



SAMRUK
K A Z Y N A



2021

**ANNUAL
REPORT**

**RESILIENCE TO
GLOBAL CHALLENGES**



SAMRUK
KAZYNA



2021
ANNUAL REPORT

WHO WE ARE

Samruk-Kazyna Sovereign Wealth Fund Joint Stock Company was founded in 2008 by the Decree of the President of the Republic of Kazakhstan. The Sole Shareholder of the Fund is the Government of the Republic of Kazakhstan.

The mission of the Fund is to create a long-term value and stimulate sustainable economic development through effective asset management in the interests of the people of the Republic of Kazakhstan.

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“ ” Our mandate

The vision of the Fund is to become a leader of the national economy and make a breakthrough in the innovation-driven development based on the principles of people’s welfare and environmental protection through responsible investment.



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WELCOME MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Jon Dudas

Chairman of the Board of Directors
Samruk-Kazyna JSC

Dear colleagues, partners, stakeholders and investors!

The year 2021 continued the trend of the previous year and became extremely difficult for the global economy due to the ongoing crisis caused by the COVID-19 pandemic. The Fund's group of companies was not immune against the impact of such consequences. Nevertheless, it is worth noting a significant increase in prices for energy sources last year, which helped to mitigate the effect of restrictions associated with the coronavirus pandemic. In addition, the Fund took appropriate response measures to minimize the impact of external factors, and proactive actions allowed the Fund to achieve the target key performance indicators.

Strategy of the Fund

The Fund's strategy corresponds to key nation-wide priorities and contributes to the implementation of Kazakhstan-2050 strategy, which is a national document that defines the long-term course of the country's development.

In accordance with the Fund's Development Strategy, new approaches were developed to ensure the transition to low-carbon development, provided that a reasonable balance between energy and environmental safety should be maintained. The Fund has set the goal of achieving carbon neutrality by 2060.

On a 10-year horizon, as part of key priorities, the Fund focuses on the introduction of ESG principles and the implementation of infrastructure and green investments in the Republic of Kazakhstan. Optimization and enhancement of efficiency of the asset portfolio management was achieved by dividing the portfolio into three groups: strategic management assets, investment management assets, and assets for the transfer to a competitive environment, with priority consideration of the AIFC platform.

Currently, the Fund is implementing the most ambitious program of changes for intensive modernization in its entire history. The changes apply to all areas of the Fund activities. The program approved by the President of the Republic of Kazakhstan Qasym-Jomart Toqaev at the meeting of the Supreme Council for Reforms is aimed at increasing the efficiency of the Fund, supporting domestic producers and suppliers, and increasing transparency in procurement. It should be noted that all the proposed reforms are already being implemented. Even now, the activities of the renewed Fund have become as transparent as possible.

The updated Development Strategy of the Fund, taking into account new challenges that the Fund faces, will be approved by the Sole Shareholder in the prescribed manner in the nearest future.

External factors

Due to the global geopolitical situation, unprecedented sanctions were imposed on the Russian Federation. In view of the geographical proximity and the high degree of economic integration between Kazakhstan and Russia, the strengthening of the sanctions regime against the Russian Federation may have a significant impact on the future activities and financial performance of the Fund's group of companies.

In order to minimize the impact and probability of the risks of violating the sanctions laws, the Fund, together with Portfolio Companies, regularly identifies, assesses and monitors key risks, promptly develops and implements measures to manage them. The Fund continues to monitor changes in risk factors and develop necessary measures to resolve the issues raised with all stakeholders.

Fund also considers other companies to be placed to IPO: KEGOC JSC and NC QazaqGaz JSC.

In 2021, proceeds from the privatization of assets in the amount of KZT 558.3 million were transferred to the National Fund of the Republic of Kazakhstan.

In 2022, it is planned to continue the implementation of measures to transfer companies to the competitive environment by agreement with the Government of the Republic of Kazakhstan, as well as to withdraw non-strategic assets (divestment).

Over the past year, H&S indicators in the Fund's group of companies have improved by

11%

Privatization

At the end of 2020, the Government of the Republic of Kazakhstan adopted a new 2021-2025 Comprehensive Privatization Plan and defined new terms for the privatization of assets.

As part of the Comprehensive Privatization Plan, the Fund continues to work on 8 large companies that are subject to IPO/SPO or sale to strategic investors, as well as prepares 17 assets for the transfer to the competitive environment in various ways in 2021-2025.

The Fund adheres to the economy denationalization policy in those sectors where competitive markets are present. Thus, the Fund is planning to privatize its largest strategic enterprises by bringing them to the organized securities market in a transparent and competitive manner. In general, during 2021, preparatory measures were taken to place the following companies of the Fund to IPO or transfer them to the competitive environment: Kazpost JSC, Samruk-Energy JSC, Air Astana JSC, NC KazMunayGas JSC and QAZAQ AIR JSC. The

Health, Safety and Environment (HSE) Status and COVID-19

The Fund is aware of the importance of its impact on the economy, ecology, and society, and ensures that its activities comply with the principles of sustainable development by coordinating its environmental (E), social (S) and governance (G) goals and maintaining a balance of stakeholders' interests. One of the key factors of sustainable development for the Fund is the welfare of people and ecological balance, which ensures long-term financial stability.

The Fund pays priority attention to strengthening human capital, improving occupational health, safety, and social stability. Several synergetic initiatives are being implemented with the aim of improving the safety culture, developing leadership and achieving international standards in occupational health and safety (hereinafter – H&S).

Today, one of the key factors of the ESG agenda is the creation of safe working conditions and ensuring welfare

The LTIF rate in the past 12 months was 0.22, which is

4.2%

higher than in 2020.

of employees. Minimizing H&S issues is of paramount importance for me personally (and for the Fund as a whole) and is fully supported by the Management Board and the Board of Directors.

Over the past year, H&S indicators have improved in the Fund's group of companies. Thanks to joint efforts, the number of employees returned home alive and intact in 2021 was ~11% higher than in the previous year. The LTIF rate for the past year was 0.22, which is 4.2% better than in 2020 (0.23).

However, despite the work being done, serious accidents, including fatal ones, occur too often, which indicates a lack of involvement of senior management in safety issues. In 2021, 14 of our colleagues died. Appropriate support was provided to their families. Another 48

colleagues were seriously injured. The Fund's group of companies should draw a lesson from these incidents, therefore, at the end of 2021 it was decided to announce 2022 as the Year of Occupational Health and Safety in the Fund's group of companies in order to achieve the following goals:

- Eliminate serious injuries and diseases, especially fatal ones;
- Prevent occupational accidents in particularly dangerous conditions;
- Implement the world's best industry practices.

The H&S Plan for 2022 was developed and sent to 13 key portfolio companies for implementation. The following events are planned for 2022:

- Exchange of experience with leading companies to study best practices for the purpose of their further application;
- Launch of a corporate training program and an e-learning course in the HSE field to improve management skills;
- Training under programs, including Leadership Accountability (CEO and CEO-1 of manufacturing companies) to improve the safety culture in the Fund;
- Strengthening the level of involvement of Production Councils to solve key issues at the local level.

With regard to ensuring the health of employees, a lot of work was done to stabilize the pandemic situation across the Fund's group of companies. We have reached 87% of the vaccination rate among our employees; 18% of them were revaccinated.

In general, all employees of the Fund's group of companies are required to transform the safety culture and increase the level of personal commitment to safety issues.

A proactive approach is needed to protect the environment, as well as to reduce the risks associated with ensuring the safety of technological processes. Such a paradigm shift will save many lives, preserve the environment for future generations, and improve the well-being of families.

Charity

Last year, the Fund also paid special attention to its charitable activities. In 2021, 32 social projects totalling more than KZT 7.1 billion were implemented. About half a million people received assistance as part of the implementation of these projects.

The Fund focused its charitable activities on people and communities in the medical sector. For example, a medical department was opened in Petropavlovsk hospital, and Karaganda hospital was equipped for the treatment of hypoxia.

In addition, projects aimed at the development of the media, cultural community, and human development were implemented. Moreover, attention

was paid to the implementation of a regional social investment program in regions where the Fund Group operates. These projects were aimed at promoting a healthy lifestyle and creating an accessible sports infrastructure, which included caring for WWII veterans and homefront workers, helping children with autism, constructing sports clubs for children with disabilities, yard clubs for children from socially vulnerable populations, and providing modern year-round sports complexes.

Given the unstable situation in the world and the geopolitical situation in the region, the year 2022 is expected to be no less difficult. Despite this, the Fund will continue its work aimed at achieving goals and objectives set by the country's leadership and will act within the framework of the Fund's Development Strategy and the Kazakhstan-2050 strategy.

**In 2021,
32 social
projects for a total
amount of more than**

KZT

7

**BILLION
were implemented.**

Jon Dudas

Chairman of the Board of Directors Samruk-Kazyna JSC



WELCOME MESSAGE FROM THE CEO

Almassadam Satkaliyev

CEO Samruk-Kazyna JSC

Dear colleagues, partners and investors!

2021 became the year of global challenges. The values were redefined towards increasing emphasis on the safety and well-being of people, reducing the impact on the environment, and developing corporate culture.

People are the main value of the company. The performance results of the Fund and the value created for investors depend on the level of professionalism and safety of everyone.

During the pandemic, the Fund and portfolio companies retained jobs and ensured timely and full payment of wages. Moreover, the Fund continued to provide assistance to the population through social projects. In 2021, we implemented 32 charitable projects which in total covered more than 500 thousand beneficiaries.

The Fund also supported the state vaccination campaign and financed the purchase of the Hayat Vax

vaccine for the population of Kazakhstan so that everyone could receive the vaccine in state medical institutions. To date, the Fund continues to work on vaccinating employees against coronavirus infection.

The issues of improving the industrial safety system for me personally and for the Fund as a whole are the highest priority. All employees of the Fund Group, without exception, must return home to their families alive and intact. Over three years, the Fund's group of companies has performed significant work in the field of HSE. In 2021, the number of injured employees decreased by 36% compared to 2019.

Our hard work to protect the health and safety of our employees, contractors and the population is a fundamental factor for the long-term and successful business of Samruk-Kazyna group of companies. Therefore, 2022 was declared the Year of Occupational Health and Safety.

The Fund promptly took appropriate measures to minimize a negative impact of the pandemic and, thanks to proactive actions, was able to achieve key performance indicators.

The production and financial performance for 2021 exceeded the results achieved before the 2019 pandemic.

In 2021, we implemented

32

charity projects

In 2021, the number of injuries decreased by

36 %
compared to 2019

Net profit amounted to KZT 1.6 trillion, which is significantly higher than the annual planned figure. The growth was mainly driven by the raise in prices for oil and petroleum products, which still account for a significant share of revenue.

It is worth noting a significant improvement in indicators in other areas, such as passenger air transportation, railway freight traffic, and an increase in demand for electricity. This was largely caused by the restoration of business activity and the removal of quarantine measures after the difficult 2020.

Taking into account a dividend policy approved in 2021, the Fund is constantly working to increase the dividend income in favor of the Sole Shareholder represented by the Government of the Republic of Kazakhstan. Thus, following the results of 2021, the Fund will transfer KZT 170 billion to the republican budget, which is twice as high as in 2020.

The companies of the Fund Group are major taxpayers. In 2021, about KZT 1.2 trillion was allocated to the budget of the Republic of Kazakhstan, which on average amounts to 10% of annual revenues to the republican budget.

Special attention is paid to the reduction of the Fund's share in the country's economy. In 2021, five assets of the Fund were sold for a total amount of about KZT 2.7 billion.

In addition, the Fund focused its efforts on preparing NC KazMunayGas JSC and Air Astana JSC for the inclusion in the international listing and elaborating the issues of involving independent consultants, as well as the issues of adaptation of such individual elements of the People's IPO as extensive local coverage of planned transactions, the involvement of domestic retail investors, and ensuring a longer period for the receipt of applications.

In 2021, the Fund worked to withdraw from non-strategic assets within the framework of portfolio companies' own plans to optimize the portfolio, of which 13 assets were

sold, 2 assets were transferred to state ownership, and 8 assets were liquidated.

While the whole world is striving for a sustainable and inclusive future, Samruk-Kazyna has also begun the process of reforming, revising the philosophy and approaches to doing business and strengthening social responsibility.

We started updating the Fund's development strategy considering new risks and opportunities. When developing the strategy, we proceeded from the key goal of creating Samruk-Kazyna Fund which was to increase national welfare through the promotion of sustainable economic development.

We identified sustainable development as one of the foundations for quality growth and increasing the shareholder value. While ensuring the financial stability of the Fund's Group, we set the task of meeting the ESG principles, which means improving the well-being of people and reducing the negative impact on the environment.

Today, the world community no longer needs the deterrent scenarios of inaction against the background of the climate and environmental circumstances. Heads of Governments and representatives of business communities understand the need to reduce the environmental impact and strive to find constructive solutions. Investors are also aware that environmental risks become investment risks that will affect the long-term financial stability and value of companies.

The Fund is already actively working in this direction. Samruk-Kazyna, as a large holding company representing the interests of the state in the electric power industry, plays a key role in the country's plans for the transition to a "green" economy.

About 70% of the electricity produced in our country is generated using coal as fuel. Due to the fact that tariffs for gas, coal and, as a result, electricity are among the lowest, the economy of

In 2021, five assets of the Fund were sold for a total amount of about

KZT
2.7
BILLION

Samruk-Energy placed debut “green” bonds worth

KZT

18.4

BILLION

on the AIX exchange

Kazakhstan ranks 12th in the world in terms of energy intensity and 5th in terms of carbon intensity. At the same time, population growth, trends in digitalization and automation cause an increase in electricity consumption, and demand may increase 3 times by 2060, therefore, sources of basic generation are required to cover this demand.

We consider all the above-mentioned and other aspects when developing the Fund’s Concept for the Transition

to Low-Carbon Development, which defines the Fund’s vision and goals for achieving carbon neutrality. We have set a goal to reduce the carbon footprint by 10% with further achievement of carbon neutrality by 2060.

In 2021, the Fund implemented a set of measures to reduce the environmental impact and ensure rational use of resources. Thus, during the reporting year, the Fund’s Portfolio Companies launched several RES projects. With the participation of the Head of State, a project was launched to transfer the Almaty CHP-2 to gas. In the future, it is also planned to transfer the CHP-3 to gas.

The Fund’s Portfolio Companies, which are mostly large producers that use energy-intensive technologies, pay great attention to energy saving and improvement of energy efficiency. One of the most energy-intensive enterprises of the Fund – Samruk-Energo – implements an Energy Saving and Energy Efficiency Improvement Program for 2015-2025. KazMunayGas, in turn, implemented 49 measures in 2021, as a result of which savings in fuel and energy resources amounted to 5.3 million kW of electricity and 8,107 thousand m³ of natural gas.

To finance the accomplishment of the tasks, the Fund and its Portfolio Companies consider the possibility of issuing green bonds or bonds linked to sustainable development goals. In November 2021, with the support of the AIFC, Samruk-Energy placed debut “green” bonds worth KZT 18.4 billion on the AIX exchange.

In general, we believe that the Fund can act as a locomotive of transition to low-carbon development in Kazakhstan.

We consider corporate governance as one of the key non-financial factors that ensure effective portfolio management and increasing the long-term value of assets. All Portfolio Companies, regardless of the plans and terms of the initial public offering, have the task to improve the level of corporate governance. This also includes the requirements for ensuring transparency in a decision-making process, compliance procedures and disclosure of information.

As part of the implementation of the ERP agenda, all Portfolio Companies of the Fund will work in the coming years to obtain ESG ratings. Several Portfolio Companies are already working with international rating agencies.

Suppliers and contractors are the most important participants in the value chain in adhering to the ESG principles. Over the past two years, we have seen a significant increase in competitive procurements by means of an open tender and a request for quotes. The share of procurements from one source has been reduced 5 times, while competitive procurements have increased 6 times. Direct support was provided to domestic producers for a total amount of KZT 246 billion. Based on the procurement results for 2021, saving amounted to KZT 145 billion.

The Fund continues to work on improving its key indicators. At the beginning of 2022, the Supreme Council for Reforms chaired by the Head of State approved the Fund's Reform Program, which contained urgent and systemic reform measures.

As part of urgent measures, the number of the Fund's Corporate Center was reduced, the organizational structure was optimized, and foreign representative offices were closed. Thanks to these measures, the Fund reduced the costs of the Corporate Center by about KZT 2.6 billion. Similar work is carried out at the level of the Fund's group of companies.

To date, we have started implementing systemic measures to improve the welfare of the population, which include initiatives to increase the corporate social responsibility of the Fund and Portfolio Companies,

business support, new approaches in dividend and investment policies, asset privatization and human capital development.

In general, the Fund is systematically moving towards the achievement of its goals. Comprehensive work is being carried out to improve the efficiency of Portfolio Companies. In the short term, we see the Fund as a strategic holding company that is subject to further transition to the investment holding model. In the long term, radical transformations based on global trends are expected.

Almassadam Satkaliyev

CEO Samruk-Kazyna JSC

**Direct
support was
provided to domestic
commodity producers through
category procurements for a total
amount of**

KZT

**246
BILLION**

KEY EVENTS OF THE REPORTING PERIOD



FEBRUARY

Samruk-Kazyna JSC held the second Forum to support domestic entrepreneurs

Samruk Business Forum II to support domestic entrepreneurs organized by Samruk-Kazyna JSC was held in Nur-Sultan. The event was attended by the President of the Republic of Kazakhstan Qassym-Jomart Tokayev, the Prime Minister, Head of the Presidential Administration, members of the Government, the Chief Executive Officer of Samruk-Kazyna JSC, heads of national companies and representatives of business associations. Since 2018, the Fund has been implementing an Import Substitution Program to encourage the creation of new production facilities that have no analogues in Kazakhstan and to ensure the conclusion of long-term offtake contracts. The domestic business was proposed to establish production in Kazakhstan, and the Fund, in turn, guaranteed the purchase of their goods in the medium term. As of February, 42 projects were approved under the Import Substitution Program with an investment volume of KZT 218 billion. In fact, real contracts totaling KZT 27 billion were signed, more than 2,000 jobs were created.

Opening Adaldyk Alany project office in Samruk-Kazyna JSC

On February 17, 2021, Adaldyk Alany project office was opened in Samruk-Kazyna JSC with the participation of top managers of the Fund and the Anti-Corruption Agency. The project office was created with the aim of eliminating prerequisites for corruption, promoting the ideology of honesty and integrity, and strengthening public control in the corporate governance of the Fund's group of companies. During the Samruk Business Forum held to support domestic entrepreneurs, the Head of State noted public control as a mandatory tool for effective and transparent privatization of the Fund's facilities until 2025.

Samruk-Kazyna JSC expands investment cooperation with sovereign wealth funds

The Chief Executive Officer of Samruk-Kazyna JSC held a meeting with the management of Mubadala Investment Company, the UAE Sovereign Wealth Fund. During the meeting, the parties discussed current cooperation and prospects for co-investment in various sectors of the economy of the Republic of Kazakhstan. Strategic documents were signed during the meeting. Samruk-Kazyna JSC and its subsidiary, Mubadala – Abu Dhabi Future Energy Company (Masdar), signed a Memorandum on the development and study of the renewable energy sector in Kazakhstan. KMG Drilling & Services and Caspian Drilling Company signed an Agreement on drilling wells using the Satti self-lifting drilling rig produced in Kazakhstan in the Azerbaijan sector of the Caspian Sea, where SOCAR (Azerbaijan) and British Petroleum conduct joint exploration operations. In addition, negotiations were held with other potential investors, including on issues of cooperation under projects of construction of a gas chemical complex in Atyrau region. The completion of construction of the Polypropylene plant worth USD 2.6 billion is expected this year.



The Prime Minister of the Republic of Kazakhstan introduced the new Head of Samruk-Kazyna JSC

Askar Mamin, the Prime Minister of the Republic of Kazakhstan, introduced the new Chief Executive Officer of Samruk-Kazyna JSC – Almassadam Satkaliyev. Introducing the new Head of the Fund, Askar Mamin noted his significant experience in the energy sector and in the system of Samruk-Kazyna JSC. The Head of State assigned a task to Samruk-Kazyna JSC to create favorable conditions for further sustainable development of the national economy by developing the fuel and energy sector, infrastructure, transport, logistics and industrial potential of the country, attracting investments and providing support to domestic producers.

MARCH

QazaqGaz JSC became a Portfolio Company of Samruk-Kazyna JSC

QazaqGaz JSC became an independent portfolio company of Samruk-Kazyna JSC. The Government adopted a resolution, and an agreement was signed between Samruk-Kazyna JSC and KazMunayGas JSC on the transfer of QazaqGaz JSC to the trust management of Samruk-Kazyna JSC. Thus, the national company KazTransGas JSC will not only transport gas, but will also become a qualified National Operator in the field of gas and gas supply.



Samruk-Kazyna JSC awarded the best production workers

Samruk-Kazyna JSC summed up the results of the professional skills contest – Uzdik Maman. The following

APRIL

production companies of the Fund took part in the contest: Kazakhstan Temir Zholy, KazMunayGas, Kazatomprom, Kazakhtelecom, KEGOC, Samruk-Energo, Kazpost, Air Astana, Tau-Ken Samruk, United Chemical Company and QAZAQ AIR. It should be noted that Samruk-Kazyna JSC is one of the largest employers in the country with about 300 thousand employees. By 2024, Samruk-Kazyna JSC intends to become the employer No. 1 in Central Asia, and by 2028 it expects to enter the top 30 best employers in the CIS.



EDPR and Samruk-Kazyna JSC signed a memorandum of cooperation under green energy projects

A meeting was held with the management of EDPR, a third largest producer of wind energy and the world leader in the renewable energy sector. EDPR intends to invest in the implementation of breakthrough and high-tech projects in the field of renewable energy sources. A. Satkaliyev, the CEO of Samruk-Kazyna JSC, noted that the Fund was paying special attention to the decarbonization of its Portfolio Companies and the promotion of initiatives for the development of renewable energy sources in Kazakhstan. As part of the program

documents, Kazakhstan plans to increase the share of RES in the total volume of electricity production to 10% by 2030.

The epidemiological situation in the Samruk-Kazyna group of companies is under special control and is of priority importance

The goal of the Fund is to maximize the level of vaccination coverage for employees and their family members. As of May 24, 2021, the number of vaccinated employees of the of the Fund Group is: with first component: 46,680 people, or 16.8% of the total headcount of the Fund's group of companies. In particular, employees of the the following Portfolio Companies were vaccinated: Kazakhstan Temir Zholy – 19,089 (20.3%), KazMunayGas – 7,528 (12%), KazTransGas – 5,141 (40.7%), Kazatomprom – 3,884 (20.3%), Samruk-Energo – 3,357 (19.4%), Kazakhtelecom – 2,470 (20%), KEGOC – 1,815 (39.3%), Kazpost – 1,293 (6.2%), Air Astana – 632 (11.8%), Tau-Ken Samruk – 377 (43.7%), Samruk-Kazyna Ondeu – 93 (14.9%), Samruk-Kazyna Construction – 38 (45.8%), QAZAQ AIR – 19 (6.8%). With second component: 14,872 people, or 5.4% of the total headcount of the Fund's group of companies.

MAY

JUNE

The delegation of Samruk-Kazyna JSC took part in the St. Petersburg International Economic Forum-2021

Top managers of Samruk-Kazyna JSC and the Fund's Portfolio Companies took part in the St. Petersburg International Economic Forum. As a result of the visit, mutually beneficial agreements and contracts were signed to create a basis for investment and implementation of joint projects in Kazakhstan.

Samruk-Kazyna JSC took part in the private equity fund Da Vinci Emerging Technologies Fund III through the portfolio company Samruk-Kazyna Invest LLP

Samruk-Kazyna Invest LLP has been a member of the private equity fund Da Vinci Emerging Technologies Fund III



as a limited partner from the moment of signing a Limited Liability Partnership Agreement, a Subscription Agreement for Participation in a Limited Partnership and an Additional Letter. The first closure of DVET with a total amount of committed capital of USD 80 million took place on June 30, 2021. The amount of the committed capital of SK Invest is USD 10 million.

JULY

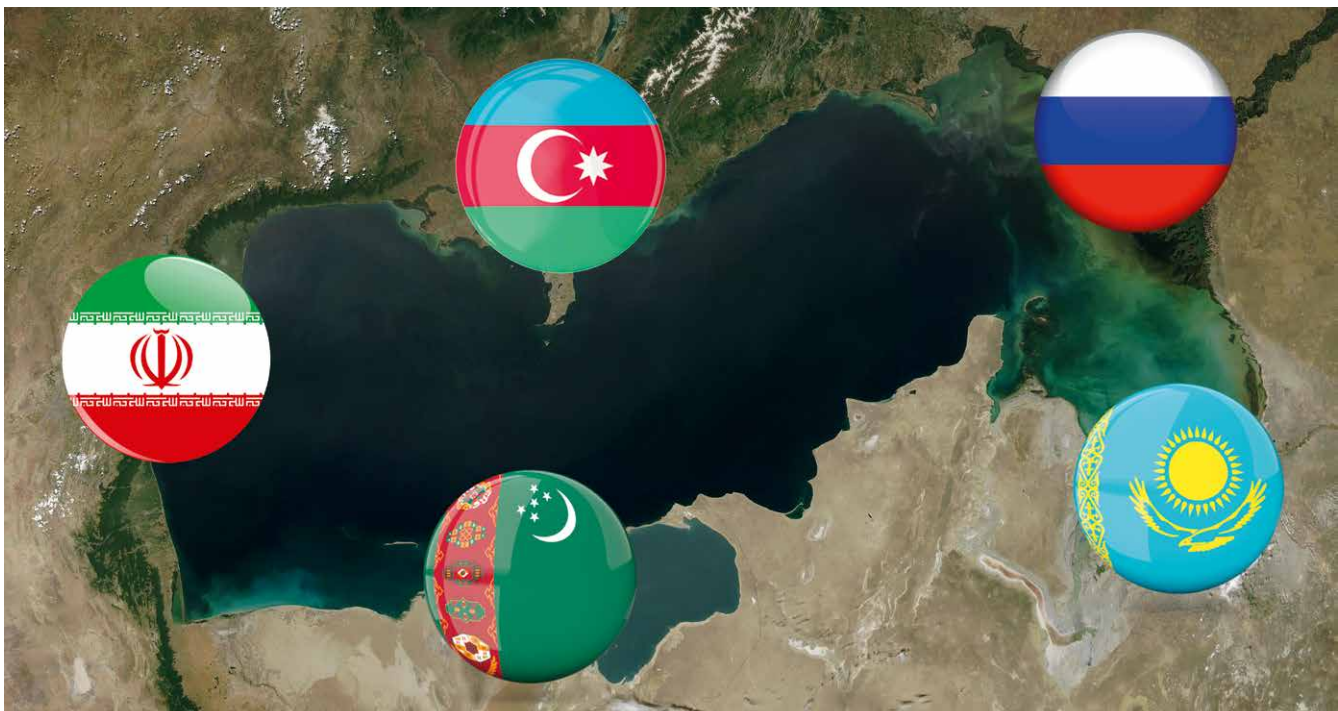
The delegation of Samruk-Kazyna JSC discussed issues of strategic partnership and cooperation in Baku

During the working visit to Baku, the delegation of Samruk-Kazyna JSC held meetings with the Minister of Economy of the Republic of Azerbaijan, the Chairman of the Supervisory Board of SOCAR, a member of the Supervisory Board of Azerbaijan Investment Holding and the General Executive Director of Azerbaijan Investment Holding (AIH). Joint work on modernization and diversification of transit and transport potential and logistics was identified as a promising direction for the development of cooperation. During the negotiations, issues of partnership in the field of rail, sea and air traffic, logistics and cooperation in the oil and gas industry were discussed.



The delegation of the Caspian Political Center visited Samruk-Kazyna JSC

Samruk-Kazyna JSC held a meeting with a delegation of the Caspian Political Center. The priorities of sustainable development, energy transition and investment strategy, along with the measures taken by the Fund during the pandemic, became the main issues of the meeting. Representatives of Samruk-Kazyna JSC told foreign experts about cost optimization measures that allowed the Fund to prevent cuts and ensure social stability at all enterprises of Portfolio Companies in 2020. Participants of the meeting also discussed the main priorities of the Fund development, including the implementation of ESG principles, as well as new opportunities for cooperation between the parties.





