carried out to attract new clients of recipients of pensions and benefits to card accounts, 699 cards were issued and 5 retail outlets were opened in Akkol;
- ◆ Within the framework of the project “Implementation of the partner network of Kazpost JSC (franchising)”, 236 partner post offices were launched, of which: 80 were transferred to private business management and 156 new service points were opened;
- ◆ Within the framework of the project “Implementation and Development of Cybersecurity”, 100% of the processes and infrastructure of cybersecurity of the 1st wave were put into operation, and also a connection to the Operational Information Security Center of Samruk-Kazyna JSC was made;
- ◆ Interaction with air carriers was carried out when sending postal items within the Republic of Kazakhstan on main mail routes - contracts were concluded for the carriage of mail by air with Air Astana JSC, Qazaq Air JSC, Asia Freight JSC, Scat JSC;
- ◆ E-commerce centers function in the cities of Nur-Sultan, Almaty, Karaganda, Shymkent, where more than 760 potential customers have been consulted, and 134 new contracts with an annual income of KZT552.3 million have been attracted for Kazpost services.





CREDIT RATINGS OF THE FUND

Obtaining credit ratings from international rating agencies is an independent and reliable assessment of the Fund's creditworthiness. Rating agencies are provided with access to all of the Fund's information required for a thorough and reliable assessment of creditworthiness.

S&P Global Ratings and Fitch note the important role of the Fund in the economy of Kazakhstan, aimed at industrialization and ensuring financial sustainability.



S&P GLOBAL RATINGS

On June 30, 2020, S&P affirmed the Fund's long-term and short-term credit ratings at 'BB + / B'. The forecast is "Stable". This agency also confirmed the rating of the Fund on the national scale "kzAA +" and the rating of the issue of senior unsecured debt "BB +".



FITCH RATINGS

On December 29, 2020, Fitch Ratings affirmed the Fund's long-term foreign and local currency issuer default ratings (IDRs) at 'BBB'. The forecast is "Stable".

IMPACT OF COVID-19

In 2020, the entire world faced with large-scale challenges associated with the COVID-19 pandemic, which has had a significant impact on human health, business activity, economies of entire countries and the current way of life in general. Many industries have reconsidered how they operate, and governments have taken steps to prevent the spread of the virus by imposing restrictions on the movement of people and announcing regional and national lockdowns. At the moment, the world is still struggling with the virus and its consequences, so it seems impossible to assess the scale of their impact on the activities of the Fund’s Group in their entirety.

Since the beginning of 2020, due to the deterioration of the macroeconomic environment caused by the spread of the COVID-19 pandemic, a sharp decrease in oil prices by more than 30% due to an imbalance between supply and demand in terms of oil production, a change in the KZT/USD exchange rate, the introduction of emergency regime in the country and the restriction of transport communications, the Fund’s Group revised development plans and other plans for the implementation of its activities. The Fund met this crisis prepared thanks to the earlier systematic work on ensuring

financial stability, improving operational processes and corporate governance. Taking into account the systemic role in the country’s economy, the Fund developed anti-crisis measures in all areas of activity, which were designed to mitigate the consequences of the crisis on the activities of the Fund’s Group and its employees.

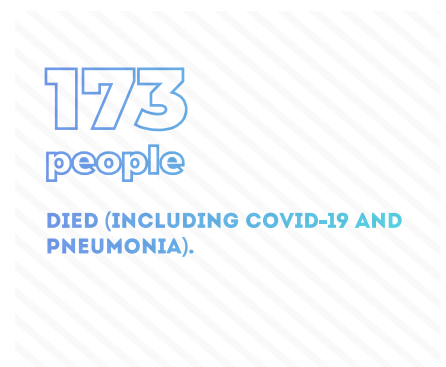
With the aim of leveling losses from the deterioration of the macroeconomic environment, the Fund carried out large-scale work in all Portfolio companies to minimize the negative effect and create a liquidity reserve. As a result, in 2020, capital expenditures, investment projects, and operating expenses, including general administrative expenses, were optimized. At the same time, work on optimizing costs will continue throughout 2021 to accumulate liquidity reserves in case of worsening economic situation in the country.

The companies of the Fund’s Group have introduced mandatory social distancing and strict sanitary and epidemiological procedures for disinfection at production facilities and offices, with the widespread transfer of administrative personnel to the remote mode of work.

THE FUND RECOGNIZES HUMAN LIVES AS THE BIGGEST VICTIMS.

IN 2020, 10,969 CASES OF COVID-19 INFECTION WERE DETECTED AMONG THE EMPLOYEES OF THE FUND’S GROUP

AS OF DECEMBER 31, 2020:





3.7%

SHARE OF CASES OF THE TOTAL NUMBER OF EMPLOYEES OF THE FUND GROUP AT THE END OF 2020

The measures taken in the Fund's Group to combat the spread of COVID-19 have shown timeliness and effectiveness. The Fund coped with the challenges caused by the pandemic, the situation regarding the spread of COVID-19 among the employees of the Fund was taken under control, a serious decrease in basic production indicators, and even more so, production stops or reductions in production personnel of the Fund's Portfolio companies were prevented, salaries were paid to employees on time.

1 From the very beginning of the pandemic, to respond to the realized and potential risks, the Emergency Operations Center was established under the chairmanship of the CEO of the Fund. All Portfolio companies also had Emergency Operations Centers.

2 In order to maintain production activities, ensure financial stability and preserve the most effective management structure, a list of critical business processes was identified, violations of which can lead to significant adverse consequences. For such business processes, recovery options, a list of critical materials and equipment, business continuity plans, disaster recovery plans for IT systems and others are defined.

3 An irreducible reserve of personal protective equipment, essential medicines was created, their timely delivery was organized, a reserve of provisional areas, testing systems, oxygen concentrators, primary health care services were strength-

ened, and missing or additional medical equipment and products were purchased.

4 Algorithms for Plans A, B, C were developed, which demonstrated efficiency with minimal impact on production. Plan A, provided for the implementation of preventive measures from the spread of COVID-19. Plan B, involved actions in the event of deterioration of the epidemiological situation in the region and Plan C, provided for actions in case of detection of cases of infection in the company and / or at the production facility.

5 The Fund's Portfolio companies carried out and continued to actively work on preventive measures aimed at combating CVI:

- testing for shift personnel;
- isolation of sick and contact persons;
- increase in duration of the watch in 2 times;
- transfer of the most of the staff to the remote form of work;
- use of a strategy of dividing the production personnel into "link / teams", if required.

6 Organization of work on exchanging experience between Portfolio companies as part of the HSE Committee under the Management Board of the Fund, on prevention and control of coronavirus infection, including into account the information received by Portfolio companies as part of participation in international industry working groups to combat COVID-19.

98.3%

OF ALL SICK EMPLOYEES OF THE FUND'S GROUP OF COMPANIES HAVE RECOVERED AT THE MOMENT



TRANSFORMATION PROGRAM

The Transformation Program of the Fund is included in the Strategic Development Plan of the Republic of Kazakhstan for 2025, in which it is designated as a key factor in the success of the Fund’s strategic role in the effective completion of the transformation processes from quasi-state to high-tech and efficient institutions.

To date, the Transformation Program is implemented in six large Portfolio companies of the Fund: JSC NC KazMunayGas JSC NC Kazakhstan Temir Zholy, Kazpost JSC, JSC NAC Kazatomprom, Samruk-Energy JSC, KEGOC JSC.

The Transformation Program is one of the tools for implementation of the Development Strategy of six Portfolio companies and the Fund and provides for the transition to digital transformation. The main idea of the transition to digital transformation is to solve business problems through the use of digital technologies, which are converted into benefits for the business: reduced downtime, commercial losses, and increased operational efficiency.

ent Directors are strong industry experts whose experience allows us to fill digital transformation portfolios of Portfolio companies with new ideas and initiatives.

Similarly, it is planned to continue holding similar meetings between management and boards of directors on a regular basis, thereby quickly achieving the set strategic goals through the implementation of the Digital Transformation Program.

The program aims at implementing the following initiatives:

<p>1</p> <p>Industrial safety</p>	<p>2</p> <p>Culture transformation</p>	<p>3</p> <p>Customers</p>
<p>4</p> <p>Suppliers</p>	<p>5</p> <p>Costs optimization through process reengineering</p>	<p>6</p> <p>Cybersecurity</p>

As part of the transformation of the Fund, the role of the Board of Directors of Portfolio companies is strengthened in the following areas:

- identifying industry challenges;
- setting goals for the Transformation Program;
- control over the implementation of the Transformation Program

At the end of 2020, as part of implementation of the Digital Transformation Program, more than 30 issues were considered at the meetings of the Boards of Directors of Portfolio companies under the Program perimeter. Members of the Boards of Directors actively participate in the formation of a portfolio, search for new ideas, set ambitious goals for benefits for companies, and also conduct brainstorm sessions with the Fund and business units of companies. In addition to considering the issues of the Digital Transformation Program at the meetings of the Board of Directors in 2020, the practice of transformation sessions was launched with participation of the Chairmen, independent directors of Portfolio companies and industry directorates of the Fund. Independ-

KZT44.8
billion

NET BENEFITS BY THE END OF 2020 AGAINST THE ANNUAL PLAN FOR

KZT29.5
billion



In 2020, net benefits from Transformation projects
(against the annual plan for KZT4.1 billion)

KZT9.27
billion

The following key results were achieved in 2020

- 1 40 Lean 6 Sigma subprojects in "Oil Refining and Petrochemicals" business area and 10 subprojects in "Exploration and Production" business area were implemented. At the end of 2020, due to operational improvements, net benefits were received in the amount of KZT261 million.
- 2 Under the project "Consolidation of KazMunayGas EP JSC and JSC NC KazMunayGas" due to the utilization of tax losses, benefits in the amount of KZT5.4 billion were obtained.
- 3 At the stage of post-monitoring for the project "Creation of a competence center for category management" due to the development and approval of procurement category strategies, the costs of purchasing GWS have been reduced. By the end of 2020, benefits in the amount of KZT6.5 billion were received.
- 4 Under to the project "Implementation of optimization planning of production in the KMG oil refinery (Atyrau Refinery Oil, Pavlodar Oil Chemistry Refinery)" due to the implementation of optimization planning of production based on LP-models with a change in production planning processes (Atyrau Oil Refinery, Pavlodar Oil Chemistry Refinery and PetroKazakhstan Oil Products) and the KMG Corporate center, benefits were obtained in the amount of KZT321 million.

ҚАЗАҚСТАН ТЕМІР ЖОЛЫ



KZT20.0
billion

In 2020, net benefits from Transformation projects
(against the annual plan for KZT14 billion)

The following key results were achieved in 2020

- 1 Within the framework of the project "Implementation of IT solutions in the HSE in JSC NC KTZh", an integrated system of Industrial safety was put into operation: more than 110 thousand employees were registered, more than 11 thousand violations were detected, more than 6 thousand security dialogues and more than 6.5 thousand inspections were conducted
- 2 Within the framework of the project "Implementation of a new marketing and sales model", a CRM system, Contact Center, client's personal account, tariff calculator and updated website in KTZ Express JSC and Kaztemirtrans JSC were put into commercial operation.
- 3 Within the framework of the project "Implementation of mobile diagnostic tools of the automated control system "Magistral", diagnostics of the main network was launched with 6 units of modern mobile diagnostic systems. In 2020, more than 277 thousand km of track were measured with mobile diagnostic complexes, 1,630 dangerous acutely defective rails were discovered, due to which more than 1,630 places of potential rail breaks were prevented.
- 4 Within the framework of the project "Train traffic control center (reboot)", the Train traffic control center of the Western region (Pilot) was launched with the relocation of control of dispatch sections (Mangystau, Atyrau, Kyzylorda, Uralsk).



KAZATOMPROM
NATIONAL ATOMIC COMPANY

In 2020, net benefits from Transformation projects
(against the annual plan for KZT1.1 billion)

KZT2.5
billion

The following key results were achieved in 2020

- 1 Introduction of a target model of IT service management in 6 subsidiaries and dependent companies under the project "Implementation of the target model of IT management". The level of availability of IT services was 95%, the degree of customer satisfaction for IS services was 70%.
- 2 Completion of implementation in 4 subsidiaries and dependent companies (Baiken-U LLP, Khorasan-U LLP, Kyzylkum LLP and Appak LLP) under the project "Implementation of automated target processes".
- 3 Completed transfer of the technological process of uranium deposition to ammonia water in 6 subsidiaries and dependent companies (Karatau LLP, JV YUGHK LLP, DP ORTALYK LLP, JSC JV Zarechnoye, Semizbay-U LLP, Appak LLP).
- 4 Net benefits amounted to KZT1.8 billion due to the reuse of materials and equipment at mining enterprises under the project "Recycling of materials and equipment in production (Recycling)".
- 5 Net benefits amounted to KZT2.5 billion at the post-monitoring stage for the Category Procurement Management project.



KZT7.9
billion

In 2020, net benefits from Transformation projects
(against the annual plan for KZT7.9 billion)

The following key results were achieved in 2020

- 1 Commissioning of the updated Portal and Post.kz mobile application within the framework of the project "Development of a hypermarket of services based on post.kz". The volume of transactions on post.kz is 1,522,493 units. Launch of a pilot project Go Post - a mobile application for in-house and freelance couriers. In-house couriers handled 94,385 EMS shipments, freelance - 6,594.
- 2 Within the framework of the "Cashless City" project, work was carried out to attract new clients of recipients of pensions and benefits to card accounts, 699 cards were issued and 5 retail outlets were opened in Akkol city.
- 3 Launch of 236 partner post offices within the framework of the project "Implementation of the partner network of Kazpost JSC (franchising)", of which: 80 were transferred to private business management and 156 new service points were opened.
- 4 Commissioning of 100% of the processes and infrastructure of cybersecurity of the first wave within the framework of the project "Implementation and Development of Cybersecurity", and a connection was made to the Operational Information Security Center of Samruk-Kazyna JSC.



In 2020, net benefits from Transformation projects
(against the annual plan for KZT0.9 billion)

KZT0.7
billion

The following key results were achieved in 2020

- 1 Within the framework of the project "Implementation of a centralized system of emergency control and mode automation for controlling the operating modes of the UES", a centralized emergency control system (CECS) was put into operation. Control over the fulfillment of contractual obligations by the contractor in implementation of construction and installation works of the AFAPC is carried out.

With the introduction of the CESC, it is expected to minimize the impact of emergency automation on shutting down consumers and generation, it will be possible to calculate the settings and volumes of control actions in the online mode. With the introduction of AFAPC, the level of operational dispatch control is increasing.
- 2 Within the framework of the project "Implementation of a monitoring and control system based on synchrophasor technologies (WAMS / WACS)", the WAMS system was put into commercial operation. The work on the development of algorithms for the WACS system is completed. The work on implementation of the WACS management system is underway. The project is aimed at maximizing the use of network bandwidth.
- 3 At the post-monitoring stage for the Category Procurement Management project, net benefits amounted to KZT2.1 billion.



KZT4.4
billion

In 2020, net benefits from Transformation projects
(against the annual plan for KZT3.3 billion)

The following key results were achieved in 2020

- 1 Within the framework of the project "Implementation of AFAPC", partial delivery of equipment was made at the station of EGRES-1 LLP and MHPP JSC and construction and installation work began. The goal of the project is to obtain an additional source of income through participation of regulation in a unified dispatch control network.
- 2 Within the framework of the project "Integrated planning system", the indicator of the specific consumption of equivalent fuel (SCEF) at EGRES-1 LLP was reduced by 13.51 g / kWh, at SEGRES-2 JSC by 8.30 g / kWh, and also optimized the costs for process water at EGRES-1 LLP according to the mechanism for calculating the benefits for the project. According to the results of 2020, the project's net financial benefits amounted to KZT1.045 billion. The purpose of the project is planning and modeling for setting goals for the medium-term period of finding the optimal scenario for the development of the Company.
- 3 As part of the project on "Implementation of a new model for integrated safety management" on December 15, 2020, the implementation of SEGRES-2 JSC, PVES LLP was successfully completed. The project aims to improve the safety culture / employee engagement, reduce the injury rate (LTIFR) and improve the assessment of the effectiveness of the HSE management system.

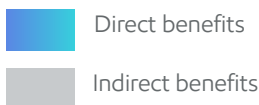
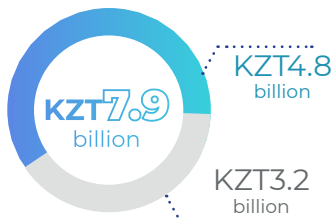
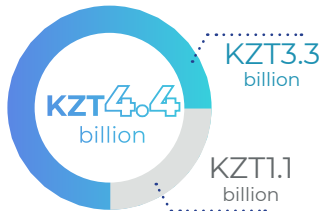
Net benefits on transformation

KZT68,8
billion

2019

KZT44.8
billion

2020



KZT44.8
billion

NET BENEFITS FROM IMPLEMENTATION OF THE TRANSFORMATION PROGRAM, OF WHICH

KZT30.6
billion

DIRECT BENEFITS

PRIVATIZATION PROGRAM

The Fund participates in improving the efficiency of the economy of Kazakhstan, reducing the share of the quasi-public sector in the economy of Kazakhstan through active participation in the Comprehensive Privatization Plan for 2016–2020 by transferring its assets included in the Plan to the competitive environment. The Fund is also working to exit non-strategic assets / divestment for the purpose of efficient portfolio management and optimization of the asset structure. The success of the measures taken will stimulate increase in the level of corporate governance, development of healthy competition in the private sector, reduction in the presence of the state in competitive sectors of the economy, improvement in the investment climate of the Republic of Kazakhstan, as well as the attraction of new technologies to the country's economy and decrease in government regulation in the business sector.

The task of reducing the share of the state in the economy of Kazakhstan is implemented by the Fund through the active implementation of the Comprehensive Privatization Plan by transferring the assets of the Fund's Group to the competitive environment.