A Memorandum of Cooperation was signed between Samruk-Kazyna JSC and the Korean International Trade Association (KITA)

High-level discussions were held in Seoul in the framework of the state visit of the President of Kazakhstan Qassym-Jomart Tokayev at the invitation of the President of South Korea Moon Jae-in. The Heads of States discussed a wide range of issues related to the development of the strategic partnership between Kazakhstan and Korea. Following the meeting, a number of bilateral documents were signed, including a Memorandum of Cooperation between Samruk-Kazyna JSC and the Korean International Trade Association (KITA). A. Satkaliyev, CEO of Samruk-Kazyna JSC, noted that the entry of the Korean International Trade Association into the Kazakh-Korean Business Council had given a new impetus to cooperation between business communities of Kazakhstan and South Korea. In addition, the parties identified promising aspects of future cooperation in the following areas: energy, oil and gas industry, mining sector, nuclear industry, IT solutions, communications and telecommunications, etc.

Samruk-Kazyna JSC – sustainable development is a priority

Samruk-Kazyna Fund is elaborating a low-carbon development program. A series of hearings of Portfolio Companies was held, where the strategic vision and indicators of decarbonization were discussed. Top managers of the Fund reviewed plans for the energy transition of NC KazMunayGas JSC, Samruk-Energo JSC, KazTransGas JSC, NAC Kazatomprom JSC, Samruk-Kazyna Ondeu LLP, Tau-Ken Samruk JSC, Kazpost JSC, Kazakhtelecom JSC and Air Astana JSC, whose activities have a significant impact on the environment. The key initiatives of the companies are aimed at replacing coal generation, the development of gas and hydraulic power industry, the introduction of new capacities based on alternative energy sources, the construction of RES

AUGUST

facilities to meet their own needs, energy efficiency, energy accumulation, carbon capture and storage technologies, hydrogen energy, as well as landscaping activities. The transition to a low-carbon economy is one of the pressing issues on the global agenda of states and corporations.



Kazakhstan expands investment cooperation with leading companies of Qatar

A meeting of the Kazakhstan-Qatar Business Council was held in Qatar. The event was attended by heads of large companies of Kazakhstan and Qatar, members of the Government of the Republic of Kazakhstan, representatives of government departments and financial institutions. Focusing on the results of trade and economic cooperation, the CEO of the Fund emphasized that Qatar was one of the important economic partners of our country. Currently, 3 projects worth USD 125 million are being implemented in Kazakhstan with partners from Qatar: – Construction of a perinatal center in Almaty region with the participation of Qatar Development Bank; – A project of the infrastructure modernization of Matybulak combat training center with the participation of Barzan Holdings; – Opening of an independent Qatar bank at the AIFC platform with Al Rayan Investment. The event was attended by representatives of industrial associations and companies from Qatar.

SEPTEMBER

In 2021, Samruk-Kazyna Group of Companies placed orders with 11 thousand entrepreneurs

As of September 2021, 11 thousand domestic entrepreneurs received orders under the procurement system of Samruk-Kazyna Group of Companies. The Fund supported the domestic business in the process of improving the procurement system. Assistance to domestic businesses is provided within the framework of the Import Substitution Program, which encourages the creation of new production facilities that have no analogues in Kazakhstan, with the conclusion of long-term offtake contracts. Offtake contracts guarantee that companies will receive orders for goods from the Fund's group of companies for a period of at least five years. The enterprises invested about KZT 220 billion in the development and expansion of the product assortment, which contributed to the creation of about 2,000 jobs. A pool of goods for import substitution consisting of 627 items totaling KZT 121 billion was approved. In total, 139 offtake contracts are being executed for a total amount of KZT 76.4 billion, of which 55 contracts worth about KZT 50 billion are being executed this year.

S&P upgraded the ratings of Samruk-Kazyna JSC from "BB+/B" to "BBB-/A-3" with a "stable" outlook

S&P Global Ratings upgraded the Fund's long-term and short-term credit ratings on foreign and national currency liabilities from "BB+/B" to "BBB-/A-3". The outlook for the ratings is "stable". At the same time, the Fund's national scale rating was upgraded from "kzAA+" to "kzAAA" and the priority unsecured medium-term bond issue rating was upgraded from "BB+" to "BBB-". It is noted that the Fund controls almost all strategic assets of the corporate sector of Kazakhstan (including oil and gas), which account for almost 40% of the country's GDP. S&P believes that the Fund is the main tool for solving economic and social issues of the Government and does not expect that this situation will change in the medium term.



Prospects for investment cooperation with Saudi Arabia

Samruk-Kazyna JSC discussed a wide range of issues on the development of cooperation with the delegation of the Kingdom of Saudi Arabia headed by the Minister of Investment, Khalid Bin Abdulaziz Al-Falih. Prospects for the partnership are provided by investment projects in the energy, mining sector, projects for the development of petrochemicals, hydrogen energy, industry and the agricultural sector. The Fund's group of companies pays special attention to achieving carbon neutrality and Saudi Arabian companies can share their experience in the sustainable use of hydrocarbon resources and the implementation of a joint pilot project in terms of the transfer of "green" technologies on R&D topics in the field of geology/well drilling. The business community of the Kingdom of Saudi Arabia was invited to participate in the Privatization Program, the participants of which were large companies of the Fund.



About the events in the framework of the Kazakh-Chinese Business Council

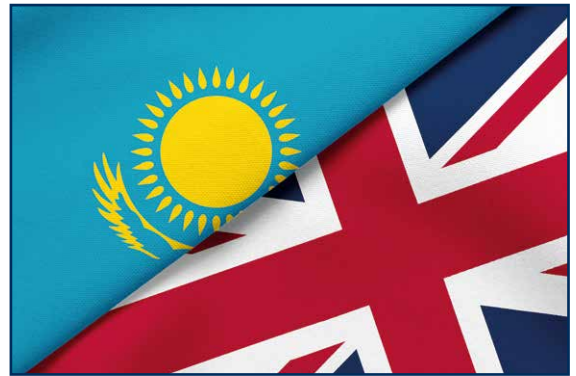
The Forum of Entrepreneurs of the Kazakh-Chinese Business Council organized by Samruk-Kazyna JSC together with the Chinese Committee for the Promotion of International Trade was held in Lianyungang of Jiangsu province, the PRC. The main purpose of the event was to promote the conclusion of contacts with potential investors from industrially developed coastal provinces of Eastern China, which represented logistics, chemical, pharmaceutical, biotechnological, manufacturing and other relevant areas. A special focus was made on the development of multimodal transportation through Kazakhstan and the port of Lianyungang, where the joint Kazakh-Chinese logistics terminal was located, as well as the search for ways to reduce barriers in regional logistics. As a result of the event, a bilateral initiative was adopted to strengthen the investment and industrial cooperation between enterprises of Kazakhstan and Jiangsu Province. A thematic conference "Integrated Supply Chains Between Lianyungang and the Caspian Sea" was also held in the framework of the forum with the aim of linking Lianyungang with the seaport of Aktau, further deploying the Trans-Caspian multimodal route, as well as localizing modern logistics facilities, production of goods with high added value and export potential in the Republic of Kazakhstan. Following the conference, a number of commercial documents were signed, including a letter of intent between Samruk-Kazyna Invest LLP and Shanghai ACE Investment & Development Co., Ltd. (China)

Samruk-Kazyna JSC placed Eurobonds totaling USD 500 million

Samruk-Kazyna JSC successfully placed a five-year debut issue of Eurobonds in the amount of USD 500 million with a coupon of 2.00% per annum. As a result of the placement, the Fund achieved the lowest coupon rate and an impressively narrow spread to sovereign Eurobonds among the dollar-denominated issues in the CIS countries. During the book-building, the total demand for bonds almost three times

OCTOBER

exceeded the initial offer, which made it possible to reduce the final range of the deal to 2.3% +/- 5 basis points (WPIR) and close the deal with a yield of 2.25% (reoffer yield). The final book included many of the world's leading investors, including funds and asset managers of companies' assets from the USA, Europe and the UK. In total, more than 70 international investors took part in the placement. In order to support and develop the local bonds market and maintain yields on Eurobonds within the country, priority in allocations was given to investors from Kazakhstan who participated in the placement through Kazakhstan exchanges – KASE and AIX. The issue was also listed on the LSE. The deal was organized by international banks – Citi, MUFG, UBS and VTB Capital acting as joint leading managers and bookrunners together with managers from Kazakhstan – First Heartland Securities JSC and Freedom Finance JSC.



Samruk-Kazyna JSC: cooperation with the UK through sustainable investments

An Investment Forum dedicated to the 30th anniversary of Independence of Kazakhstan was held at the London Stock Exchange. The event under the motto "The Future of Sustainable Investment. A Decisive Decade for ESG" was attended by top managers of the LSE and the Ministry of Foreign Affairs of the Republic of Kazakhstan, Kazakh and British business communities. Representatives of the two countries discussed promising areas and projects for the development of renewable energy sources and hydrogen energy, initiatives for the introduction of new technologies, as well as green financing tools and promising opportunities for strengthening the British-Kazakh partnership in the low-carbon development sector.



Production of uranium products was launched in Kazakhstan

A new Ulba-FA plant was opened in the territory of Ulba metallurgical plant in the format of a teleconference. The event was attended by top managers of Samruk-Kazyna JSC, NAC Kazatomprom JSC, UMZ JSC, the Atomic Energy Agency of China, China General Nuclear (CGN), Framatome and the Akimat of East Kazakhstan region. The plant is expected to produce fuel assemblies (FA), i.e. engineering structures designed to produce thermal energy in a nuclear reactor. The opening of innovative production facilities will allow Kazakhstan to join a limited number

NOVEMBER

of states that produce and supply nuclear fuel for nuclear power plants. The project is a good example of successful multilateral cooperation of the world's leading companies in the nuclear industry. The advanced technology developed by Framatome Company (France), one of the world leaders in the manufacture of fuel assemblies, was selected for production.

Samruk-Kazyna JSC stands for a smooth and balanced energy transition

Samruk-Kazyna JSC started developing a Low-Carbon Development Concept that would define the vision and objectives of the Fund to reduce greenhouse gas emissions by 10% by 2031 and achieve carbon neutrality by 2060. According to the Strategy, the mission of the Fund is to create a long-term value and stimulate sustainable economic development through effective asset management in the interests of the people of the Republic of Kazakhstan.

DECEMBER

2022 was declared the Year of Occupational Health and Safety in Samruk-Kazyna group of companies

For the first time, a special HSE (health, safety and environment) sector was created in the structure of the Fund. Given the strategic importance of HSE issues, 2022 was declared the "Year of Occupational Health and Safety" in the companies of Samruk-Kazyna Fund and in the Fund itself. Top managers of companies should become a role model for each employee by demonstrating commitment and involvement in safety issues to support a proper HSE level in companies, interacting with personnel and showing concern for the health and safety of each employee. Samruk-Kazyna group of companies proposed to explore the issue of conducting a comprehensive audit and developing system proposals for HSE issues, as well as developing a single HSE standard for the Fund and all Portfolio Companies based on the best international practices.

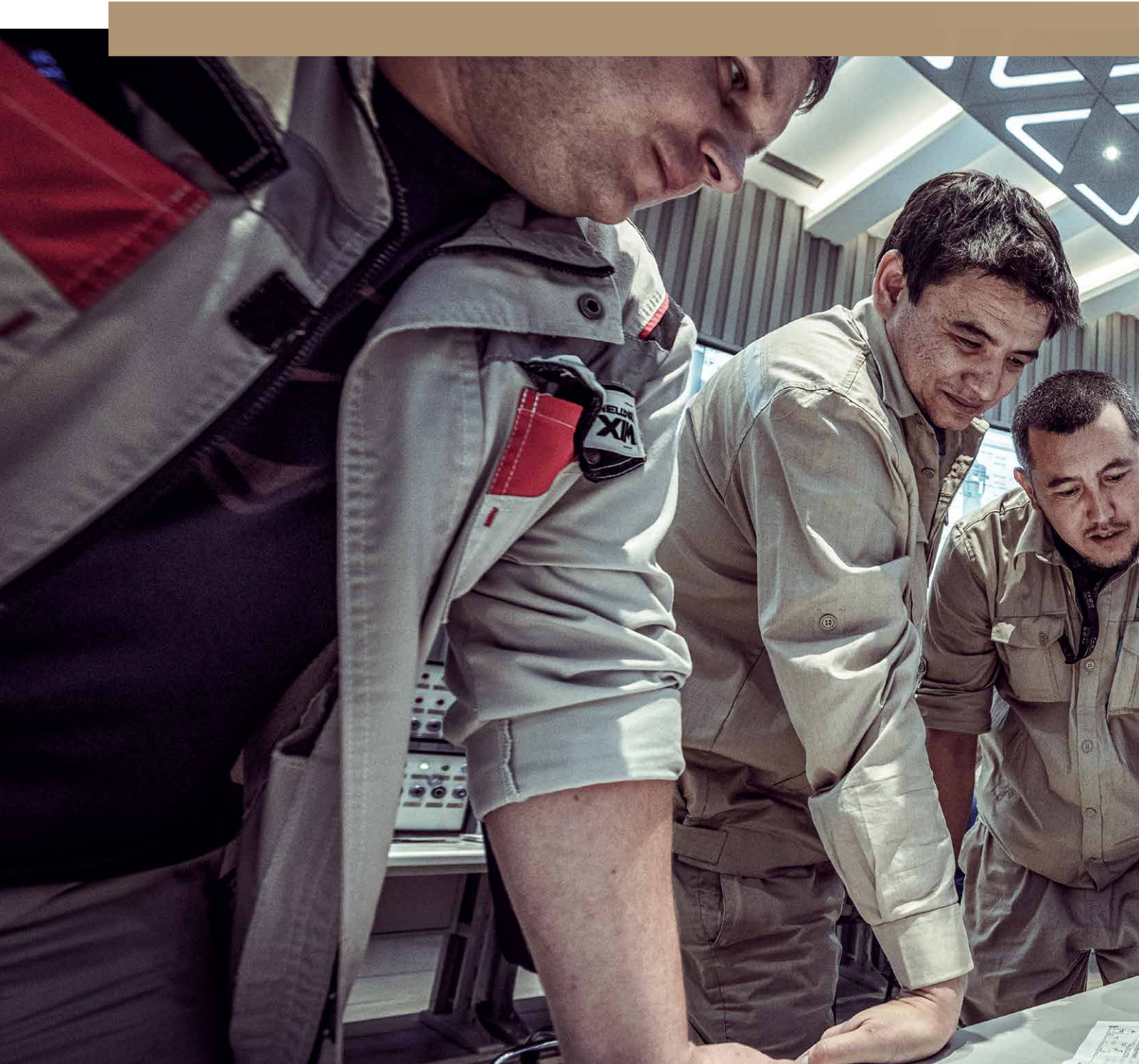
Samruk-Kazyna JSC and Shanghai Investment & Development Co. Ltd signed a non-binding Term Sheet

On December 9, 2021, Samruk-Kazyna JSC and Shanghai Investment & Development Co. Ltd signed a non-binding Term



Sheet on participation in the project for the development of a service and production base in Aktau, which will become part of the Eurasian multimodal supply chain between logistics centers in the PRC (Lianyungang, Khorgos, etc.), in the Republic of Kazakhstan (Dostyk, Khorgos, Aktau) and in other countries of the Caspian region. The commercial goal of the project is to generate income from the turnover of the logistics services market formed by trade operations between China and the Caspian countries, as well as to localize manufacturing and assembly plants operated by companies from China and other countries for this purpose. The purpose of joining the Project is to combine stable multimodal supply chains of China and markets of other industrialized East Asian countries with the resource-based economies of the Caspian region through the Aktau Seaport SEZ, as well as to create new jobs and improve the skills of the local workforce.

COMPANY PROFILE



Asset portfolio of the Fund	22
Geography of operations	24

Partnership and membership in associations	26
--	----





90.42%
SHARES

Kazakhstani operator for hydrocarbon exploration, production, processing and transportation of hydrocarbons



www.kmg.kz

100%
SHARES

The largest diversified energy holding in Kazakhstan, successfully integrated into the international energy balance of hydrocarbons



www.samruk-energy.kz

100%
SHARES

The postal operator of Kazakhstan, which provides a wide range of postal, financial, brokerage and agency services



www.post.kz

100%
SHARES

Kazakhstani gas company operating along the entire chain from exploration and production activities to the sale of final products



www.kaztransgas.kz



51%
SHARES

The largest air carrier of Kazakhstan



www.airastana.com



100%
SHARES

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



www.tks.kz



KAZATOMPROM
NATIONAL ATOMIC COMPANY

75%
SHARES

Kazakhstani operator for import and export of uranium, rare metals, nuclear fuel for nuclear power plants, hydrocarbons



www.kazatomprom.kz



SAMRUK-KAZYNA ONDEU

100%
SHARES

Kazakhstani company engaged in the development and implementation of investment projects in the chemical industry



www.ucc.com.kz



90%
SHARES

System operator of the unified electric power system of Kazakhstan



www.kegoc.kz



KAZAKHSTAN RAILWAYS

100%
SHARES

The largest operator of the main railway network of Kazakhstan



www.railways.kz



QAZAQ AIR

100%
SHARES

Kazakh airline operating regional flights within the country



www.flyqazaq.com



SAMRUK-KAZYNA CONSTRUCTION

100%
SHARES

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



www.skcn.kz



51%
SHARES

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



www.telecom.kz

COMPANY PROFILE

DEVELOPMENT PLAN

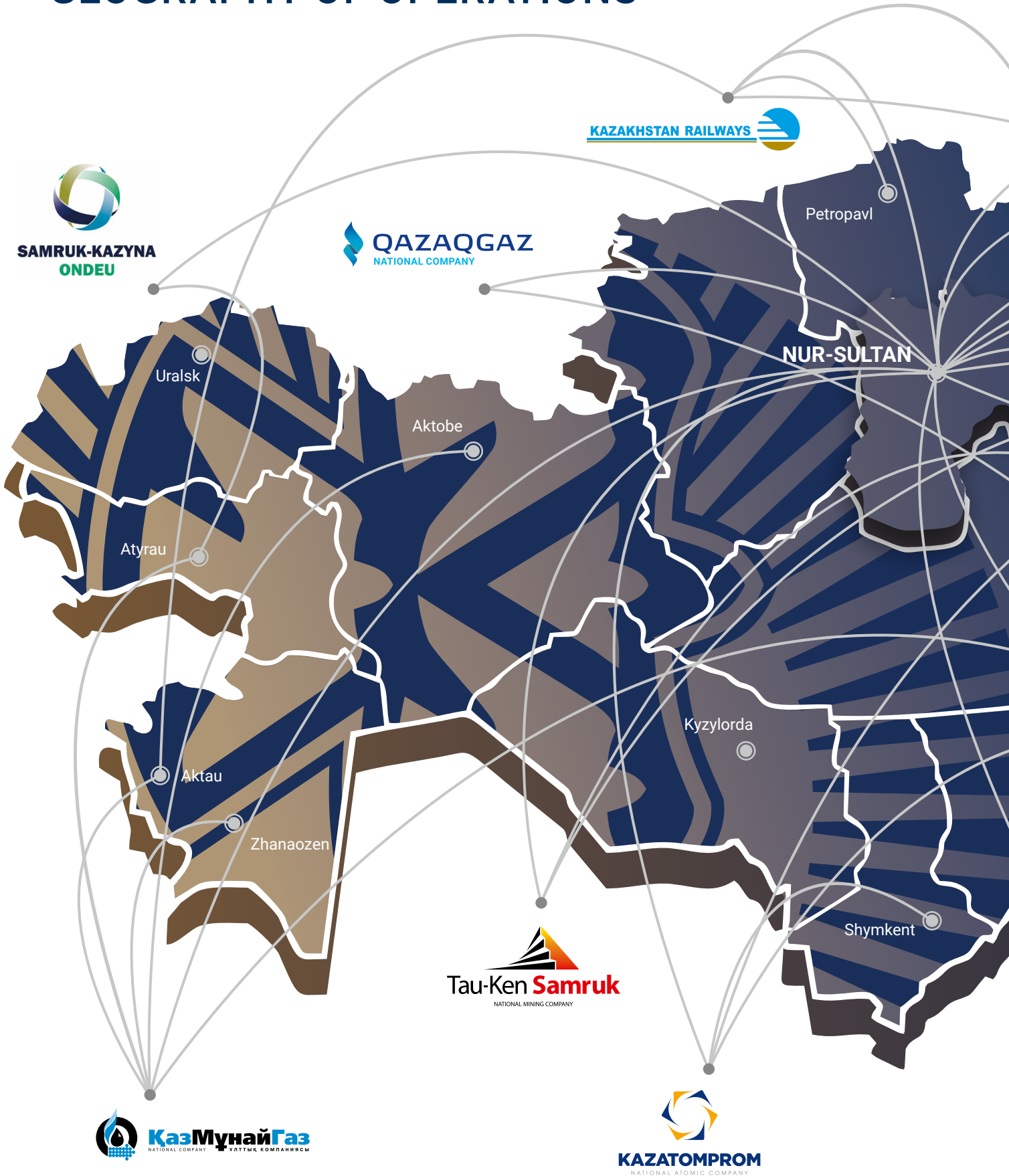
PERFORMANCE OVERVIEW

SUSTAINABLE DEVELOPMENT

CORPORATE GOVERNANCE

ATTACHMENTS

GEOGRAPHY OF OPERATIONS





The structure of the Fund's Group, according to the Methodology for classifying legal entities whose shares (participation interests) directly or indirectly belong to the Fund, as of December 31, 2021



Member of IFSWF (International Forum of Sovereign Wealth Funds) since 2014



Partnership with the Committee for the Promotion of International Trade of the People's Republic of China in the framework of the Kazakh-Chinese Business Council



Partnership with the LSE (London Stock Exchange)



Partnership with DIT, the Department of International Trade of the Ministry of Foreign Affairs of the United Kingdom in the framework of the Kazakh-British Business Council



Partnership with KITA, a Korean International Trade Association in the framework of the Kazakh-Korean Business Council



Partnership with the Chamber of Commerce and Industry of the State of Qatar in the framework of the Kazakhstan-Qatar Business Council





London Stock Exchange



For more than 15 years, the London Stock Exchange has been the preferred platform for public and private companies of Kazakhstan to attract financing – debt and equity capital. Our relationship continues to grow and develop. Recently, in October 2021, the London Stock Exchange welcomed the listing of the debut Eurobonds of Samruk-Kazyna JSC. Shortly before the COP26 summit that took place in Glasgow, we held the Kazakhstan @30 Investment Forum, which attracted a large audience of international investors, consultants and other decision makers in the capital market. The forum represented jointly by Samruk-Kazyna, the AIFC and the Embassy of Kazakhstan demonstrated the country's commitment to a sustainable transition and highlighted the work flows launched to achieve its ambitious new goals. The London Stock Exchange welcomes the contribution of Samruk-Kazyna to the economic development of Kazakhstan and its commitment to promoting the global goals of the Paris Agreement. We are looking forward to supporting the country's further integration into the global community of capital markets by linking new investment stories with one of the world's deepest capital pools.



Korean International Trade Association (KITA) is the largest business organization in Korea representing more than 70,000 member companies. KITA was founded in 1946 with the aim of developing the Korean economy through trade.

On the occasion of the state visit, the President of the Republic of Kazakhstan Qassym-Jomart Tokayev visited Korea in August 2021. Samruk-Kazyna and KITA co-chair the Kazakh-Korean round table to strengthen cooperation between companies of Kazakhstan and Korea. Samruk-Kazyna and KITA also held a bilateral meeting between their chairmen and signed a Memorandum of Understanding on the establishment of the Kazakh-Korean Business Council to promote bilateral cooperation in the field of trade, investment, services, technology, joint ventures and projects in the Blue House, the Office of the President of the Republic of Korea.



DEVELOPMENT PLAN





LONG-TERM STRATEGIC GOALS

The development plan of the joint-stock company "Fund national welfare "Samruk-Kazyna" (hereinafter referred to as the Fund) is a fundamental document defining and justifying vision, mission, goals and objectives of the Fund for portfolio companies aimed at to increase the long-term value of companies groups of the Fund, effective asset management Foundation.

The fund is the sovereign fund of the Republic Kazakhstan, whose sole shareholder is the Government of the Republic of Kazakhstan, and operates as an independent commercial entity.

Based on the need to ensure quality growth and building resilience to global business model challenges, determined by the strategic vision of the Fund as a leader in the national economy, making a breakthrough in innovation sustainable development based on the principles of human well-being and environmental protection through responsible investments.

The mission of the Fund is to ensure sustainable development economy and the creation of long-term value a means of effective management of diversification

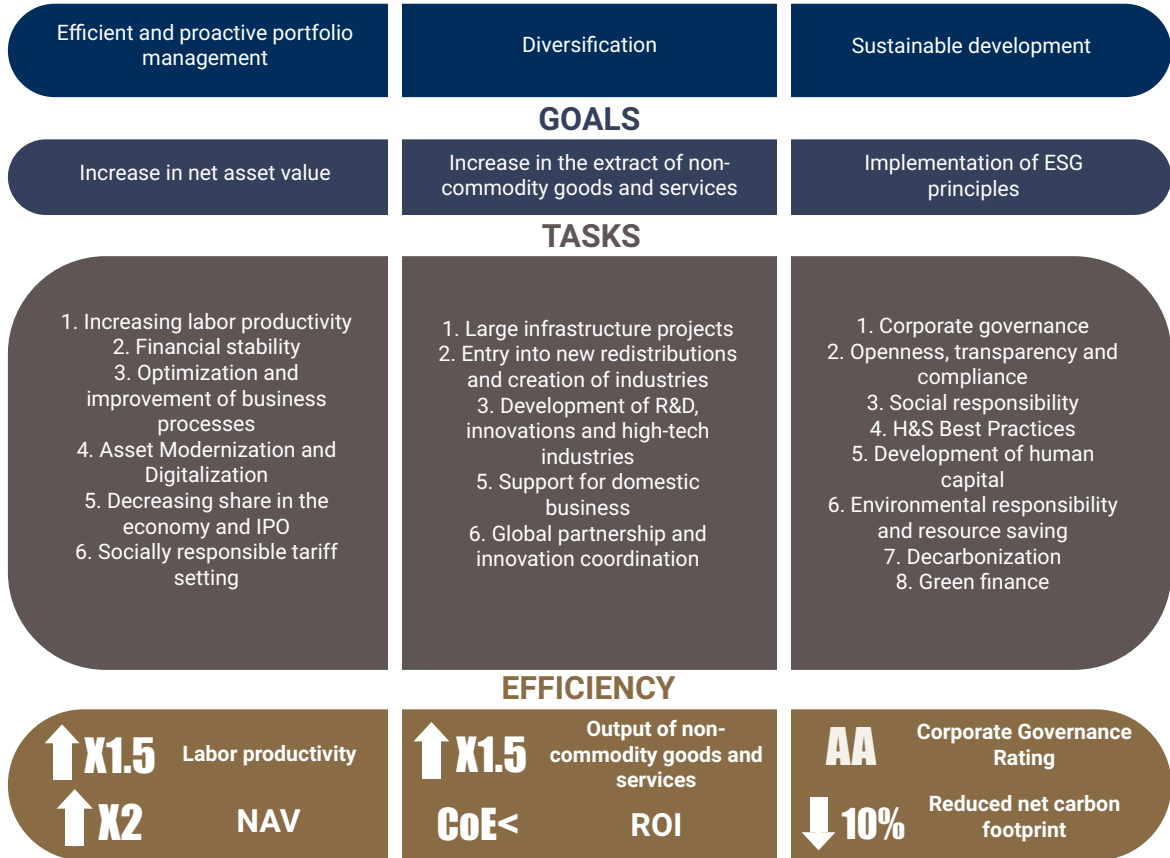
portfolio of assets and business support in the interests of the people of the Republic of Kazakhstan.

3 strategic goals are defined:

- 1) Efficient and active portfolio management assets. The goal is to increase net worth assets in 2 times. The Fund will ensure optimization and improving the quality of the portfolio, introducing re-new technologies, as well as improving business models.
- 2) Diversification. The goal is to increase output non-commodity goods and services. The Fund will provide inflow of investments into the development of new industries and access to new redistributions, which will allow to promote promote the diversification of the economy.
- 3) Sustainable development. The goal is to introduce the principle POV ESG. The key factors for the Fund should us to be the well-being of people, ecological balance and, at the same time, ensuring long-term financial stability on the basis of business practices and principles of corporate management. Implementation of ESG principles as appropriate yes to doing business and developing corporate responsibility will contribute to the increase increase in the long-term value of assets, increase investment attractiveness.



STRATEGIC DIRECTIONS



BY 2032



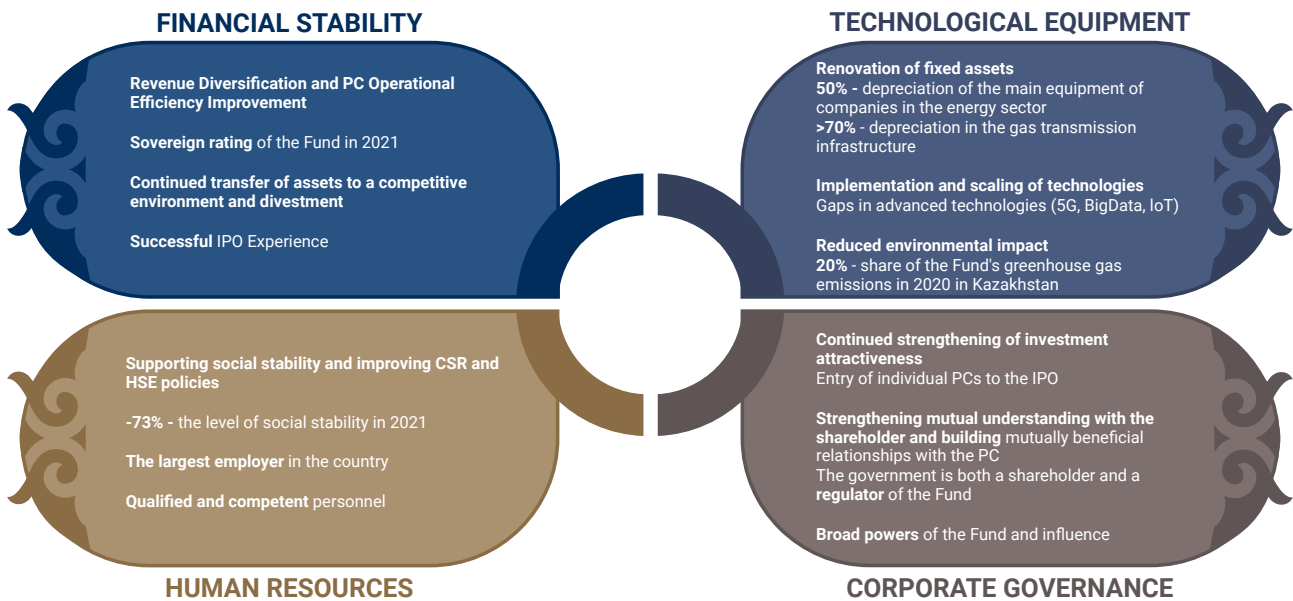
Taking into account the current socio-economic economic conjuncture of the country's development and the role Fund for the country's economy, appropriate for Today we see the focus of investment ions, first of all, to the economy of Kazakhstan, including including for the implementation of strategic projects. In this regard, the management model of the Fund in the nearest 5-8 years is defined as a strategic holding with the tasks of maintaining social and infrastructure development of the country. The fund will be transformed into an investment holding operating exclusively in commercial sky interests. Including the Fund intends to gradually

build competencies in international investment (by 2040) for subsequent global expansion. This, in turn, allows the Fund by 2050 to become an international investment company with a diversified and a quality portfolio of breakthrough projects and a high share of product exports. In this way, The Fund will strengthen its competitiveness and reputation position as a "promising partner" in the global scale.

It should be noted that this version of the Development Plan of the Fund for 2023–2032 is planned to be approved before the end of this year.

FUND OVERVIEW

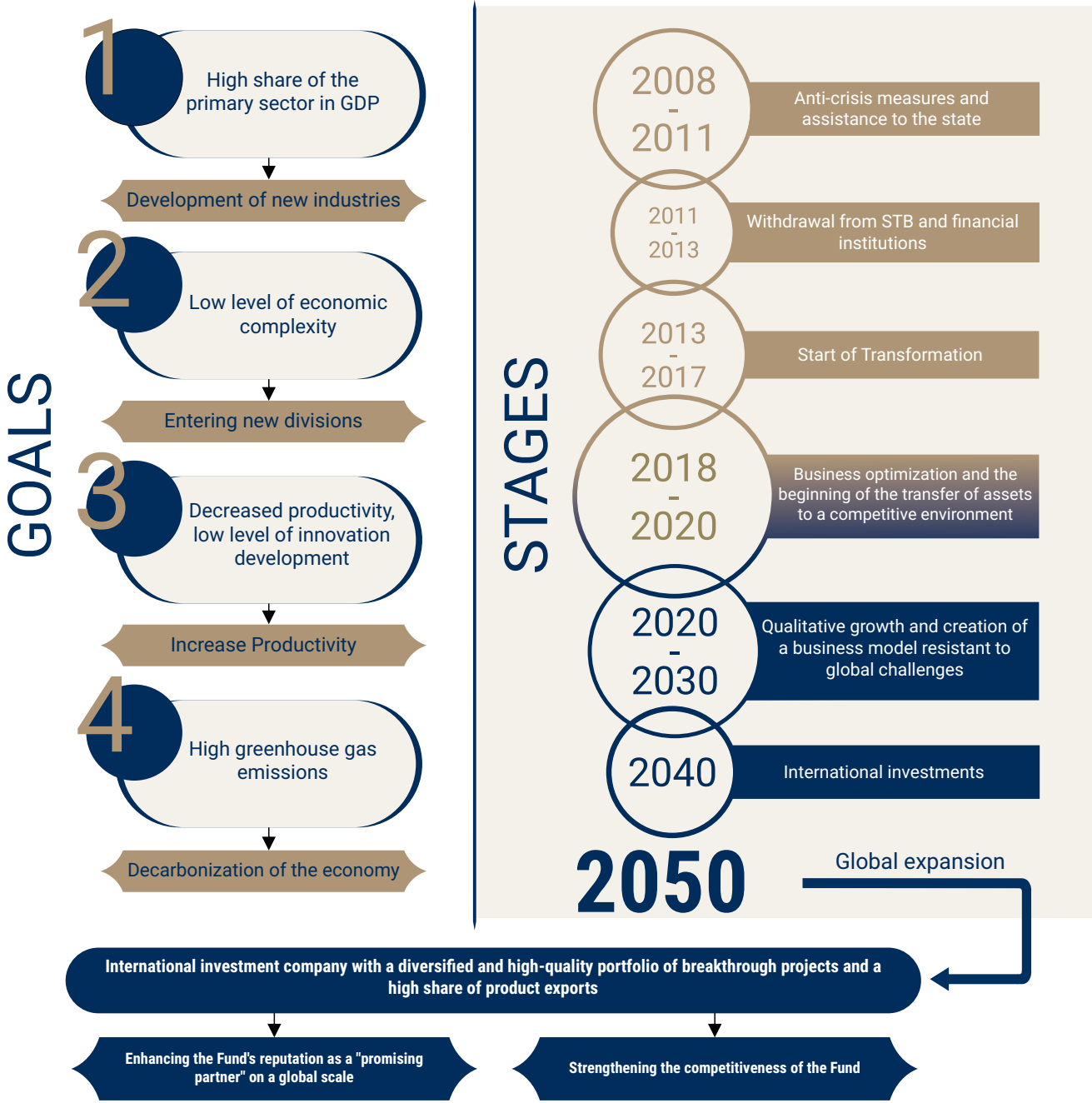
The results of the analysis of the Fund's group show the need to strengthen the portfolio



Goals of the Fund and stages of development

Increasing the national wealth of Kazakhstan, effective asset management and increasing the long-term value of the companies of the Fund's group, contributing to the implementation of the strategy "Kazakhstan-2050"

A sustainable increase in national wealth is possible through the promotion of economic growth



PERFORMANCE OVERVIEW



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2021 economic overview and medium-term forecast	37	Operational efficiency	50	Procurement management	73
Impact of COVID-19	40	Investment activities	55		
Financial and operational results of the Fund Group	41	Privatization Program	61		



GLOBAL TRENDS

REDUCED CARBON FOOTPRINT FOR LONG-TERM SUSTAINABILITY

Carbon neutrality is the goal of many governments, multinational companies and SWFs by 2050-2060.

15% - HR greenhouse gas reduction target by 2030

+30% - new forecasts of investments in the energy transition by 2050

EFFICIENT USE OF RESOURCES

79% water stress in Central Asia

IMPLEMENTATION OF ESG PRINCIPLES. DECREASE IN THE COST OF CAPITAL

+40% to USD 53 trillion - the volume of assets according to ESG criteria by 2025

5X to USD 11 trillion by 2025 - ESG debt volume

ECOLOGY

BUILDING A SUSTAINABLE WORKFORCE

Significant change in required skills for employment by 2025

5X students at the expense of the company

IMPROVING HSE AND CSR PRACTICES

Strengthening requirements and growth of initiatives in the field of HSE and CSR

Increasing competition for talent

HUMAN CAPITAL

FINANCIAL SUSTAINABILITY SUPPORT

+5.3% - global GDP in 2020

PORTFOLIO DIVERSIFICATION

-5.3% - in 2020 - global trade volume

INVESTMENTS AND PARTNERSHIPS

-58% - FDI flows to countries with economies in transition in 2020

INVESTMENT IN THE LOCAL ECONOMY

+630 b.p. (up to 19.3%) - the volume of NWF investments in domestic markets

WORLD ECOLOGY

PROMOTING DIGITALIZATION

58% (growth for 3 years ahead) - share of B2C digital interaction

55% (growth for 7 years ahead) - the share of digitalization of production of goods and services

INVESTMENTS IN THE TECHNOLOGY SECTOR

1.9X - volume of NWF transactions in the technology sector in 2021

INTRODUCTION OF ADVANCED TECHNOLOGIES

35-40% - large companies are scaling up the latest technologies

20% - companies implement robotic automated processes

TECHNOLOGY

Based on current global trends, the identified success factors will contribute to sustainable development.

OVERVIEW OF KAZAKHSTAN

MACROECONOMICS

Building a diversified economy
 -23 positions in the Economic Complexity Index since 1995

Tariff policy revision to stimulate investment
 Tariff policy not conducive to development
38.7% - depreciation of fixed assets (+2.7% over 5 years)
50% social budget spending

SOCIAL SPHERE

Creation of new highly productive jobs
2 million people are self-employed
5% - unemployment rate

Maintaining social stability
1 million people - beneficiaries of TSA in the country
700 thousand people with disabilities
 Lack of jobs, low wages

SCIENCE AND INNOVATION

Introduction of advanced technologies and innovative solutions
 - **14 positions (77th)** in the Global Innovation Index (GII) since 2010
80 positions in the GII sub-index for technological production

Support and commercialization of R&D, launch of new scientific and technological initiatives
0.15% of GDP - the volume of investment in R&D
 (1.3% - world average; 3-5% in developed countries)
55th - WEF Global Competitiveness Index

INVESTMENTS AND FOREIGN TRADE

Attracting investments
50% of gross FDI in the mining sector
Negative net FDI inflow

Export-oriented investments and import substitution
50% - the share of crude oil in the structure of exports
 High share of imports of finished goods

Strengthening relationships with SMEs
35% - share of SMEs in WFP (up to 65% in OECD)

The current situation in the Republic of Kazakhstan points to the need to increase responsible investment in the country with the possibility of global scaling.

Sources: BNSAPIR, Penn World Table, ILO, UNCTAD, NBRK, World Bank

In 2021, the growth of the real GDP of the Republic of Kazakhstan amounted to 4% compared to 2020 due to the gradual recovery of the global economy and rise in oil prices. Industrial production showed a growth in telecommunications (by 13%), trade (by 9.2%), construction (by 7.6%), manufacturing industry (by 5.5%) and electricity (by 4.8%). According to the preliminary estimates of the National Bank of the Republic of Kazakhstan, in 2021, the current account balance was formed with a deficit of USD 5.7 billion compared to the figure of USD 6.6 billion in 2020. The gradual return of the global economy to its long-term growth trend caused an increase in demand for raw materials and a rise in prices for the main items of the country's exports. According to the Ministry of National Economy of the Republic of Kazakhstan, the growth of Kazakhstan's GDP is expected at an average level of 4-5% during 2022-2025.

Exchange rate

An average annual USD/KZT exchange rate in 2021 was 426 KZT/USD, which is 2.6% higher than in 2020. In January-February 2021, the national currency strengthened and reached the level of 415-418 KZT/USD. The weakest tenge position was noted in December, when the exchange rate reached the level of 434-436 KZT/USD. In November 2021, the tenge weakened due to the spread of the omicron coronavirus strain, unwinding of the asset purchase program announced by the US Federal Reserve System, as well as the energy crisis emerged in the fall, which largely supported the currencies of energy exporting countries. In total, in 2021, the NBRK sold 252 million US dollars from its own reserves in the domestic market to support the national currency. Against the background of withdrawal of transfers to the republican budget, assets of the National Fund in 2021 decreased by USD 3.4 billion.

The price of uranium in
2021 increased by

40%

Raw commodities

In general, at the end of the year, the dynamics of oil prices demonstrated an impressive recovery having increased by 50.2% over the year. In 2020, the main driver was the supply, in particular, the quotas of the OPEC+ alliance and in 2021 the focus shifted towards the demand due to the gradual recovery of the global economy. During the last month of the year, oil prices somewhat compensated a sharp drop we saw in November, and quotations recovered by 10.2% over the month to the level of USD 77.78 per barrel. Reports of milder symptoms of the new omicron strain, as well as a decrease in oil reserves in the United States had a favorable effect on oil prices.

The median and average forecasts for 2022 are at the level of USD 90 per barrel with the potential for further growth. Positive expectations of market participants regarding oil prices are reflected in the distribution of forecasts from various institutions.

The price of uranium in 2021 increased by 40% and amounted to USD 42 per pound by the end of the year. The creation and beginning of activities of Sprott Physical Uranium Trust during the second half of August and in September affected a sharp rise in the spot price, as the short-term supply of uranium decreased faster than many market participants expected. As a result, in the second half of September, the spot price reached a level exceeding USD 50 per pound. Later, due to uncertainty in the stock markets, spot activity significantly slowed down, which caused a decrease in the spot price to about USD 43.00 per pound by the end of the quarter. In December, activity on the spot market slowed down significantly, which led to a gradual decline in the price to USD 42.00 per pound.

In 2021, an average price of zinc was at the level of USD 3,005 per ton, which is 32% higher than in 2020. The recovery in demand was caused by the removal of restrictions around the world combined with concerns regarding the rise in electricity prices, thanks to which the base metal reached an annual maximum of about USD 3,500 per ton.

In 2021, an average price of zinc was at the level of USD 3,005 per ton, which is

32%

higher than in 2020.

In 2021, the price of gold slightly decreased by 4% to USD 1,788 per ounce. The price of gold could not remain above the level of USD 1,800 per ounce against the backdrop tightening monetary policy of central banks (the US Federal Reserve, the ECB, the Bank of Japan, the Reserve Bank of Australia, the Riksbank and the Swiss National Bank).

In general, according to the International Monetary Fund (IMF), the global growth in 2021 is estimated at 5.9%. The recovery of the global economy is continuing despite the new wave of the pandemic. The gaps occurred because of the spread of COVID-19 appear to be more persistent: it is expected that the current divergences

in the development will leave a lasting imprint which will affect medium-term economic indicators. The main factors of these gaps are access to vaccines and government support measures undertaken at an early stage. According to estimates, the global economy will by 4.4% in 2022. A rise in energy prices and disruptions of supply led to higher and broader inflation than expected, especially in the United States and in many emerging and developing economies.

In general, according to the International Monetary Fund (IMF), the global growth in 2021 is estimated at

5.9%



IMPACT OF COVID-19

In 2021, the whole world continued to live in new realities caused by the COVID-19 pandemic, which had a significant impact on people's health, business activity, the economies of a number of countries and the current way of living in general. During the year, the epidemiological situation changed rapidly due to the identification and spread of various new strains of the virus in the country.

The Fund was ready for the next waves of the pandemic thanks to the systematic work carried out in 2020 to combat the virus.

The companies of the Fund continued to keep mandatory social distancing and adhere to strict sanitary and epidemiological disinfection procedures at production facilities and offices with the widespread transfer of administrative personnel to a remote mode of work, depending on the sanitary and epidemiological situation in a particular region of operations.

Regardless of the virus strain, the measures to combat COVID-19 remained the same:

- undertaking all preventive measures for the non-proliferation of CVI;
- vaccination/revaccination;
- isolation of patients and contact persons;
- compliance with quarantine measures in accordance with restrictions adopted and expected to be introduced in the regions where Portfolio Companies operate.



The Fund recognizes human lives as the biggest victims. In 2020, 13,860 cases of COVID-19 infection were revealed among employees of the Fund Group, including 69 fatal cases (due to COVID-19 and pneumonia). At the same time, there was a decrease in deaths by 60% compared to 2020 (173 deaths among workers were reported). As of the end of the year, 97.8% of all sick employees of the Fund's group of companies recovered, while since the beginning of the pandemic, the share of sick employees in the total headcount was 10.9%.

Achieving the required level of collective immunity through vaccination and revaccination is a priority in ensuring protection against the spread of COVID-19 among employees of the Fund Group. In the framework of the COVID-19 non-proliferation headquarters established under the HSE Committee, a centralized decision-making process was implemented, communication with the Ministry of Health of the Republic of Kazakhstan and regional health departments was improved, as a result of which the availability of all types of vaccines was provided and mobile vaccination teams were involved to work in offices. The progress of vaccination was under the personal control of executive officers. Intensive explanatory work and field meetings were held, executive officers demonstrated their commitment to vaccination through personal example, as well as material and non-material incentives were applied to motivate employees for vaccination.

Since April 2021, the Fund has focused on maximizing the level of vaccination among its employees: 235,278 employees were vaccinated with the 1st component, which is 86% of the total headcount. 229,095 employees were vaccinated with the 2nd component, which is 84% of the total headcount. At the end of December 2021, the Fund's PCs were instructed to strengthen the work on providing booster vaccination for employees to form a more pronounced immune response and preserve protection against COVID-19 infection for a long period, including in order to ensure the smooth operation of PCs' production facilities.

Given a high level of social tension, certain measures were taken as necessary to prevent the growth of employee dissatisfaction during the periods of forced downtime and strengthening of restrictive measures.



FINANCIAL AND OPERATIONAL RESULTS OF THE FUND GROUP¹

The Table below provides financial information related to the Group's consolidated results for 2019, 2020 and 2021.

Indicator	2019	2020	2021
Consolidated revenue, KZT billion (excluding state subsidies)	10,649	8,556	11,710
Assets, KZT billion	26,417	27,483	30,310
Equity, KZT billion	14,343	15,152	17,173
Consolidated net profit per shareholder's share, KZT billion	1,248	558	1,629
EBITDA (operating), KZT billion	2,366	1,870	2,856
EBITDA Margin (%)	22.1	21.8	24.3

The consolidated revenue by the end of 2021 amounted to KZT 11.7 trillion, which is KZT 3.1 trillion, or 37% higher than in 2020. Compared to 2020, a slight deviation is noted in sales of gas processing products (-KZT 47 billion). At the same time, indicators grew in all other segments compared to the same period last year: sales of crude oil (+KZT 1,738 billion), sales of oil products (+KZT 808 billion), cargo rail transportation (+KZT 115 billion),

sales of uranium products (+KZT 104 billion), oil and gas transportation (+KZT 33 billion), air transportation (+KZT 169 billion), electric complex (+KZT 82 billion), sales of refined gold (+KZT 81 billion), telecommunications services (+KZT 60 billion), processing of customer-owned oil (+KZT 11 billion), transportation of electricity (+KZT 27 billion) and passenger rail transportation (+KZT 20 billion).

¹ more detailed information is available in the published financial statements of the Fund

Revenue by segment, KZT billion

Indicator	2019	2020	2021
Sales of crude oil	3,529	1,972	3,710
Sales of oil products	2,590	1,844	2,652
Cargo rail transportation	970	1,076	1,191
Sales of gas processing products	875	810	763
Sales of uranium products	468	563	667
Oil and gas transportation	389	290	323
Air transportation	331	163	332
Electric complex	240	263	345
Sales of refined gold	436	638	719
Telecommunication services	432	520	580
Processing of customer-owned oil	195	192	203
Electricity transportation	222	287	314
Passenger rail transportation	86	39	59
Interest income	39	40	54
Postal services	46	42	43
Minus: crude oil quality bank	(15)	(2)	(6)
Minus: indirect taxes and commercial discounts	(587)	(538)	(625)
Other income	400	357	387
	10,649	8,556	11,710

Revenue factors for other activities:



Sales of oil and oil products

Increase in the price of Brent crude oil (for the reporting period – \$71/bbl, in 2020 – \$42/bbl), positive impact of the growth of KZT/USD exchange rate.



Air transportation

A 74% increase in revenue from regular passenger transportation and charter flights due to the restoration of passenger traffic.



Cargo transportation

Increase in tariffs, growth of cargo turnover in import and transit traffic, increase in income from changes in the exchange rate (Swiss franc) according to the calculations of income from transit traffic.



Sales of uranium products

Increase due to the growth of the spot quote relative to last year and the average USD/KZT exchange rate.



Sales of electricity

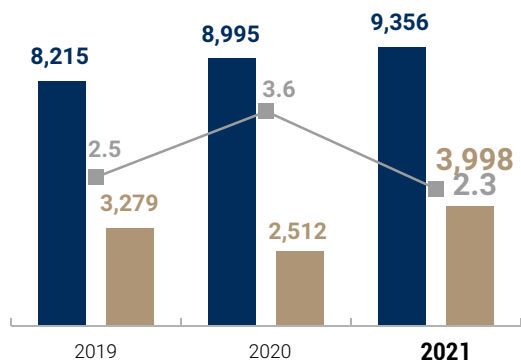
Increase in electricity sales, mainly for GRES-1 LLP by 18% and for NPP LLP due to the growth in electricity sales by 10% and an increase in the tariff.

As of December 31, 2021, the consolidated assets of the Fund Group amounted to KZT 30.3 trillion, which is KZT 2.8 trillion, or 10% more compared to the same indicator in 2020. EBITDA (operating) and EBITDA margin by the end of 2021 amounted to KZT 2,856 billion and 24.3%, respectively, while the same indicators by the end of 2020 amounted to KZT 1,870 billion and 21.8%.

By the end of 2021, the Fund Group paid taxes and payments to the budget of the Republic of Kazakhstan for a total amount of KZT 1,167 billion. General and administrative expenses amounted to KZT 449 billion.

Financial stability indicators

Debt and EBITDA of the Fund, KZT billion (consolidated)

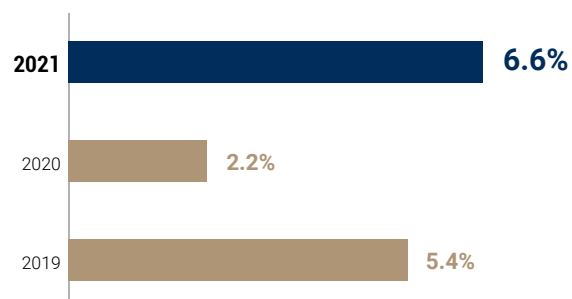


At the end of 2021, the Debt/EBITDA ratio decreased to 2.32 compared to 2020 due to an increase in EBITDA by KZT 1,485 billion, which was mainly affected by an increase in oil prices and the removal of restrictions related to the pandemic. An increase in consolidated debt by KZT 361 billion due to the weakening of the tenge exchange rate and the disbursement of the KPI loan for the construction of a petrochemical complex in Atyrau region.



Profitability coefficients

ROA, % (return on assets)



ROE, % (return on equity)



CREDIT RATINGS OF THE FUND

Assigning credit ratings by international rating agencies is an independent and reliable assessment of the Fund's creditworthiness. Rating agencies are provided with access to all the information of the Fund which is necessary for a thorough and reliable assessment of its creditworthiness.

S&P Global Ratings and Fitch rating agencies note an important role of the Fund in the economy of Kazakhstan, which is aimed at industrialization and ensuring financial stability.

On September 7, 2021, S&P upgraded the Fund's long-term and short-term credit ratings to the "BBB" sovereign level with a "stable" outlook. The agency also affirmed the

Fund's rating on the national scale at "KZAAAA" level and the rating of the issue of priority unsecured debt at "BBB-" level.

On November 25, 2021, Fitch Ratings affirmed the long-term issuer default ratings ("IDR") of the Fund in foreign and national currencies at "BBB" level with a "stable" outlook.

On August 26, 2021, Moody's Ratings affirmed the long-term issuer default ratings ("IDR") of the Fund in foreign and national currencies at "Baa2" level with a "stable" outlook.