168
assets

of the Fund's Group are included in Decree of the Government of the Republic of Kazakhstan dated December 30, 2015 No. 1141

1

LARGE ASSETS

9 large assets to be transferred to the competitive environment through IPO / SPO or sale to a strategic investor

Of these, as of December 31, 2020:

- ◆ JSC NAC Kazatomprom - for the period from 2018 to 2020, 25% of shares were sold for a total amount of about KZT303 billion on the sites of the London Stock Exchange (LSE) and the Stock Exchange of the Astana International Financial Center (AIX), of which in 2020 6.28% for a total amount of KZT85.2 billion;
- ◆ for 8 assets, taking into account the difficult macroeconomic situation in 2020 caused by the COVID-19 pandemic and the volatility of energy prices, the decisions of the State Commission on the Issues of Modernization of the Economy of the Republic of Kazakhstan (hereinafter - the State Commission) of June 10 and November 30, 2020 agreed to postpone the sale dates, including for 2021 - Kazpost JSC and Samruk-Energy JSC, for 2022 - JSC NC KazMunayGas, Air Astana JSC, JSC NMC Tau-Ken Samruk and Qazaq Air JSC, for 2023 - JSC NC Kazakhstan Temir Zholy, for 2024 - Kazakhtelecom JSC.


2

MEDIUM-SIZED COMPANIES

159 medium-sized companies subject to withdrawal from the Fund's Group in various ways

Of these, as of December 31, 2020:

- ◆ 89 assets were sold for the amount of KZT188.3 billion, incl. in 2020, 5 assets were sold for a total amount of KZT15.8 billion - LPG Storage Park LLP, Aktobe Rail and Steel Works LLP, Continental Logistics LLP, Intergaz Finance B.V. and Vostokmashzavod JSC (the transaction on the transfer of shares of Vostokmashzavod JSC was completed on January 8, 2021);
- ◆ 60 assets were directed for liquidation or reorganization, of which 53 were liquidated or reorganized, 7 - in the process of liquidation or reorganization;
- ◆ 10 assets, by the decisions of the State Commission dated June 10 and November 30, 2020, the postponement of the sale dates was agreed: for 2021 - Kazmunaygas-Service LLP, Aysir turizm ve insaat, Kazmunaygas-Service-NS JSC, Astana Solar LLP, Kazakhstan Solar Silicon LLP, MK"KazSilicon LLP, Kaustic JSC, Car Building Plant "Tulpar" LLP; for 2022 - Kazakhstan Carriage Building Company LLP; for 2023 - JSC NC Aktau Commercial Sea Port



Thus, as part of implementation of the Comprehensive Privatization Plan for 2016-2020, 90 assets of the Fund's Group were sold for a total amount of over KZT491 billion.

At the end of 2020, the Government of the Republic of Kazakhstan adopted a new Comprehensive Privatization Plan for 2021-2025, approved by Decree of the Government of the Republic of Kazakhstan dated December 29, 2020 No. 908.

As part of implementation of the new privatization plan, 23 assets of the Fund's Group are to be transferred to the competitive environment, including assets for which earlier in 2020 the State Commission agreed to postpone the implementation for 2021-2024.

INVESTMENT ACTIVITIES

The main directions of the Fund's capital investments are the implementation of investment projects in five Portfolio companies: NC KazMunayGas JSC, United Chemical Company LLP, NC Kazakhstan Temir Zholy JSC, Samruk-Energy JSC and NMC Tau-Ken Samruk JSC. The main investment projects requiring large capital investments are exploration and production of oil and gas, construction of railways, construction of a gas chemical complex, construction of a railway station, construction of power lines and other equally important projects.

Participation of the Fund in national industrial development plans

The Fund continues to perform the function on supporting the country's economy through the implementation of infrastructure projects, as well as regional and industrial development projects. Thus, the Fund participates in 54 investment projects under the State Program "Nurly Zhol" and SPIID with a total investment cost of about KZT8.1 trillion, of which, at the moment, the Fund's Group has implemented 48 projects for a total cost of KZT6 trillion, and 6 projects are at the stage of implementation, the cost of which is KZT2.1 trillion. These projects mainly cover the transport, logistics, energy and infrastructure industries. The implementation of these projects will create about 3,200 permanent jobs.

Largest investment projects of the Fund's Group



-  Project and Portfolio company
-  Purpose and brief description of the project
-  Total cost of the project

* cost is indicated taking into account historical exchange rates and excluding VAT due to exemption under the UPC.





4

Construction of the Beineu-Bozoi-Shymkent gas pipeline




Construction of a main gas pipeline with a length of 1,475 km in a single-cut design with 2 compressor stations (hereinafter - CS) Bozoi and Karaozek, as well as four additional compressor stations built by ICA. The construction of the main gas pipeline to provide natural gas to the southern regions of the Republic of Kazakhstan, diversification of export supplies of Kazakhstani gas and the creation of a unified gas transportation system.

**KZT
740
billion**

5

Construction of a gas separation unit



Construction of a gas separation unit for ethane production with a capacity of 1.6 million tons at the Tengiz field (TCO) to provide raw materials for the Polyethylene Production project.

**KZT
621
billion**



6

Construction of infrastructure facilities of National Industrial Petrochemical Technology Park SEZ



Construction of infrastructure facilities of the special economic zone "National Industrial Petrochemical Technology Park" in Atyrau region.

**KZT
385
billion**

7

Expansion and reconstruction of Ekibastuz GRES-2 with installation of power unit of station No. 3



Meeting the growing needs of Kazakhstan in electricity and electric capacity, increasing the export potential of Kazakhstan; Improvement of the reliability of power supply to consumers; providing sustainable efficient operation of the energy source in market conditions

**KZT
374
billion**



8

Industrial development of the Shalkiya polymetallic ore deposit in the Kyzylorda region

Launch of an ore-dressing plant with a capacity of 4 million tons per year for the purpose of subsequent production of zinc and lead concentrates.

KZT 270 billion




9

Construction of four compressor stations on the Beineu-Bozoi-Shymkent gas pipeline

Construction of four compressor stations at the Beineu-Bozoi-Shymkent main gas pipeline to provide a throughput capacity of up to 15 billion m3 / year. Ensuring stable gas supplies to the southern regions of the Republic of Kazakhstan, especially to cover the shortage during the heating season and increase the supply of gas for export to the PRC.

KZT 215 billion




10

Construction of a ferry complex in the Kuryk port and operation of universal cargo and passenger ferries

Creating an effective logistics hub and development of the Caspian maritime infrastructure and an increase in the transit potential of Kazakhstan. Development of cross-border trade and economic relations, an increase in transport and socio-economic potential

KZT 96 billion



11

Expansion and reconstruction of Ekibastuz GRES-1 (Block No.1 recovery)

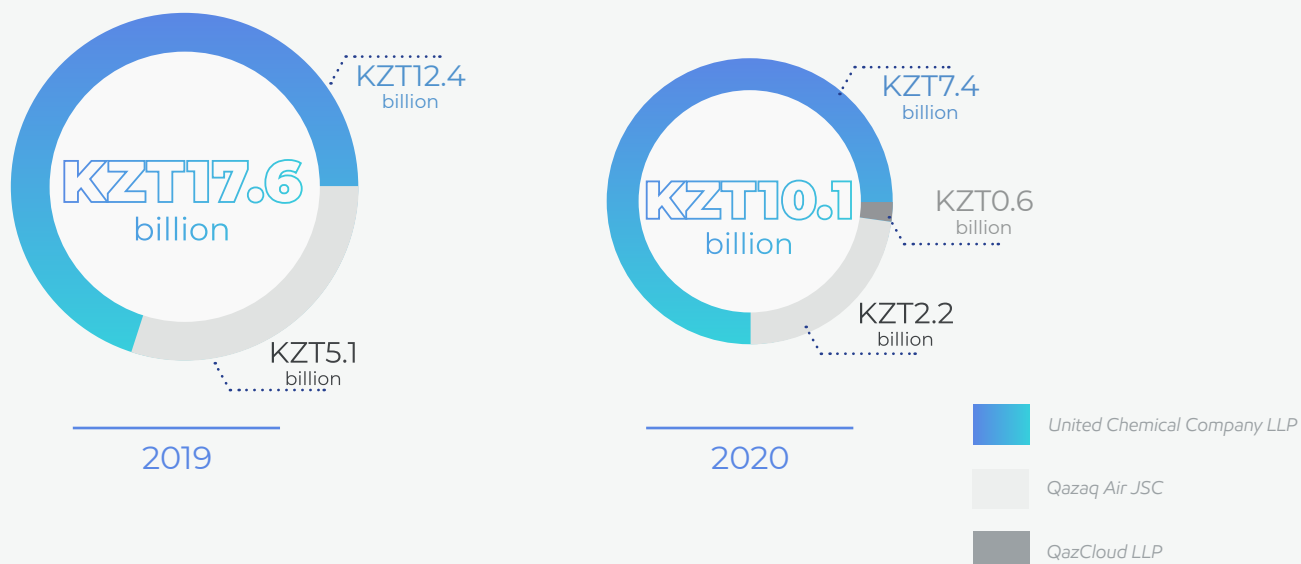
Providing reliable power supply to consumers. Increase in available capacity in order to provide reliable power supply to consumers.

KZT 91 billion





Investments and financing PC by the Fund*



* at the expense of the Fund's own funds

New investment

The mission of the Fund is to increase the national wealth of the Republic of Kazakhstan and long-term sustainability for future generations. The vision by 2028 defines the Fund as an investment holding that delivers strong financial performance, investment returns and portfolio development on par with leading sovereign wealth funds.

In 2020, the following activities were carried out in this area:

- As part of increasing the efficiency of the process of making new investments of the Fund, the Management Board of the Fund approved the Rules for making new investments of Samruk-Kazyna JSC in a new edition, as well as within the framework of realizing short-term market opportunities through the assets of the FGF, the Investment Rules under formation of the Future Generations Fund of Samruk-Kazyna JSC were updated.
- The final version of the memorandum of the legal consultant was received to identify potential investment schemes and structures that ensure a higher safety of assets.
- According to the legal consultant, investments in mutual funds provide the highest level of asset protection in terms of an investment structure in the international market.
- Investments through a new SPV, with great signs of independence (board of directors, finance, budget) provide the maximum level of asset protection in terms of corporate structure.
- The first placement in international portfolio investments was made in July 2020 as part of implementation of short-term market opportunities in accordance with the decision of the Council for the Fund Governance dated June 3, 2020.
- In Q2 2020, in order to develop and strengthen competencies, training seminars from Goldman Sachs Asset Management were organized according to a program specially designed for the employees of the Fund.





Performance results in the framework of interaction with investors

On October 21, 2020, the third international investment forum Kazakhstan Global Investment Forum 2020 was held in London, organized jointly by Samruk-Kazyna JSC, the Embassy of the Republic of Kazakhstan to the UK, JSC NC Kazakh Invest and the international publication New Statesman Media Group in virtual mode.

The total number of Forum participants exceeded 800 people. The main speakers were: A. Yessimov, CEO of the Fund, M. Tleuberdi, Minister of Foreign Affairs of the Republic of Kazakhstan, S. Chakrabarti, Adviser to the President of the Republic of Kazakhstan on economic development and strategy, Baroness E. Nicholson, Trade Envoy of the Prime Minister of Great Britain for Kazakhstan, W. Russell, Lord Mayor of the City of London.

This event was aimed at increasing the investment attractiveness of Kazakhstan and the Fund among the international business and investment community.

The Fund concluded the following agreements in the field of international investment cooperation in 2020:



On May 22, 2020, Samruk-Kazyna Invest LLP together with Da Vinci Capital signed agreements on participation in the Da Vinci Emerging Technologies Fund III in the amount of USD100 million to invest in technology projects together with Da Vinci Capital and other institutional investors.

On October 28, 2020, Samruk-Kazyna JSC signed a co-investment agreement with the French sovereign fund Bpifrance for a total amount of EUR100 million to finance projects with the participation of French and Kazakh companies.

Investments under the agreement will be aimed at development of French companies in Kazakhstan and Kazakh companies in France and / or their joint ventures planning to develop activities in France, Kazakhstan or other countries of mutual interest.



SUSTAINABLE DEVELOPMENT

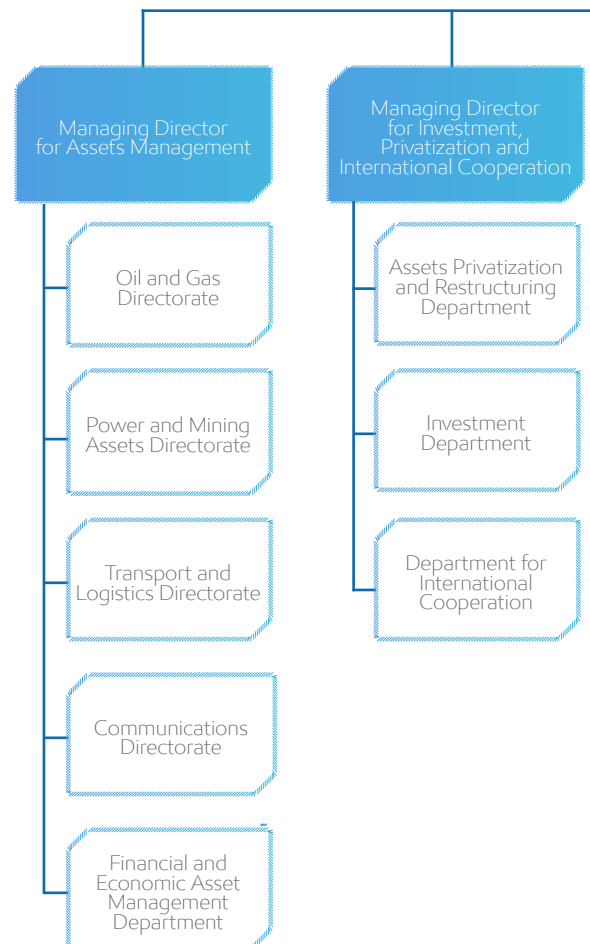
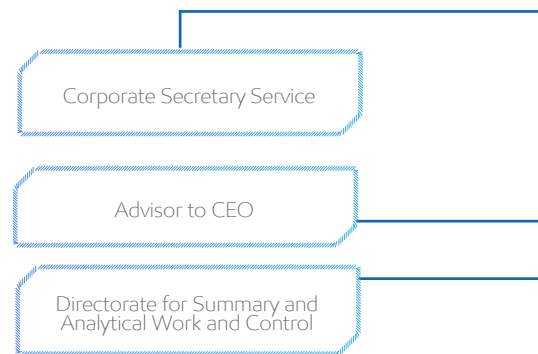


Sustainable Development

The Fund pays special attention to sustainable development and integration of the ESG principles into the activities of the Fund and the Fund's Group. In the Development Strategy of the Fund until 2028, sustainable development is defined as one of the strategic goals.

The Fund Group's approach to sustainable development management is based on the alignment of strategic development priorities and our activities with the fundamental principles of corporate responsibility and sustainable development, common human values, and national and regional development priorities.

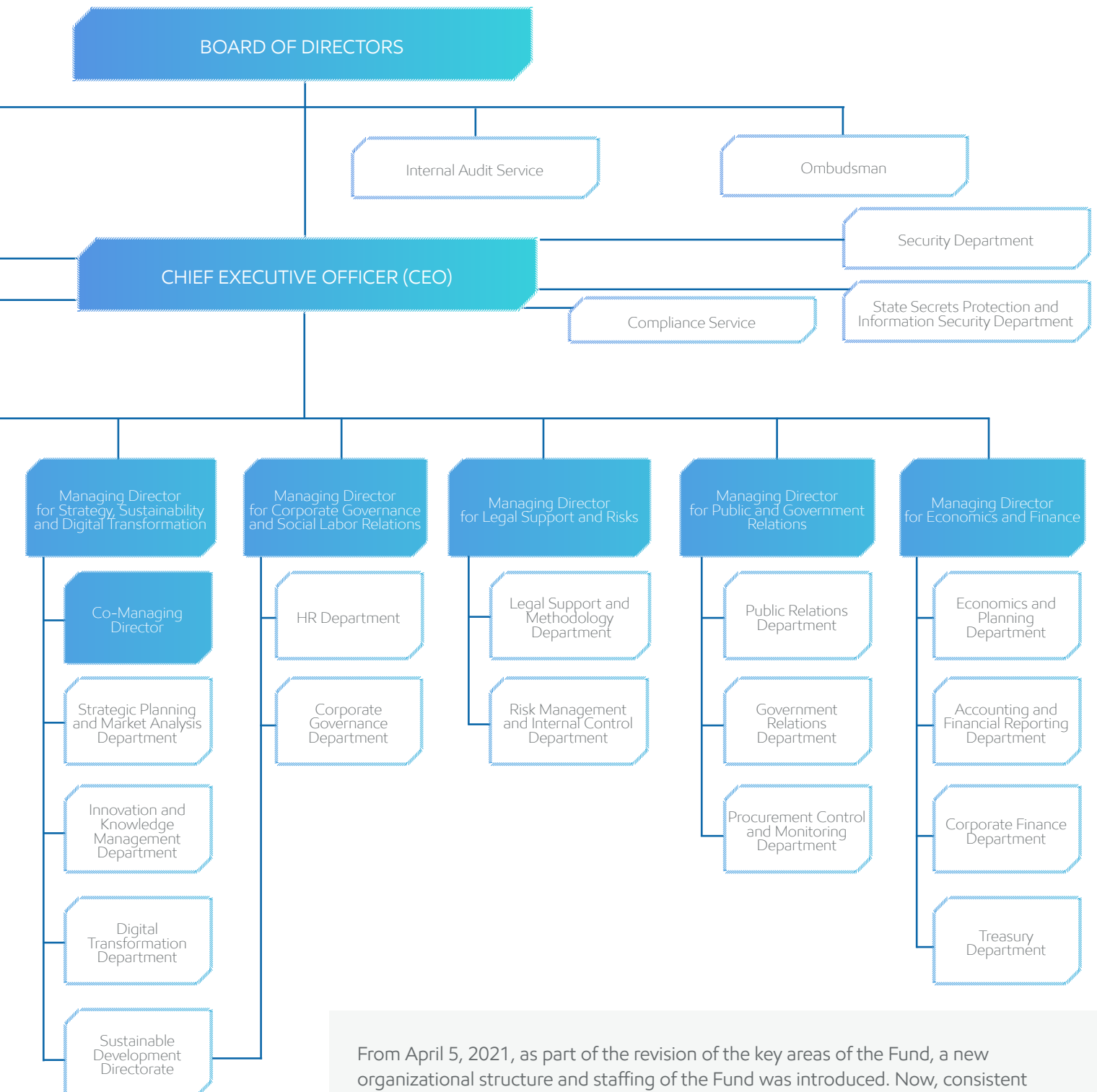
Detailed information on the activities of the Fund Group in the field of sustainable development in the context of three components: the economic component, the environmental component and aspects of the social topics, is set out in the Sustainable Development Report of the Fund for 2020, which is posted on the corporate internet resource of the Fund.