S&P Global
Ratings

BBB

Fitch Ratings

BBB

MOODY'S
Baa2

Key performance indicators of the largest portfolio companies

No	PC's Indicator	Unit of measurement	2020	2021
1	2	3	4	5
1	Oil and gas condensate production	mIn tons	21.75	21.65
2	Oil transportation	mIn tons	61.97	63.29
3	Refining of oil and naphtha	mIn tons	12.85	13.93
4	Gas transportation	bln m ³	86.59	95.41
5	Gas transportation: export	bln m ³	–	14.21
6	Natural gas sales	bln m ³	–	22.47
7	Natural gas sales: export	bln m ³	–	6.04
8	Cargo turnover (railway)	billion ton-km	231.78	233.34
9	including container transit	thous. TEU	876.01	1,065.63
10	Passenger turnover (railway)	bln passenger/km	6.35	9.52
11	Uranium mining	thous. tons	19.59	21.83
12	Uranium sales	thous. tons	16.43	16.53
13	Electricity generation	bln kW*h	31.39	35.61
14	Electricity export	bln kW*h	0.86	0.59
15	Coal sales	mIn tons	43.44	44.74
16	Coal export	mIn tons	10.06	9.80
17	Electricity transmission (KEGOC)	bln kW*h	43.60	50.71

No	PC's Indicator	Unit of measurement	2020	2021
1	2	3	4	5
18	Postal and courier services	mIn units	149.2	130.4
19	Financial services	KZT bln	1,372.9	1,194.3
20	Agency services	KZT bln	27.57	36.07
21	Passengers carried (Air Astana)	mIn people	3.70	6.62
22	Passengers carried (QA)	mIn people	0.43	0.57
23	Number of fixed lines	thous. subscribers	2,893.5	2,774.6
24	Fixed broadband access subscribers (ports)	thous. subscribers	1,833.2	1,860.7
25	Pay TV subscribers	thous. subscribers	863.88	918.72
26	Mobile communication subscribers	thous. subscribers	14,787.57	14,543.53

No	PC's Indicator	Unit of measurement	2020	2021
1	2	3	4	5
27	Refined gold production output	mIn ounces	1.08	1.64
28	Refined gold sales	mIn ounces	1.06	1.68
29	BOPP film production	thous. tons	8.31	9.36
30	PP bag production	mIn pcs.	17,847.8	15,546.3
31	Glyphosate formulation	thous. liters	1.07	0.20
32	Electric power generation	mIn kW*h	790.2	1,788.8
33	Sulphuric acid production (93%)	thous. tons	165.16	194.52

KEY INDICATORS OF PORTFOLIO COMPANIES



NC KazMunayGas JSC



Oil and gas condensate production, mln tons

2021
21.7

NET PROFIT (KZT bln)



Oil transportation, mln tons

2021
63.3

2020
273.2



Oil refining, mln tons

2021
13.9

2021
1,215.6



NC QazaqGaz JSC



Gas transportation, bln m³

2021
22.5

NET PROFIT (KZT bln)



Natural gas sales, bln m³

2021
95.4

2021
400.2



NC Kazakhstan Temir Zholy JSC



Cargo turnover, mln tons/km

2021
233.3

NET PROFIT (KZT bln)



Container transit, thous. TEU

2021
1,065.6

2020
16.2



Passenger turnover, bln passengers/km

2021
9.5

2021
119.1

NAC Kazatomprom JSC



Uranium production,
thous. tons

2021

21.8

NET PROFIT
(KZT bln)

2020

183.5



Uranium sales,
thous. tons

2021

16.5

2021

140.8



Samruk-Energo JSC



Electricity generation,
bln kW*h

2021

35.6

NET PROFIT
(KZT bln)

2020

8



Electricity exports,
bln kW*h

2021

0.6



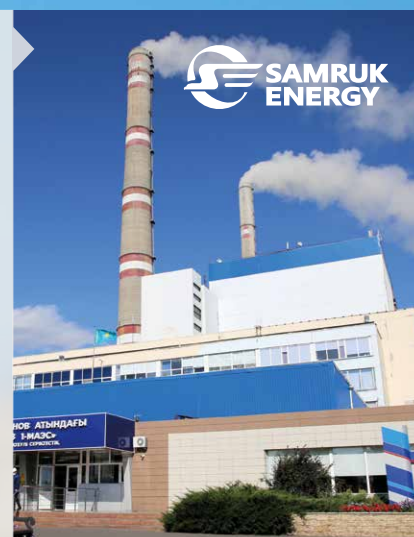
Coal sales,
mln tons

2021

44.7

2021

15



KEGOC JSC



Electricity transmission,
bln kW*h

2021

54.6

NET PROFIT
(KZT bln)

2020

48.1



Electricity dispatching,
bln kW*h

2021

105



Electricity balancing,
bln kW*h

2021

205

2021

52.6

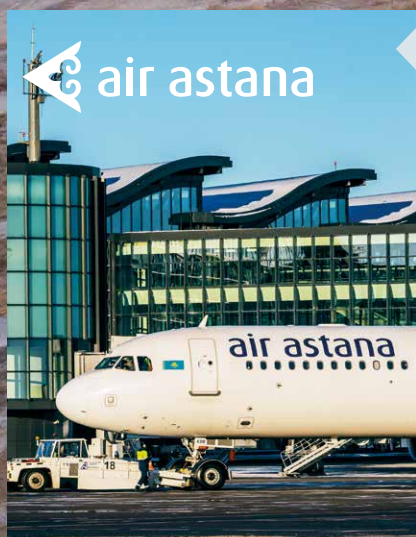


KEY INDICATORS OF PORTFOLIO COMPANIES



Kazakhtelecom JSC

	2021	NET PROFIT (KZT bln)
 Fixed lines, thous. subscribers	2,775	
 Fixed broadband access subscribers, thous. subscribers	1,861	2020 65.3
 Cellular communication subscribers, thous. subscribers	14,544	2021 97.4



Air Astana JSC

	2021	NET PROFIT (KZT bln)
 Passengers carried, mln people	6.6	2020 38.7
 Passenger load, %	80	2021 15.5



QAZAQ AIR JSC

	2021	NET PROFIT (KZT bln)
 Passengers carried, mln people	569.8	2020 (13.5)
 Passenger load, %	77.7	2021 (6.5)

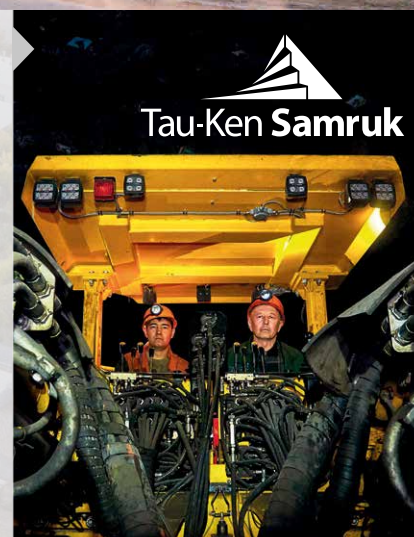
Kazpost JSC

	Postal and courier services, KZT bln	2021	146.4	NET PROFIT (KZT bln)	
	Financial services, KZT bln	2021	1,144	2020	(5.1)
	Agency services, KZT bln	2021	36	2021	(7.2)



Tau-Ken Samruk NMC JSC

	Refined gold output, thous. ounces	2021	1,641.3	NET PROFIT (KZT bln)	2020	72.1
	Refined gold sales, thous. ounces	2021	1,683.8	2021	71.8	



Samruk-Kazyna Ondeu LLP

	BOPP film production, thous. tons	2021	9.4	NET PROFIT (KZT bln)	
	Glyphosate formulation, tons	2021	196.9	2020	(51.8)
	Sulphuric acid production, thous. tons	2021	194.5	2021	(38.5)



OPERATIONAL EFFICIENCY

With the aim of implementing development strategies, the Portfolio Companies of the Fund ensure the implementation of production programs:



- In April 2021, the project of removal of production restrictions on gas at Karachaganak field was successfully completed.
- On October 13, 2021, considering the previously signed documents relating to Al-Farabi Operating LLP, a transaction under the Al-Farabi project was completed between KMG and LUKOIL. Both companies begin the immediate implementation of the subsoil use project subject to the contractual obligations assumed.
- On November 16, 2021, KMG and LUKOIL signed a Principles Agreement for the Kalamkas Sea and Khazar project, which provided for negotiations for defining the concept, details and conditions of joint development of deposits with further submission of the results to KMG corporate bodies.
- As of November 25, 2021, 500 mln tons of crude oil had been produced since the establishment of Tengizchevroil LLP.
- New oil deposits were discovered at Uzen field in Mangistau region through additional exploration. As a result, an increase in recoverable oil reserves amounted to 39.9 mln tons.



- NAC Kazatomprom JSC and China General Nuclear Power Corporation signed a contract for purchase and sale of a 49% stake in Ortalyk Producing Enterprise LLP.
- NAC Kazatomprom JSC and Genchi Global Limited signed a framework agreement for investing in ANU Energy OEIC Ltd. a physical uranium fund registered at the Astana International Financial Center (AIFC).
- The Ulba-FA LLP plant for the production of fuel assemblies with a capacity of 200 tons per year was launched.
- The corporate governance rating of NAC Kazatomprom JSC was upgraded from "BBB" to "A".
- Budenovskoye JV LLP received a supplementary agreement to the Contract for subsoil use at sites No. 6 and 7 of Budenovskoye field for industrial production.
- NAC Kazatomprom JSC received a Subsoil Use Contract for the industrial uranium mining at Zhalspak field, which was transferred to Ortalyk Producing Enterprise LLP.





- On July 8, 2021, the Prime Minister of the Republic of Kazakhstan launched the construction of a gas processing plant – an integrated gas treatment plant based on the raw materials from the Kashagan field.
- On November 26, 2021, the construction was completed and the gas distribution networks of the 1st and 2nd start-up complexes of the second stage in Nur-Sultan were put into operation.
- On November 30, 2021, the Decree of the Government of the Republic of Kazakhstan No. 854 approved the delimitation of the activities of national companies in the field of subsoil use, pursuant to which NC KazTransGas JSC was granted a preferential right to exploration and production at gas and gas condensate fields.
- On December 14, 2021, NC KazTransGas JSC and NCOC signed an agreement on joint work on the basic design of the Phase 2A of Kashagan field in 2022-2023 to increase the capacity for processing crude gas from Kashagan field by 2 bln m³.



- The specific consumption of diesel fuel for train traction was reduced from 27.34 to 27.24 kg per 10,000 t/km on a gross basis.
- The specific power consumption was reduced by 5.02 kWh.
- The container transit increased from 876 thous. TEU in 2020 to 1,065,6 thous. TEU.
- The construction of the second tracks at "Dostyk – siding 19" section with a length of 25 km was started.

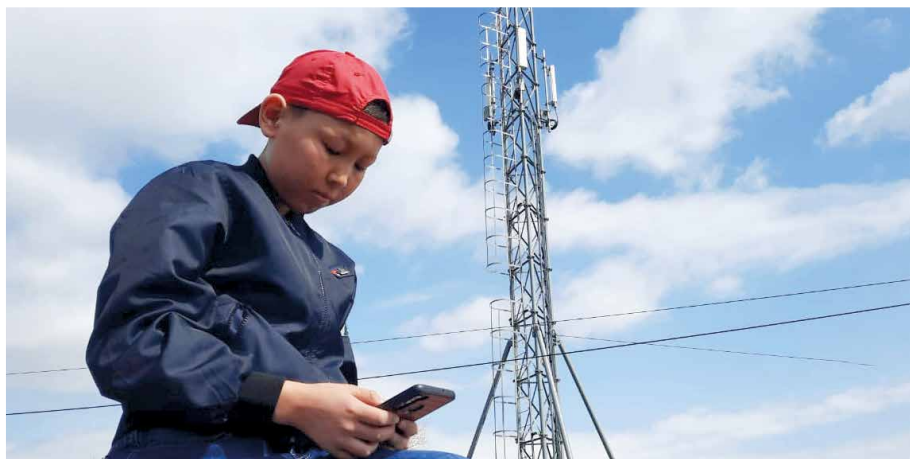




- In the framework of the 220-500 kV OHL Reconstruction project, KEGOC branches developed design and estimate documentation for all 24 overhead line reconstruction facilities and received positive expert opinions. Since the beginning of the project, construction and installation work has been performed on 20 out of 24 overhead lines. Construction and installation work on 12 OHLs was completed: 10 of them were put into operation, and an expert commission is working on the other two overhead lines. Work is underway on the remaining 8 overhead lines. Since the beginning of the project, 1,342 km out of 2,029 km of overhead lines have been reconstructed; in 2022, 35.8 km of power transmission lines were reconstructed.
- As part of the project aimed at strengthening the electrical network of the UES Western Zone, construction and installation works are being carried out on all five 220 kV overhead lines: Uralskaya – Pravoberezhnaya, Pravoberezhnaya – Inder, Inder – Karabatan, Karabatan – Kulsary and Kulsary – Tengiz. 1,743 out of 4,182 supports were installed, which is 41.6% of the total number of supports.



- A new GoPost Home service was introduced. This service allows customers to order the door delivery of parcels and small packages from the supermarket of parcels. Currently, the service is being implemented in a pilot mode in Nur-Sultan and Almaty. In particular, it is available in the Central Operating Area (COA) and in the city post office No. 20 of Nur-Sultan and in Almaty COA.
- Together with the Akimat of East Kazakhstan and North Kazakhstan regions, a pilot project “Universal Agent of State and Social Services” was launched. Thanks to the project, residents of remote settlements can receive state and social services in local offices without going to the regional center.
- A new bonded warehouse was opened in the territory of the Khorgos – Eastern Gate free economic zone. The bonded warehouse will allow processing up to 100 tons of mail per day, sending and receiving parcels from non-CIS countries, and sending transit cargo to the EAEU countries by rail and road. Today, these services are in demand among our partners in Russia, Uzbekistan, Kyrgyzstan, and Azerbaijan. Agreements were reached with major logistics organizations in China.
- In 2021, 16 of our own branches were transferred to small and medium-sized businesses; 37 new partner outlets were opened.
- The company renewed its fleet of cars and received the keys to 181 cars from the domestic automobile plant, which would ensure the timely delivery of correspondence and parcels to residents of district centers and villages.
- The integration with the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan was carried out with respect to international main items not exceeding the value of 200 Euros or the weight of 31 kg. The integration process included preliminary transmission of data on these types of postal items to the state customs control authorities and receipt of preliminary decisions. The integration allowed reducing the time for mail processing and the number of requests from government agencies.
- In June 2021, a procedure for accepting non-cash payments under the EMS service was launched. Card payments are accepted by the EMS courier in the GoPost mobile application. The client can pay for the services provided using a card of any bank of the Republic of Kazakhstan (Mastercard/Visa), which provides convenience, comfort and security. The launch of the card payment service would also increase the volume of services provided.
- The process of issue and sale of railway tickets using the Meirim discount card (which provides a discount for people with disabilities) and the sale of tickets to “women’s railway cars” was implemented.
- Kazpost JSC was assigned a status of an economic operator, which will make it possible to simplify the registration of cargoes that cross the customs borders of the states of the Eurasian Economic Union. This, in turn, will facilitate the prompt delivery of international mail and cargo to Kazakhstan and beyond. The status of an economic operator allows minimizing the time spent on customs procedures and optimizing logistics processes.
- The postal services of Kazakhstan and Russia signed a Memorandum of Cooperation in the field of transit logistics solutions for the movement and storage of international mail items.



- In April 2021, Kazakhstan became the leader in the pace of advancement in the global mobile Internet speed rating according to the Ookla Speedtest Global Index among the EAEU and Central Asian countries.
- Over the past two years, the company's formats of interaction with customers have changed dramatically, new digital solutions have been introduced, which increasingly required a flexible and scalable IT infrastructure from the IT division of Kazakhtelecom JSC, which is the foundation for any digital transformation. One of the important results in this direction was the transition to a microservice IT architecture and the introduction of Development and Operation (DevOps) practices.
- In 2021, as part of implementation of investment projects for the technical development and support of telecommunications networks, Kazakhtelecom JSC continued work on the following main areas of development of telecommunications networks: backbone and zone transport network, backbone data transmission network, broadband access networks, switching networks.
- Kazakhtelecom JSC is actively testing and implementing 5G technologies in Kazakhstan. The Protocol of the Interdepartmental Commission on Radio Frequencies of the Republic of Kazakhstan under the chairmanship of the Prime Minister of the Republic of

Kazakhstan No. 17-04/07-1000 of 31.08.2021 was approved. As part of this Protocol, Kazakhtelecom JSC launched its own 5G spot on the territory of Astana Hub in Nur-Sultan and on the central square of Shymkent. Kazakhtelecom JSC also launched a 5G spot on the territory of the Rixos Turkistan Hotel in October 2021.

- Fixed Wireless Access network has been launched in Shymkent for fixed wireless Internet access. The network has been launched in certain areas in the cities of Shymkent, Nur-Sultan (South-East), Almaty (Algabas), Kosshy. The rollout of the FWA network has already been launched in the cities of Nur-Sultan and Almaty.
- Since the beginning of the year, Kazakhtelecom JSC has connected 35 multi-apartment residential complexes of the capital to fiber-optic communication lines using the most modern GPON technology.
- In Kazakhstan, based on the networks of Kcell JSC, the Mobile Office service has been launched, which provides a business or its branch with the opportunity to work anywhere in the country and have access to its own information network without changing access parameters, and employees to be mobile.
- Kazakhtelecom JSC has launched a new generation service – eSIM. Kazakhtelecom JSC subscribers now have access to a new eSIM service – a digital alternative to a plastic SIM card.

- Kazakhtelecom JSC presented a new generation TV broadcasting service using IPTV technology, which will allow Kazakhstanis to control the air in their home and simultaneously watch different programs from several gadgets.
- Using the new TV platform from Kazakhtelecom JSC TV+ in less than a year of TV+ promotion, since March 2021, the number of users of the media service has approached the 300 thousand mark.
- A new modular data center in Almaty with a capacity of 168 racks, with a total area of 180 m² was commissioned. The data center uses a convenient management and monitoring system: the racks are installed in separate boxes with a large physical capacity for 50 units, unlike the standard capacity of 42 units. For the safety and efficiency of functioning in a modular data center, a modern air conditioning system is used, which reduces the cost of electricity consumption.
- In 2021, 34+ thousand video cameras were installed on the Cloud video surveillance platform in 17 cities. The integration of the cloud video surveillance system of Kazakhtelecom JSC into the operational management centers of the Ministry of Internal Affairs of the Republic of Kazakhstan has been completed. A productive and reliable optical network infrastructure at the level of 10 Gbit/s has been organized for transmitting video streams to the Central Control Center of the Ministry of Internal Affairs. 13 automated workplaces have been organized in the Operational Control Center of the Ministry of Internal Affairs in cities where there was such a need, with access to the cloud video surveillance platform of Kazakhtelecom JSC for monitoring video streams in online mode and video archive.



- Ekibastuz GRES-1 and GRES-2 reached a historical maximum in electricity generation in the amount of 22.8 bln kWh and 6.4 bln kWh, respectively.
- On December 30, 2021, Gosexpertiza responsibility provided a positive expert opinion for the feasibility study of the project "Modernization of Almaty CHP-2 with Minimization of Environmental Impact".
- Accidents and technological shutdowns at Samruk-Energo Group's production assets reduced from 1,351 in 2020 to 1,291 in 2021.



- During 2021, Air Astana opened 4 new international destinations and resumed 6 international destinations.
- In 2021, FlyArystan opened twelve new international destinations.
- In 2021, the Company conducted 5 maintenance operations of C-check type using its own forces.
- During 2021, the Company purchased 4 aircraft (1 x A320 CEO и 3 x A321LR).
- The Company successfully passed the IOSA audit in May 2021 and the EASA audit, Part 145/147, in October and April 2021.
- In 2021, Air Astana received the Skytrax award in the nomination "The Best Airline in Central Asia" for the 9th consecutive year since 2012 (there were no awards in 2020).



- In 2021, Qazaq Air achieved positive EBITDA in the amount of KZT 472 million.
- In 2021, the international flights to Omsk, Novosibirsk, Kazan and Yekaterinburg were launched on a charter basis.
- In 2021, the Company expanded its geography of flights from 27 to 35 destinations, including 5 international ones.

INVESTMENT ACTIVITIES

The main directions of the Fund’s capital expenditures are the implementation of investment projects in five Portfolio Companies: KMG, Samruk-Kazyna Ondeu, KTZ, SE, TKS. The main investment projects requiring large capital expenditures 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 transmission lines and other equally important projects.

Participation of the Fund in the implementation of infrastructure projects

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. Today, the Fund participates in 54 projects under the SPIID program with a total amount of KZT 2 trillion. At the same time, in order to accomplish the National Action Plan for the implementation of the Message of the President of the Republic of Kazakhstan “Unity of the People and Systemic Reforms as a Solid Foundation for the National Prosperity” and orders of the Fund’s management, the Fund is considering the implementation of 14 priority infrastructure projects totaling KZT 3.82 trillion (ongoing, promising projects and projects under development). These projects mainly cover the transport, logistics, energy and infrastructure industries. The implementation of these projects will create about 6 thousand permanent jobs and 24.6 thousand temporary jobs.



MAJOR INVESTMENT PROJECTS OF THE FUND GROUP



NORTH CASPIAN PROJECT (experimental program development)

Purpose and brief description of the project

- Exploration, development and production of oil and by-products on the contract area.
- Production is carried out from the wells of D islands, A islands, EPC-2, EPC-3 and EPC-4. All technological facilities of D Island, oil, gas and sulphur technological lines of the onshore complex, as well as engineering support sites of both complexes are in operation.

Total project cost,
KZT bn

▶ **11,843¹**



CONSTRUCTION OF AN INTEGRATED GAS CHEMICAL COMPLEX (second phase)

Purpose and brief description of the project

- Construction of a polyethylene plant with the design capacity of 1,250 million tons per year in Atyrau region.

Total project cost,
KZT bn

▶ **2,719**



CONSTRUCTION OF AN INTEGRATED GAS CHEMICAL COMPLEX (first phase)

Purpose and brief description of the project

- Creation of an integrated gas chemical complex for the production of polypropylene with a capacity of 500 thousand tons per year in Atyrau region.

Total project cost,
KZT bn

▶ **953**



CONSTRUCTION OF THE BEINEU – BOZOI – SHYMKENT GAS PIPELINE

Purpose and brief description of the project

- 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 with the aim of supplying natural gas to the southern regions of the Republic of Kazakhstan, diversification of export supplies of Kazakhstani gas, and creation of a unified gas transportation system.

Total project cost,
KZT bn

▶ **740**

¹ The cost is indicated taking into account historical exchange rates and excluding VAT due to exemption under the North Caspian Project agreement.



CONSTRUCTION OF A GAS SEPARATION UNIT

Purpose and brief description of the project

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

Total project cost,
KZT bn

▶ **621**



CONSTRUCTION OF INFRASTRUCTURE FACILITIES OF THE NATIONAL INDUSTRIAL PETROCHEMICAL TECHNOLOGY PARK SEZ

Purpose and brief description of the project

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

Total project cost,
KZT bn

▶ **385**



EXPANSION AND RECONSTRUCTION OF EKIBASTUZ GRES-2 WITH INSTALLATION OF POWER UNIT AT THE STATION NO. 3

Purpose and brief description of the project

- 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.

Total project cost,
KZT bn

▶ **374**



INDUSTRIAL DEVELOPMENT OF SHALKIYA POLYMETALLIC ORE DEPOSIT IN KYZYLORDA REGION

Purpose and brief description of the project

- 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.

Total project cost,
KZT bn

▶ **270**



CONSTRUCTION OF FOUR COMPRESSOR STATIONS ALONG THE BEINEU – BOZOI – SHYMKENT GAS PIPELINE

Purpose and brief description of the project

- Construction of four compressor stations along 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.

Total project cost,
KZT bn

▶ 215



CONSTRUCTION OF A FERRY COMPLEX IN KURYK PORT AND OPERATION OF UNIVERSAL CARGO AND PASSENGER FERRIES

Purpose and brief description of the project

- Creation of 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.

Total project cost,
KZT bn

▶ 96



EXPANSION AND RECONSTRUCTION OF EKIBASTUZ GRES-1 (RESTORATION OF THE BLOCK NO.1)

Purpose and brief description of the project

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

Total project cost,
KZT bn

▶ 144.1



MINING OF POLYMETALLIC ORES AT ALAIGYR FIELD IN KARAGANDA REGION

Purpose and brief description of the project

- Launch of an ore-dressing plant with a capacity of 900 thousand tons/year for the subsequent production of lead-silver concentrate.

Total project cost,
KZT bn

▶ 48

New investment

The mission of the Fund is to create a long-term value and stimulate sustainable economic development through effective asset management in the interests of the people of the Republic of Kazakhstan. The vision of the Fund by 2013 is to become a leader of the national economy and make a breakthrough in the innovation-driven development based on the principles of people's welfare and environmental protection through responsible investment.

In 2021, the following activities were carried out in this area:

- In accordance with the Rules for the implementation of new investments of Samruk-Kazyna JSC developed in 2020 to improve the efficiency of the process of implementing new investments, the Fund annually forms a short list of investment initiatives. In 2021, 50 initiatives were considered in 11 industries, and 29 initiatives at various stages of development were included in the short list.
- As part of the qualitative formation and effective management of assets of the Fund of Future Generations, the Rules for the formation of the portfolio of the Fund of Future Generations and the Rules for the formation of the treasury portfolio were updated.

Performance results in the framework of interaction with investors

International events

In 2021, despite the continuing restrictions due to the global epidemiological situation, the Fund carried out active international activities using optimal formats and mechanisms of interaction.

In 2021, 10 bilateral documents were signed during international events and foreign visits.

At the same time, the Fund strengthened the Asian direction of cooperation. Despite the closure of Chinese borders, the Fund was able not only to maintain, but also to strengthen cooperation with Chinese partners by holding 3 online events. A Korean partner in the Business Council was replaced, which would give a new impetus and allow this mechanism to become a reliable platform for effective interaction between business communities of the two countries.

Among international visits, the following should be particularly noted:

- Participation of the Chief Executive Officer of the Fund in the St. Petersburg International Economic Forum (SPIEF, June 2-5, 2021), during which the Fund signed an agreement with RUSNANO and Sintez OKA Group on the main conditions of cooperation for the creation of an investment platform in the field of small and medium-tonnage petrochemistry, as well as an agreement with LUKOIL PJSC on purchase and sale of 49.9% participation interest in the Al-Farabi project;
- Kazakh-Korean round table (August 17, 2021) with the participation of the President of the Republic of Kazakhstan Qassym-Jomart Tokayev And the President of South Korea Moon Jae-in. The event was also attended by heads of such large South Korean companies as: Samsung Electronics, Doosan Heavy Industries&Construction, Hyundai Engineering & Construction, Dongil Construction, Lotte Confectionery, BC Card, Seegene Medical Foundation, Korea Health Industry Development Institute (KHIDI) and Kolon World Investment. A Memorandum of Cooperation was signed between the Fund and Korea International Trade Association in the presence of the two heads of states. In general, according to the results of the round-table discussions, 34 agreements totaling USD 1.7 billion were signed, including 21 commercial documents and 13 non-commercial ones;
- A meeting of the Kazakhstan-Qatar Business Council held on August 22, 2021, which was also attended by the First Deputy Prime Minister of the Republic of Kazakhstan, heads of large companies of Kazakhstan and Qatar, members of the Government of the Republic of Kazakhstan, representatives of government departments and financial institutions;
- Visit to the United Kingdom (October 28 – November 2), during which a number of significant events took place:
 - the 4th meeting of the Kazakh-British Business Council held on October 28 in the format of a round table during which a Memorandum was signed with Arq company which was interested in the construction of an enterprise in Kazakhstan for recycling coal mining wastes into fuel powder for further mixing with petroleum products and obtaining environmentally friendly fuel for vessels.
 - Investment Forum at the London Stock Exchange platform (October 29). The speech of the Fund's CEO during the panel session "Moving Forward and Ensuring Sustainability" set the tone of an active discussion of the development and initiatives for the

introduction of new renewable energy technologies. The session was also attended by representatives of the London Stock Exchange, a reputable financial periodical and major international companies;

- In addition, during the visit of the Fund's CEO, important meetings were held with major British political and business leaders. It is necessary to mention a high level of reception and substantive negotiations held with the co-Chairman from the United Kingdom, Baroness Nicholson, following which the foundation was laid for further development of the Kazakh-British Business Council and an agreement was reached to hold a joint event in the spring of 2022 in London. During another important meeting, discussions were held with the Head of the Capital Markets Group of the London Stock Exchange, M. Roos, including the issues of potential future cooperation with Samruk-Kazyna during the privatization of assets of KazMunayGas and Air Astana, as well as knowledge exchange and cooperation in the field of ESG.

A separate significant event during the visit was the participation of Samruk-Kazyna JSC in SOR26 – the first involvement of the Fund in the activities of a large-scale UN Conference on Climate Change, which was of great importance given the new Development Strategy of the Fund and the ambitious decarbonization tasks set by the Fund to Portfolio Companies. As part of COP26, the Central Asian side event "Green Bridge: Regional Unity in Combating Climatic Change" was held, which was attended by the Fund's Co-Managing Director for Strategy, Sustainable Development and Digital Transformation, Ye. Berdigulov.

Another area of the Fund's international activity, which was initiated in 2021 after the previous pandemic year, was the bilateral meetings of the representative of the Management Board with heads of international companies, foreign delegations and ambassadors of diplomatic missions in the Republic of Kazakhstan. It is necessary to note the deepening of bilateral cooperation with:

- Russian partners. Thus, in 2021, besides the meetings with the management of RUSNANO and Rosatom, the Fund was visited by delegations from Udmurtia, Sverdlovsk Region, Russian Export Center JSC, Russian Railways Logistics JSC;
- Arab countries. Cooperation with Qatar and the UAE is actively developing. Several meetings were held with Baladna, ADQ, Acwa. As a result of detailed negotiations, on December 1, 2021, the Fund signed an Agreement with Abu Dhabi Development Company Sovereign Fund and Abu Dhabi National Energy Company;
- Ambassadors of foreign states. Another important event was a meeting with the French Ambassador to Kazakhstan, Didier Caness, during which a wide range of issues were addressed, including the prospects for cooperation between Kazakhstan and France. It is important to note that the Ministry of Foreign Affairs of the Republic of Kazakhstan paid great attention to the issues of interaction with France (several meetings were held at the level of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan), which allows the Fund to expect, if there is positive dynamics in combating coronavirus, mutual official visits of leaders of the two countries in 2022. Given the level of cooperation of Samruk-Kazyna group of companies with French partners, the Fund may consider the possibility of holding bilateral events with companies such as BPI, Total, Orano.

In 2021, the Fund actively carried out international activities and established relations with foreign partners. The results of the international activities in the reporting period also include the growing potential for cooperation with France, the readiness of the new management of the British Embassy and its international trade unit to intensify investment cooperation, and the resumption of interaction with Korean partners – all these factors contributed to the sustainable development of the Fund's group of companies and laid the foundation for the implementation of joint projects with foreign partners in 2022.