HR MANAGEMENT

Organizational structure of the Fund



From April 5, 2021, as part of the revision of the key areas of the Fund, a new organizational structure and staffing of the Fund was introduced. Now, consistent work is underway to move to a new organizational structure.

HR policy of the Fund

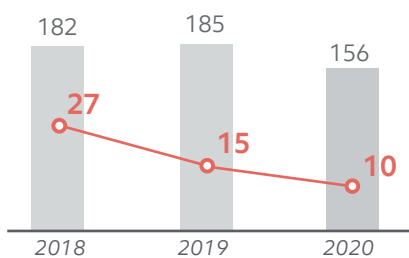
The HR policy of the Fund is aimed at forming a team of highly professional workers capable of ensuring the effective and stable development of the Fund. The Fund creates conditions for the disclosure of the intellectual, professional and creative potential of employees.

The Fund implements a large-scale complex of measures to work with human resources, including the creation of an effective system for motivating and retaining employees, training and improving their qualifications, implementing the institute of mentoring, attracting young personnel and promoting their professional growth.

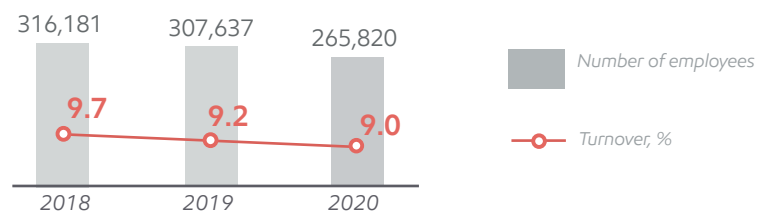
265.8
thous. people

**NUMBER OF PERSONNEL
IN THE FUND'S GROUP
IN 2020**

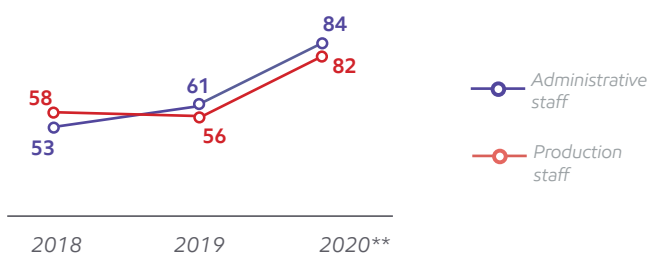
Number of employees and turnover in the Fund



Number of employees and turnover in the Fund's Group



Involvement of employees, %





Corporate activities and values of the Fund

The fundamental factor in the success of the Fund at all levels is the corporate culture that unites professional and motivated employees.

It is this culture that will allow us to implement a growth strategy and successfully carry out our own activities.

Continuing the annual initiative of active support and development of social areas, 2020 was held in the Fund under the auspices of the Year of the Volunteer and the Fund's Group held more than 1,800 events aimed at the development of corporate volunteering and charity, popularization of sports and a healthy lifestyle, training of young managers, for example, were the following key projects have been implemented: "Best in Profession", "Best Volunteer", a meeting of the Deputy CEO of the Fund with activists of the Fund's groups of companies, training of unofficial advisors to CEOs.

As part of the development of human capital, in accordance with the Fund's HR Policy for 2018-2028, the Fund continues to implement measures to develop the investment competencies of relevant employees, further develop the corporate culture and increase staff engagement, improve the employer's brand, and implement programs for the development of future leaders "Zhas Orken" and etc.

Search and selection of personnel

In connection with the announced moratorium on the recruitment of new employees in 2020, 34 vacancies were announced and closed in the Fund, of which 6 vacancies (17%) were closed by candidates from the Fund's Group. At the same time, the average number of responses to 1 vacant position was 108 people, and the average duration of the search and selection of 1 candidate was 32 working days.

In 2020, by the decision of the Management Board, the Rules for the search, selection and adaptation of administrative employees of the Fund were updated.

According to the updated Rules, the search and selection process was restructured so that priority in consideration of candidates was given to internal candidates (first candidates from the succession plan are considered, then other internal candidates, only in the absence of internal candidates, external candidates are considered).

Thus, by the end of 2020, 62% of vacancies were filled by internal candidates from the Fund, including 50% of appointments to higher positions.

According to the results of 2020, the unified platform of the Fund's group of companies for the search and selection of personnel Samruk Qyzmet achieved the following results: 6,193 vacancies were announced, 1,468 were employed through the platform, and 44,196 candidates were registered on the website.



Professional development of employees

In 2020, corporate online training (including the Speakers Day and Well-Being Day initiatives) on more than 40 topics (more than 150 hours of training) were organized for employees of the Fund transferred to the format of remote work, including webinars on international investments from practicing experts of the largest investment companies like Goldman Sachs Asset Management and BlackRock.

In accordance with the Plan for the implementation of the Fund's Strategy, training was organized for employees under international certification programs (CFA, ACCA, CIMA). The holders of the certifications are 9 employees and 33 employees in the process of training and passing exams.



In 2020, the first pool of internal trainers from among the employees of the Fund was formed. Also, a mentoring program for employees from the personnel reserve is being implemented.

Remuneration and assessment

The system of remuneration and bonuses is based on the assessment of positions and the performance of employees:

- to assess positions, the Fund and the Companies use a grading system according to the methodology of the Korn Ferry company. A unified approach to assessing positions allows to objectively compare positions between companies, compare salaries of specialists in the country, in the region and globally;
- performance assessment process is the basis for remuneration, incentives, bonuses, training and professional development, and also serves for employee retention purposes.

Assessment of the performance of employees makes it possible to determine the requirements for work results, skills, knowledge and competencies of employees in order to fulfill the strategic goals of the Fund and is based on the following basic principles:

- providing fair and objective feedback based on trust;
- assisting in identifying training and development needs;
- assistance in improving individual performance indicators.

The motivation system adopted by the Fund ensures a clear dependence of the remuneration of our employees on the results of their work, including the implemented system for assessing performance and remuneration.

Creating a cost-effective remuneration system necessary to attract, retain and motivate employees is a priority. The focus is on aggregate remuneration, which, in addition to remuneration and bonuses, also includes benefits and non-monetary remuneration.



Development of HR functions in the Fund's Group

Within the perimeter of the Fund's Group of Companies, 83 companies of the second level have implemented a targeted process of personnel search and recruitment. Thus, the search for candidates for all vacancies is carried out through the central recruiting platform Samruk Qyzmet (*qsamruk.kz*).

In order to ensure strategic asset management and stimulate the growth of the level of human capital development, development of the employer brand of the Fund and Portfolio companies, the Company Leadership Index was modeled. With the help of this integrated indicator, the Fund and Companies will be able to analyze the effectiveness of management efforts to increase the company's attractiveness as the best employer.

The stage of involvement of staff in the Fund's Group and the Fund

Every year since 2013, the Fund and the Fund's Group have been conducting a sociological survey on measuring personnel involvement, the purpose of which is not only to determine the level of employee satisfaction and involvement, but also to identify the most pressing problems and issues.

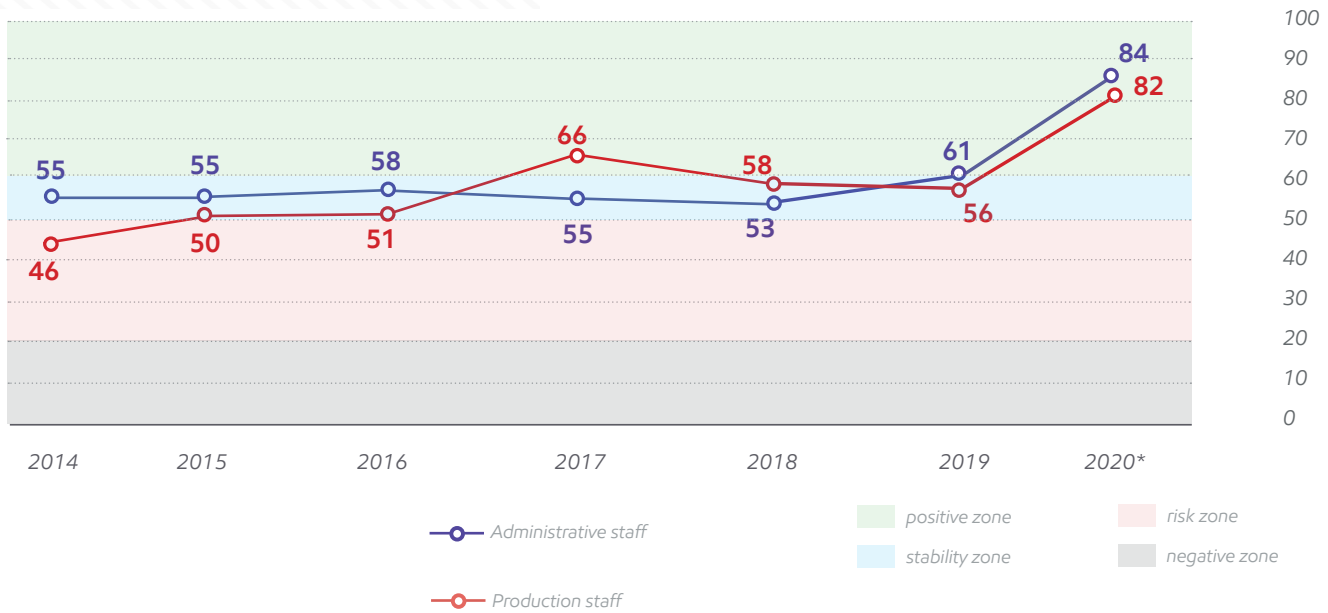
In 2020, the staff involvement survey was conducted using an updated methodology, and therefore a direct comparison of the survey results with previous years is not relevant. According to the results of the study of the involvement of administrative and managerial personnel in 2020, the involvement index was 84%, which corresponds to the stable zone according to the methodology. The Fund and 15 Portfolio companies took part in the study: JSC NC KTZh with branches, JSC NC KazMunayGas, JSC NAC Kazatomprom, Kazpost JSC with branches, Kazakhtelecom JSC with branches, Samruk Energy JSC, KEGOC JSC with branches, Air Astana JSC, JSC NMC Tau-Ken Samruk, United Chemical Company LLP, Qazaq Air JSC, Samruk-Kazyna Construction JSC, Samruk-Kazyna Contract LLP, Samruk-Kazyna Invest LLP, Samruk-Kazyna Business Service LLP.

The results of the staff involvement survey show that administrative and managerial employees are generally satisfied with the relationships in the team, have a clear idea of what is expected of them at work, and show high loyalty to the company. The employees are also satisfied with the company's care for the personnel, in terms of the equipment of the workplace. Due to the specifics of the work schedule in 2020 (due to the pandemic), most workers are satisfied with the equipment of the workplace in remote work mode.

For most of the Fund's companies, the problematic aspects of staff involvement remain questions regarding:

- Providing feedback;
- Satisfaction with a career in the company;
- Material remuneration for work;
- Opportunity for learning and development.

Staff involvement in the Fund's Group over 7 years, %



Samruk Research Services

The Fund's Group of Companies conducts annual monitoring of the social situation in production teams. In 2020, the Samruk Research Services (hereinafter - SRS) methodology was developed, while maintaining continuity in the previous main indices the Social Stability Index and the process of collecting and processing sociological information based on:

- fundamentally new external conditions caused by the Covid-19 pandemic;
- the needs of the management and key stakeholders in obtaining operational information based on the research results;
- demand for increasing the practical applicability of the research results on the part of representatives of HR departments of PCs and subsidiaries and dependent companies.

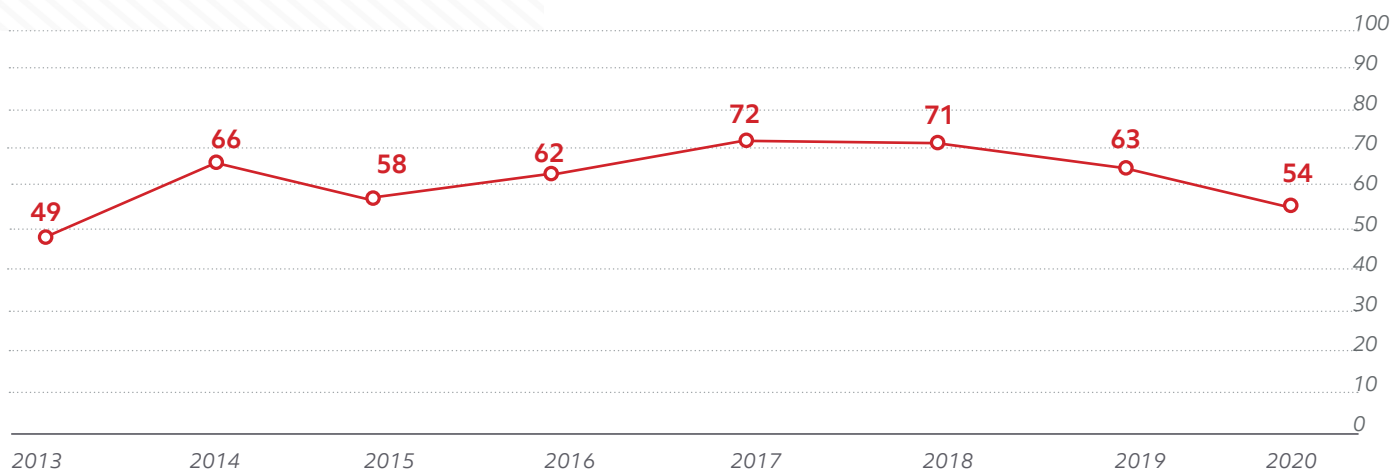
According to the results of the study, the SRS indicator in the Fund's Group of Companies for 2020 was 78%. Of the three main indices, the Social Wellbeing Index is the most alarming with an indicator of 54% for the reporting period, which decreased by 9 percentage points since 2019 (Fig. 1). On the contrary, the indices of Involvement (+26 p.p.) and Social Calm (+18 p.p.) showed a positive trend, with a significant increase compared to the previous year.

The Fund's Portfolio companies pay special attention to the social sentiments of employees. The social background and sentiments of production personnel indicate their positive attitude and a constructive approach to solving emerging problems.



The involvement index for the Fund in 2020 amounted to 82% and belongs to the “favorable” zone. According to the majority of employees, the employer provided the staff with all the necessary working conditions and safety in general, including during quarantine.

Dynamics of the Social Wellbeing Index, %



“Zhas Orken” Program

In 2017, with the initiative of the Fund, the Zhas Orken program was launched to attract, select and develop talented graduates of universities (hereinafter referred to as the Program). The program is a reference for further application in all companies in Kazakhstan. Candidates undergo a five-level selection process that includes the world’s best practices for assessing abilities and potential. Also, the finalists are selected by the competition commission, which includes the managing directors of Samruk-Kazyna JSC, the companies of the Fund Group, as well as independent observers from the state bodies of the Republic of Kazakhstan and international organizations. The main principles of the competition in the selection are equal opportunities for all participants, openness, transparency and meritocracy.

This Program is positioned as an investment in the human capital of the Republic of Kazakhstan, a long-term tool for increasing the managerial potential and attractiveness of the Fund’s companies for young professionals who can become successful managers in the future 10-15 years, who will contribute to solving various industry problems using creative approaches.

In 2020, 14 young specialists from Zhas Orken 2018 successfully completed the Program and were hired (100%) in the following companies of the Fund’s Group: Kazakhtelecom JSC, Kazakhtelecom JSC branch - Retail Business Division, Kcell JSC, NAC Kazatomprom JSC, Semizbay-U LLP, KEGOC JSC, National Dispatch Center of the System Operator KEGOC JSC, JSC NC KazMunayGas, a branch of JSC NC Kazakhstan Temir Zholy - Automation and

Digitalization Directorate, Kazpost JSC. Within 20 months, young specialists underwent 4 rotations in the Fund's Portfolio companies, at the end of which they received 38 job offers from potential employers in the Fund's Group of Companies.



The Zhas Orken program provided me with unique opportunities. After the end of the program in the summer of 2019, I accepted an offer to work as a process engineer of the Production Department of JV Inkai LLP, a subsidiary of NAC Kazatomprom JSC. And in September 2020, he received a promotion, became the Head of a geotechnical test site. Of course, in order to get into the program, young people must be advanced and have a certain set of knowledge, skills and personal qualities. We have passed a serious selection. At the same time, 22 months of participation in the "Zhas Orken" program - and this includes rotations, and work with mentors, and training - allowed me to gain invaluable experience and new knowledge, developed new good habits, tempered my character and opened the doors to my dream job.

Adil Zhappargaliyev

Head of the Geotechnical test site of Production Department,
JV Inkai LLP

Graduate of the program "Zhas Orken 2017"

"Digital Summer" program

In order to develop human resources in accordance with the comprehensive program "Digital Kazakhstan" in the period from January to October 2020, the Internship Program "Digital Summer 2020" was implemented. The purpose of this initiative is to provide an environment conducive to the development and support of young talents in the field of information technology and other areas. The program allows you to involve young specialists with relevant knowledge in optimizing processes and increasing the efficiency of digitalization and transformation projects of the Fund's Group of Companies.



Under the “Digital Summer” 2020 program, 2,289 applications were received. According to the results of the competitive selection, 36 candidates received invitations to internship. As a result of the employment process, 11 interns have successfully started their careers in such Portfolio companies of the Fund as: JSC NC Kazakhstan Temir Zholy, Kazpost JSC, KMG-Engineering LLP, QazCloud LLP, Kazakhstan Petrochemical Industries Inc. LLP and Kazakhturkmunay LLP.

The “Digital Summer” program contributes to the cultivation of the talents of the future with a broad professional outlook and understanding of the business, ready for change and new challenges in the field of transformation and digitalization. The program creates new professional development opportunities for graduates and mentors, as well as facilitates the transfer of valuable knowledge and experience to the program trainees, which in turn helps to develop leadership skills and a mentoring culture in all Portfolio companies of the Fund.



Participation in the Digital Summer program is a unique experience for me. As a 3rd year student of the Faculty of Engineering, I could not imagine that my career path would begin with an internship at one of the largest uranium mining companies in the world - NAC Kazatomprom JSC, and in the future will be associated with a career in national companies.

Thanks to the “Digital Summer” program, dozens of ambitious students have the opportunity to join the ranks of the country’s best professionals in the largest organizations. As a graduate of the program, I can confidently say that Digital Summer is an invaluable contribution to the future of our country. Thanks to this initiative, university students have new motivation and goals for the further development of their careers. “

Team participation in the Hackathon was one of the most memorable moments, since as interns from different companies, often with different levels of training, they had to unite and promptly provide solutions to the tasks set by the Fund’s Companies.

I believe that the period of my participation in the “Digital Summer” program was the best investment in my future.

Sabina Baizhan

Specialist of the monitoring department of QazCloud LLP
Participant of the “Digital Summer” 2019 and 2020 program

HEALTH, SAFETY AND ENVIRONMENT

The Fund unconditionally recognizes the priority of the life and health of employees in relation to the results of production activities and understands its responsibility for ensuring safe working conditions for employees, trouble-free production activities and maintaining the health of the population living in the regions where the Fund's Group is present, as well as minimizing the negative impact on the environment and preserving a favorable environment for present and future generations.

The Fund's Group is constantly improving approaches to the management of the labor protection system, industrial safety and environmental safety.

The organizations of the Fund's Group operate an industrial safety and labor protection management system, which is part of the overall management system and ensures risk management through the implementation of the basic principle of priority of preventive measures over measures aimed at localizing and eliminating the consequences of incidents.

Unfortunately, despite all the measures taken by the Fund's Group to ensure safe working conditions at enterprises, 11 fatal accidents were recorded in 2020. However, the number of injured workers is steadily improving: the indicator decreased by 28% compared to 2019: 121 injured in 2020 against 168 people during 2019.

In 2020, within the framework of the Fund's synergetic project to improve management systems in the field of health, safety, and environmental protection of Portfolio companies, work was carried out on Stage I. The main scope of work of Stage I consisted of the Finalization of the unified methodology for assessing HSE control systems and Planning of Stages 2-4 (Training of Portfolio companies specialists to diagnostics of HSE control systems; Diagnostics of PC's HSE control systems; and GAP analysis and development of Improvement Plans for PC's HSE control systems). The revised methodology defines the procedure for assessing the maturity of the HSE management system, the main principles and stages of the assessment.



In the reporting period, an analysis of the top-level documents on health, safety and environmental protection was also carried out, interviews were conducted with the heads of structural units responsible for industrial safety issues (CEO-2) in 12 Portfolio companies, and Portfolio companies - leaders in the regulation of HSE processes according to the results of preliminary diagnostics HSE Portfolio companies control systems were identified.



PROCUREMENT MANAGEMENT

The procurement system of the Fund's Group guarantees transparency of procedures, equal conditions of competition, fair partnership, reliability of suppliers and full compliance by all parties with relevant standards.

The sole operator of the Fund's Group in the field of procurement is the Samruk-Kazyna Contract Limited Liability Partnership, which actively implements tasks aimed at improving the efficiency of procurement activities of the Fund's organizations in accordance with the strategic goals of the company.

Development of Electronic Procurement Information System (EPIS)

As part of work to increase the efficiency and transparency of the Fund's procurement, in 2018, Samruk-Kazyna Contract LLP developed and launched a new electronic procurement information system (EPIS 2.0), which replaced the previous system that was introduced in 2013.

To date, the EPIS has automated and converted into electronic format the entire procurement cycle, which includes procurement planning processes, supplier selection (open tender and other methods), conclusion and execution of contracts, prequalification of potential suppliers, categorical procurement management, submission and consideration of complaints potential suppliers, marketing. In 2020, work was carried out to modernize the System based on the results of which the functionalities of electronic acts of delivery of GWS were introduced, the formation of a register of commodity producers and a list of unreliable suppliers, a new method of purchasing through an electronic store, and the prequalification subsystem was refined according to a new methodology.

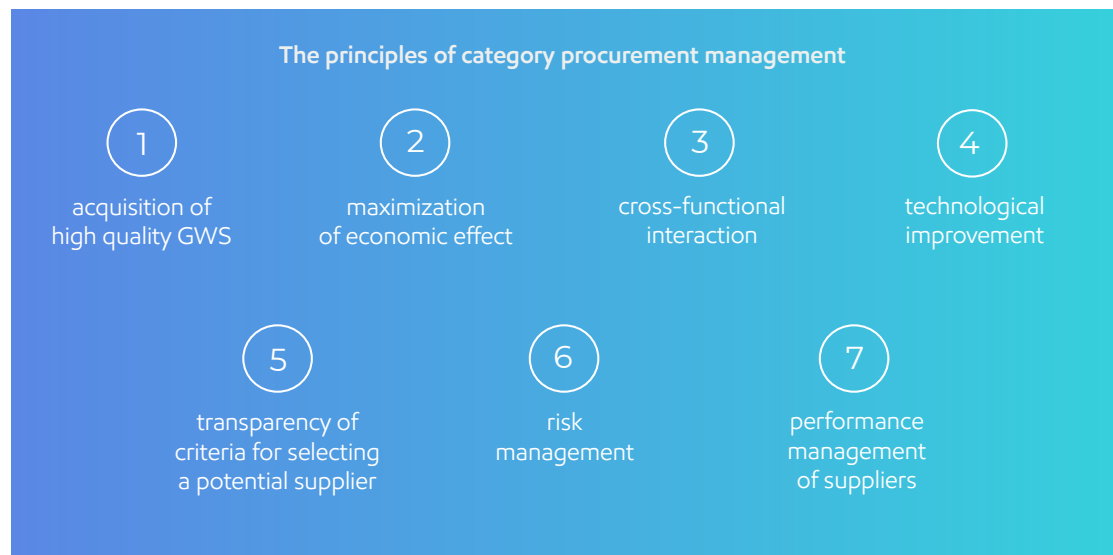
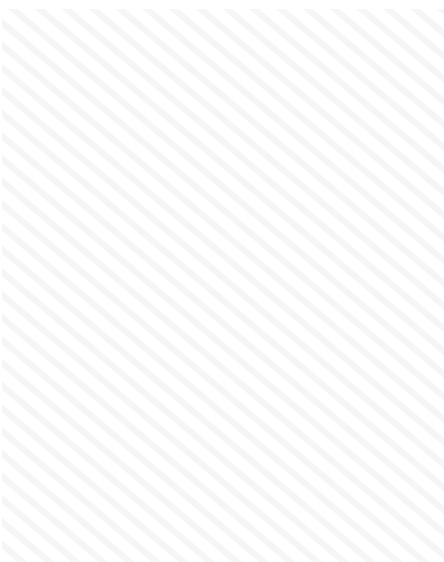
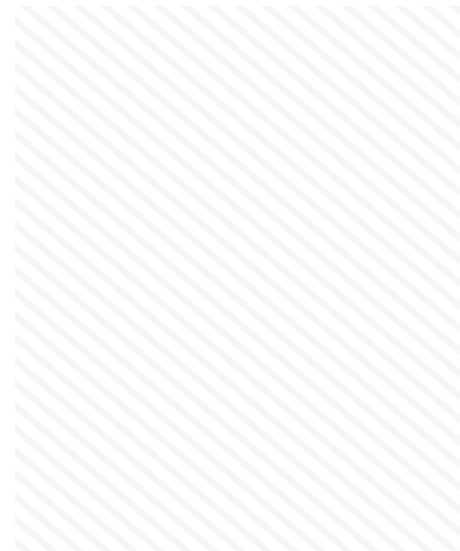
Customers carried out electronic purchases in the amount of KZT3.3 trillion, savings on competitive purchases - KZT51 billion. Purchases were carried out - 391 thousand units, which is 80 thousand more than in 2019. In total, since the introduction of electronic procurement (since 2013), the Fund's companies have saved KZT335 billion.

KZT51
billion

**SAVINGS ON COMPETITIVE
PURCHASES**

Category procurement management

Category procurement management is a strategic management of the procurement of goods, works and services, which connects the business goals and requirements of customers with market opportunities and maximizes the long-term value of both the customer and the supplier. With this procurement management system, commercial and technical approaches to goods, works and services are taken into account.



At the end of 2020, the benefits from category procurement management for the Fund’s Group amounted to KZT26.1 billion (including KTZ – KZT9.9 billion, KMG – KZT5.4 billion, KAP – KZT2.4 billion, SE – KZT0.9 billion, KEGOC – KZT1.43 billion, Kazpost – KZT0.3 billion, on Fund’s CPS – KZT5.9 billion).

In 78 categories, purchases were made for KZT378 billion, incl. for the CPS of the Fund - KZT76 billion. Since the introduction of category procurement management within the framework of the CPS, purchases in the amount of KZT1,158 billion have been carried out.

The total achieved effect from the implementation of CPS since the introduction of category procurement management amounted to KZT70.5billion. In 2020, 10 CPS of the Fund were implemented, for which benefits in the amount of KZT5.9 billion were received.

Local content

The development of local content is in the special attention zone of Yelbasy, the President and the Government of the Republic of Kazakhstan.

In order to maintain the positive dynamics of local content, work continued on coordinating the procurement activities of subsidiaries and affiliates as part of the development of local content and import substitution.

In 2020, the share of local content in the procurement of the Fund's Group amounted to 77%, which exceeds by 2% the indicator of 2019.

At the end of 2020, actually delivered goods, completed works and rendered services in the amount of KZT3,808 billion. Of these, goods - KZT1,360 billion (LC - 67%), work - KZT872 billion (LC - 76%), services - KZT1,576 billion (LC- 87%), work / services - KZT2,448 billion (LC- 83%). The share of local content in the procurement of the Fund Group is 77%.

	Total	LC share, %	Goods		Works		Services		Works/services	
			Amount	LC share, %	Amount	LC share, %	Amount	LC share, %	Amount	LC share, %
NC KazMunayGas JSC	1,826	82	472	71	653	81	700	91	1,354	86
NC KTZ JSC	985	80	230	63	80	59	675	88	755	85
NAC Kazatomprom JSC	146	68	70	60	33	85	43	67	76	75
Samruk-Energy JSC	273	79	169	79	47	59	57	96	105	79
Kazakhtelecom JSC	63	41	44	23	9	92	10	75	19	83
Air Astana JSC	87	30	16	52	17	1	54	34	72	26
KEGOC JSC	70	62	35	52	21	67	14	80	35	72
Kazpost JSC	14	74	4	34	1	94	9	93	9	93
NMC Tau-Ken Samruk JSC	318	70	315	70	2	95	1	60	3	82
Others	26	38	6	4	8	45	12	51	20	49
Total by the Fund	3,808	77	1,360	67	872	76	1,576	87	2,448	83

* The indicators in the table are shown in KZT billion

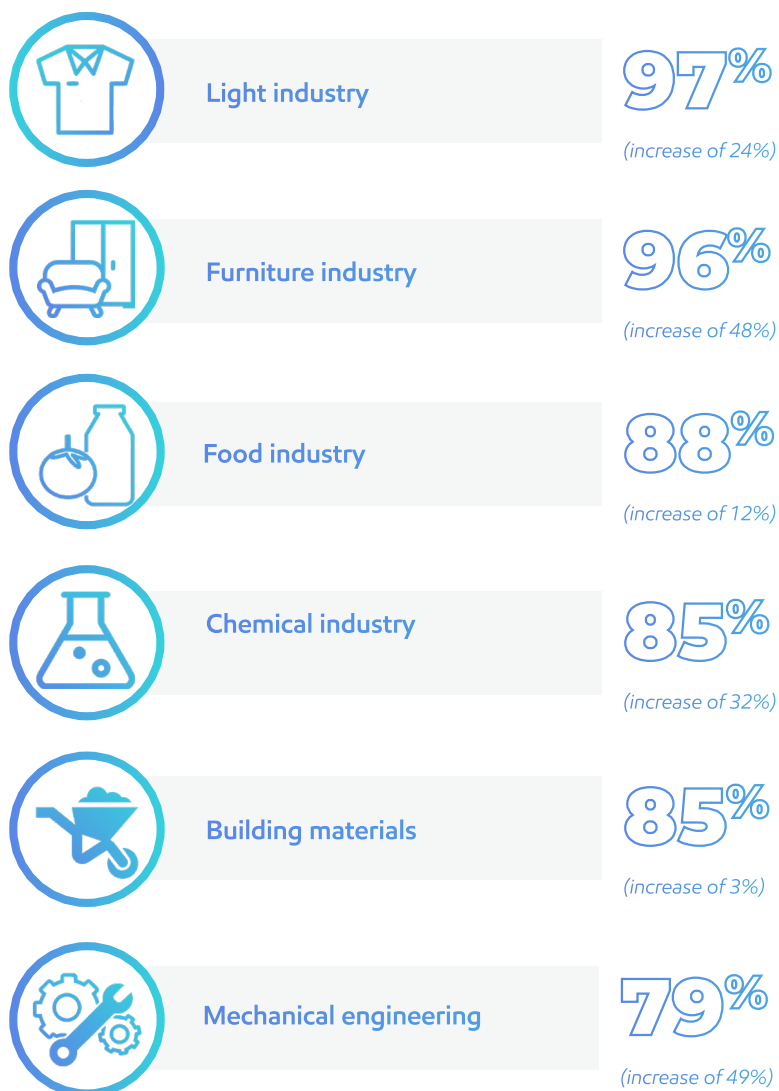
The Fund companies are coordinated on an ongoing basis to support the development of local content in procurement.

Thus, long-term procurement plans have been developed for the Fund's Group with a focus on the purchase of domestic products (as of April 2021, 173 long-term procurement plans are in effect for the Fund's Group).

As a result of the ongoing procurement campaign (as of December 31, 2020), 4,385 long-term agreements with domestic suppliers for the supply of goods, works and services worth KZT13 trillion are in effect for the Fund's Group. Of these, with domestic manufacturers - 994 long-term contracts in the amount of KZT3.2 trillion.

Economics of simple things

At the end of 2020, the share of purchases from domestic manufacturers for goods of the "economy of simple things" amounted to 83%, which is 38% higher compared to 2019, including:





SPONSORSHIP AND CHARITY

In 2020, the Samruk-Kazyna Trust Corporate Fund (hereinafter - Samruk-Kazyna Trust) crossed the ten-year milestone in its charitable activities.

During this time, a great deal of experience has been accumulated in the implementation of socially significant projects, hundreds of projects have been launched, the approach to their management has been improved, assistance has been provided to hundreds of thousands of people.

Today Samruk-Kazyna Trust is one of the leaders of charity in Kazakhstan and is the largest donor fund. It advocates for smart investments and invests in the development of regions, seeks to develop trilateral cooperation between business, the non-profit sector and government agencies.

In 2020, social projects were implemented within the framework of the concluded Memorandums of Cooperation with the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan, the Ministry of Health of the Republic of Kazakhstan, the Ministry of Justice of the Republic of Kazakhstan, the Nursultan Nazarbayev Foundation, as well as with the akimats of the cities of Nur-Sultan, Almaty, Turkestan and North Kazakhstan region. It is necessary to note the changes in the Charity Program of the Fund's Group in 2020, which are aimed at reducing the annual amount of charity from KZT10 billion to KZT7.5 billion.

In accordance with the Charity Policy and the Charity Program of the Fund's Group, Samruk-Kazyna Trust carries out charitable activities in four main areas.

In 2020, the main share in the structure of charitable assistance was made up of charitable projects implemented in the social and medical sector - 54% of the total amount of charity or KZT3.8 billion. This is primarily due to the Fund's support in combating the spread of the coronavirus infection COVID-19, as well as the Fund's focus on issues related to the problems of socially vulnerable segments of the country's population.

Key directions of charity	2019, KZT	share, %	2020, KZT	share, %
Aid to people, communities in the social and medical sector, targeted aid to those in need	2,026,924,184	27%	3,826,836,940	54%
Development of media, cultural community, development of human potential	2,540,618,816	34%	873,185,369	12%
Implementation of the regional program of social investments in the regions where the Fund's Group operates	2,996,000,000	40%	1,875,537,847	27%
Strengthening the reputation and promoting the image of the Fund and / or the Fund's Group	0,00	0%	459,214,309	7%
Total	7,563,543,000	100	7,034,774,465	100

In 2020, the Board of Trustees of Samruk-Kazyna Trust approved 30 projects worth KZT7.03 billion, and the total number of direct beneficiaries of charitable projects amounted to more than 115 thousand people.

At the same time, when implementing projects, the emphasis is on charity with a return and sustainable effect.