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 by transferring its assets to the competitive environment. The Fund is also working to exit non-strategic assets/divestments for the purposes of effective portfolio management and asset structure optimization. The success of the measures taken will stimulate an increase in the level of corporate governance, development of healthy competition in the private sector, reducing the presence of the state in competitive sectors of the economy, improving the investment climate of the Republic of Kazakhstan, as well as attracting new technologies to the national economy and reducing government regulation in the business sector.

At the end of 2020, the Government of the Republic of Kazakhstan adopted Decree No. 908 "On Some Privatization Issues for 2021-2025" (hereinafter – the Privatization Plan).

In accordance with the Privatization Plan, 25 of the assets of the Fund Group are subject to transfer to the competitive environment:

- 1) 8 large assets of the Fund – by conducting an IPO, selling to a strategic investor and by other means

Earlier, in June 2020 and December 2021, the State Commission for the Modernization of the Economy of the Republic of Kazakhstan (hereinafter – the State Commission) agreed on the following terms of transfer to the competitive environment: for 2022 – JSC NC KazMunayGas (hereinafter – KazMunayGas), Air Astana JSC (hereinafter – Air Astana), QAZAQ AIR JSC (hereinafter – Qazaq Air) and JSC NMC Tau-Ken Samruk (hereinafter – TKS); for 2023 – JSC NC Kazakhstan Temir Zholy (hereinafter – Kazakhstan Temir Zholy, KTZh), Kazpost JSC (hereinafter – Kazpost) and for 2025 – Samruk-Energy JSC (hereinafter – Samruk-Energy). In addition, in December 2021, the Government of the Republic of Kazakhstan by the Decree also included QazaqGaz in the Privatization Plan with the method of transfer to the competitive environment – IPO, and

**17 small assets
portfolio companies from
which were completed in 2021
implementation activities 4 assets
of the Fund's Group for the total order
amount**

**2.7
BILLION TENGE**

subsequently the pre-agreed IPO deadline was set for 2023. At the same time, it is assumed that the final terms of the sale of assets will be determined taking into account the macroeconomic situation, the dynamics of capital markets, interest from potential investors, social and other aspects.

Accordingly, the Fund, together with portfolio companies, carried out appropriate work to prepare for the IPO and transfer to the competitive environment in other ways:

- 1) Kazpost: in accordance with the decisions previously adopted by the State Commission and the Board of Directors of the Fund on the method of transferring the company to the competitive environment by direct targeted sale to a strategic investor in 2021, together with a reputable independent consultant, work was carried out on the search and selection of a strategic investor. This process was carried out and met the key standards of classical structured M&A with several stages of determining the pool of investors, including the preparation of a "long" list of investors, the distribution of an investment teaser, preparation of an information memorandum, establishment of qualification requirements and investment obligations, conduct of due diligence by investors, receipt, processing and analysis of non-binding and binding offers, etc. However, based on the results of this work,

a binding proposal was received that did not meet the expectations of the Fund. In this regard, in agreement with the State Commission, the transfer of the asset to the competitive environment has been postponed to 2023.

- 2) KazMunayGas: taking into account the recovery in oil prices and the absence of significant "negative" volatility, as well as sentiment in the capital markets, active preparations for the IPO were resumed in May-June 2021. In general, the IPO is planned for 2022 in parallel, at two Kazakhstan sites – Kazakhstan Stock Exchange JSC and the Astana International Financial Center Exchange with the involvement of a wide range of retail investors represented by citizens of the Republic of Kazakhstan by conducting a large-scale marketing campaign and using modern communication methods, as well as providing access to the purchase of shares, including through mobile applications.
- 3) Air Astana: during 2021, active preparations for the company's IPO continued. At the same time, as before, the shareholders represented by the Fund and BAE Systems considered holding an IPO both on international and Kazakh platforms. However, taking into account the geopolitical situation and falling markets, it is not possible to hold an international IPO of Air Astana in 2022. In this regard, the Fund, together with the second shareholder and the company, propose to postpone the IPO period until the restoration of international capital markets.
- 4) Samruk-Energy: earlier in October 2021, a Joint Declaration was signed by the Government of the UAE and the Government of the Republic of Kazakhstan on the creation of a long-term strategic partnership for the development of projects in priority sectors,

which provided for the alienation of up to 49% of Samruk-Energy shares by the Fund (hereinafter – the Joint Declaration). However, these works were subsequently suspended, taking into account the withdrawal by the Government of the Republic of Kazakhstan of the draft law on the ratification of the Joint Declaration from the Majilis of the Parliament of the Republic of Kazakhstan. At the moment, taking into account the recommendations of an independent consultant and in agreement with the Government of the Republic of Kazakhstan, alternative options for transferring the company to the competitive environment are considered, including by consolidating a "green" portfolio of assets in a separate company for the purpose of further IPO, which undoubtedly corresponds to the current "green" agenda and, accordingly, will be extremely attractive to potential investors in IPO.

- 5) QAZAQ AIR: in H2 2021, the Fund carried out work on attracting an independent consultant on the transfer of assets to the competitive environment, including on analyzing the market and investment attractiveness, as well as developing recommendations on how to realize Qazaq Air. The consultant conducted an analysis of the investment attractiveness of Qazaq Air, according to which the most optimal way to realize the company is to conduct an open two-stage competition. It is planned to carry out further activities in this direction.
- 6) Kazakhstan Temir Zholy: in 2021, the company's efforts were aimed at improving operational efficiency, carrying out debt management measures, as well as interaction with state bodies and the Government of the Republic of Kazakhstan in order to further improve the regulatory environment. In general, the company will have to continue these activities and only after



solving all the tasks of financial recovery, the IPO of the company can be carried out in acceptable economic parameters.

- 7) QazaqGaz: in 2021, the company actively worked and continues to take measures to improve its investment history by developing new areas of activity, as well as solving key problematic issues. As such one can name the receipt of systemic losses on gas trading operations in the domestic market, a decrease in volumes on high-margin export routes, a weak own resource base, etc. As the financial and economic situation improves and a "strong" investment history is formed, active preparations for the company's IPO will begin.
 - 8) TKS: in September 2021, the State Commission preliminarily agreed to exclude TKS from the Privatization Plan, with its replacement by its subsidiaries ShalkiyaZinc JSC and LLP JV Alaigyr.
- 2) 17 small assets of portfolio companies, of which, in 2021, measures were completed to sell 5 assets of the Fund group for a total amount of about KZT2.7 billion (Vostokmashzavod JSC, Astana Solar LLP, Kazakhstan Solar Silicon LLP, LLP MK KazSilicon and Kaustik JSC).

Also, the work was carried out to prepare the remaining 12 assets of portfolio companies for the transfer to the competitive environment (Kazakhstan Car Building Company LLP, Tulpar Car Building Plant LLP, Paramilitary Railway Guard LLP, Aysir turizm ve insaat, KazMunayGas-Service LLP, KazMunayGas-Service-NS JSC, JSC NC Aktau Commercial Sea Port, Aktau Sea Northern Terminal LLP (hereinafter – ASNT), Silicon mining LLP, Tau-Ken Temir LLP, SSAP LLP (hereinafter – SSAP) and CHEM-plus LLP).

However, in February 2022 the Government has included in the Privatization Plan the Key criteria (principles) for inclusion in the list of privatized entities of the quasi-public sector, with account of which the work is carried out to update the list of assets proposed for transfer to the competitive environment and its coordination with the authorized state bodies. In particular, it is proposed to exclude assets of SSAP and the Aktau Sea Northern Terminal from the Privatization Plan for various reasons, also taking into account the work carried out by the Commission on the Demonopolization of the Economy of the Republic of Kazakhstan. Previously, the draft list was positively reviewed by the Public Council of the Fund. The final changes to the Privatization Plan will be published in due course.

As part of the work on exiting non-strategic assets / divestments in 2021:

- 13 assets are sold (Semser-Ort Sondirushi LLP, Leasing Group JSC, KT Cloud Lab LLP, KazMunayGas-Engineering LLP, Technological Transport and Wells Servicing Management LLP, Butadiene LLP, Al Farabi Operating LLP, Rompetrol Valves Iafio, Palplast S.A., Tin One Mining JSC, KAZ Ferrite LLP, Kcell JSC 24%, LLP DP Ortalyk 49%);
- 2 assets are transferred to state ownership (KOREM JSC, Financial Settlement Center of Renewable Energy LLP);
- 8 assets are liquidated (Kazatomprom-Damu LLP, Rompetrol Ukraina, Agat, Rompetrol Distribution Albania, Rompetrol Albania Downstream, Rompetrol Albania Wholesale, Rompetrol Albania Sh.A., Logistic System Management B.V.).



TRANSFORMATION AND DIGITALIZATION PROGRAM

TRANSFORMATION PROGRAM

Within the framework of achieving the country's strategic goals as stated in the Kazakhstan-2050 Strategy and ensuring a necessary increase in the efficiency of investment and operational activities, the Fund has developed a program of large-scale transformations of its activities and activities of its Portfolio Companies (Transformation Program of Samruk-Kazyna JSC). This Program lays the foundation and general principles for the transformation of the entire group of Samruk-Kazyna JSC, including the Fund and Portfolio Companies.

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

The Transformation Program is one of the tools used to implement 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 tasks using digital technologies that are converted into business

benefits such as reducing downtime, commercial losses and increasing operational efficiency.

The Program is aimed at implementing the following initiatives:

1. Industrial safety;
2. Culture transformation;
3. Customers;
4. Suppliers;
5. Cost optimization through process re-engineering;
6. Cybersecurity.

To ensure effective management of the Transformation Program at the level of the Fund and Portfolio Companies, a collegial advisory body – a Modernization Council has been created.

As part of the management of the Transformation Program at the level of Portfolio Companies, regular meetings of management bodies are held with the participation of the Fund's CDTO, representatives of industry directorates and the Transformation Team. At the end of the year, the Fund held 19 meetings of the Modernization Council and 61 meetings of the Project Management Committee.

Meeting	NC KazMunayGas JSC	NC Kazakhstan Temir Zholy JSC	NAC Kazatomprom JSC	Kazpost JSC	Samruk- Energo JSC	KEGOC JSC	TOTAL
PC Modernization Council	3	3	2	2	5	4	19
PC Management Committee	15	8	3	6	20	9	61

Additionally, to enhance the expertise of project offices, the Fund held 13 training seminars and 274 informal meetings with PC transformation offices and project teams to discuss operational issues.

Activity	NC KazMunayGas JSC	NC Kazakhstan Temir Zholy JSC	NAC Kazatomprom JSC	Kazpost JSC	Samruk-Energo JSC	KEGOC JSC	TOTAL
Training seminars	5	5	1	2	–	–	13
Informal meetings with PC	96	18	11	9	120	20	274

Detailed information on the results of implementing the Transformation Program in each PC is provided below.



NC KazMunayGas JSC

In 2021, net benefits from transformation projects amounted to KZT 2 billion with an annual plan of KZT 2.1 billion.

In 2021, the following key results were achieved:

- 31 Lean 6 Sigma projects were implemented in the business area of Oil Refining and Petrochemistry and 6 projects were accomplished in the business area of Oil and Gas Production.
- 5 modules of the “Development and Implementation of ABAI IS” project were completed and put into operation.
- At the post-monitoring stage of the project of transition to an extended inter-repair period at refineries (including automation of the maintenance and repair system) (Atyrau Refinery, POCR), additional income was received from refining the delta volume of oil, as well as maintenance and repair costs of the POCR were reduced.
- Under the post-monitoring project of implementation of production optimization planning at KMG refineries (Atyrau Refinery, POCR), positive effects were obtained due to the introduction of production optimization planning based on LP models with changes in production planning processes at Atyrau Refinery, POCR and PKOP and in KMG CC.





NC Kazakhstan Temir Zholy JSC

In 2021, net benefits from transformation projects amounted to KZT 360 billion with an annual plan of KZT 2.09 billion.

In 2021, the following key results were achieved:

1. Within the framework of the Inventory Management project, a functional area of inventory management was created. 215 expert commissions, 54 regional commissions and 10 commissions for the sale of unclaimed liquid assets/ illiquid assets at the network level were created in joint ventures and subsidiaries of KTZ. A methodology for inventory management was developed and approved.
2. Within the framework of the project of introducing a new data management model, a solution for creating predictive models and analytical data showcases was put into permanent operation.
3. According to the Integrated Planning System (IPS) project, a forecast of volume indicators was formed considering private carriers. The methodology for automation of medium-term planning in KTT JSC was also agreed and approved.
4. Under the "Train Traffic Control Center (Reloading)" project, for the period of 11 months, a single movement of locomotives was reduced in the Western region by 44% to the average values for the 5-year period (2016-2020). In addition, despite a negative impact of reducing the average weight of the train by 4.2%, an average daily locomotive performance increased by 1.3%. Measures were implemented to create and put into operation the regional traffic control center of the South-Eastern region in Almaty.
5. As part of the project of transferring locomotives to one-person control, since July 2021, 128 modified locomotives (equipped with two consoles) have been transferred to one-person control, 512 driver assistants were optimized. The company continues to modernize and transfer the remaining 75 shunting locomotives to one-person control.
6. As part of the project to improve the efficiency of terminals of Kedentransservice JSC, a software "Car Operator's Rates Calculator" was introduced, and the first sales line was launched to receive customer requests through communication channels integrated into the CRM. The Auto Visit module at GTS-1 was put into trial operation to control the flow and plan work with vehicles at GTS-1.
7. In the framework of the project "Improving the Efficiency of Locomotive Traction", the I and II stages of lengthening the service arms (~37 train sections) were completed, which allowed saving ~14 thousand hours of unproductive downtime of locomotives and optimizing 96 members of locomotive crews due to natural decline.
8. Under the project "Operational Efficiency", a target route network was developed and implemented on December 12, 2021 in coordination with the Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan, which will allow the company to release 54 passenger cars in 2022.
9. Under the project "Marketing and Sales in the Field of Railway Passenger Transportation", over the period of 11 months, a share of online sales of travel tickets amounted to 70% (in 2019 – 34%, in 2020 – 55%). On October 10, 2021, a new product "women's railway cars" was put into pilot operation.
10. In the framework of the project "Outsourcing of Non-Core Activities", 15 out of 26 planned activities were outsourced, 2 activities were outsourced in 2021, and 4 activities are planned to be outsourced in 2022-2023. The Policy on the definition and outsourcing of non-core activities in KTZ JSC group of companies was approved.



KAZATOMPROM

NATIONAL ATOMIC COMPANY

NAC Kazatomprom JSC

According to the actual data, by the end of 2021, net benefits amounted to KZT 2.3 billion with a plan of KZT 0.68 billion.

In 2021, the following key results were achieved:

1. Targeted information security processes were implemented in the CC.
2. Monitoring of the implementation of the Integrated Planning System (IPS) project in Semizbay-U LLP and Inkai JV LLP was completed.
3. The development of an automatic monitoring system for radiation hazards at Kazatomprom-SaUran LLP was completed.
4. BI-analytics tools were developed based on the Apache Superset open-source solution for mining associated companies and subsidiaries for the purpose of digitizing production data at the stage of technological drilling.
5. The development of the architecture for production processes (mining and processing) and data architecture in RU-6 LLP with top-level requirements for the IS integration at the mining enterprise was completed.
6. Work on the development of the design and estimate documentation for the project of modernization of the refining production of Kazatomprom-SaUran LLP was completed.
7. A draft pricing methodology was developed for other uranium products (UF₆, EUP, fuel pellets, fuel assemblies, etc.) to increase a market share, revenue and net profit through the sale of other uranium products.
8. The methodology of pricing for natural uranium concentrate was updated to strengthen the export potential of the Republic of Kazakhstan by increasing the competitiveness of the Company in the global uranium market.
9. A system for monitoring and analysis of the technical condition of centrifugal pumping units at facilities of Khorasan-U JV LLP (vibration, pressure, temperature sensors) was designed.
10. A BI-analytics tool was designed and implemented to determine the contour of ore bodies in Khorasan-U JV LLP, Bayken-U LLP, Semizbay-U LLP.





Kazpost JSC

In 2021, net benefits from transformation projects amounted to KZT 1.7 billion with a plan of KZT 3.8 billion.

In 2021, the following key results were achieved:

1. In the framework of the project "Development of Express and Courier Delivery Services", the GoPost mobile application designed for couriers was put into operation. 144 users were trained to work with the GoPost application in terms of issuing delivery orders, processing courier call requests, assigning statuses, accepting cash and non-cash payments on delivery, payments for refund, storage and re-delivery. To launch the functionality of accepting non-cash payments in the Go Post mobile application, access to Kazpost information systems (IS) was configured and provided to all couriers of regional EMS units.
2. In the framework of the project "Implementation of the Fulfillment Center Service in the Republic of Kazakhstan", contracts were signed with Silk Road city express LLP, Nursat+ LLP (Chocomart), Mikeya and Kar-Tel to provide the fulfillment (support) services.
3. In the framework of implementing the IIN/BIN@POST.KZ service, the product "Registered letter to the IIN/BIN@post.kz electronic subscriber mailbox" and the tariffs for the service and notification of receipt of an email were approved. Relevant proposals/legislative initiatives on the development of postal digital services were developed and sent. On December 23, 2021, an agreement on the design/development/implementation/installation of the IIN/BIN@post.kz was signed with Azimut Labs LLP.
4. Within the framework of the Protocol Instruction of the First Deputy Prime Minister A. Smailov dated April 9, 2021, the task of developing a bonded warehouse is being implemented, namely, working through the issue of establishing a bonded warehouse of Kazpost JSC in the territory of Khorgos-Eastern Gate SEZ for the transit of international mail to third countries. In September 2021, as part of the project "Development of B2B2C Services in the Republic of Kazakhstan" (BONDED WAREHOUSE), a transit (bonded) warehouse was opened in the territory of Khorgos-Eastern Gate SEZ. The Company accomplished all organizational measures, established cooperation with the postal administrations of Russia and Uzbekistan, implemented a pilot service of receiving mail transit in the amount of 320 kg, and concluded an agreement with Yiwu Yuexuan Trade CO.
5. In the framework of the project "Cargo Transportation and Customs Representative", the status of a customs operator was obtained. Tariffs for customs clearance services were approved. A new service was launched for legal entities to provide customs support when crossing the border by road. Since the beginning of the year, transit declarations have been issued for 100 railway containers.
6. As part of the project "Improving Operational Efficiency Through Data Analytics (BIGDATA)", work is being carried out to build a portrait of the client. Dashboards Client Portrait, Department Portrait, Employee Portrait, card activity, itemization, services, frequency of using services, etc. were developed.





KEGOC JSC

In 2021, net benefits from transformation projects amounted to KZT 2.7 billion with an annual plan of KZT 0.61 billion.

In 2021, the following key results were achieved:

1. In the framework of the project "Introducing a Centralized System of Emergency and Operating Automation of UES Operation Mode Control (CECS and AFAPC)", an AFAPC was put into operation to automate the maintenance of the electricity generation and consumption balance in the power system of the Republic of Kazakhstan. As a result, the efficiency of dispatching control of the country's power system modes of operation has increased and the reliability of the NES operation has improved, the costs for power regulation services have reduced, disconnections of consumers and generation due to excessive exposure to emergency automation have reduced by at least 25%.
2. As part of the project "Implementing a Monitoring and Control System Based on Synchrophasor Technologies (WAMS/WACS)", the commissioning work was performed and the WACS system was put into operation from July 30, 2021.
3. In the framework of the "Ensuring Cybersecurity" project, a system for protecting the perimeter of production technological facilities and a system for detecting abnormal situations in the process network were put into commercial operation, work was performed to introduce a firewall system for segmentation of internal branch networks and a network anomaly analyzer system. The CISCO ISE user access control and authentication system controls user access to production systems.
4. In the framework of the event "Formation of Effective Human Resources", diagnostics was carried out to identify the level of social stability, industrial relations, the level of tolerance for corruption, involvement, and the development of internal communications. A pool of talents for key positions was formed. From September 2020 to July 2021, the list of successors of the Functional Pool included 186 people. During the reporting period, the percentage of appointments from the Functional Pool was 80%.
5. Within the framework of the event "Improvement of Project and Portfolio Management", standards were developed and approved, the Optimization Project Management Regulations were updated, internal regulations on capital (major and significant) project management were updated, the implementation of project and portfolio management processes in accordance with the company's internal regulations was ensured.
6. The measures under the project "Automation of Lighting of Substation Outdoor Switchgears" were completed, a tender for the purchase of motion sensors was held, equipment was delivered, and installation work was completed.





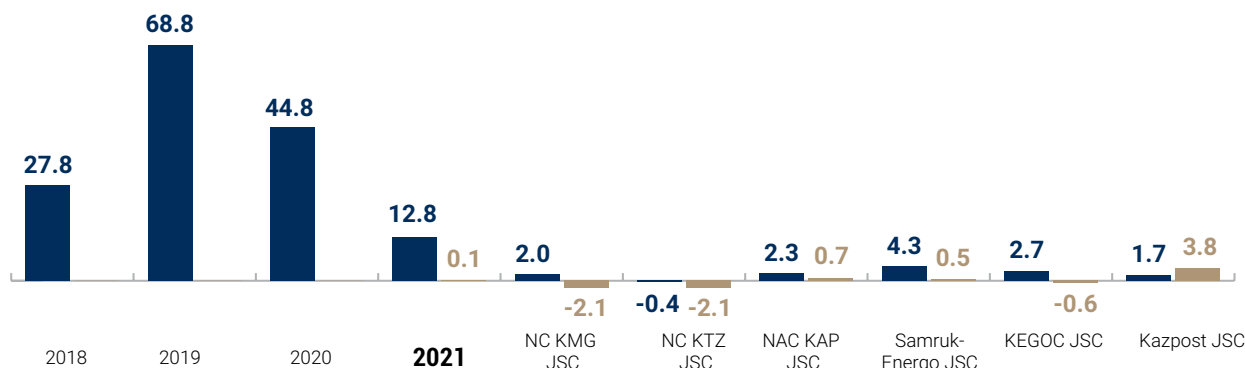
Samruk-Energo JSC

In 2021, net benefits from transformation projects amounted to KZT 4.3 billion with an annual plan of KZT 0.5 billion.

In 2021, the following key results were achieved:

1. The project "Implementation of a New Model for Integrated Security Management" was implemented; new processes are currently used in the operating activities of AIES JSC, Alatau Zharyk Company JSC, SGE JSC. More than 6 thousand employees were trained as part of the 3rd line of the project. Injury rates (LTIFR, LDR) are expected to decrease by 30% within 3 years after the project implementation.
2. In the framework of the "Safe Production" project, the system was put into commercial operation in Ekibastuz GRES-1 LLP, Ekibastuz GRES-2 Station JSC and AIES JSC. During the operation of the system, the following rates of inconsistencies were registered: Ekibastuz GRES-1 LLP – 3,514, Ekibastuz GRES-2 Station JSC – 2,062 and AIES JSC – 3,687.
3. As part of implementing the project "Analysis of Commercial Losses in Networks Using Data Analytics", a system for analyzing commercial losses was developed, data migration from the ASCAE system was accomplished, test activities based on the available data are being carried out, as a result of which user training will be conducted, and the system will be put into productive operation.
4. In 2021, as a result of the implementation of the project "Introduction of Online Services for Electricity Consumers", NPP LLP received payments from 17,311 accounts through the Personal Account for legal entities.
5. The project "Implementation of the Information Security Management and Assurance System" was completed, all the stated event sources of Samruk-Energo JSC and its eight subsidiaries of the project organizational perimeter were connected, 24/7 monitoring of information security incidents is being carried out.
6. The AFAPC Implementation project was completed. The AFAPC system was put into productive operation in EGRES-1 LLP and Moynak HPP JSC. Pursuant to the contract concluded with the system operator of the Republic of Kazakhstan (KEGOC JSC) for the provision of frequency and power regulation services in the UES, power plants receive additional income.
7. The Integrated Planning System (IPS) project was completed; the system was put into commercial operation in April 2021 at Ekibastuz GRES-2 Station. Due to the use of the IPS as a tool for choosing an optimal operating mode of stations as part of the formation of the Development Plan of Samruk-Energo JSC, the SCEF indicators as well as water and fuel oil costs were reduced.
8. Within the framework of the project "Improvement of the Corporate Management System", the Policy of the corporate management system of the group of companies, the regulations on the process for managing internal regulatory documents and the rules for issuing internal regulations were developed and approved.
9. The project "Improvement of the RES Purchase Model (end-to-end surcharge)" was completed. In the framework of the project, amendments to the legislation in the field of electric power industry were initiated in terms of revising the tariff formation for traditional stations and mechanisms for supporting renewable energy in Kazakhstan. Due to the introduction of an end-to-end surcharge to support the use of renewable energy sources from July 1, 2021, an overall economic effect was achieved. By the end of 2021, net benefits in the amount of KZT 12.8 bln were received under the Transformation Program with an annual plan of KZT 0.1 bln.

Net benefits from the Transformation Program for 2021



DIGITALIZATION

In modern conditions, information technologies and digitalization are the main factor of technological changes and a condition for ensuring competitiveness both at the level of individual enterprises and at the level of countries, which leads to the restructuring of all economic and production processes, as well as causes a radical increase in productivity, improves quality, and reduces costs.

The introduction of advanced technologies and digitalization have a significant impact on all economic sectors and play a key role in optimizing business processes and increasing productivity.

The Fund monitors global technological trends and eliminates gaps in the use of digital technologies. The introduction and scaling up of the latest applicable technologies ensure the creation of additional value of assets and products, as well as an increase in the efficiency of making managerial decisions.

To ensure profitability and increase the operational efficiency of portfolio companies, the Fund conducts work on systematic re-engineering and improvement of business processes, including through digitalization, as well as identifies and eliminates inefficient corporate and production processes.

Currently, the Fund is undertaking measures to further improve commercial, industrial and corporate business processes using advanced technologies, including IoT, Big Data, robotic process automation (RPA), 5G and 6G, digital twins.

Areas of the Fund digitalization

1. Digitalization of procurement activities of the Fund

Development of E-Procurement System/Digital Procurement Ecosystem

As part of ensuring the digitalization of the procurement process, to simplify and ensure transparency of procurement procedures, work is being carried out to systematically increase the share of purchases of commodities and materials through an electronic store.

The Fund also operates an electronic procurement information system, which is a single portal for companies included in the Fund Group, in which a full cycle is performed, including planning the need for goods, works and services, procurement, conclusion and execution of contracts, and delivery of goods to the warehouse.

2. Digitalization of human resource management processes (recruiting)

The Fund operates Samruk Qyzmet online recruiting platform designed for the following purposes:

- ensuring the availability of all vacancies of the group of companies for the general population in all regions of the Republic of Kazakhstan;
- digitalization and automation of the employee hiring process in the group of companies;
- exclusion of the human factor in the selection of applicants due to robotic process automation;
- ensuring transparency of all stages of recruitment processes;
- creating a culture of feedback when working with applicants;
- professional development of recruiters.

To date:

- 93,000 applicants have been registered on the platform;
- 183 companies of the Fund Group place their open vacancies;
- More than 11,000 vacancies are open;
- More than 6,350 production and administrative specialists have been employed.

The following functionalities have been implemented:

- Establishing cooperation with the Agency for Civil Service Affairs of the Republic of Kazakhstan within the framework of the Presidential Youth Personnel Reserve;
- Integration with the unified database of labor contracts of the Ministry of Labor and Social

Protection of Population of the Republic of Kazakhstan;

- Passing online testing;
- Reflection of all stages of the competitive selection by all participants;
- Possibility of direct contacting the compliance service.

3. Digitalization of the social and labor sphere

The Fund has launched the Nysana information system, which allows registering information received from the call center, regional representatives and as a result of social networks monitoring. Received messages, depending on the extent of social tension, are divided into three levels and displayed accordingly on the Social Stability Map with an indication of the region and the company. Thanks to this information system, managers, divisions and services of Portfolio Companies and the Fund involved in issues of social and labor relations can get interactive access to data on incidents and the results of the Samruk Research Service (SRS) study conducted annually to determine the level of social stability. At the same time, the results of the survey are displayed in the Nysana information system, on the Social Stability Map indicating the details about the most disturbing social and labor aspects of certain branches and subsidiaries of the Fund's companies.