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE SYSTEM

The Fund 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's activities.

The Fund operates an efficient and transparent corporate governance system that meets international standards. The supreme governing body of the Fund is represented by the Sole Shareholder of the Fund - the Government of the Republic of Kazakhstan. The corporate governance system also includes the Board of Directors, Committees under the Board of Directors, Management Board,

Committees under the Management Board, Internal Audit Service and the Corporate Secretary. The activities of all bodies are regulated by the legislation of the Republic of Kazakhstan, the Corporate Governance Code of the Fund, the Charter of the Fund and internal documents.

The Fund seeks to comply with the principles of corporate governance specified in the Corporate Governance Code as much as possible, thereby ensuring the protection of the legal rights and interests of the Sole Shareholder and investors.

Corporate Governance Report in accordance with the Corporate Governance Code

In November 2012, the Sole Shareholder of Samruk-Kazyna JSC, the Government of the Republic of Kazakhstan, approved the Corporate Governance Code (as amended in 2015 and 2017), which applies to the Fund and Organizations in which the Fund directly or indirectly owns more than fifty percent of the voting shares (interests).

The objectives of the Corporate Governance Code are:

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

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 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 Fund continues to work on improving the processes and procedures of corporate governance. In particular, the following initiatives carried out in this area in 2020 can be noted:

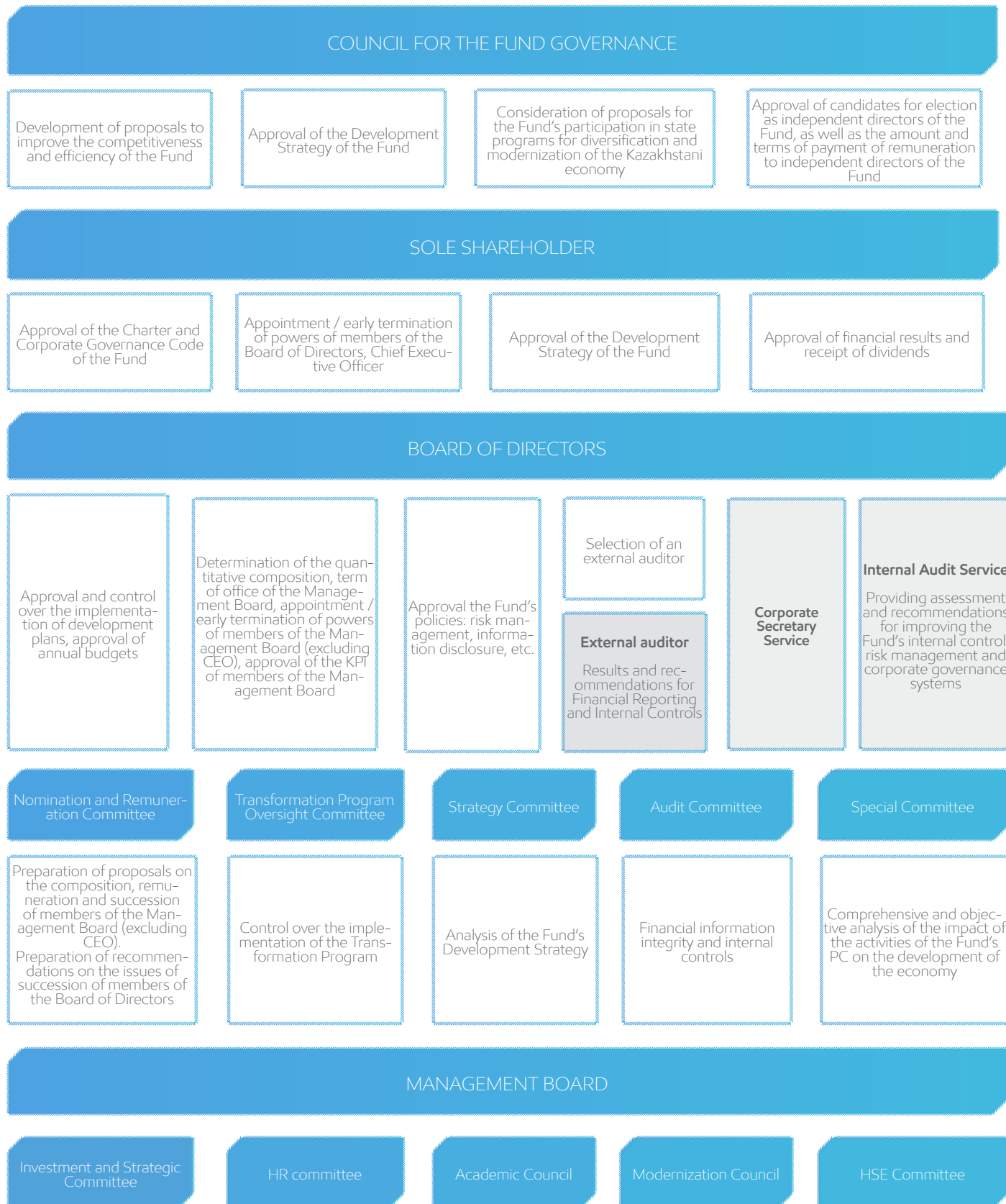
- by the decision of the Board of Directors dated February 6, 2020, the Corporate Secretary was appointed in the Fund;
- by the decision of the Board of Directors dated December 10, 2020, the Ombudsman of the Fund was appointed for a period of 2 years;
- internal documents regulating activities in the field of corporate governance were developed and updated: Regulations on the Board of Directors in the new version, Policy for ensuring the succession of members of the Board of Directors, Regulations on the performance evaluation of the Board of Directors, Committees under the Board of Directors, Chairman, members of the Board of Directors, Regulations on the Nomination and Remuneration Committee under the Board of Directors in the new version, Rules for the payment of remuneration and / or compensation for expenses of independent directors of the Fund, Standard agreements with an independent director and the Chairman of the Board of Directors of the Fund, Regulations on the



- Corporate Secretary of the Fund, Regulations on the Corporate Secretary Service of the Fund;
- work continues to strengthen the composition of the Board of Directors of the Fund's Portfolio companies by introducing civil society representatives and additional independent directors with industry expertise, international experience and competencies necessary for the development of Portfolio companies, and measures have been taken to ensure gender diversity in the composition of the Boards of Directors of particular Portfolio companies;
 - during 2020, the Fund's Portfolio companies continued to work on improving corporate governance processes and implemented measures of the Plans on corporate governance improvement, developed based on the results of an independent diagnostics of the corporate governance system in 2018;
 - in order to assess the effectiveness of activities and determine the main directions for further development, the practice of the Fund, as a shareholder, of meetings with the Boards of Directors of Portfolio companies has been continued;
 - the Fund's Rules for the organization and implementation of internal control were approved in the new version;
 - in 2020, consideration of issues related to investment activities was included in the competence of the Strategy Committee under the Board of Directors of the Fund.

The Fund continues to work on the implementation of the provisions of the Corporate Governance Code and is taking appropriate measures to further improve relations with the Sole Shareholder of the Fund, to increase the efficiency of activities and assessment processes of the Board of Directors of the Fund.

Corporate governance system structure



SOLE SHAREHOLDER

The Sole Shareholder of the Fund is the Government of the Republic of Kazakhstan. The relationship between the Fund and the Sole Shareholder is regulated by the Law of the Republic of Kazakhstan “On Sovereign Wealth Fund” and the Agreement on Interaction between the Government of the Republic of Kazakhstan and Fund, which establish the basic principles of interaction and the requirements of the Government to the Fund regarding our activities.

The main principles of interaction between the Government and the Fund are:

- The Fund is managed by the Government solely through the exercise of the powers of the Sole Shareholder provided for by the Law of the Republic of Kazakhstan “On Sovereign Wealth Fund” and (or) the Charter of the Fund, and the representation of members of the Government on the Board of Directors of the Fund;
- Non-interference of the Government, its members, as well as government officials in the operational (current) activities of the Fund’s Group, except for the cases stipulated by the laws, acts and Instructions of the President of the Republic of Kazakhstan;
- Reporting and transparency of the activities of the Fund’s Group.

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 related 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 Charter of the Fund;
- Approval of the annual financial statements of the Fund;
- Approval of the development strategy of the Fund;
- Approval of the Fund’s Corporate Governance Code;
- Determination of the Fund’s dividend policy, making a decision on the distribution of the Fund’s net income based on the results of the reporting period, making a decision on the payment of dividends;
- Making 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;
- Making decisions 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

Dividend Policy

In 2021, the Fund’s Dividend Policy was updated due to the need to update the approaches to determining the amount of dividend accrual.

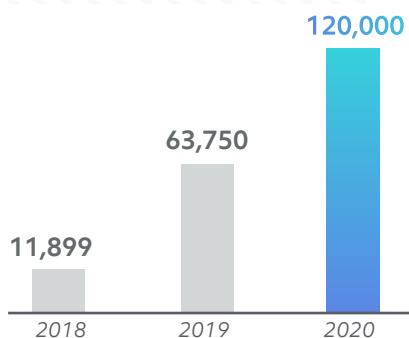
The main principles of the dividend policy are:

1. Safeguarding the Sole Shareholder’s interests;
2. Increase in the long-term value of the Fund and the Fund’s Group of companies;
3. Ensuring the financial sustainability of the Fund and the Fund’s group of companies,
4. Ensuring financing of the Fund’s activities, including financing of new activities and investment projects implemented at the expense of the Fund;
5. Transparency of the mechanism for determining the amount of dividends;
6. Balance of short-term and long-term interests of the Sole Shareholder.
7. Reduction of the amount of dividends payable by the amount of financing by the Fund of projects planned for implementation on behalf of the President of the Republic of Kazakhstan in the year following the reporting year



Dividend Policy of the Fund is available at www.sk.kz

Dividends paid, KZT million



In 2019 the Fund paid dividends to the Sole Shareholder in the amount of KZT120 billion based on 2019 according to the decision of the Sole shareholder.

Share capital

3,500,000,000

NUMBER OF AUTHORIZED SHARES*

3,481,960,408

NUMBER OF OUTSTANDING SHARED PLACED BY THE FUND

18,039,592

NUMBER OF SHARES ON FREE FLOAT (UNPLACED SHARES)



COUNCIL FOR THE FUND GOVERNANCE

For the purpose of stable social and economic development of the country, ensuring economic sustainability and protection it from the effects of possible adverse external factors, issues on management of the Fund is considered at a meeting of the Council for the Fund Governance.

The Council for the Fund Governance is an advisory body chaired by the First President of the Republic of Kazakhstan, Yelbasy.

The functions of the Council for the Fund Governance are:

1. development of proposals to improve the competitiveness and effectiveness of the Fund;
2. approval of the Fund's development strategy and consideration of the annual report of the Fund on its implementation, as well as development of proposals for priority sectors of the economy in which the Fund operates;
3. consideration of the proposals of the Government of the Republic of Kazakhstan on the Fund's participation in state programs of diversification and modernization of the Kazakhstan economy, including the implementation of socially significant and industrial-innovative projects, including the allocation of funds from the Republic Budget and the National Fund of the Republic of Kazakhstan;
4. agreement of candidates for election as independent directors of the Fund, as well as the size and terms of payment of remuneration to independent directors of the Fund;
5. making recommendations for the election of a member of the Government of the Republic of Kazakhstan or another government official to the Board of Directors or the Supervisory Board of an organization member of the Fund's Group.

The composition of the Council for the Fund Governance

- ① The First President of the Republic of Kazakhstan - Yelbasy, Chairman of the Council for the Fund Governance;
- ② The Prime Minister of the Republic of Kazakhstan;
- ③ Head of the Executive Office of the President of the Republic of Kazakhstan;
- ④ CEO of the Fund (on agreement);
- ⑤ Two representatives of domestic business;
- ⑥ Representative of foreign business.

The decision to establish the Council for the Fund Governance, its composition and its regulations are approved by the President of the Republic of Kazakhstan

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 role of the Board of Directors is to guide the Fund by ensuring proper top-down governance.

The list of key issues referred to the exclusive competence of the Board of Directors includes issues requiring decisions and approval in relation to:

- Medium and short-term planning, key performance indicators of the Fund;
- Determination of the audit organization, the maximum amount of payment for audit services;
- Policies for risk management, social responsibility, sponsorship and charitable assistance, disclosure of information;
- Credit and industrial innovation policy;
- Committees under the Board of Directors;
- Quantitative composition, term of office of the Management Board, election and early termination of powers of members of the Management Board, with the exception of the Chief Executive Officer;
- Quantitative composition, term of office of the Internal Audit Service, appointment and early termination of powers of its head;
- Appointment of the Corporate Secretary and early termination of his powers, determination of the term of office of the Corporate Secretary;
- Acquisitions by the Fund of ten or more percent of shares of other legal entities;
- Consideration of reports on the results of assessment of corporate governance and performance evaluation of the Board of Directors of the Fund;
- Transactions in which there is an interest;
- Annual report 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 www.sk.kz



Committees under the Board of Directors

The purpose of the work of the Committees under the Board of Directors is to improve the efficiency of the Board of Directors and improve the structure of corporate governance. The Board of Directors has five Committees: Audit Committee; Nomination and Remuneration Committee; Strategy Committee; Transformation Program Oversight Committee and Specialized Committee.

Internal Audit Service

The main purpose of the Internal Audit Service is to provide the Board of Directors and the Committee with independent and objective information designed to ensure effective management of the Fund by providing assessments and recommendations for improving the Fund's internal control, risk management and corporate governance systems.

Corporate Secretary

Corporate Secretary ensures that the bodies and officials of the Fund comply with the rules and procedures of corporate governance that guarantee the implementation of the rights and interests of the Sole shareholder.

Compliance Service

The purpose of the Compliance Service is to ensure compliance with regulatory requirements on anti-corruption issues, as well as the introduction of mechanisms to prevent corruption risks in accordance with the anti-corruption legislation of the Republic of Kazakhstan and the best international anti-corruption practice.

Ombudsman

The main functions of the Ombudsman are to advise the employees of the Fund who have contacted him and provide assistance in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as in observing the principles of business ethics by the employees of the Fund.

Composition of the Board of Directors*



Jon Dudas

Chairman of the Board of Directors,
Independent Director

Date of birth

December 24, 1959

Citizenship

the United Kingdom of Great Britain and Northern Ireland

Education

- University of Witwatersrand (South Africa) - Bachelor in Mining;
- University of Witwatersrand (South Africa) - Master in Mining Metallurgy;
- 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 positions across a number of commodities and functions at companies such as Gencor Ltd and BHP Billiton, where he was CEO of the 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, he was a member of the Board of Directors of JSC NAC Kazatomprom.

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.

By the decision of the Board of Directors dated February 6, 2020 (Minutes No.167), he was elected as Chairman of the Board of Directors of the Fund.



Date of birth

June 18, 1986

Citizenship

the Republic of Kazakhstan

Education

- Kazakhstan Institute of Management, Economics and Forecasting - Economics;
- International Business School, Sweden - Economics;
- University of York - Economics;
- University of Nottingham - Economics

Experience

Mr Irgaliyev began his career in the economic department of the European Bank for Reconstruction and Development in London in 2010.

From 2013 to 2016, he held the position of Director, Vice President, Deputy Chief Executive Officer, First Deputy Chief Executive Officer of the Center for Entrepreneurship Development at the Institute for Economic Research JSC. In 2016, he was the Chief Executive Officer of Institute for Economic Research JSC, Advisor to the Chief Executive Officer of JSC NMH Baiterek. From 2016 to 2019, he held the positions of Advisor to the Prime Minister of the Republic of Kazakhstan, Vice Minister of National Economy of the Republic of Kazakhstan, Deputy Head of the Office of the Prime Minister of the Republic of Kazakhstan.

From January 18, 2021, he is the Minister of National Economy of the Republic of Kazakhstan.

Mr Irgaliyev was awarded with medals "For exceptional work".

He joined the Board of Directors of Samruk-Kazyna JSC in connection with his appointment as the Minister of National Economy of the Republic of Kazakhstan in accordance with Decree of the President of the Republic of Kazakhstan dated January 18, 2021 No.494.



Asset Irgaliyev

Member of the Board of Directors,
Minister of National Economy of the RoK



Kanat Bozumbayev

Member of the Board of Directors,
Aide to the President of the RoK

Date of birth

January 8, 1969

Citizenship

the Republic of Kazakhstan

Education

- Kazakh State Academy of Management - Economics

Experience

Mr Bozumbayev began his career as an economist at Edem Ltd LLP. In different years, he held the positions of Director of the Oil and Gas Department, Vice Minister of the Ministry of Energy, Industry and Trade of the Republic of Kazakhstan. In January 2001, he joined KEGOC OJSC as the First Vice President, in May 2001 he became President of KEGOC OJSC. In 2007, he was appointed as Chief Executive Officer of JSC Kazakhstan Holding for Assets Management Samruk. Since 2009, he worked in the public sector, held the posts of Akims of Zhambyl and Pavlodar regions, Minister of Energy of the Republic of Kazakhstan. Since December 18, 2019 he took the position of the Aide to the President of the Republic of Kazakhstan.

Mr Bozumbayev was awarded with Order "Honor", medal "For contribution to the development of the Eurasian Economic Union". Mr Bozumbayev is Honored Power Engineer of the CIS.

By the decision of the Sole Shareholder dated December 31, 2019 (Decree of the Government of the Republic of Kazakhstan No.1058), he was elected to the composition of the Board of Directors of Samruk-Kazyna JSC.

Date of birth

October 27, 1956

Citizenship

Singapore

Education

- National University of Singapore - Bachelor of Social Sciences (with Honors);
- US College of Command and General Staff - Master of Military Sciences

Experience

Mr Ong at the beginning of his military career, held various key command and staff positions in the Armed Forces and the Ministry of Defense of Singapore. From 2002 to 2012, he has held various key positions as Managing Director at Temasek Holdings, CEO of Temasek Management Services, Chief Operating Officer at Singapore Power. From 2012 to 2014 he was the Chief Executive Officer of Beyond Horizon Consulting. From 2014 to 2020, he served as Chief Executive Officer at the Stewardship Asia Center, a thought leadership hub that promotes leadership across Asia and empowers business leaders and organizations to turn concepts into action. Currently, he is a corporate advisor in this organization.

Over the years, Mr Ong has served as a member of the Board of Directors of companies in various sectors of the economy, including Singapore Technologies Kinetics, AETOS Security Management Ltd, A-STAR Research, Singapore Power Global Solutions and SIM Ltd.

Mr Ong is the co-author of books "Inspiring Stewardship" and "ENTRUSTED".

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.



Ong Boon Hwee

Member of the Board of Directors,
Independent Director



Kairat Mazhibayev

Member of the Board of Directors,
Independent director

Date of birth

January 5, 1968

Citizenship

the Republic of Kazakhstan

Education

- Alma-Ata Medical Institute - pediatrician, Candidate of Medicine;
- Graduate of the Owner / President Management program at Harvard Business School

Experience

Since 1994, Mr Mazhibayev has been the founder and Chairman of the Board of Directors of the RESMI Group of companies, specializing in investments in the formation and development of industrial and financial holdings in the CIS. He is currently Chairman of the Board of Directors of RG Brands JSC, Kazakhstan State Medical University. Over the years, he was a member of the Board of Directors of National Innovation Fund JSC, KIMEP University JSC, Kazteleradio JSC, Kazyna Capital Management JSC, Kazakhstan Growth Fund, Chairman of the Supervisory Board of Innova Investment LLP.

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.



Date of birth

June 7, 1971

Citizenship

Italy

Education

- School of Management, Enel SpA / SAA. (Italy) - Master of Planning and Control;
- Bocconi University (Italy) - Bachelor of Business Administration - Accounting, Finance and Control;
- London School of Economics and Political Science, Student Exchange Program (England)

Experience

Mr Sutera is an experienced business manager with over 22 years of post-graduate experience, of which 15 years served as CFO for global energy companies and Sovereign Wealth Funds in Europe, Russia and the Middle East.

Mr Sutera is currently Chief Financial Officer of the Energy Asset Group, a leading UK-based integrated diversified 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, he served as Senior Vice President and Chief Financial Officer of the Global Energy and Water Business TAQA (National Energy Company of Abu Dhabi). Mr Sutera's global career is complemented by board-level appointments as an independent non-executive director of large and complex enterprises in the energy and infrastructure sectors.

From 2012 to 2018, he was an Independent non-executive director and Chairman of the Audit Committee of KEGOC JSC. From 2012 to 2020, he also served as Senior independent director, Chairman of the Audit Committee of the National Energy Holding Samruk-Energy JSC.

By the decision of the Sole Shareholder dated July 9, 2020 (Decree of the Government of the Republic of Kazakhstan No. 431), he was elected to the composition of the Board of Directors of Samruk-Kazyna JSC as an independent director.



Luca Sutera

Member of the Board of Directors,
Independent Director



Almasadam Satkaliyev

Member of the Board of Directors,
CEO

Date of birth

October 31, 1970

Citizenship

the Republic of Kazakhstan

Education

- Kazakh National University named after Al-Farabi - Mechanical Engineer, Application Mathematician;
- International Institute of Civil Service and Management (IICSM), Department of Public Sector Finance, "Economics" direction, program "Financial Economics";
- Russian Academy of National Economy and Public Administration under the President of the Russian Federation, Moscow, Master of Economics;
- Graduate School of Business of Nazarbayev University, Executive MBA program, joint program with Duke University's Fuqua School of Business - Master of Business Administration;
- Graduate School of Business, Stanford University, Stanford Executive Program

Experience

Mr Satkaliyev in different years worked as a director of TASSAT LLP, Head of the Project Management Department of CJSC National Oil Transportation Company KazTransOil, and Managing Director of the Nur-Sultan Representative Office of CJSC NOTC KazTransOil. He held the positions of First Vice President of KEGOC JSC, Director for Electricity Assets Management at Samruk Kazakhstan Holding for State Assets Management JSC, Vice Minister of Energy of the Republic of Kazakhstan, Chief Executive Officer of KEGOC JSC, Managing Director of Samruk-Kazyna JSC, Chief Executive Officer of Samruk-Energy JSC, Deputy Chairman of ALE "Kazakhstan Association of Oil and Gas and Energy Complex Organizations "KAZENERGY", Managing Director for Asset Management of Samruk-Kazyna JSC. He served as a member of the boards of directors of JSC NC Kazakhstan Temir Zholy, JSC NAC Kazatomprom, JSC NC KazMunayGas, Chairman of the Board of Directors of KEGOC JSC, member of the Board of Directors of the Kazakhstan Electricity Association, Chairman of the Kazakhstan National Committee of the World Energy Council (WEC), member of the Council of the KAZENERGY Association, Chairman of the Coordinating Council of the KAZENERGY Association for the



development of the energy industry, Chairman of the Energy Committee of Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan, member of the Presidium of Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan, Chairman of the Committee on energy and electrical engineering under Union of Machine Builders of Kazakhstan ALE.

Mr Satkaliyev was awarded with Orders "Honor", "Parasat"; with Medals: "10th anniversary of the Constitution of Kazakhstan", "10th anniversary of Astana", "20th anniversary of the Independence of Kazakhstan", "Jubilee Medal of the 20th anniversary of the Constitution of Kazakhstan", "25th anniversary of the Independence of Kazakhstan" and "10th anniversary of the KAZENERGY Association". Mr Satkaliyev was awarded the honorary title "Honored Power Engineer of the CIS". He has received Letter of gratitude from N.A. Nazarbayev, the President of the Republic of Kazakhstan, Letter of gratitude from K.K. Massimov, the Prime Minister of the Republic of Kazakhstan.

He joined the Board of Directors of Samruk-Kazyna JSC in connection with the appointment as the Chief Executive Officer of Samruk-Kazyna JSC in accordance with the decision of the Sole Shareholder - Decree of the Government of the Republic of Kazakhstan dated March 29, 2021 No. 168.

Changes in the composition of the Board of Directors of the Fund for 2021

Date	Member of the BoD	Event
January 18, 2021	Mr Ruslan Dalenov	Early termination of powers of the member of the Board of Directors
March 27, 2021	Mr Akhmetzhan Yessimov	Early termination of powers of the member of the Board of Directors

Performance Report of the Board of Directors of the Fund in 2020

The Board of Directors of the Fund was focused on solving current problems, considering issues within its competence through the prism of strategic goals. The list of issues and decisions on them are reflected in the relevant minutes and decisions of meetings of the Board of Directors. Meetings of the Board of Directors were held in accordance with the Work Plan approved by the decision of the Board of Directors dated February 28, 2020 No. 168. Meetings of the Board of Directors and its Committees were carried out through in-person or absentee voting.

As part of the measures taken by the Board of Directors to increase the long-term value and sustainable development of the organization, in 2020 15 meetings of the Board of Directors of the Fund were held, of which 5 in-person and 10 absentee meetings. A total of 101 issues were considered, on which 101 decisions were made, 202 instructions were given.

101
issues

WERE CONSIDERED

101
decisions

WERE MADE

202
instructions

WERE GIVEN

Information on participation in meetings of the Board of Directors

No.	Member of the BoD	Participation/ Total number of the BoD meetings in 2020
1	Jon Dudas Chairman of the Board of Directors, Independent director	15/15
2	Kanat Bozumbayev Member of the Board of Directors, Aide to the President of the RoK	15/15
3	Ruslan Dalenov Member of the Board of Directors, Minister of National Economy of the RoK	14/15
4	Alper Akdeniz Member of the Board of Directors, Independent director	9/9
5	Kairat Mazhibayev Member of the Board of Directors, Independent director	15/15
6	Ong Boon Hwee Member of the Board of Directors, Independent director	15/15
7	Luca Sutera Member of the Board of Directors, Independent director	5/5
8	Akhmetzhan Yessimov Member of the Board of Directors, CEO of the Fund	15/15



Measures taken by the Board of Directors to achieve the Fund's strategic goals to increase the long-term value and sustainable development of the organization

In accordance with the Work Plan of the Board of Directors of the Fund for 2020, active work was carried out to consider current issues regulating the activities of the Fund and Portfolio Companies, which can be attributed to the following three strategic goals and four initiatives.

1

Within the framework of the first strategic goal "efficiency of companies" and initiative "improvement of companies' profitability"

WERE APPROVED:

- Development Plan of the Fund for 2020-2024;
- Development Plan of the Fund for 2021-2025;
- Annual financial statements (consolidated and separate) of the Fund for 2019, the procedure for distributing net income, a decision was made to pay dividends on ordinary shares and the amount of dividends was approved per ordinary share;
- Annual budget of the Fund for 2020 in the new version;
- Annual budget of the Fund for 2021;
- The annual report on the implementation of the Fund's Development Plan for 2019–2023 on 2019 was considered;
- Transactions in which the Fund has an interest have been concluded.

2

Within the framework of the second strategic goal "portfolio management" and initiatives "optimization of the portfolio structure" and "income diversification"

WERE DETERMINED:

- Sale methods of Kazpost JSC, Vostokmashzavod JSC, Kazakhstan Solar Silicon LLP and Astana Solar LLP;
- List of investment projects of the Fund's Group and the format of the report of the Fund's Management Board on these projects to regularly inform the Fund's Board of Directors.

WERE CONSIDERED:

- Information on the progress of the withdrawal of the assets of the Fund and its subsidiaries for sale as part of the implementation of the Comprehensive Privatization Plan for 2016 - 2020;
- Information on the acquisition by the Fund of interests in the authorized capital of other legal entities;
- Information on quarterly monitoring of major investment projects of the Fund's Group;
- Information on the progress of the Fund's Transformation Program;
- Information on the placement, including the number of shares to be placed within the number of authorized shares of the Fund, the method and price of their placement;
- Information on the price, quantity, structure of disposal of shares of JSC NAC Kazatomprom;
- Information on some issues of transferring assets to the competitive environment;
- Information on some issues of the Fund's bonds.

3

Within the framework of the third strategic goal “sustainable development” and initiative “corporate governance and sustainable development”

WERE APPROVED:

- Annual report of the Fund for 2019 and Sustainability Report of the Fund for 2019;
- Annual audit plan of the Fund’s Internal Audit Service for 2020, 2021.

WERE CONSIDERED:

- Information on the submission of the issue “On the Performance Report of the Board of Directors of the Fund for 2019” for consideration of the Sole Shareholder of the Fund;
- Reports of the Committees under the Board of Directors of the Fund for 2019, Report of the Internal Audit Service of the Fund;
- Annual report on the implementation of the Fund’s Charity Program for 2019;
- Report on the proposed measures to improve the corporate governance of the Fund.

In 2020, the Board of Directors also elected the Chairman of the Board of Directors of the Fund, appointed the Corporate Secretary of the Fund, as well as the Ombudsman of the Fund and organizations members of the Fund’s Group, determined the composition of the Committees under the Board of Directors of the Fund.

The following internal documents of the Fund were approved and updated by decisions of the Board of Directors:

- Regulations on the Board of Directors of the Fund, Regulations on the Corporate Secretary of the Fund, Regulations on the Strategy Committee under the Board of Directors of the Fund, Regulations on the Nomination and Remuneration Committee under the Board of Directors of the Fund, Regulations on the Transformation Program Oversight Committee under the Board of Directors of the Fund, Regulations on the Management Board of the Fund;
- Rules for payment of remuneration and / or reimbursement of expenses of independent directors of the Fund;
- Regulation on the Performance Evaluation of the Board of Directors, Committees under the Board of

Directors, the Chairman and members of the Board of Directors of the Fund;

- Rules for transfer to the competitive environment of the assets of the Fund and organizations, at least fifty percent of the voting shares (interest) of which are directly or indirectly owned by the Fund on the right of property;
- Rules for the development, approval, monitoring, assessment of implementation, submission of reports on the implementation of the Fund’s Development Plan;
- Charity Policy of the Fund and the Charity Program of the Fund’s Group;
- List of documents regulating the internal activities of the Fund, approval of which is referred to the exclusive competence of the Board of Directors of the Fund;
- Rules on business trips of employees of the Fund and the HR Policy of the Fund for 2018 - 2028;
- Work Plan of the Board of Directors of the Fund for 2020, 2021;
- Policy of ensuring the succession of the members of the Board of Directors of the Fund.



Main risk factors considered by the Board of Directors

On a quarterly basis, reports on the risks of the Fund, risk maps / register, information on critical risks of the Fund and Portfolio companies, measures to further improve the corporate system of risk management and internal control were reviewed, based on the results of which decisions on their mitigation were taken.

It should be noted that the main risks of accidents, risks of significant investment projects, risks of social stability, credit and currency risks, risks of litigation, risks of financial stability, risk of confidential information leakage, risks of information systems, the risk of damage to reputation were constantly in the focus of control of the Board of Directors.

Also, information on the state of health and safety, as well as on measures taken to manage the spread and impact of COVID-19 in the Fund and the Fund's Portfolio Companies was also under the special control of the Board of Directors.

BOARD OF DIRECTOR'S COMMITTEES

BOARD OF DIRECTOR'S COMMITTEES



Audit Committee

The Audit Committee is a consultative and advisory body of the Board of Directors of the Fund and was created to assist the Board of Directors of the Fund in fulfilling its oversight functions over the integrity of financial statements, the effectiveness of internal control and risk management systems, and for compliance with corporate governance principles 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.

Composition of the Committee

On July 9, 2020, Alper Akdeniz resigned from the composition of the Board of Directors of Samruk-Kazyna JSC and the Audit Committee. In accordance with decision of the Board of Directors of Samruk-Kazyna JSC dated July 24, 2020 No.176, Luca Sutera, an independent director of Samruk-Kazyna JSC, was elected as the Chairman of the Audit Committee, and Ong Boon Hwee, an independent director of Samruk-Kazyna JSC, is also a member of the Audit Committee.

In 2020, the Audit Committee held a total of 13 meetings, of which 12 in-person and 1 absentee meeting. In total, the Audit Committee considered 33 issues in various fields within its competence.

Additionally, a number of meetings were organized with the participation of members of the Audit Committee and the Fund's management on issues within the competence of the Audit Committee, outside of the meetings of the Audit Committee.

Participation of members of the Audit Committee in meetings in 2020

No.	Member of the Audit Committee	Position	Participation in the Committee meetings	%
1.	Luca Sutera	Independent Director, Member of the Fund's BoD, Chairman of the Committee	6 out of 6	100%
2.	Alper Akdeniz*	Independent Director, Member of the Fund's BoD, Chairman of the Committee	7 out of 7	100%
3.	Ong Boon Hwee	Independent Director, Member of the Fund's BoD, Member of the Committee	13 out of 13	100%

During the year, the Audit Committee considered a number of issues of internal and external audit, internal control and risk management systems, financial reporting and corporate governance. In order to improve the quality of materials submitted to the Board of Directors of the Fund, the Audit Committee changed its approach to scheduling meetings in order to be able to provide timely recommendations on the issues under consideration. The Audit Committee performed the following duties:

On internal audit issues:

- It studied audit reports on the performed verifications in accordance with the Annual Audit Plan;
- It reviewed the Annual Audit Plan of the Internal Audit Service;
- It reviewed and evaluated the performance of the Internal Audit Service;
- It considered an internal document regulating salaries, bonuses, social support and performance evaluation of employees accountable to the Board of Directors of the Fund, including employees of the Internal Audit Service;
- In order to improve planning of the audit cycle, optimize resource allocation and ensure synchronization of the audit and transformation of the Fund, the Audit Committee recommended the introduction of a three-year audit plan for the Internal Audit Service.

On external audit issues:

- It reviewed the results of the audit of the consolidated and separate financial statements of the Fund for the year ended December 31, 2019, and also received confirmation of the independence of the auditors;
- It reviewed the results of the limited review procedures of the Fund's interim condensed consolidated and separate financial statements for the six months ended June 30, 2020;
- It reviewed the reports of the external auditor on shortcomings in the internal control system in the Fund and the Fund's Group of Companies;
- It considered issues on approval of rendering non-audit consulting services for the Fund and the Fund's subsidiaries by the Fund's audit organization;

* Mr Akdeniz resigned from the Board of Directors of the Fund on July 9, 2020



- In order to strengthen internal control and independence of auditors, the Audit Committee introduced reporting from the Audit Committees of the Fund's Portfolio Companies to the Audit Committee with the status of the implementation of measures aimed at eliminating significant deficiencies in internal controls, recommended a new procurement process for external audit services with the participation of the Audit Committees of Portfolio Companies and the Fund in coordination with the financial management of the Fund and recommended changes to the current Policy on attraction of the services of audit organizations in order to strengthen the independence of the external auditor.

On internal control and risk management issues:

- It reviewed and pre-approved the consolidated Risk Reports of the Fund's Group for 2019 and 2020;
- It reviewed and commented on the risk map and register, risk appetite of the Fund for 2020 and 2021;
- In order to improve and strengthen the Fund's risk management system, the Audit Committee devoted considerable time to discussing risk issues, as well as actions aimed at improving approaches to risk management. The Audit Committee provided recommendations for improving the quality of risk reports, for analyzing future risks and potential threats, and for forward-looking risk management measures, as well as measures aimed at optimizing the timing of reporting on the Fund's risks. In addition, at the initiative of the members of the Audit Committee, when reviewing quarterly Risk Reports of the Fund, the owners of risks in the "red zone" were invited to the meetings of the Committee to review and in-depth study of measures taken by risk owners in order to manage risks.

On financial reporting issues:

- It reviewed the financial statements and judgments in the financial statements. It pre-approved and recommended to the Board of Directors to pre-approve the financial statements of the Fund for the year ended December 31, 2019;
- It reviewed the interim condensed consolidated and separate financial statements of the Fund for 3 and 6 months ended June 30, 2020;
- In order to ensure that the impact of COVID-19 has been properly addressed and reflected, the Audit Committee further considered the Fund's going concern analysis and impairment issues.