With the aim of continuous determining the level of social stability and its digitalization, the approach of quarterly research and its implementation by a web service with an intuitive interface, verification by phone number, automated distribution of respondents to companies and counting of responses has been determined for this year.



PROCUREMENT MANAGEMENT

The procurement system of the Fund Group ensures 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 Group in the field of procurement is Samruk-Kazyna Contract Limited Liability Partnership, which actively fulfills 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 the Electronic Procurement Information System (EPIS)

As part of work to increase the efficiency and transparency of the Fund’s procurement system, 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 the processes of procurement planning, supplier selection (open tender and other methods), conclusion and execution of contracts, preliminary qualification of potential suppliers, category procurement management, submission and consideration of complaints from potential suppliers, and marketing.

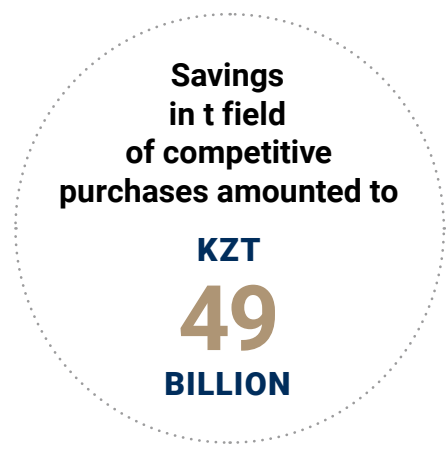
According to the amendments and additions made to the Procurement Management Standard (No. 07/21 dated March 1, 2021, No. 09/21 dated March 15, 2021, No. 27/21 dated June 24, 2021, 28/21 dated June 30, 2021, No. 31/21 dated July 22, 2021, No. 50/21 dated November 4, 2021), 70 improvements were introduced to the EPIS in a timely manner.

In addition, for the purpose of further automation of the procurement process, the following has been done:

- developing and implementing a User Survey module;
- developing and implementing an Electronic Store;
- updating the new PQS 2.0 subsystem (changing the order of considering questionnaires, refusal of verification audit, etc.);
- developing and implementing the procurement functionality of PQS 2.0 as part of category procurement strategies;

- integration with 60 subsidiaries and affiliates for the provision of procurement plans, results and contracts;
- introducing the Kazakh language into the procurement process (plan, tender, price proposals, tender through competitive negotiations, one source procurement, procurement within the intra-holding cooperation, contracts, reports, etc.);
- developing the functionality of unlocking the plan items according to the codes of mechanical-engineering, chemical, pulp and paper industries, and the economy of simple things codes by analogy with the functionality of unlocking the CPS;
- developing and integrating the Integration Bus subsystem.

Customers carried out electronic purchases in the amount of KZT 3.4 trillion, savings on competitive purchases amounted to KZT 49 billion. The total amount of purchases is 356 thousand units, which is 35 thousand less than in 2020. In total, since the introduction of the electronic procurement system in 2013, the Fund’s companies have saved KZT 374 billion.



Preliminary qualification selection of potential suppliers

Preliminary qualification selection is a process of assessing the compliance of potential suppliers with the qualification requirements for purchased goods, works, services.

Preliminary qualification selection contributes to the development of the procurement system, improves quality and increases the level of competitiveness of domestic entrepreneurs and production in general.

Since the beginning of 2021, the Fund, together with Samruk-Kazyna Contract LLP, has put into operation a new model of preliminary qualification selection (PQS 2.0), which was developed in accordance with the world principles of qualification selection of potential suppliers.

The new PQS 2.0 model is used to objectively assess the level of potential suppliers before procurement, both in terms of their financial stability, production capabilities, and experience as a supplier. The PQS procedure makes it possible to increase not only the efficiency of

procurement, but also transparency, as well as optimizes the timing of procurement for both customers and suppliers.

To date, the PQS process is carried out only for goods, works and services that are of high importance for business areas of the Fund's subsidiaries in terms of use in their key production processes.

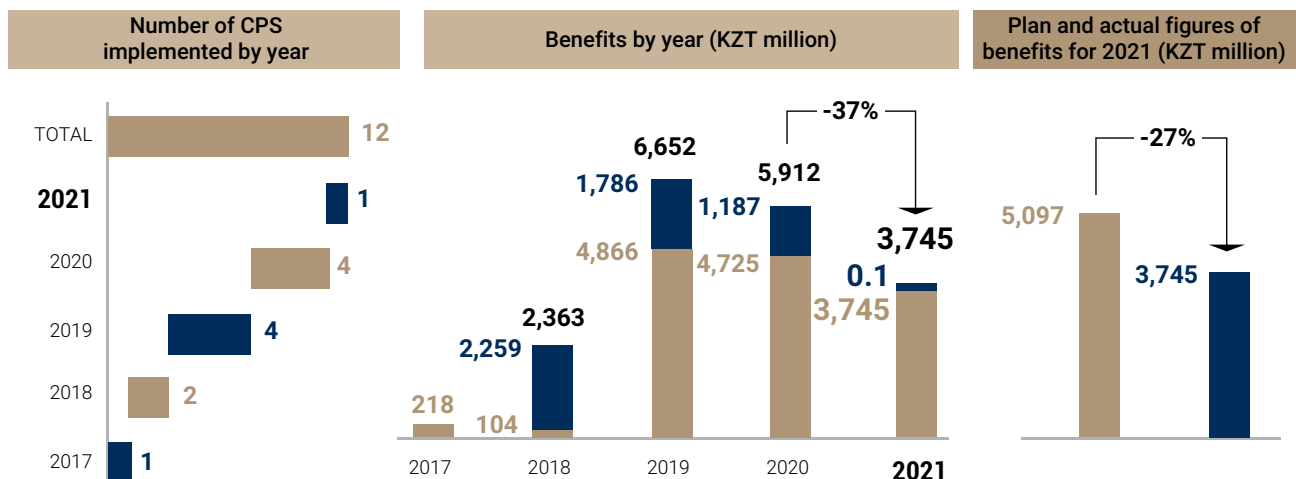
By the end of 2021, 23 categories were developed jointly with Portfolio Companies of the Fund, while 71 potential suppliers were included in the Register of Qualified Potential Suppliers. At the same time, the new PQS 2.0 model allowed the Fund to achieve the following indicators:

- thanks to the PQS process, purchases from one source reduced and the share of failed purchases decreased to 1%;
- the level of satisfaction with the PQS process among potential suppliers amounted to 98.3%;
- as part of the PQS 2.0 process, goods, works and services worth over KZT 170 billion were purchased from domestic entrepreneurs.

Category procurement management

BENEFITS FROM THE IMPLEMENTATION OF THE FUND'S CPS IN 2021

In 2021, 12 category procurement strategies were implemented at the Fund level. Total benefits amounted to KZT 3,745 million with a plan of KZT 5,097 million



Benefits in the context of category procurement strategies (KZT million)

№	Procurement category (strategy)	Actual confirmed benefits, KZT, including by year				
		2020		2021		
		Savings based on CPS	Other benefits	Savings based on CPS	Other benefits	%
1	Passenger cars and buses	119.56		66.26		100%
2	Electricity	939.47		1,544.27		100%
3	Health insurance	681.36	347.49	635.81	15.41	29%
4	Cable and wire products	316.73		389.84		95%
5	Special footwear	588.53		197.73		88%
6	Communication services	1,338.45		158.77		56%
7	IT and communication equipment	393.18		143.35		100%
8	IT software	303.71		149.75	41.06	39%
9	Oils and lubricants	454.31	1.49	-157.33	6.62	91%
10	Special clothing and PPE	41.01		414.52	19.24	152%
11	Trucks and special equipment	386.93		120.06		69%
12	Fuel			0.13		100%
Total		5,943.8	707.8	3,663.18	82.34	73%



Local content

The President and the Government of the Republic of Kazakhstan pays special attention to the development of local content.

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

In 2021, the share of local content in the procurement of the Fund Group amounted to 77% and remained at the level of 2020.

At the end of 2021, the amount of actually delivered goods, completed work and rendered services was KZT 4,632 trln, of which goods – KZT 2,030 trln, (LC – 66%), works – KZT 864 bn (LC – 77%), services – KZT 1,739 trln (LC- 90%), works/services – KZT 2,603 trln (LC- 86%). The share of local content in the procurement of the Fund Group is 77%.

Organisation	billion tenge									
	Total	LC share, %	Goods		Works		Services		Works/Services	
			Amount	LC share, %	Amount	LC share, %	Amount	LC share, %	Amount	LC share, %
KazMunayGas JSC	1,216	78%	273	57%	514	84%	429	86%	943	85%
KazTransGas JSC	541	90%	201	97%	75	54%	266	95%	341	86%
Kazakhstan Temir Zholy JSC	1,836	79%	872	65%	129	64%	834	96%	964	92%
NAC Kazatomprom JSC	195	80%	107	74%	44	92%	44	80%	88	86%
Samruk-Energo JSC	297	89%	174	87%	46	80%	76	98%	123	91%
Kazakhtelecom JSC	63	55%	33	27%	12	89%	18	86%	30	87%
Air Astana JSC	72	45%	23	86%	9	0%	40	33%	49	27%
KEGOC JSC	77	52%	40	49%	25	55%	12	57%	37	56%
Tau-Ken Samruk JSC	301	46%	297	46%	2	83%	2	76%	4	80%
Kazpost JSC	12	26%	5	22%	1	47%	6	25%	7	29%
Other	22	36%	5	27%	5	51%	11	33%	17	39%
Total for the Fund	4,632	77%	2,030	66%	864	77%	1,739	90%	2,603	86%

The Fund's 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 Group with a focus on the purchase of domestic products (as of December 2021, 175 long-term procurement plans were in effect for the Fund Group).

As a result of the procurement campaign (as of December 31, 2021), 4,391 long-term agreements with domestic suppliers for the supply of goods, works and services worth KZT 13 trillion were in effect in the Fund Group, including 1,069 long-term agreements signed with domestic producers for a total amount of KZT 3.3 trillion.

At the end of 2021, the amount of goods delivered, work completed and services rendered was

KZT
4.6
TRLN

Economics of simple things

At the end of 2021, the share of purchases from domestic producers of goods of the “economy of simple things” amounted to 90%, which is 7% higher compared to 2020, including:

- Light industry – 97% (remained at the level of 2020);
- Food industry – 91% (3% increase);
- Building materials – 91% (6% increase);
- Chemical industry – 89% (4% increase);
- Mechanical engineering – 82% (3% increase).

Development of the procurement methodology

In 2020, to increase the transparency of procurement processes of quasi-public sector entities, the President of the Republic of Kazakhstan instructed to develop and approve a relevant law in 2021.

The Fund took an active part in the development of the draft law.

As a result, on June 8, 2021, the President of the Republic of Kazakhstan signed the Law of the Republic of Kazakhstan “On Procurement Procedures of Certain Quasi-Public Sector Entities” (hereinafter – the Law), which provides for:

- Maintaining an operational and flexible procurement model of the Fund;
- Preservation of the Fund’s procurement web portal;
- Strengthening state control over procurement processes and preventing excessive interference in the business activities of the Fund’s companies;
- Leveling the risks of introducing provisions into procurement regulations that make it difficult for entrepreneurs to have access to procurement;
- Maintaining the current mechanisms and continuing the work of the Fund to support domestic commodity producers (hereinafter – DCP) without violating the principles of membership of the Republic of Kazakhstan in international organizations.

Pursuant to the requirements of the Law, a lot of work was done to develop a new Procurement Procedure to ensure its coordination with the Fund’s companies and the NCE.

The Procurement Procedure provided for the basic principles and provisions that regulate procurement activities and is aimed at increasing the transparency of procurement across the Fund Group.

During the development of the draft Procurement Procedure, the specifics of activities of the Fund’s companies, as well as their production characteristics were taken into account.

As a result, the Procurement Procedure was agreed upon by the Ministry of Finance of the Republic of Kazakhstan on October 21, 2021 by letter No. 25.1-07-05.6/5908 and approved by decision the Board of Directors of the Fund No. 189 dated December 9, 2021.

During 2021, several changes were made to the Fund’s Procurement Management Standard (which details the Procurement Procedure, hereinafter referred to as the Standard), which were approved by the Management Board and aimed at improving the procurement process of the Fund’s companies and supporting domestic producers.

Key changes:

- extension of the term of the provision that requires making payments to domestic producers no later than 5 working days by December 31, 2021;
- optimization of the procedure for forming the Register of Commodity Producers and enabling commodity producers to participate in the procurement of goods similar to those purchased;
- simplification of the process of forming and maintaining the Register of Commodity Producers of the Fund. The need for potential suppliers to provide a number of constituent documents has been excluded;
- optimization of dumping thresholds for construction and installation works and goods (8 and 15 percent, respectively).

There is also a possibility of amending the concluded procurement contract by mutual agreement if the total cost of raw materials and/or component parts that are necessary to produce goods has increased by more than 20% and/or tariffs that affect the pricing of the purchased goods have increased.

In pursuance of the instructions of the Head of State given at the meeting devoted to the socio-economic development of Mangystau region held on September 22, 2021 (Minutes No. 04-494//21-01-7.17), the Standard stipulates the following:

- requirements for setting minimum wage thresholds for suppliers’ employees engaged in the procurement process of subsidiaries of NC KazMunayGas JSC (hereinafter – KMG) according to the list of works and

services determined by the Management Board of KMG;

- provision of conditional discounts in tenders to potential suppliers who pay increased wages to their employees (conditional price reduction by 3% for 10% excess of the minimum threshold, 4% for 15% excess, and 5% for 20% excess).

In pursuance of the instruction of the Head of State given on January 11 of this year, the Fund has developed a draft of a new Procurement Procedure.

The restated Procurement Procedure was approved by decision of the Board of Directors of the Fund on March 3 this year and entered into force on April 1 this year.

The key changes in procurement processes as provided for in the Procurement Procedure can be divided into the following three blocks:

Block 1. Changes aimed at increasing transparency of procurement and minimizing corruption risks:

- 1) unification of all documents that regulate procurement procedures. It is proposed to approve one draft of a new Procedure instead of nine existing multi-level documents, which will describe all procurement

- procedures without reference to other documents and will be a document of direct effect to be approved by the Board of Directors of the Fund in coordination with the Ministry of Finance of the Republic of Kazakhstan;
- 2) reducing the grounds for single-source procurement by 41% (from 34 to 20 compared to 2020);
For reference: approximately KZT 400 billion of the procurement volume will be transferred to the competitive environment.
 - 3) inclusion of a provision that requires mandatory NCE's approval of the list of procurement categories for the development of category procurement strategies, as well as the list of goods, works and services purchased through the preliminary qualification selection of suppliers, including qualification criteria;
 - 4) inclusion of a provision that requires mandatory placement of all information on category procurement management in open access on the web portal, including the list of categories and the category procurement strategies;
 - 5) inclusion of a provision that requires mandatory coordination with customers' compliance services of purchases from one source on grounds where risks of corruption exist (procurement within the framework of unification, contractual obligations, rental of buildings, structures, land plots), as well as coordination of category procurement strategies;

Grounds for single-source procurement reduced by 41% (from 34 to 20 compared to 2020)



- 6) establishing a requirement to monitor planned prices for compliance with average prices across the Fund Group and public procurement through the procurement web portal. The launch of the project is expected in the 2nd quarter of this year.

Block 2. Measures aimed at supporting businesses, especially local producers and small and medium-sized enterprises (hereinafter referred to as SME):

- 1) exemption of domestic commodity producers from all types of collateral, including the return of an advance payment. Mandatory advance payment in the amount of at least 30% of the contract price;
- 2) payments for domestic commodity producers and SMEs (in an electronic store) should be made within 5 working days;
- 3) provision of preferences (benefits) to representatives of SMEs:
 - provision of a conditional 1% discount to SMEs that participate in tenders;
 - giving preference to SMEs with the equality of the lowest prices among potential suppliers;
- 4) the term of delivery is at least 60 days for all goods purchased from domestic producers and at least 120 days for complex goods.

The number of procurement strategies reduced from 78 to 21

At the same time, all existing measures to support domestic producers remain unchanged.

Block 3. Provision of expanded access and removal of barriers for businesses:

- 1) reducing the number of procurement strategies from 78 to 21;
- 2) by the end of 2022, a completely new concept of e-store will be developed taking into account procurement approaches similar to those adopted by the government;
- 3) exclusion of requirements for potential suppliers to have machinery and equipment when purchasing work that is subject to mandatory licensing.



SUSTAINABLE DEVELOPMENT



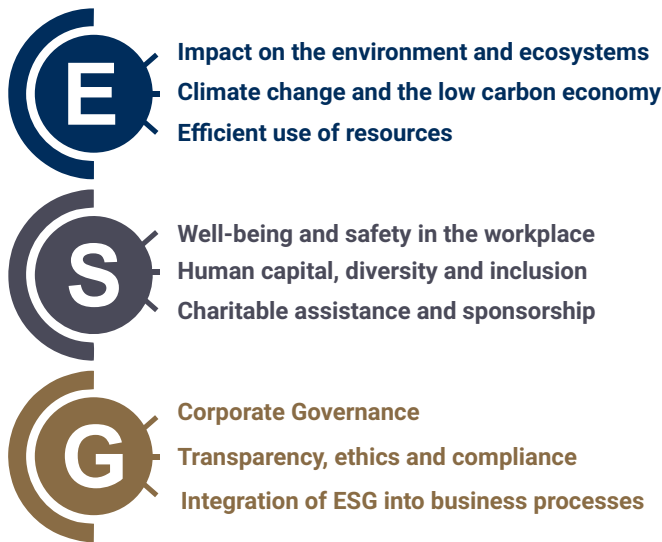
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ESG-TRANSFORMATION

PRINCIPLES OF SUSTAINABLE DEVELOPMENT



One of the key objectives of the Fund is to promote sustainable development through the introduction of economic, social and governance principles (ESG principles).

In 2021, the Fund started developing an ESG Policy to establish common principles of ESG activities for the Fund and its Portfolio Companies (PCs) and declare for investors the commitment of the Fund to ESG principles. The Fund develops recommendations for PCs regarding the voluntary disclosure of information about financial risks of companies that arise in connection with global climate change.

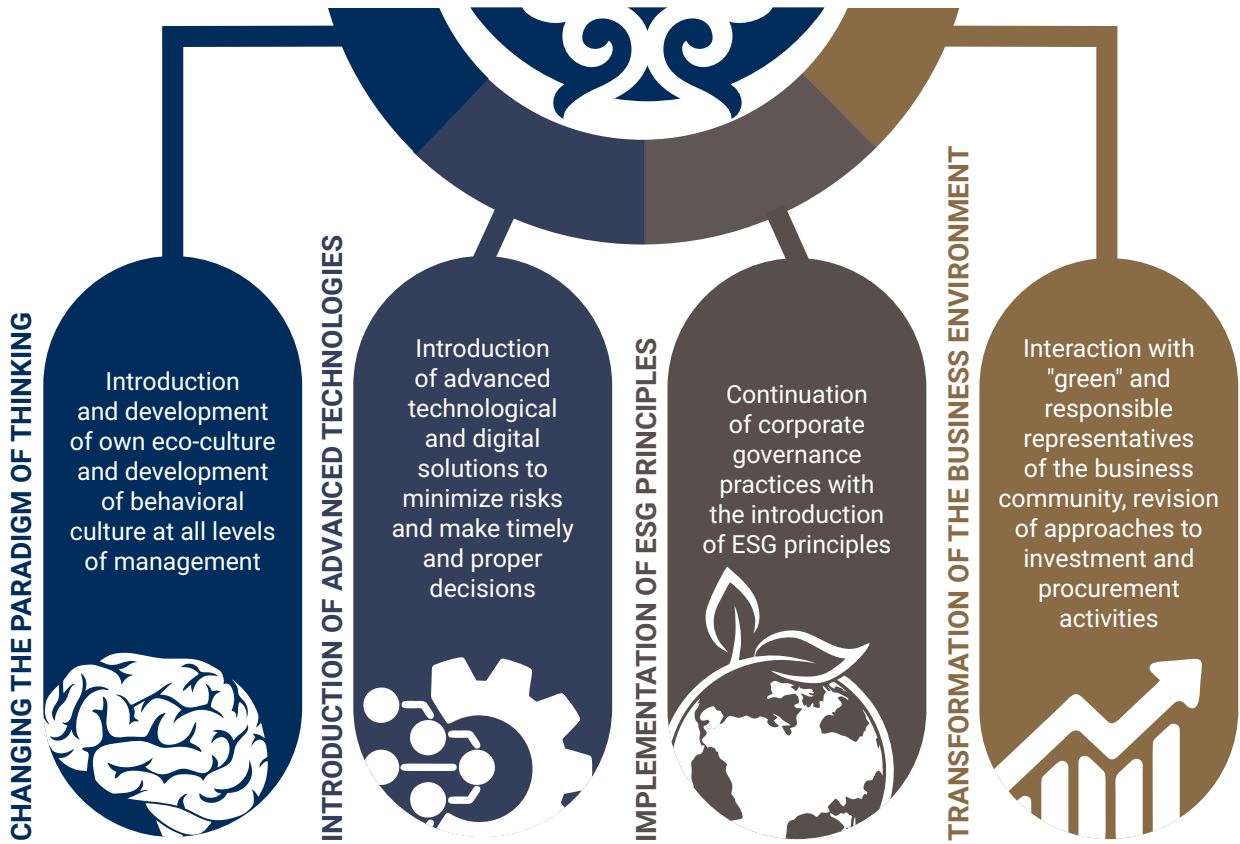
These are based on the TCFD (Task Force on Climate-related Financial Disclosure) recommendations, which promote the strengthening and development of corporate risk management practices.

It is expected that all PCs will obtain ESG ratings during 2022-2023 to increase investment attractiveness.

In 2020, KazMunayGas was the first in Kazakhstan and in the Fund to receive an ESG rating from Sustainalytics. In 2021, Sustainalytics international agency upgraded the indicator of KMG's risk rating in the field of sustainable development from 34.5 to 28.4 points (which is above an average indicator).

The implementation of ESG principles is important for the Fund as this will increase the long-term value of assets and investment attractiveness.

The Fund plans a deep ESG transformation, in which the employees of the Fund's Group will play a fundamental role. Only a change in the paradigm of thinking of each employee of Samruk-Kazyna group of companies and an understanding of the importance of their own contribution can ensure the successful implementation of the principles of sustainable development. It is necessary to introduce and develop an eco-culture at all levels of management. Each employee of the company should contribute to the formation of the company's image as a responsible participant in the international market.



Second, it is necessary to ensure the introduction of advanced technological and digital solutions. This will minimize risks and ensure timely adoption of proper decisions.

Third, it is necessary to continue the practice of corporate governance based on ESG principles. Management and members of the Boards of Directors of Portfolio Companies should not only adhere to approaches to sustainable development, but also improve them in a timely manner.

Fourth, special attention should be paid to the transformation of the business environment. It is necessary to further establish cooperation with the "green" and responsible representatives of the business community. There is a need to revise approaches to investment and procurement activities based on the principle of commitment of counterparties and partners to sustainable and inclusive development.

The employer's brand also plays an equally important role. Positioning the company as an organization that supports the green economy development requires the development of its own ESG Policy indicating the key areas and objectives of activities in the field of sustainable development, as well as the fulfillment of stated obligations in the field of social and environmental protection.

In general, a complete ESG transformation requires a radical revision of the business model, both at the Fund level and at the level of Portfolio Companies.

In the long term, the implementation of the sustainable development and ESG principles will become an effective tool to reduce and manage risks related to the environmental, social and economic stability, as well as a source of new opportunities and competitive advantages.

ENVIRONMENTAL IMPACT

Samruk-Kazyna JSC, as the largest driver of the economy, considers the transition to sustainable development as one of the key priorities of its activities. A strategic objective is to ensure transition to low-carbon development aimed at increasing the sustainability and strengthening the competitiveness of the Fund, ensuring an overall reduction of reputational and financial risks for both the Fund and the economy.

With a systematic and balanced approach, energy transition will allow accelerating the diversification of the portfolio and the development of new industries, creating

new jobs, improving the skills of personnel, getting access to finance and investments, and will ensure the transfer of advanced technologies and knowledge.

The strategic goal of the Fund for 2022-2032 is to reduce the carbon footprint by 10% compared to the total volume of direct and indirect emissions in 2021 and achieve carbon neutrality by 2060, as announced by the Head of State.

As part of the implementation of the set goals, the Fund has started developing a Concept of Low-Carbon Development, which defines the vision and goals of the Fund to achieve carbon neutrality.



Current situation

The group of companies of Samruk-Kazyna JSC includes enterprises of the oil and gas and transport and logistics sectors, chemical and nuclear industries, mining and metallurgical complex, energy and real estate segments. Portfolio Companies of the Fund are crucial for the carbon footprint of the key sectors of the economy. Thus, the share of the Fund and its Portfolio Companies to country-wide emissions is about 12.9% .

The share of the Fund's PC emissions in the total country emissions by economic sector for 2021

Sector	Share of emissions from country, %
Energy, incl.	12.3
Electricity and heat production	9.1
Extraction and processing of minerals	1.6
Transport (air, railway, water)	0.8
Pipeline transport	0.7
Industrial processes	0.5
Total	12.9

Carbon footprint (direct and indirect emissions CO₂) for 2021 is estimated at 57.8 million tons of CO₂ (direct – 47 million tons of CO₂, indirect – 10.8 million tons).

Direct greenhouse gas emissions across the Fund Group

The actual volume of direct CO₂ emissions by the Fund's companies with assets in Kazakhstan for 2021 amounted to 47 million tons of CO₂.

Direct CO₂ emissions across the Fund Group for 2021

Portfolio Company	CO ₂ emissions, thous. tons	Share, %
Samruk-Energo JSC	33,032	70.29%
NC KazMunayGas JSC	7,904	16.82%
NC QazaqGaz JSC	2,514	5.35%
NC Kazakhstan Temir Zholy JSC	1,919	4.08%
Samruk-Kazyna Ondeu LLP	848	1.81%
Air Astana JSC	611	1.30%
NAC Kazatomprom JSC	94	0.20%
Kazpost JSC	31	0.07%
Kazakhtelecom JSC	28	0.06%
Tau-Ken Samruk NMC JSC	11	0.02%
KEGOC JSC	1	0.00%
Total	46,992	100%

The main emitters of CO₂ in the Fund's group are JSC "Samruk-Energo" (70%) and JSC "NC "KazMunayGas" (17%), whose activities are focused on the fossil supported types of fuel.

Source of pollution for other PCs (13%) is also the use of "brown" energy sources to ensure its production and operating activities. The main sources pollutant emissions are fuel stations of category I. Marker pollution reducing substances characteristic of thermal power plants are nitrogen oxides, oxides sulfur, carbon monoxide, dust (ash).

The share of the Fund and its Portfolio Companies in country-wide emissions is about

12.9%

(47 mln tons of CO₂)

For the period 2019-2021 there is an increase in CO₂ emissions, due to the increase in production capacities of Samruk-Energy JSC. In the structure of straight lines emissions (coverage 1) is dominated by the following water processes:

- stationary burning of fossil species fuel (coal, gas, fuel oil) for generating electricity tro- and heat energy (boilers, furnaces, gas engine-pressors, power generators)
- combustion of fuel on technological equipment vaniya (furnaces, heaters, gas engine compressors, gas treatment plants, drilling rigs, mining machines etc.)
- emissions from transport (aircraft engines, internal combustion engines, traction needs locomotives, etc.)
- fugitive emissions (equipment leaks, from evaporation, ventilation, etc.) and flare gas flaring
- emissions from the processes of grinding coal and as-socialized seams during coal mining, emissions from endogenous fires, called reactions of low-temperature oxidation carbon removal when storing the internal overburden on external rock dumps.