On corporate governance issues:

- It reviewed the report on compliance / non-compliance with the principles and provisions of the Corporate Governance Code of Samruk-Kazyna JSC, approved by Decree of the Government of the Republic of Kazakhstan dated November 5, 2012 No. 1403;
- It reviewed the results of independent diagnostics of corporate governance in the Fund's Portfolio Companies.

Strategy Committee

By the decision of the Board of Directors of the Fund dated December 13, 2018, the Strategy Committee was established, whose competence includes making recommendations to the Board of Directors of the Fund on the following issues:

- Pre-approval of the Fund's Development Strategy for a 10-year period and the Fund's Development Plan for a 5-year period for further consideration by the Fund's Board of Directors;
- review of reports on the implementation progress (monitoring) of the Development Strategy, the Fund's Development Plan in order to monitor and control the implementation of the Development Strategy and the Development Plan of the Fund by the Board of Directors of the Fund;
- review of the Fund's information on the compliance of development strategies of national companies with decomposed strategic indicators of national strategies, objectives and state programs.
- investment activities of the Fund's Group of Companies, the consideration of which is referred to the competence of the Fund's Board of Directors.
- approval of the indicative forecast / forecast range of preliminary and final macroeconomic indicators for use in the Fund's Development Strategy, the Fund's Development Plan and business plans of the Fund's companies.

The Strategy Committee consists of 4 voting members. At the same time, representatives of state bodies can participate in the meetings of the Committee as experts with an advisory vote at the invitation, depending on the subject matter of the issues under consideration. The Fund's Managing Director for Strategic Development of the Fund participates in all meetings of the Committee as an expert with an advisory vote.

Participation of members of the Strategy Committee in meetings in 2020

No.	Member of the Strategy Committee	Position	Participation in Committee meetings	%
1.	Ruslan Dalenov*	Minister of National Economy of the RoK, Member of the Fund's BoD, Chairman of the Committee	6 out of 6	100%
2.	Jon Dudas	Independent director, Chairman of the Fund's BoD, Member of the Committee	6 out of 6	100%
3.	Kairat Mazhibayev	Independent director, Member of the Fund's BoD, Member of the Committee	6 out of 6	100%
4.	Ong Boon Hwee	Independent director, Member of the Fund's BoD, Member of the Committee	6 out of 6	100%

In 2020, 6 meetings of the Strategy Committee were held, including 2 in-person and 4 absentee meetings.

The meetings of the Committee were held on a regular basis in accordance with the Committee's Work Plan for 2020, which in turn included the priority and most important issues of the Committee's activities for 2020.

* Mr Dalenov resigned from the Board of Directors of the Fund on January 18, 2021



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

- On the final macroeconomic indicators for use in the Development Plan and Business Plans of the Fund's Portfolio Companies for 2020-2024;
- On amendments and supplements to the Rules for the development, approval, monitoring, assessment of implementation, submission of reports on the implementation of the Development Plan of the Fund and the Regulations on the Strategy Committee under the Board of Directors of the Fund;
- Performance Report of the Strategy Committee under the Board of Directors of the Fund for 2019;
- On approval of the Fund's Development Plan for 2020-2024 and for 2021-2025;
- Consideration of the Fund's information on the compliance of the development strategies of national companies with the decomposed strategic indicators of national strategies, objectives and state programs, taking into account the data of the Fund's Development Plan for 2020-2024 and for 2021-2025;
- On the implementation of the Development Plan of the Fund, taking into account the consolidated audited financial statements of Samruk-Kazyna JSC for 2019;
- Consideration of quarterly information on the results of monitoring the implementation of the Development Plan;
- On preliminary and final macroeconomic indicators for use in the Development Plan and Business Plans of the Fund's Portfolio Companies for 2021-2025;
- Approval of the Work Plan of the Strategy Committee under the Board of Directors of the Fund for 2021 etc.

On January 18, 2021, by the Decree of the President of the Republic of Kazakhstan, Irgaliyev Asset was appointed as Minister of National Economy of the Republic of Kazakhstan. In connection with the change in the composition of the Cabinet of the Government of the Republic of Kazakhstan, the updated composition of the Strategy Committee is reflected below:

- 1. Asset Irgaliyev** - Minister of National Economy of the Republic of Kazakhstan - Chairman of the Committee;
- 2. Jon Dudas** - Independent Director;
- 3. Kairat Mazhibayev** - Independent Director;
- 4. Ong Boon Hwee** - Independent Director.

Nomination and Remuneration Committee

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.

In 2020, 6 in-person and 2 absentee meetings of the Nomination and Remuneration Committee of the Board of Directors of the Fund were held via videoconferencing.

Composition of the Committee

By decision of the Board of Directors dated February 6, 2020 No.167, the composition of the Committee was approved with the following members of the Board of Directors:

1. **Jon Dudas** - Independent Director - Chairman of the Committee;
2. **Kanat Bozumbayev** - Aide to the President of the Republic of Kazakhstan;
3. **Alper Akdeniz** - Independent Director;
4. **Kairat Mazhibayev** - Independent Director.

At the same time, on July 24, 2020, the Board of Directors of Samruk-Kazyna JSC made decision No.176 on the early termination of the powers of Alper Akdeniz, the member of the Committee, Independent Director of the Fund - and the election of Luca Sutera, the Independent Director of the Fund - as a member of the Committee.

Participation of members of the Committee in meetings in 2020

No.	Member of the NRC	Position	Participation in Committee meetings	%
1.	Jon Dudas	Independent Director, Chairman of the Fund's BoD, Chairman of the Committee	8 out of 8	100%
2.	Kanat Bozumbayev	Aide to the President of the RoK, Member of the Fund's BoD, Member of the Committee	8 out of 8	100%
3.	Alper Akdeniz*	Independent Director Member of the Fund's BoD, Member of the Committee	2 out of 2	100%
4.	Kairat Mazhibayev	Independent Director Member of the Fund's BoD, Member of the Committee	6 out of 8	75%
5.	Luca Sutera	Independent Director Member of the Fund's BoD, Member of the Committee	6 out of 6	100%

The meetings of the Committee were held on a regular basis in accordance with the Work Plan of the Committee for 2020, approved by decision of the absentee meeting of the Committee dated April 3, 2020 No.44.

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

- On the Performance Report of the Committee' and approval of the Committee's Work Plan;
- On approval of the Regulations on the Committee in the new edition;
- On approval of the Regulations on the Corporate Secretary in the new edition and the Rules for labor payment, remuneration and performance evaluation of the Ombudsman, the Corporate Secretary and employees of the Fund's Internal Audit Service;
- On approval of the individual development plan of the Corporate Secretary of the Fund and approval of the Chart of goals of the Corporate Secretary of the Fund;
- On amendments and supplements to the Fund's HR Policy for 2018-2028;
- On the selection and appointment of the Ombudsman of the Fund and organizations members of the Fund's Group;
- On some issues of ensuring the succession of the members of the Board of Directors of the Fund.

* Mr Akdeniz resigned from the Board of Directors of the Fund on July 9, 2020



The Transformation Program Oversight Committee

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 and preparing the necessary recommendations to the Board of Directors of the Fund.

In 2020, 3 in-person and 3 absentee meetings of the Transformation Program Oversight Committee under the Board of Directors of the Fund were held via videoconferencing.

Composition of the Committee

By decision of the Board of Directors dated February 6, 2020 No.167, the composition of the Committee was approved with the following members of the Board of Directors:

1. **Jon Dudas** - Independent Director - Chairman of the Committee;
2. **Kanat Bozumbayev** - Aide to the President of the Republic of Kazakhstan;
3. **Ong Boon Hwee** - Independent Director.

Participation of Committee members in the meetings in 2020

No.	Member of the Transformation Program Oversight Committee	Position	Participation in the meetings of the Committee	%
1.	Jon Dudas	Independent Director, Chairman of the Fund's BoD, Chairman of the Committee	6 out of 6	100%
2.	Kanat Bozumbayev	Aide to the President of the RoK, Member of the Fund's BoD, Member of the Committee	5 out of 6	83%
3.	Ong Boon Hwee	Independent Director, Member of the Fund's BoD, Member of the Committee	6 out of 6	100%

In 2020, the Committee met on a regular basis as part of its mandate.

At the meetings of the Committee, the following issues were discussed and considered:

- Progress Report on the implementation of the Transformation Program of the Fund and the Fund's Portfolio Companies;
- Report on the progress of the withdrawal of assets of the Fund and its subsidiaries for sale as part of the implementation of the Comprehensive Privatization Plan;
- On the acquisition by the Fund of interests in the authorized capital of other legal entities;
- On some issues of transferring assets to the competitive environment;
- On some issues of disposal of shares of Kazakhtelecom JSC;
- On consideration of the draft roadmap for the transformation of the Fund;
- On determining the method of sale of Kazpost JSC, Vostokmashzavod JSC, Kazakhstan Solar Silicon LLP and Astana Solar LLP;

- On some issues of transferring to the competitive environment the assets of the Fund and organizations, at least fifty percent of voting shares (interest) of which are directly or indirectly owned by the Fund;
- On approval of the Work Plan of the Transformation Program Oversight Committee under the Board of Directors of Samruk-Kazyna JSC and consideration of the Performance Report of the Transformation Program Oversight Committee under the Board of Directors of the Fund.

Special Committee

The Special Committee carries out a comprehensive and objective analysis of the impact of the activities of organizations of the Fund's Group on the development of the economy or a particular sector of the economy, with the exception of 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 state assets.



MANAGEMENT BOARD

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:

- Making 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), of 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, with the exception of decisions on issues made 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;
- Making decisions on issues of the Fund's internal activities



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

Composition of the Management Board*



Almasadam Satkaliyev

CEO

Date of birth

October 31, 1970

Citizenship

the Republic of Kazakhstan

Education

- Kazakh National University named after Al-Farabi - Mechanical Engineer, Application Mathematician;
- International Institute of Civil Service and Management (IICSM), Department of Public Sector Finance, "Economics" direction, program "Financial Economics";
- Russian Academy of National Economy and Public Administration under the President of the Russian Federation, Moscow, Master of Economics
- Graduate School of Business of Nazarbayev University, Executive MBA program, joint program with Duke University's Fuqua School of Business - Master of Business Administration;
- Graduate School of Business, Stanford University, Stanford Executive Program

Experience

Mr Satkaliyev in different years worked as a director of TASSAT LLP, Head of the Project Management Department of the National Oil Transportation Company KazTransOil CJSC, and Managing Director of the Nur-Sultan Representative Office of CJSC NOTC KazTransOil. He held the positions of First Vice President of KEGOC JSC, Director for Electricity Assets Management at Samruk Kazakhstan Holding for State Assets Management JSC, Vice Minister of Energy of the Republic of Kazakhstan, Chief Executive Officer of KEGOC JSC, Managing Director of Samruk-Kazyna JSC, Chief Executive Officer of Samruk-Energy JSC, Deputy Chairman of ALE "Kazakhstan Association of Oil and Gas and Energy Complex Organizations "KAZENERGY", Managing Director for Asset Management of Samruk-Kazyna JSC. He served as a member of the boards of directors of JSC NC Kazakhstan Temir Zholy, JSC NAC Kazatomprom, JSC NC KazMunayGas, Chairman of the Board of Directors of KEGOC JSC, member of the Board of Directors of the Kazakhstan

* Composition of the Management Board of the Fund is presented as of May 1, 2021



Electricity Association, Chairman of the Kazakhstan National Committee of the World Energy Council (WEC), member of the Council of the KAZENERGY Association, Chairman of the Coordinating Council of the KAZENERGY Association for the development of the energy industry, Chairman of the Energy Committee of Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan, member of the Presidium of Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan, Chairman of the Committee on Energy and Electrical Engineering under Union of Machine Builders of Kazakhstan ALE.

Mr Satkaliyev was awarded with Orders "Honor", "Parasat"; with Medals: "10th anniversary of the Constitution of Kazakhstan", "10th anniversary of Astana", "20th anniversary of the Independence of Kazakhstan", "Jubilee Medal of the 20th anniversary of the Constitution of Kazakhstan", "25th anniversary of the Independence of Kazakhstan" and "10th anniversary of the KAZENERGY Association". Mr Satkaliyev was awarded the honorary title "Honored Power Engineer of the CIS". He has received Letter of gratitude from N.A. Nazarbayev, the President of the Republic of Kazakhstan, Letter of gratitude from K.K.Massimov, the Prime Minister of the Republic of Kazakhstan.



Andrey Kravchenko

Managing Director for Legal Support and Risks

Date of birth

July 19, 1966

Citizenship

the Republic of Kazakhstan

Education

- Kazakh State University named after S. Kirov in the specialty "Law"
- Moscow Business School

Experience

Mr Kravchenko began his career in 1983 in the judiciary and worked in the tax service since 1991. In 1994, Mr Kravchenko joined the prosecutor's office. From 2002 to 2011, he served as the Head of the Department for Supervision of Legality in the social and economic sphere of the General Prosecutor's Office of the Republic of Kazakhstan. He was directly involved in the establishment of institutions for the support and protection of small and medium-sized businesses, financial monitoring. From 2011 to 2017, he served as Deputy Prosecutor General of the Republic of Kazakhstan. He was awarded the titles of Honorary Lawyer and Honorary Worker of the Prosecutor's Office of the Republic of Kazakhstan. Since 2018, he has been the Managing Director for Legal Support and Risks - a member of the Management Board of Samruk-Kazyna JSC.

**Date of birth**

December 15, 1984

Citizenship

the Republic of Kazakhstan

Education

- Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP) with a degree in Accounting;
- Manchester School of Business, University of Manchester (UK), Master's degree, Accounting and Finance

Experience

Over the years, Mr Zhanadil 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 also served as a 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 subsidiaries of the Fund. 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 Economics and Finance - a member of the Management Board of Samruk-Kazyna JSC. Currently, he is the Managing Director for Investments, Privatization and International Cooperation - a member of the Management Board of Samruk-Kazyna JSC.

**Yernar Zhanadil**

Managing Director for Investments, Privatization and International Cooperation



Marat Aitenov

Managing Director for Public
and Government Relations

Date of birth

May 20, 1978

Citizenship

the Republic of Kazakhstan

Education

- Boston University, LL.M in Banking and Finance Law
- Moscow State University, Master's Degree in Management and Economics

Experience

Mr Aitenov began his career as a legal consultant in 2000 at the Asyk-Ata-Gaz firm, then he worked at National Legal Service CJSC. He held various managerial positions in the Ministry of Justice of the Republic of Kazakhstan, Ministry of Economy and Budget Planning of the Republic of Kazakhstan, Center for Marketing and Analytical Research JSC, RSE Institute for Economic Research, National Innovation Fund JSC, Kazyna SDF JSC, Samruk-Kazyna JSC, Development Bank of Kazakhstan JSC, Administration of Astana International Financial Center JSC. Since 2008, he has been a member of the Board of Directors of Astana-Finance JSC. Since April 2021, he has been appointed to the position of Managing Director for Public and Government Relations - a member of the Management Board of Samruk-Kazyna JSC.

**Date of birth**

December 16, 1975

Citizenship

the Republic of Kazakhstan

Education

- Kazakh State Academy of Management, specialty "Finance and Credit"
- University of Wisconsin Center Richland (USA) under the student exchange program

Experience

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

**Nazira Nurbayeva**

Managing Director for Economy and Finance

Performance Report of the Management Board of the Fund for 2020

In 2020, 50 meetings of the Management Board of the Fund were held, of which 48 in-person and 2 absentee meetings. Thus, compared with the same period in 2019, the share of in-person meetings increased from 90 to 96 percent. Decisions were made on 313 issues, of which 99.3% were considered at in-person meetings of the Fund's Management Board, which is in line with best corporate governance practices. The most important issues addressed by the Management Board of the Fund are as follows:

- On approval of the Corporate Standard of investment activity of Samruk-Kazyna JSC in the new version;
- On approval of the Rules for the implementation of new investments Samruk-Kazyna JSC in the new version;
- On approval of the Procurement Rules of Samruk-Kazyna JSC;
- On approval of the Rules for the search, selection and adaptation of administrative employees of the Fund in the new version;
- On the formation of the list of investment projects of the Group of Samruk-Kazyna JSC and the format of the report of the Management Board of Samruk-Kazyna JSC on these projects to regularly inform the Board of Directors of Samruk-Kazyna JSC;
- On limits for counterparty banks of Samruk-Kazyna JSC;
- On approval of the annual financial statements of the Fund's Portfolio Companies for 2019;
- On the composition of the Board of Directors and Supervisory Boards of the Fund's Portfolio Companies;
- On changes in the authorized capital of the Fund's Portfolio Companies;
- On approval of the List of non-strategic assets of Samruk-Kazyna JSC to be withdrawn;
- On amendments and supplements to the Procurement Management Standard of Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna" and organizations at least fifty percent of voting shares (interest) of which are directly or indirectly owned by the Fund on the right of property or trust management;
- On amending the Corporate Standard for human resources management of the Group of Samruk-Kazyna JSC;
- On approval of the category procurement strategy for the procurement category, which is managed at the level Samruk-Kazyna JSC;
- On amending the Charity Policy of Samruk-Kazyna JSC and the Charity Program of the Samruk-Kazyna JSC Group;
- On the conclusion of strategic Partnership Agreements;
- On consideration of the Annual report on the implementation of the Charity Program of Samruk-Kazyna JSC for 2019.

In general, meetings of the Fund's Management Board were held on a regular basis in accordance with the Work Plan of the Management Board of the Fund.

50
meetings

OF WHICH

96%

ARE IN-PERSON MEETINGS

Committees under the Management Board

In order to improve the efficiency of the decisions taken by the Management Board, there are five committees: Investment and Strategy Committee; HR Coommittee; HSE Committee; Academic Council and Modernization Council.



Academic Council

The purpose of the Academic Council is to promote efficiency in decision-making in managing the Fund's Asset Portfolio in order to achieve strategic key performance indicators (KPI) of the Fund by providing a platform for discussion, making recommendations and proposals on industrial and innovative development of the Fund and Portfolio Companies.

The functions of the Academic Council are the development of corporate standards, uniform policies, rules and guidelines for the implementation of the Industrial and Innovation Policy of the Fund, the development of a list of priority tasks in the implementation of this Policy, consideration of innovative initiatives, assignment of an innovativeness rating, attraction of domestic and foreign scientific, educational and other organizations, world leading companies in various fields of activity and other issues.

In 2020, 3 meetings of the Academic Council of the Fund were held on the industrial and innovative activities of the companies of the Fund, together with Portfolio Companies, priority tasks were determined based on pressing industry problems.

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 the adoption of 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 2020, 40 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-analytical support in the field of HR for the Fund's Group.

The composition of the HR Committee is determined by the decision of the Management Board of the Fund and consists of at least 5 (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 2020, 12 in-person meetings of the Fund's HR Committee were held. In total, 24 issues were considered, on which 51 decisions were made.

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

- issues of amendments to the Rules of remuneration and social support of the Fund's employees;
- issues of assessment of positions (grades) of individual employees of the Fund;
- issues of forming the list of key positions / roles of the Fund for 2020;
- issues of training and professional development of employees of the Fund;
- issues about rewarding employees of the Fund's Group on the day of the Constitution of the Republic of Kazakhstan and the Independence Day of the Republic of Kazakhstan;
- issue on the "Bank of Ideas" project;
- information on the implementation of decisions of the HR Committee of the Fund.

Modernization Council

The main goal of the Modernization Council is to manage and coordinate activities aimed at implementing the Transformation Program in the Fund's 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:

1. determination of the content, main directions, financing issues, key performance indicators, coverage and timing of the implementation of the Transformation Program;
2. coordination of the implementation of the Transformation Program in the functional areas of the Fund and the Companies;
3. ensuring communication between the participants of the Transformation Program in the Fund and the Companies;
4. control over compliance with unified quality requirements for the implementation of the Transformation Program;



5. monitoring the implementation of the Transformation Program, assessing, analyzing the results of the implementation of changes, adjusting the Program itself;
6. 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;
7. 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.

In 2020, 3 meetings of the Modernization Council were held, and 9 issues were considered. The main issues are:

- issues regarding the centralization of operational functions of the Fund's Group;
- the status of IT work in the Fund's Portfolio Companies;
- issues on the update of the Transformation Program;
- issues of implementation of activities.

HSE Committee

The purpose of the HSE Committee is to develop recommendations for the Management Board of the Fund and representatives of the Fund on the Boards of Directors of Portfolio Companies, as well as to coordinate activities undertaken by Portfolio Companies in the field of occupational health, safety and environmental protection.

Within the framework of the HSE Committee in 2020, systematic work was organized on:

- exchange of experience in implementing the best world practices in the field of HSE;
- exchange of experience between Portfolio Companies on the prevention and control of coronavirus infection, including taking into account the information received by Portfolio Companies as part of participation in international industry working groups to combat COVID-19;
- implementation of a project aimed at building a systematic work on the continuous improvement of the HSE management systems of the Fund's Portfolio Companies. In 2020, within the framework of the Fund's synergetic project to improve HSE management systems, work was carried out on Stage I. The main scope of work in Stage I consisted of Finalization of the unified methodology for assessing HSE control systems and Planning stages 2-4.

REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS AND MEMBERS OF THE MANAGEMENT BOARD

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 remuneration for the official salary, terms of remuneration 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 under 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 Fund’s Management Board is determined in accordance with the Terms for remuneration and bonuses for the Chief Executive Officer and members of the Fund’s Management Board, approved by the Fund’s Board of Directors, 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 the performance evaluation of the Chief Executive Officer and a member of the Management Board in order to financially reward for the successes achieved and increase the performance.

The main condition for the payment of remuneration is the availability of a consolidated total income for the reporting year.

The total remuneration paid to key management personnel included in general and administrative expenses amounted to KZT575 million for 2020. This amount includes remuneration for Independent Directors and remuneration paid to members of the Executive Body.



RELATED-PARTY TRANSACTION REPORT FOR 2020

No.	Name of counterparty	Sign of interest	Transaction
1.	CHEM-plus LLP	Organization of the Fund's Group	Supplementary agreement to the Agreement on the providing of guarantee and reimbursement of expenses
2.	<ul style="list-style-type: none"> • NC Kazakhstan Temir Zholy JSC; • KTZ-Freight transportation JSC; • KTZ-Express JSC; • KEGOC JSC; • NAC Kazatomprom JSC; • Kazpost JSC • NC KazMunayGas JSC; • Intergas Central Asia JSC; • Atyrau Refinery LLP; • KazTransOil JSC; • Embamunaygas JSC; • Ozenmunaygas JSC. 	Portfolio Company and organizations of the Fund's Group	Supplementary Agreements to SAP Software Use Rights Transfer Agreements
3.	NC KazMunayGas JSC	Portfolio Company	Supplementary agreement to the Employment Agreement between Samruk-Kazyna JSC, NC KazMunayGas JSC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Ltd, Goldman Sachs International and UBS AG
4.	Samruk-Kazyna Business Service LLP	Portfolio Company	Supplementary Agreement to the SAP Software License Fiduciary Agreement
5.	JSC NMC Tau-Ken Samruk	Portfolio Company	Temporary Financial Assistance Agreement
6.	Kazakhtelecom JSC	Portfolio Company	Pledge agreements
7.	KTZ-Freight transportation JSC	Organization of the Fund's Group	Supplementary Agreement to the SAP Software Use Rights Transfer Agreement

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 regulations. 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 objectives of the Corporate Risk Management and Internal Control System are:

- increasing the 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 the goals, effectively respond to negative "surprises" and reduce the consequences of such situations, if they occur, to an acceptable level;
- ensuring the use of opportunities to increase the value of assets and profitability of the Fund in the long term.

The basic principles and approaches to organizing risk management and internal control in the Fund's Group are reflected in the Risk Management and Internal Control Policy of Samruk-Kazyna JSC. 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 units 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 by the Risk Subdivision and the Fund's Compliance Service, which are responsible for monitoring the implementation by business functions of effective risk management and internal control practices, compliance with legislation and internal regulations of the Fund. The third line of defense (an independent guarantee) 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; on a regular 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.

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's companies.

Work continued on building an effective internal control system. In order to reduce process risks, the Fund carries out general mandatory and functional certification of employees for knowledge of the requirements of the Fund's internal regulations.

Non-exhaustive list of risks of the Fund and Portfolio Companies

STRATEGIC RISKS



The risk of the COVID-19 pandemic has a direct impact on the health and safety of the Fund's employees and the Fund's Portfolio Companies, as well as negatively influenced the price risk, currency risk, risk of violation of covenants, liquidity risk, IT risks and risks of social stability of the Fund's Group. In order to respond in a timely manner, rapid response headquarters are functioning under the direct control of CEOs, Action Plans have been developed and are being implemented to prevent the spread of COVID-19 and respond to a suspicious case of COVID-19. Meetings of the HSE Committee dedicated to the fight against coronavirus are being held and plans to phased exit from the quarantine period are being implemented.

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's 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.

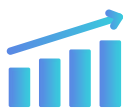
FINANCIAL RISKS



Liquidity risk and risk of violation of covenants / listing requirements these are risks associated with the inability of the company to finance its activities in a timely manner and fully meet its obligations. As part of the management of these risks, limits are set and monitored on the degree of the Fund's and the PCs' debt burden, various measures are taken to ensure the execution of covenants by Portfolio Companies and increase the financial sustainability of the Fund's Group.

Currency risk is the risk of losses due to unfavorable changes in foreign exchange rates. Control over the level of foreign exchange debt of the Fund and Portfolio Companies and analysis of the impact of exchange rate differences on net profit is carried out, the situation in the domestic and foreign markets, the actions of the regulator are monitored. Work is underway to reduce foreign currency debt, including refinancing foreign currency loans, and increasing foreign currency earnings.

OPERATIONAL RISKS



Risk of social instability is the risk associated with social tension of various groups of employees of the Fund and Portfolio companies. To monitor the state of risk of social stability, the Center for Social Interaction and Communications analyzes the level of social stability in the workforce of the Fund's Group on an annual basis. In 2020, a new tool for measuring the level of social stability was used - Samruk Research Services (hereinafter - SRS). Based on the analysis of the results of the SRS for 2020, work was noted to ensure comfortable and safe working conditions, as well as to maintain healthy and constructive relationships in work collectives.

Risk of accidents is the risk, due to the specifics of the activity, which is significant mainly for the Fund's Portfolio Companies engaged in production. In order to mitigate the risk, the Fund provides for a synergistic initiative "Industrial Safety" to bring the HSE management system in the Portfolio Companies of the Fund to the level of the best international standards. The above-mentioned initiative is being implemented within the framework of the work of the HSE Committee under the Management Board of the Fund, which includes responsible representatives of the 12 largest Portfolio Companies. In 2020, within the framework of the Fund's synergetic project to improve management systems in the field of health, safety, and environmental protection of Portfolio Companies, work was carried out on Stage I. The main scope of work of Stage I consisted of the Finalization of the unified methodology for assessing HSE control systems and Planning of stages 2-4 (Training of Portfolio Companies' specialists diagnostics of HSE control systems; Diagnostics of HSE control systems; and GAP analysis and development of Improvement Plans for HSE control systems).

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.

ANTI-CORRUPTION

The Fund recognizes that the social and economic environment in which the Fund operates is improved by increasing the reliability and integrity of transactions, preventing corruption and providing reliable information for decision-making by stakeholders.

Thus, transparent business conduct is a necessary factor when interacting with stakeholders and building trusting intra-corporate relationships.

All employees of the Fund are familiarized with the Code of Conduct when hiring. The Compliance Service conducts an adaptation course for newly adopted employees, explains the principles of compliance within the framework of the Fund's activities, and directs the legislative requirements in this area. Understanding and adherence to the Code of Conduct is verified by periodic testing of the staff.

The Fund is committed to high standards and principles of corporate ethics stipulated by the Code of Conduct, which is posted on the Fund's Internet resource. In 2020, the Compliance Service carried out the following activities within the framework of the compliance program:

- Formation of an anti-corruption culture;
- Monitoring the execution of the action plans of the Compliance Service;
- Work with appeals and complaints received by the "hot line".

In 2020, remote interaction within the Fund contributed to the adaptation of corporate policies and procedures, their simplification, taking into account the efficiency and changes in the rules in the conditions of remote work, strengthening the role of corporate communication through newsletters, including reminding employees about anti-corruption requirements, about changes in the regulatory environment and the functioning of the hot lines. This made it possible to achieve 100% of the

familiarization coverage and contributed to the growth of the involvement of employees and other persons in using the capabilities of the hotline administered by the Center for Social Interaction and Communications of the Fund. The hotline is one of the most effective tools for monitoring the compliance of the Fund and its employees with legislative norms in the field of compliance. This is evidenced by the dynamics of requests: in 2020, the hotline received 620 appeals, which is 2.5 times more than the number of appeals in 2019 (247 appeals). All appeals were considered within the established time frame with the adoption of appropriate measures and notification of the applicants.

During the reporting period, as part of the formation of zero tolerance for manifestations of bribery and corruption among the employees of the Fund, the following training activities were carried out:

1. On September 10, 2020, under the leadership of the Chief Executive Officer of the Fund, a hearing of Portfolio Companies on the ongoing anti-corruption measures was organized. Based on the results of the hearing, instructions were given by the Chief Executive Officer of the Fund to securing control 69-r dated September 18, 2020;
2. On December 4, 2020, an information session was held for employees of the Fund and Portfolio Companies with the participation of Zhylykshieva Zh., the First Deputy Head of the Department of the Anti-Corruption Agency in Nur-Sultan;
3. At the invitation of the Department of the Anti-Corruption Agency of the Republic of Kazakhstan in Nur-Sultan in the AntikorLive online project, A.T. Alpeissova, the acting Head of Compliance Service, gave an interview for the role of compliance services in meeting anti-corruption standards;
4. On December 8, 2020, the Fund's Compliance Service organized a seminar with the participation of KPMG specialists on the topic "Corruption risks" for the compliance units of Portfolio Companies.

In 12 Portfolio companies, there are compliance subdivisions accountable to their governing bodies.



1. All Portfolio Companies approved Action Plans for the implementation of the Anti-Corruption Law.
2. Analysis of corruption risks was carried out in Portfolio Companies and Action Plans were approved.
3. In accordance with the Order of the Accounts Committee for Monitoring the Execution of the Republic Budget, a Plan for the development and implementation of a procedure for checking the reliability of third parties and their affiliation with employees of the Fund and the group of companies Samruk-Kazyna JSC was developed, which was approved by the Chairman of the Management Board in 2020.



GLOSSARY

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

The Fund,	Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna"
Samruk-Kazyna JSC	percent
%	Stock Exchange of Astana International Financial Center
AIX	The Association of Chartered Certified Accountants
ACCA	Express Mail Service
EMS	(International express mail delivery service)
CIMA	Chartered Institute of Management Accountants
CRM	Customer Relationship Management
CFA	Chartered Financial Analyst issued by the CFA Institute
IPO	Initial Public Offering
IT	Information Technologies
HR	Human resources
KZT	Kazakhstani tenge
MBA	Master of Business Administration
MC	Managing company
MD&A	Management discussions and analysis
LTIFR	Lost time injury frequency rate
QAZAQ AIR, "QAZAQ AIR" JSC	QAZAQ AIR Joint Stock Company
ROA	Return on assets
ROE	Return on equity
SRC	Samruk Research Services
SPV	Special purpose vehicle/entity
USD	The United States dollars

ADB	Asian Development Bank
AFAPC	Automated Frequency and Active Power Control
AR	Atyrau Refinery
ACCA	The Association of Chartered Certified Accountants
ACS	Automated Control System
AP	Administrative personnel
STB RoK	Second-tier banks of the Republic of Kazakhstan
GDP	Gross Domestic Product
WPP	Wind Power Plants
RES	Renewable Energy Sources
OPTL	Overhead Power Transmission Line
FOCL	Fiber-Optic Communication Line
HEI	Higher Educational Institution
Fund's Group	Fund, companies, their subsidiaries, more than 50% of voting shares (interests) of which are owned by companies, as well as legal entities, more than 50% of voting shares (interests), of which are owned by the said subsidiaries of companies
GRES	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	Subsidiary and Dependent Organizations
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
H&U	Housing and Utilities
CPS	Category Procurement Strategy
UOC	Uranium Oxide Concentrate
KEGOC, "KEGOC" JSC	"KEGOC" Kazakhstan Electricity Grid Operating Company Joint Stock Company
Kazpost, "Kazpost" JSC	"Kazpost" Joint Stock Company
KAP, JSC "NAC "Kazatomprom"	Joint Stock Company "National Atomic Company "Kazatomprom"
KBM	"Karazhanbasmunai" Joint Stock Company
KVI, COVID-19	Coronavirus Infection of 2019
kWh	kilowatt-hour
KEGOC, "KEGOC" JSC	"KEGOC" Kazakhstan Electricity Grid Operating Company Joint Stock Company
KIMEP	Kazakhstan Institute of Management, Economics and Strategic Research
km	kilometer
KMG, JSC NC "KMG"	Joint Stock Company "National Company "KazMunayGas"
PRC	People's Republic of China
Companies, Portfolio Companies, PCs	National Companies and other legal entities, more than 50% of voting share (interest) of which are owned by the Fund on the right of property or trust management
KPI	Key Performance Indicator
KTZh, JSC NC KTZh	Joint Stock Company "National Company "Kazakhstan Temir Zholy"
GTK, Kazakhtelecom, Kazakhtelecom JSC	"Kazakhtelecom" Joint Stock Company
CC	Corporate Center

m ³	Cubic meter
mW	megawatt
IAL	Internal Airlines
mIn	million
bln	billion
MGP	Main Gas Pipeline
MMG, Mangistaumynaigas JSC	“Mangistaumunaigas” Joint Stock Company
LC	Local Content
AIFC	“Astana” International Financial Center
NB RoK	National Bank of the Republic of Kazakhstan
VAT	Value-Added Tax
Refinery	Oil Processing Plant
NCE	National Chamber of Entrepreneurs
ETL	Energy 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
PR	Pavlodar Refinery



SS	Sub-Station
E&P KMG	Exploration and Production KazMunayGas JSC
RK	Republic of Kazakhstan
RF	Russian Federation
BoD	Board of Directors
SKI, Samruk-Kazyna Invest LLP	Samruk-Kazyna Invest Limited Liability Partnership
Media	Mass Media
CAW	Construction and Assembly Works
CIS	Commonwealth of Independent States
USA	United States of America
SE, Samruk-Energy JSC	Samruk-Energy Joint Stock Company
SEZ	Special Economic Zone
TKS, JSC NMC "Tau-Ken Samruk"	Joint Stock Company "National Mining Company "Tau-Ken Samruk"
HDP	Holding's Commodity Producers
United Chemical Company LLP, UCC	"United Chemical Company" Limited Liability Partnership
trln	trillion
thous.	thousand
GWS	Goods, works and services
TCO, Tengizchevroil LLP	"Tengizchevroil" Limited Liability Partnership
SCEF	Specific Consumption of Equivalent Fuel
FGF	Future Generation Fund of Samruk-Kazyna JSC
SWF	Sovereign Wealth Fund
FRS	Federal Reserve System

CESC	Centralized Emergency Control System
it.	item
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



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- You can report the facts of labor, corruption and other offenses through the four proposed communication channels
- Secret and hidden
- All complaints will be considered

Questions on this Annual Report can be sent to the
CorporateGovernance Department at governance@sk.kz.