Indirect CO₂ emissions for the Fund group for 2021 on PC

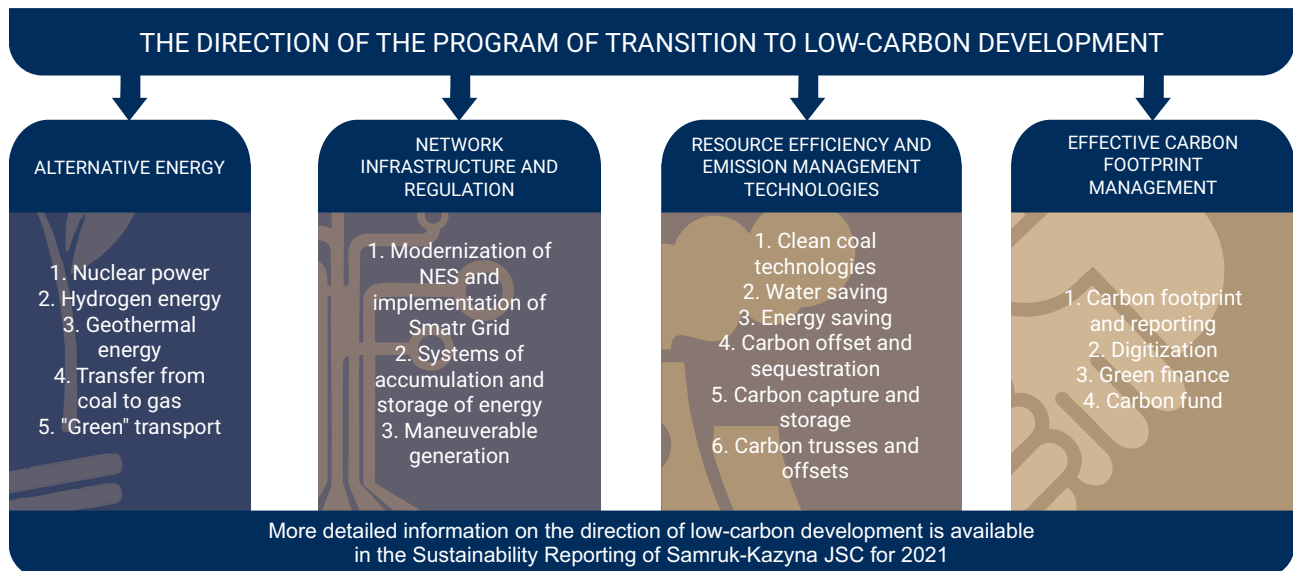
Portfolio Company	CO ₂ emissions, thous. tons	Share, %
Samruk-Energo JSC	24	0.2%
NC KazMunayGas JSC	3,329	31.1%
NC QazaqGaz JSC	79	0.7%
NC Kazakhstan Temir Zholy JSC	3,230	30.1%
Samruk-Kazyna Ondeu LLP	22	0.2%
Air Astana JSC	3	0.0%
NAC Kazatomprom JSC	694	6.5%
Kazpost JSC	32	0.3%
Kazakhtelecom JSC	224	2.1%
Tau-Ken Samruk NMC JSC	3,101	28.9%
KEGOC JSC	27	0.3%
Total	10,715	100%

Key areas of transition to low-carbon development

The Fund shares the concern of the world community susceptibility to the problem of climate change and support lives global efforts to reduce emissions greenhouse gases, energy efficiency, transition to renewable energy sources and gradual phase-out of carbon fuel combustion.

Gradual reduction of carbon dioxide emissions over by reducing energy consumption, efficient production management, network infrastructure and regulation, transition to "clean" coal technologies technology, construction of renewable energy sources and nuclear power plants. For compensation remaining GHG emissions, technologies will be applied gie capture and storage of carbon dioxide.

Figure 1. Key areas of transition to low-carbon development





Energy saving and energy efficiency

Portfolio Companies of the Fund, which are mostly large producers that use energy-intensive technologies, pay great attention to energy saving and improvement of energy efficiency.

To optimize energy consumption, management processes that are in line with the international standard ISO 50001 "Energy Management Systems" have been implemented in all production PCs.

In April 2021, as part of the Transformation Program of Samruk-Energo JSC, the project of introducing the Integrated Planning System (IPS) was successfully implemented at power plants of national importance – Ekibastuz GRES. According to the results of the IPS project, the specific consumption of conventional fuel was reduced by 13.51 g/kWh at GRES-1 and by 8.30 g/kWh at EGRES-2.

As for RES, in 2013-2021, the Fund commissioned 2 MW Samruk-Green Energy SPP, 1 MW SPP in the Alatau Park of Innovative Technologies SEZ, 416 kW SPP in Kapshagai, 45 MW WPP and 5 MW WPP in the Shelek corridor. In 2020,

the renovation of Shardara HPP was accomplished with a complete upgrade of equipment and an increase in installed capacity from 100 MW to 126 MW.

Portfolio Companies of the Fund plan to use energy-efficient equipment and improve resource-saving technologies, as well as to introduce energy efficiency technologies in energy production, transmission and distribution systems.

All Portfolio Companies of the Fund install or plan to install energy-saving lighting equipment and take measures to reduce electricity consumption.

Thus, KazMunayGas plans to optimize furnaces and track heaters in the production segment, increase the efficiency of the oil refinery, as well as to reject burning fuel oil at POCR and PKOP. KEGOC, in turn, plans to install electric heating thermostats.

Once every 5 years, enterprises that consume more than 500 tons of fuel oil equivalent per year undergo a state energy audit, following which action plans for energy conservation and improvement of energy efficiency are developed.

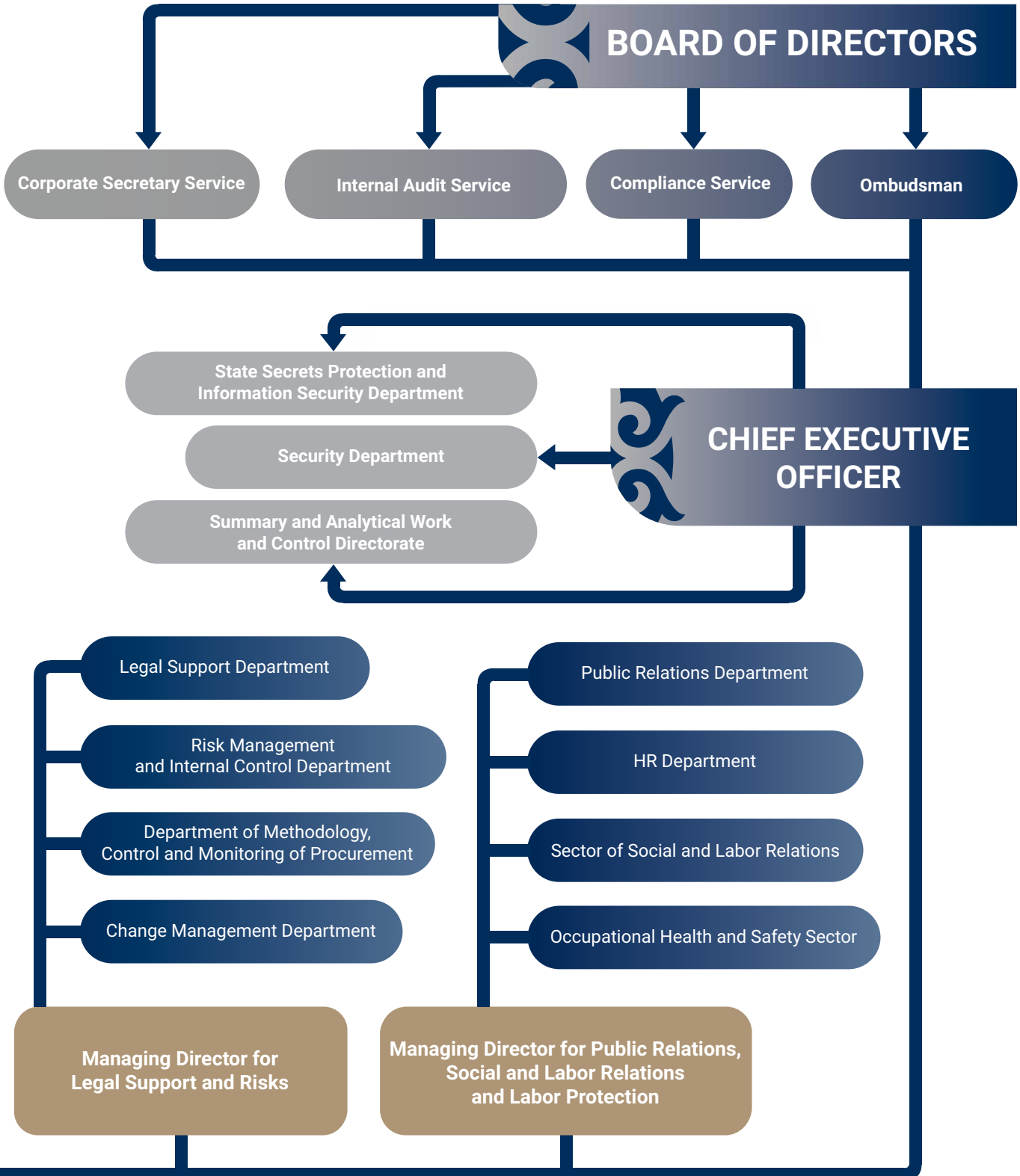
SOCIAL MANAGEMENT

ORGANIZATIONAL STRUCTURE OF THE FUND

In accordance with the order of the Head of State to accelerate the reformation of the Fund, on January 24, 2022, a new organizational structure of the Fund was developed, which provided for the redistribution of functions in order to increase the efficiency of processes and strategic activities of the Fund. The new

organizational structure meets the requirements for optimizing the costs of maintaining administrative and managerial personnel, ensuring the maximum efficiency of business processes, including transparency of procurement activities of the Fund's portfolio companies and reducing administrative barriers.





HR policy of the Fund

The HR policy of the Fund is aimed at forming a team of highly professional employees capable of ensuring the effective and stable development of the Fund. The Fund creates conditions to reveal the intellectual, professional and creative potential of its 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 specialists and promoting their professional growth.

The Fund Group remains one of the largest employers in the Republic of Kazakhstan. In 2021, the average number of employees in the Fund Group amounted to 247.1 thousand people.

Employee headcount and turnover in the Fund Group and in the Fund*¹

Index	2019	2020	2021
Employee headcount and turnover in the Fund, %	185	156	165
	15	10	25
Employee headcount and turnover in the Fund Group, %	307,637	265,820	258,155
	9.2	9.0	11.3
Involvement of production personnel of the Fund Group, %	56	82**	78**
Involvement of administrative personnel of the Fund Group, %	61	84**	83**

* according to the updated methodology

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, in 2021, the Fund Group implemented measures aimed at developing charity, promoting the idea of universal labor and popularizing industrial professions. For example, the Fund implemented Uzdik Maman project; on March 8, as part of the celebration of the International Women's Day, a Koktem Shuagi competition was held among female employees from among the production staff. Support of WWII veterans and home-front workers within the framework of Zhenis social and charitable project was provided in all regions of the Republic of Kazakhstan. In addition, the Fund organized planting of trees and clean-up events in the format of quests and games.

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

Search and selection of personnel

In 2021, 82 vacancies were announced and closed in the Fund. At the same time, the average number of applications per vacant position was 56, and the average duration of the search and selection of 1 candidate was 32 working days.

By the end of 2021, the following results were achieved using Samruk Qyzmet, a unified platform of the Fund's group of companies for the search and selection of personnel: 5,669 vacancies were announced, 1,810 people were employed through the platform, and 51,383 candidates were registered on the website.

* The Table shows the average staffing number of employees.



Professional employee development

In 2021, to support the implementation of the updated Development Strategy of the Fund, a Carbon Footprint conference-seminar was held, which was attended by 250 employees of the Fund and PCs. In addition, the Cyberday forum was held for 110 employees of information security departments of PCs and PC subsidiaries, at which leading experts in the field of cybersecurity presented new approaches and modern solutions.

The English Common Law and IPO Certification corporate programs were organized for the Fund’s employees on the platform of the AIFC. The training programs were developed and implemented by practicing subject matter experts. Trainees had the opportunity to ask questions in real time and apply new knowledge to analyze real cases.

As part of the industrial and innovative development of the Fund, training was organized on the topic: “Growth and Development: R&D, Innovation, Digitalization and Sustainable Development”. The program was developed taking into account international experience and the

understanding of the Fund’s growth as a continuous process of increasing long-term sustainability and increasing the value of assets by improving operational efficiency, developing and implementing R&D projects, sustainable development, digitalization and innovative projects.

Numerous educational events were implemented for managers of the Fund: the “Care of the Manager” marathon, corporate training in evaluation of employee performance, management of team involvement, development of people management skills, provision of feedback, etc.

A Backup Employee Day was held where employees were given the opportunity to try themselves in a new/desired position, learn about its characteristics in practice, skills and behavior required to hold such a position in the future.

In addition, online trainings aimed at improving professional, managerial, personal and business competencies of the staff are organized on an ongoing basis.

Remuneration and assessment

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

- To assess positions, the Fund and its companies use a grading system based on the methodology developed by Korn Ferry company. A unified approach to assessing positions makes it possible to objectively compare positions between companies as well as to compare salaries of specialists in the country, in the region and at a global level;
- The performance assessment process is a basis for remuneration, incentives, bonuses, training and professional development, and also serves for employee retention purposes.

Assessment of the employee performance allows determining the requirements for work results, skills, knowledge and competencies of employees that are needed in order to achieve 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 of performance evaluation and remuneration.

Creating a cost-effective remuneration system necessary to attract, retain and motivate employees is a priority. The Fund focuses on the aggregate remuneration, which, besides remuneration and bonus payments, also includes benefits and non-monetary remuneration.

Degree of personnel involvement in the Fund Group and in the Fund

Every year since 2013, the Fund and the Fund Group have been conducting a social research to assess 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.

The consolidated index of administrative personnel involvement in 2021 was 83%, which is within stability zone. Compared to 2020, the indicator decreased by 1%. A high level of involvement is noted among employees of Samruk-Energo JSC (89%), NAC Kazatomprom JSC (88%), Tau-Ken Samruk JSC (87%), Samruk-Kazyna Construction JSC (86%).

Stable engagement indicators are observed in all other companies of the Fund Group. Compared to last year, a significant decline in the involvement rate is observed among employees of Samruk-Kazyna Business Service LLP (-19%) and Samruk-Kazyna Invest LLP (-16%). A slight decrease in involvement is observed in KEGOC JSC (-5%), Samruk-Energo JSC (-3%), Air Astana JSC (-2%), NC KTZ JSC (-2%), NAC Kazatomprom JSC (-1%). Some companies of the Group managed to keep involvement at the same level and even increase this indicator to a noticeable level. The growth of personnel involvement is observed in the following companies: Samruk-Kazyna Contract LLP (+8%), Tau-Ken Samruk JSC (+6%), Qazaq Air JSC (+4%), Samruk-Kazyna Construction JSC (+3%), NC KazMunayGas JSC (+3%), Kazakhtelecom JSC (+1%). The involvement index in other companies remained at the same level.

In 2021, questions were added to the involvement questionnaire to evaluate the index of intolerance to corruption. According to the survey, in the context of companies, the highest level of anti-corruption culture is noted in SK Invest LLP – 87% and Samruk-Kazyna Construction JSC – 86%. A relatively low level of intolerance to corruption is observed in NC KTZ JSC (62%).

Staff involvement in the Fund Group over 7 years

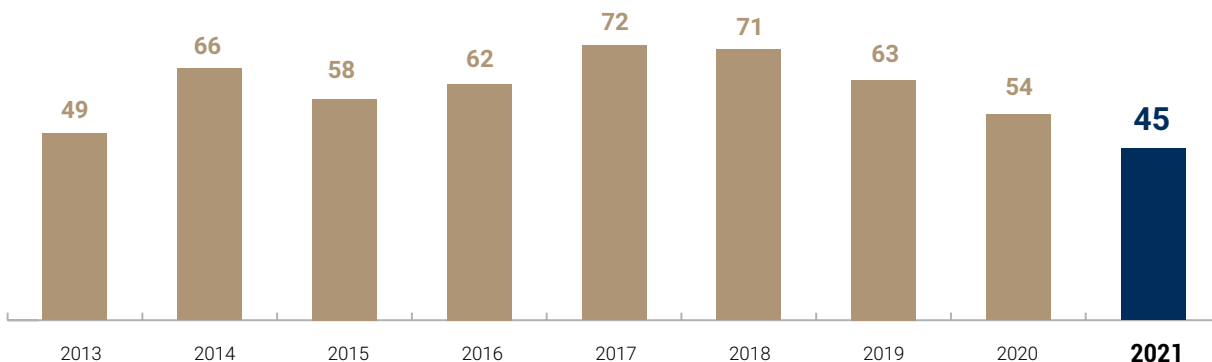
Personnel category	2015	2016	2017	2018	2019	2020	2021
Production staff	50%	51%	66%	58%	56%	82%	78%
Administrative staff	55%	58%	55%	53%	61%	84%	83%
Production staff	stability zone	stability zone	positive zone	stability zone	stability zone	stability zone	stability zone
Administrative staff	stability zone	stability zone	stability zone	stability zone	positive zone	stability zone	stability zone

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 main indices of the previous 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 findings;
- demand for increasing the practical applicability of the research findings on the part of representatives of HR departments of PCs, subsidiaries and dependent companies.

Dynamics of the Social Wellbeing Index



According to the results of the research, the SRS indicator in the Fund’s group of companies for 2021 was 73%. Of the three main indices, the Social Wellbeing Index is the most alarming with an indicator of 45% for the reporting period, which decreased by 9 percentage points since 2020.

The Portfolio Companies of the Fund 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 of Samruk-Kazyna JSC in the reporting period declined by 4 percentage points compared to 2020 and amounted to 78%. Fluctuations of the involvement index in the Fund over the entire period of the research were noted from the minimum of 35% in 2013 to the maximum of 82% in 2020. According to the results obtained, the decline in the index is insignificant: it decreased after the rise in 2020 but is not below the level of all previous periods.

According to most employees, the employer provided the staff with all the necessary working conditions and safety in general, including during the quarantine period.

Zhas Orken Program

In 2017, the Zhas Orken program was launched on the initiative of the Fund to attract, select and develop talented graduates of universities with subsequent employment.

Zhas Orken program provides social lifts for talented young people of the country. The 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 and who will contribute to solving various industry problems using their knowledge and creative approaches.

Over 20 months of participation in Zhas Orken program, each young professional undergoes 4 rotations in the Fund's group of companies (5 months in each company) according to an individual development plan. In addition to on-the-job training, during the inter-rotation period, young professionals undergo intensive trainings to acquire technical, personal and business skills. After successful completion of the Program, 100% of graduates are employed by the Fund's companies, and the project team subsequently monitors the development of graduates' career.

The main advantage of the Program is the accelerated development of young professionals and their participation in real production and business projects under the supervision of individual mentors from among experienced company managers.

The Program involves more than 200 mentors from more than 80 companies. The development of the mentoring institute is a key driver for this initiative. Each mentor is trained to work with young professionals and develop their talents.

In 2021, 23 young specialists successfully completed Zhas Orken 2019 program and were employed (100%) in the following companies of the Fund Group: branch of Kazakhtelecom JSC – Corporate Business Division, JV Katko LLP, branch of KEGOC JSC – National Dispatch Center of the System Operator, NC KazMunayGas JSC, KMG Engineering LLP, Atyrau Refinery LLP, KMG Kumkol LLP, Qazaq Air JSC, Air Astana JSC, Fly Arystan, Samruk-Kazyna JSC, NC Kazakhstan Temir Zholy JSC, branch of NC KTZ JSC – Backbone Network Directorate, branch of NC KTZ JSC – Multifunctional Service Center.

Following the results of 4 rotations, young specialists of Zhas Orken 2019 program received 35 job offers from potential employers-members of the Fund's group of companies.



Kuat Ziyadanov, participant of Zhas Orken program 2021, analyst of the Booking and Information Center of Air Astana JSC in Almaty:



“Zhas Orken, like a theater of dream, brings you to a huge stage where you play an important role. Major national companies, unique projects and mentors – top managers open the way to your dream. At the end of the journey, you become a highly qualified specialist who is ready for all the realities of corporate business. After two years of participation in the project, I received an offer from Air Astana National Airline. Today, I hold one of the leading positions in the center where I organize and coordinate the work of more than 70 employees. When performing my duties, I use the experience gained from my mentors under Zhas Orken program, who worked hard with me and spent a lot of their time and efforts”.

Digital Summer program

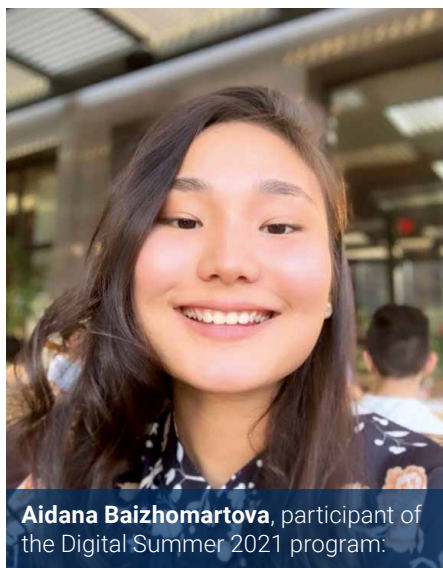
To develop human resources, as part of the comprehensive Digital Kazakhstan program, in the period from January to October 2021, the “Digital Summer 2020” Internship Program was implemented.

The program has been implemented since 2018. The purpose of this initiative is to provide conditions that promote the development and support of young talents in the field of information technology and other most popular areas. The program allows involving students and graduates of universities who have relevant knowledge in optimizing processes and increasing the efficiency of digitalization and transformation projects of the Fund’s group of companies.

As part of the Digital Summer 2021 program, 5,868 applications were received. According to the results of the competitive selection, 45 candidates received invitations to undertake an internship. As a result of the employment

process, 5 interns have successfully started their careers in such Portfolio Companies of the Fund as: Air Astana JSC, KMG-Engineering LLP, QazCloud LLP.

The Digital Summer program contributes to the cultivation of the talents of the future who have a broad breadth of professional knowledge and understanding of the business, who are ready for changes and new challenges in the field of transformation and digitalization. The program creates new opportunities for professional development for graduates and mentors, as well as promotes the transfer of valuable knowledge and experience to the program participants, which, in turn, helps to develop leadership skills and a mentoring culture in all Portfolio Companies of the Fund.



Aidana Baizhomartova, participant of the Digital Summer 2021 program:



“For me, participation in the Digital Summer program is an opportunity to leave my comfort zone, test my knowledge and take part in interesting projects. Being a 3rd year student at the Kazakh National University of Arts, I decided to apply for participation in the Digital Summer program in the Marketing direction. I undertook an internship in the Department of Telecommunications of KEGOC JSC under the mentorship of Aidar Musilimov.

Thanks to the Digital Summer 2021 program, 45 talented students gained practical experience in the largest national companies. During the internship, I gained a lot of new knowledge that helped me to develop and grow as a professional sphere.

As part of the internship, I had the opportunity to participate in the annual Hackathon contest “Summer Hack”. The current situation demands us to take on new things and act in unfamiliar circumstances. Everyone is able to achieve great results by accepting new challenges. As my mentor says, the main thing is the desire to create, hard work and a responsible attitude to business.”

OCCUPATIONAL HEALTH, INDUSTRIAL AND FIRE SAFETY

The Fund unconditionally recognizes the priority of employees' life and health over the results of production activities and understands its responsibility for ensuring safe working conditions for employees and trouble-free production activities. The Fund Group is continuously improving approaches to the management of the occupational safety, industrial and fire safety system.

Over the past year, H&S (Health & Safety) indicators improved in the Fund's group of companies. Thanks to joint efforts, the number of employees returned home alive and intact in 2021 was 10.7% higher than in the previous year. The LTIF (lost time injury frequency) rate for 12 months of last year was 0.22, which is 4.2% less than in 2020 (0.23).

A significant amount of work was carried out as part of activities of the Occupational Health, Industrial Safety and Environmental Protection Committee under the Management Board of the Fund (hereinafter referred to as the Committee), which includes responsible representatives from 13 largest PCs. The work of the Committee includes coordination and monitoring of the progress of PC's activities to improve the efficiency of the corporate management system in the field of H&S of the Fund Group.

In 2021, as part of the implementation of the Fund's synergetic project to improve HSE management systems, 59 experts from Portfolio Companies were trained in the methodology for diagnosing HSE management systems. An upper-level analysis of Portfolio Companies' documents was carried out to determine the focus zone at the main stage – diagnostics.

In September 2021, HSE sector employees started visiting production facilities in order to check the current H&S state and issue recommendations on the violations identified:

- visits were made to the production facilities of Kazakhstan Temir Zholy JSC in Nur-Sultan and Almaty, Samruk-Energy JSC (CHP-1,2 AIES JSC, Alatau Zharyk Company JSC), Kazatomprom JSC

(Appak LLP, Ortalyk LLP), Kazpost JSC (EMS-Kazpost, Yug Information and Logistics Center);

- field meetings were held in corporate centers of Portfolio Companies to study the findings of trips and the developed action plans to eliminate inconsistencies.

However, despite the work being done, serious accidents, including fatal ones, occur quite often, which indicates a lack of involvement of employees in safety issues. In 2021, 14 of our colleagues died unexpectedly. Appropriate support was provided to their families. Another 48 colleagues were seriously injured. The Fund's group of companies focuses its attention on these incidents, therefore, at the end of 2021 it was decided to announce 2022 as the Year of Occupational Health and Safety in the Fund's group of companies to achieve the following goals:

- Eliminate serious injuries and diseases, including fatal ones;
- Eliminate occupational accidents with particularly dangerous consequences;
- Implement the world's best industry practices.

To ensure the systematic achievement of these goals, a H&S Plan for 2022 was developed and sent to 13 key PCs for implementation. The following events are planned for 2022:

Training

- Organization of training under the following programs: NEBOSH HSE Certificate in Health and Safety Leadership Excellence for line managers and HSE employees, Defensive Driving, Leadership Accountability (CEO and CEO-1 of production companies), Incident Injury Free or an equivalent program to improve safety culture. Thus, KTZ plans to train 305 employees under NEBOSH/IOSH programs and 212 drivers under the Defensive Driving program;
- Launch of a corporate training program and an e-learning course in the HSE field to improve management skills in the Fund and Portfolio Companies.

Development of internal regulations

- Guidelines to ensure the defensive driving process for use during site visits;
- Competence matrix for line managers at production facilities, which clearly defines HSE elements and methods for verifying compliance with positions held.

Exchange of experience

- Exchange of experience with leading companies such as TCO, KPO, NCOC to study best practices for the purpose of their further application;

- Strengthening the field work of Production Councils;
- Holding a Forum devoted to ESG and HSE issues.

Diagnostics and field visits

- Project aimed at improving HSE management systems in Portfolio Companies;
- Visits to production facilities by H&S employees to study the H&S state and provide recommendations on the violations identified.

SPONSORSHIP AND CHARITY

In accordance with the Charity Program the Fund Group and the Charity Policy of the Fund approved by decision of the Board of Directors of the Fund dated January 28, 2016 (minutes No. 126), Samruk-Kazyna Trust Corporate Fund (hereinafter referred to as Samruk-Kazyna Trust), which implements charitable projects on behalf of the Fund Group, carries out charitable activities in four main areas:

1. Aid to people, communities in the social and medical sectors;
2. Providing support to media, cultural community, development of human potential, strengthening labor relations and investing in sustainable development of society;
3. Implementation of the regional program of social investments in the regions where the Fund Group operates;
4. Strengthening the reputation and promoting the image of the Fund and/or the Fund Group.

In 2021, Samruk-Kazyna Trust Corporate Fund continued its activities by implementing charitable projects aimed at solving socially significant problems in partnership with the non-profit sector of the country.

Over the year, the Fund accumulated a lot of experience in the implementation of socially significant projects, launched hundreds of projects, improved the approach to their management, and provided help to hundreds of thousands of people.

Today, Samruk-Kazyna Trust is among the leaders of charity in Kazakhstan and is the largest donor fund that promotes reasonable investments and invests in the development of regions, seeks to develop trilateral cooperation between business, non-profit sectors and government agencies.

In 2021, charity support was provided on behalf of Samruk-Kazyna JSC group of companies to more than 500 thousand beneficiaries. Samruk-Kazyna Trust implements socially significant projects in accordance with the Charity Policy and the Charity Program of the Fund in four main areas.

In 2021, the Board of Trustees of Samruk-Kazyna Trust approved 32 projects worth KZT 7.1 billion, of which:

- 12 projects for a total amount of KZT 2,801,579,131 were implemented to help people and communities in the social and medical sectors;
- 16 projects for a total amount of KZT 2,610,784,509 were implemented to develop the media, cultural community and human potential;
- 4 projects for a total amount of KZT 1,724,237,569 were completed to implement the regional social investment program in the regions where the Fund Group operates.

In addition, Samruk-Kazyna Trust supported 24 initiatives of non-government organizations as part of Ereket project with the aim of developing social entrepreneurship in the regions of the country.

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CORPORATE GOVERNANCE



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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 corporate governance system of the Fund is a complex of processes that ensure the management and control of the Fund's activities, as well as a system of relationships between the Sole Shareholder, the Board of Directors, the Management Board and stakeholders. 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 and Corporate Secretary Services. 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 corporate governance system of the Fund is based on respect for the rights and legitimate interests of the Sole Shareholder and key stakeholders. The Fund seeks to fully comply with the principles of corporate governance specified in the Corporate Governance Code.

The Fund carries out work on a systematic and ongoing basis to improve practices based on the best international experience. Thus, in 2021, the following significant events occurred:

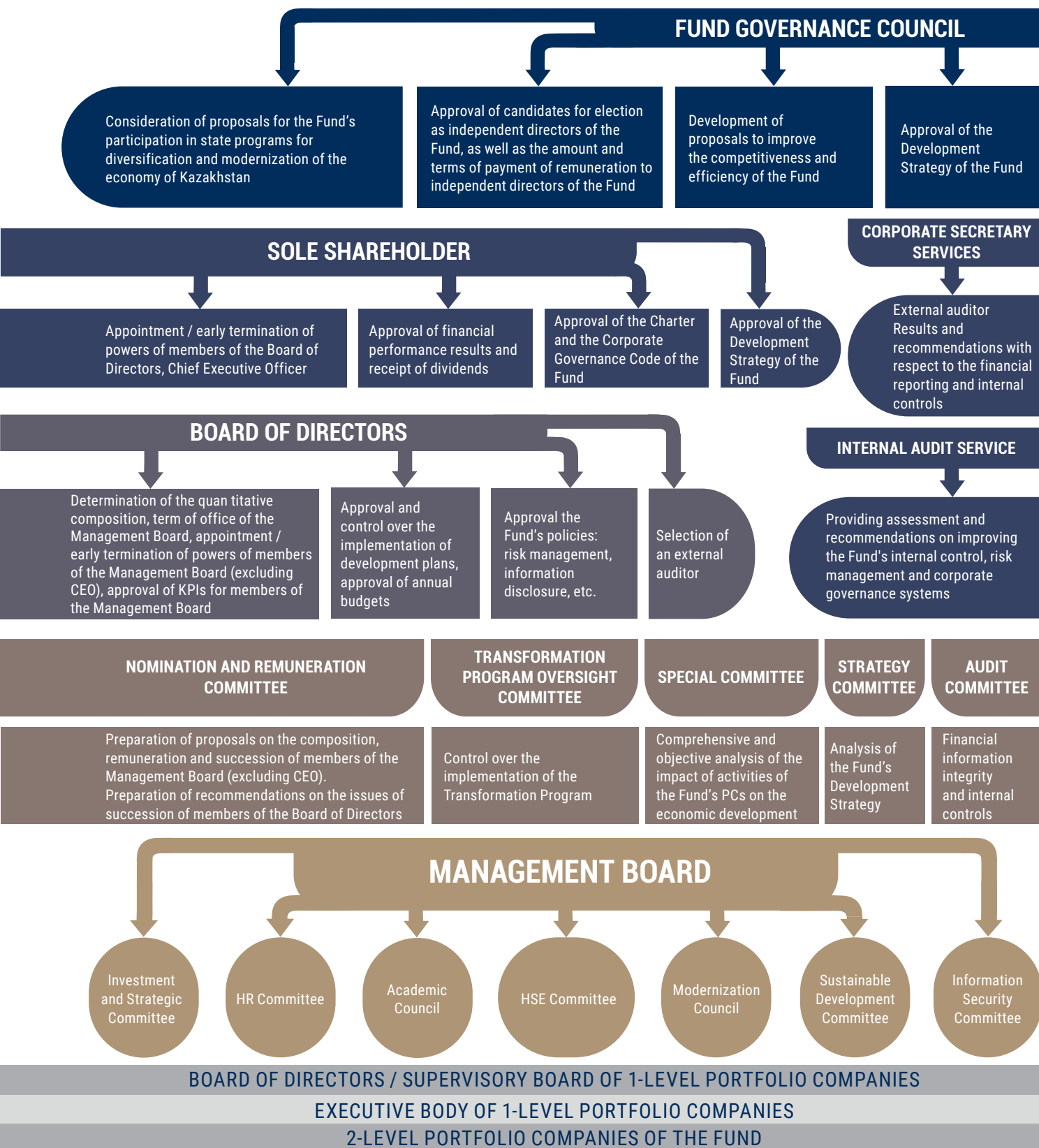
- On September 13, 2021, amendments to the Corporate Governance Code of Samruk-Kazyna JSC (hereinafter referred to as the Code) were approved by the Decree No. 633 of the Government of the Republic of Kazakhstan. The purpose of the amendments is to bring the Code into compliance with the Laws of the Republic of Kazakhstan "On the Sovereign Wealth Fund", "On the Securities Market", the Decree of the President of the Republic of Kazakhstan No. 1116 dated December 6, 2010 "On the Governance Council of Samruk-Kazyna Sovereign Wealth Fund"

and the Decree of the Government of the Republic of Kazakhstan No. 543 dated May 29, 2013 "On Determining the Dividend Policy of Samruk-Kazyna Sovereign Wealth Fund Joint Stock Company".

- In 2021, 11 Portfolio Companies of the Fund conducted independent diagnostics of the corporate governance system with the aim of assessing the level of corporate governance and implementing the principles/provisions of the Code, the results of which were approved by the decision of the Management Board of the Fund No. 49/21 dated October 28, 2021 and reviewed by the decision of the Audit Committee of the Board of Directors of the Fund No. 12 dated November 18, 2021. According to the diagnostics results, the Fund's strategic KPI "Corporate Governance Rating" was achieved at the level of "BB". Plans to improve corporate governance indicators were sent to 11 Portfolio Companies of the Fund for approval by the Boards of Directors and for further implementation.
- In August 2021, by Order of the CEO of the Fund No. 110-п, an Action Plan was approved to implement the best corporate governance practices in accordance with the listing requirements of LSE, AIFC (hereinafter referred to as the Fund's LSE Plan). Based on the Fund's LSE Plan, 13 Portfolio Companies of the Fund approved internal Action Plans for the implementation of best corporate governance practices in accordance with the listing requirements of LSE, AIFC.

All of the above measures were aimed at implementing the Fund's objective to introduce the best corporate governance practices in the Fund Group in accordance with the Law of the Republic of Kazakhstan "On the Sovereign Wealth Fund". The main requirements established by the LSE Listing Rules, obligations after listing at LSE, the UK Corporate Governance Code, the Disclosure and Transparency Guidelines, the FCA Corporate Governance Rules are already provided for by the Corporate Governance Code of the Fund Group, the Corporate Governance Diagnostic Methodology of the Fund Group and are observed by Portfolio Companies.

STRUCTURE OF THE CORPORATE GOVERNANCE SYSTEM



COMPANY PROFILE

DEVELOPMENT PLAN

PERFORMANCE OVERVIEW

SUSTAINABLE DEVELOPMENT

CORPORATE GOVERNANCE

ATTACHMENTS

FUND GOVERNANCE COUNCIL

To ensure stable social and economic development of the country, economic sustainability and protection against the effects of possible adverse external factors, issues on the Fund governance are considered at a meeting of the Fund Governance Council.

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

The functions of the Fund Governance Council are:

- 1) Development of proposals to improve the competitiveness and efficiency 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 proposals of the Government of the Republic of Kazakhstan on the Fund's participation in state programs of diversification and modernization of the economy of Kazakhstan, 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) approval of candidates for election as independent directors of the Fund, as well as the amount 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 being a member of the Fund.

Composition of the Fund Governance Council

1. The First President of the Republic of Kazakhstan – Yelbasy, Chairman of the Fund Governance Council;
2. 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 (by agreement);
5. Two representatives of domestic business;
6. Representative of foreign business.

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

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 basic principles of interaction between the Government and the Fund are:

- The Fund is managed by the Government solely through the exercise of 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 Group, except for 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 Group.

The Sole Shareholder of the Fund has a list of objectives, which shall be decided on directly by the Sole Shareholder. An overview of issues attributed to the

In 2021, 11 Portfolio Companies of the Fund engaged independent experts to analyze the corporate governance system

exclusive competence of the Sole Shareholder is given below. These issues are fundamental to the Fund when summing up the strategic and financial performance 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 Corporate Governance Code of the Fund;
- Determination of the Fund's dividend policy, making a decision on allocation of the Fund's net income based on the results of the reporting period, and making a decision on dividend payment;
- 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 Chairman of the 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 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 attributed to the exclusive competence of the Sole Shareholder is provided in the Charter of the Fund at www.sk.kz

SHARE CAPITAL

- Number of authorized shares of the Fund – 3,500,000,000.
- Type of shares – ordinary;
- Number of outstanding shares of the Fund – 3,481,961,408;
- Number of free float (unplaced) shares – 18,038,592.

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:

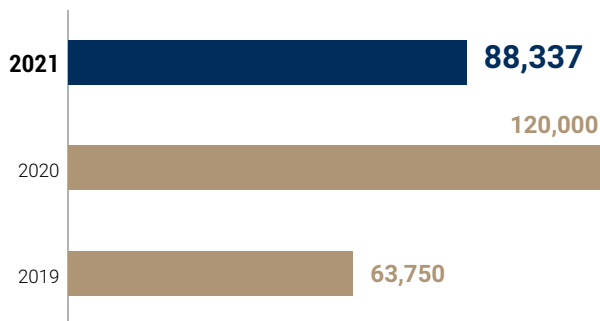
1. Safeguarding the Sole Shareholder's interests;
2. Increase in the long-term value of the Fund and the Fund's group of companies;
3. Ensuring the financial sustainability of the Fund and the Fund's group of companies;
4. Ensuring financing of the Fund's activities, including financing of new activities and investment projects implemented at the expense of the Fund;
5. Transparency of the mechanism for determining the size 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 one.

The Fund's Dividend Policy is available at www.sk.kz .

Information on dividends paid

In 2021, the Fund paid dividends to the Sole Shareholder in the amount of KZT 88.3 billion based on 2020 pursuant to the decision of the Sole Shareholder.

Dividend paid to the Shareholder, KZT mln



BOARD OF DIRECTORS

The Board of Directors of the Fund is a governing body accountable to the Sole Shareholder, which provides strategic guidance and control over the activities of the Management Board of the Fund. The role of the Board of Directors is to manage the Fund by ensuring proper top-down governance.

A list of key objectives attributed to the exclusive competence of the Board of Directors includes issues that require decisions and approvals in relation to:

- Medium and short-term planning, key performance indicators of the Fund;
- Determining the audit organization and 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 of the Board of Directors;
- Quantitative composition, term of office of the Management Board, election and termination of office of members of the Management Board, except for the Chief Executive Officer;

- Quantitative composition, term of office of the Internal Audit Service, appointment and early termination of office of its head;
- Appointment and early termination of powers and determination of the term of office of the Corporate Secretary;
- Acquisitions by the Fund of ten or more percent of shares in other legal entities;
- Consideration of reports based on the results of assessment of corporate governance and performance evaluation of the Board of Directors of the Fund;
- Related party transactions;
- Annual Report of the Fund.

A complete list of issues attributed 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 provided in the Charter of the Fund at www.sk.kz

Changes in the composition of the Board of Directors in 2021-2022

Date	Member of the Board of Directors	Event
January 18, 2021	Ruslan Dalenov	Early termination of powers of the member of the Board of Directors
March 27, 2021	Akhmetzhan Yessimov	Early termination of powers of the member of the Board of Directors
June 11, 2021	Kairat Mazhibayev	Early termination of powers of the member of the Board of Directors
January 17, 2022	Vyatcheslav Kim	Early termination of powers of the member of the Board of Directors
January 28, 2022	Kanat Bozumbayev	Early termination of powers of the member of the Board of Directors
January 28, 2022	Daniyar Akishev	Early termination of powers of the member of the Board of Directors
February 19, 2022.	Ong Boon Hwee	Early termination of powers of the member of the Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS*



Jon Dudas

*Chairman of the Board of Directors,
Independent Director*

Education:

- University of Witwatersrand (South Africa) – Bachelor in Mining;
- University of Witwatersrand (South Africa) – Master in Mining Metallurgy;
- Heriot-Watt University (UK) – MBA

Professional Experience:

Mr Dudas began his working career at Rand Mines Ltd in 1984 and held a variety of senior managerial positions across a number of committees and functions at companies such as Gencor Ltd and BHP Billiton, where he served as CEO of the Aluminum division.



Timur Suleimenov

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

Education:

- S. Toraighyrov Pavlodar State University – Social Economics and Management;
- S. Toraighyrov Pavlodar State University – Jurisprudence;
- University of Maryland (USA) – Master of Business majoring in Finance.

Professional Experience:

From 2009 to 2010, he held the position of Vice-Minister of Economy and Budget Planning of the RoK. From 2010 to 2012, he held the position of Vice-Minister of Economic Development and Trade of the RoK. From 2012 to 2016, he was a member of the Board of the Eurasian Economic Commission (Minister) for Economics and Financial Policy. From 2016 to 2019, he held the position of the Minister of National Economy of the RoK. From February to March 2019, he served as Deputy Chairman of the National Bank of the RoK. From March to July 2019, he held the position of an Assistant to the President of the RoK.

Timur Suleimenov was awarded the Kurmet Order, Yeren Yenbegi Ushin and other medals.



Alibek Kuantyrrov

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

Education:

- Tomsk State University – “Finance and Credit” and “Linguistics and Intercultural Communication”;
- University of Michigan – Master of Applied Economics.

Professional Experience:

In 2013, he was appointed Deputy Chairman of the Geology and Subsoil Use Committee of the Ministry of Industry and New Technologies of the Republic of Kazakhstan. From 2013 to 2019, he held the positions of Deputy Head of the Center for Strategic Research and Analysis, Deputy Head of the Socio-Economic Monitoring Department of the Executive Office of the President of the Republic of Kazakhstan. From 2019 to 2021, he served as Deputy Head of the Office of the First President of the Republic of Kazakhstan – Yelbasy. In February 2021, he was appointed Vice-Minister of National Economy of the Republic of Kazakhstan; in January 2022, he was appointed Minister of National Economy of the Republic of Kazakhstan.

Awards: Yeren Yenbegi Ushin medal, 4 jubilee medals.

* The composition of the Board of Directors of the Fund is provided as of April 1, 2022:



Luca Sutera

*Member of the Board of Directors,
Independent Director*

Education:

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

Professional 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.



Zhamishev Bolat Bidakhmetovich

*Member of the Board of Directors,
independent director*

Education:

- Kazakh agricultural
- Institute - Economist

Labor activity:

Chairman of OSF "Kazakhstan khalkyna". Since January 2004 he has been position of the Chairman of the Agency of the Republic of Kazakhstan for the regulation financial market supervision and supervision and financial organizations. Worked Minister of Finance of the Republic Kazakhstan, Minister of Regional development of the Republic of Kazakhstan, Chairman of the Board of JSC "Bank Development of Kazakhstan»

Awards:

Order "Kurmet", "Parasat", Anniversary medal "10 years of Astana"



Almassadam Satkaliyev

*Member of the Board of Directors,
CEO*

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, Financial Economics program;
- 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.

Professional Experience:

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, Chairman of the Board of Directors of KEGOC JSC, Chairman of the Board of Directors of Samruk-Energy JSC, Managing Director of Samruk-Kazyna JSC.

PERFORMANCE REPORT OF THE BOARD OF DIRECTORS IN 2021

The Board of Directors of the Fund focused ITS activities on solving current problems, considering issues within its competence through the prism of strategic goals. The list of issues and related decisions is provided in 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 No. 181 dated December 14, 2020. Meetings of the Board of Directors and its

Committees were held through in-person or absentee voting.

As part of measures taken by the Board of Directors to increase the long-term value and sustainable development of the organization, in 2021, 10 meetings of the Board of Directors of the Fund were held, including 8 in-person and 2 absentee meetings. In total, the Board of Directors addressed 116 issues, on which 116 decisions were made and 222 instructions were given.

Information on attendance at meetings of the Board of Directors

Nº	Member of the Board of Directors, position	Attendance/total number of the BoD meetings in 2021
1.	Jon Dudas – Chairman of the Board of Directors, Independent Director	10/10
2.	Kanat Bozumbayev – Member of the Board of Directors, Assistant to the President of the Republic of Kazakhstan	9/10
3.	Daniyar Akishev – Member of the Board of Directors, Assistant to the First President of the Republic of Kazakhstan	6/6
4.	Asset Irgaliyev – Member of the Board of Directors, Minister of National Economy of the Republic of Kazakhstan	7/10
5.	Luca Sutera – Independent Director	10/10
6.	Kairat Mazhibayev – Independent Director	4/4
7.	Ong Boon Hwee – Independent Director	10/10
8.	Vyatcheslav Kim – Independent Director	3/6
9.	Akhmetzhan Yessimov – Member of the Board of Directors, CEO of the Fund	1/1
10.	Almassadam Satkaliyev – Member of the Board of Directors, CEO of the Fund	9/9

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 2021, active work was carried out to consider current issues that regulate the activities of the Fund and Portfolio Companies, which can be attributed to the following three strategic goals and four initiatives.

In 2021, the Board of Directors of the Fund held 10 meetings, including 8 in-person and 2 absentee meetings. In total, the Board of Directors considered 116 issues, adopted 116 decisions and issued 222 instructions.

Within the framework of the first strategic goal “efficiency of companies” and the initiative “improvement of companies’ profitability”

the following was approved:

- Development Plan of the Fund for 2022-2026;
- Annual financial statements (consolidated and separate) of the Fund for 2020, the procedure for distributing net income; a decision was made to pay dividends on ordinary shares and the amount of dividend per ordinary share was approved;
- Annual budget of the Fund for 2022;
- Annual report on the implementation of the Fund’s Development Plan for 2020–2024 for 2020 was considered;
- Issue of Eurobonds of the Fund.

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

the following was approved:

- Methods of acquisition by the Fund of 100% of ordinary shares of KazTransGas JSC by concluding a purchase and sale agreement with KazMunayGas NC JSC;
- Transfer of 49.5% of the participation interest in the authorized capital of Kazakhstan Petrochemical Industries Inc. LLP;
- Acquisition of 50% of the participation interest in the authorized capital of PVH Development LLP;
- Amendment of the terms of the loan granted to QAZAQ AIR JSC.

the following was considered:

- Information on the progress of withdrawal of assets of the Fund and its subsidiaries for sale pursuant to the Decree of the Government of the Republic of Kazakhstan No. 908 dated December 29, 2020;
- Information on quarterly monitoring of major investment projects of the Fund Group;
- Information on the implementation of the Fund’s Transformation Program.

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

the following was approved:

- Annual report of the Fund for 2020 and Sustainable Development Report of the Fund for 2020;
- Annual audit plan of the Fund’s Internal Audit Service for 2020-2021;

the following was considered:

- Information on the submission of the issue “On the Performance Report of the Board of Directors of the Fund for 2020” for consideration of the Sole Shareholder of the Fund;
 - Reports of the Committees under the Board of Directors of the Fund for 2020, Report of the Internal Audit Service of the Fund;
 - Annual report on the implementation of the Fund’s Charity Program for 2020;
 - Report on the proposed measures to improve the corporate governance of the Fund.
-

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

- Procedure for carrying out procurement by the Fund and legal entities, fifty or more percent of the voting shares (participation shares) of which directly or indirectly belong to the Fund on the right of ownership or trust management (updated version);
- Rules for monitoring of procurement carried out by the Fund and organizations, fifty or more percent of the voting shares (participation shares) of which directly or indirectly belong to the Fund on the right of ownership or trust management (updated version);
- Anti-corruption policy;
- Internal control rules for delineating the rights of access to insider information and preventing the possibility of misuse of such information by insiders;
- Policy in the field of attracting the services of audit organizations (updated version);
- Conflict of Interest Policy;
- Procedure for assessing corporate governance in the Fund (updated version);
- Regulations on the Audit Committee of the Board of Directors (updated version);
- Rules for the selection of independent directors;
- Policy for the appointment of newly elected members of the Board of Directors (updated version);
- Rules of professional development of members of the Board of Directors;

- Rules for attracting experts by the Board of Directors and committees of the Board of Directors;
- Regulations on the Strategy Committee of the Board of Directors (updated version);
- Regulations on the Internal Audit Service (updated version);
- Regulations on the Compliance Service.

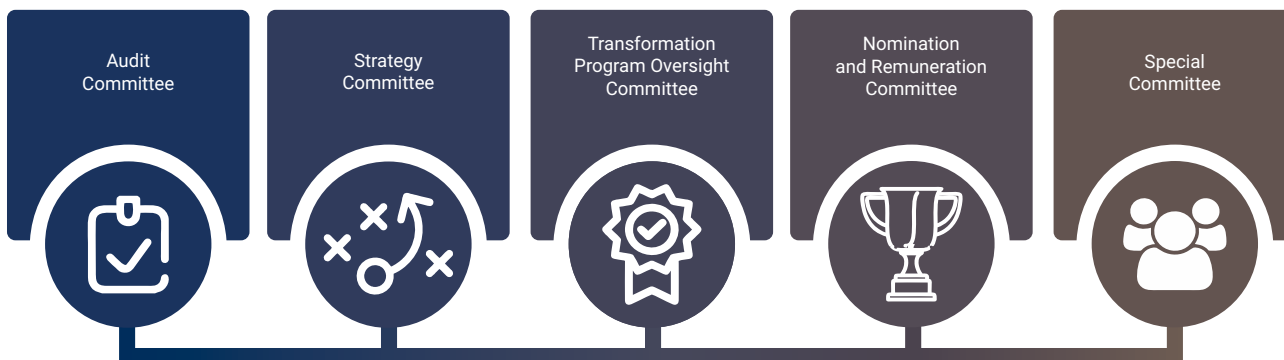
Main risk factors considered by the Board of Directors:

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, following which decisions on mitigation of such risks 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 in the constant focus of control of the Board of Directors.

In addition, information on the state of occupational 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.

COMMITTEES OF THE BOARD OF DIRECTORS



AUDIT COMMITTEE

The Audit Committee is a consultative and advisory body of the Fund's Board of Directors, which 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, as well as over 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 Audit Committee

In accordance with the decision of the Board of Directors of Samruk-Kazyna JSC No. 186 dated July 8, 2021, Daniyar Akishev was elected a member of the Audit Committee.

In 2021, the Audit Committee held 14 meetings, including 11 in-person meetings and 3 absentee meetings. In total, the Audit Committee addressed 67 questions in various fields within its competence.

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

Attendance of members of the Committee at meetings in 2021

Nº	Member of the Audit Committee	Position	Attendance at meetings of the Committee	%
1.	Luca Sutera	Independent Director, member of the Board of Directors of the Fund, Chairman of the Committee	14 of 14	100%
2.	Ong Boon Hwee	Independent Director, member of the Board of Directors of the Fund, member of the Committee	14 of 14	100%
3.	Daniyar Akishev*	member of the Board of Directors of the Fund, member of the Committee	5 of 14	36%

* Resigned from the Board of Directors of the Fund on July 9, 2020

During the year, the Audit Committee considered several issues of internal and external audit, internal control and risk management systems, financial reporting, corporate governance and compliance. To improve the quality of materials and recommendations submitted to the Board of Directors of the Fund, the Audit Committee paid special attention to planning and preparing for meetings to provide enough time for consideration and discussion of each item on the agenda considering the number of participants. The Audit Committee performed the following duties:

On internal audit issues:

- Reviewing the Annual Audit Plan of the Internal Audit Service;
- Reviewing quarterly audit reports in accordance with the approved Annual Audit Plan;
- Assessing the performance efficiency of the Internal Audit Service staff;
- Reviewing an internal document that regulates remuneration, bonus payment, social support and

performance evaluation of employees accountable to the Board of Directors of the Fund, including employees of the Internal Audit Service;

- Reviewing and approving the Regulations on the Internal Audit Service and the Regulations on the organization and conduct of an audit based on a synergetic approach across the group of companies of Samruk-Kazyna JSC;
- In order to improve the planning process of the audit cycle and ensure medium-term development of skills and potential, optimize allocation of internal audit resources and ensure synchronization of internal audit

In 2021, the Audit Committee held 14 meetings, including 11 in-person and 3 absentee meetings.

work with the Fund's transformation roadmap, the Audit Committee reviewed and approved the Internal Audit Service Development Strategy for 2021-2023, as well as individual development plans for Internal Audit Service employees and a three-year internal audit plan;

- the Audit Committee also updated the Regulations on the Internal Audit Service to improve interaction with corporate functions that are in charge of the 1st and 2nd lines of defence within the corporate guarantee map;
- To increase the independence of internal audit and the availability of sufficient resources, the Audit Committee approved the introduction of a separate budget for the Internal Audit Service;
- During the year, significant efforts were made to promote value-oriented audits aimed at enhancing the efficiency of business processes and creating added value (i.e., an audit of the digital transformation program and investment activities).

On external audit issues:

- Reviewing the audit results of the consolidated and separate financial statements of the Fund for the year ended December 31, 2020, and obtaining confirmation of auditors' independence;
- Considering the results of limited review procedures of interim condensed consolidated and separate financial statements of the Fund for the six months ended June 30, 2021;
- Reviewing the reports of the Audit Committees of Portfolio Companies of Samruk-Kazyna JSC on the implementation of external auditors' recommendations;
- Reviewing and approving the Policy for attracting the services of audit organizations and the Rules for the selection of auditors of Samruk-Kazyna JSC;
- Reviewing and approving the personnel of the Unified Commission for the selection of an audit organization for Samruk-Kazyna JSC and the Group of NC KazMunayGas JSC for 2022-2024;

- Considering the issues of approval of the provision of consulting non-audit services for the Fund and its subsidiaries by the audit organization of the Fund;
- In order to increase the independence of the external audit organization, the Audit Committee recommended to introduce a new process for the procurement of external audit services in coordination with the Audit Committees of Portfolio Companies and the Fund and by agreement with the Financial Service of the Fund and Portfolio Companies;
- Moreover, the Audit Committee recommended to introduce amendments to the current policy for procurement of non-audit services provided by an external auditor and introduced a monetary limit on such services, which is stricter than that recommended by international standards of external audit.

On issues of the Compliance Service

- Reviewing and providing recommendations to transfer the compliance function to accountability to the Board of Directors;
- Reviewing the Work Plan of the Compliance Service for 2021-2022;
- Reviewing the semi-annual and annual report of the Compliance Service;
- Reviewing and providing recommendations to the Board of Directors on the approval of the Anti-Corruption Policy, Conflict of Interest Policy and Internal Control Rules of Samruk-Kazyna JSC for delineating access rights to insider information;
- Reviewing and agreeing upon approval by the Board of Directors of amendments to the Information Disclosure Policy of Samruk-Kazyna JSC;
- In order to strengthen the compliance culture across the organization and prevent corruption, the Audit Committee worked together with the Compliance Service to expand cooperation with relevant government agencies (the Anti-Corruption Agency and the Public Administration Academy under the President) and develop joint initiatives, including legislative proposals;



- Ensuring effective compliance training for employees to cover the requirements of anti-corruption legislation;
- Reviewing and approving the introduction of a hotline service managed by a third party (KPMG) for anonymous reporting of compliance violations and unethical behavior.

On internal control and risk management issues:

- Reviewing and submitting to the Board of Directors consolidated quarterly and annual risk reports of the Fund Group for 2020 and 2021;
- Reviewing and providing recommendations to the Board of Directors on the approval of the risk map and register, the risk appetite of the Fund for 2022;
- Spending considerable time on discussing risk issues and interaction with risk owners, promoting open and transparent communication, as well as high-quality discussion of key risks;
- Providing recommendations for improving the quality of risk reports, analyzing future risks and potential threats, as well as for progressive risk management measures and measures aimed at optimizing the deadlines of reporting on the Fund's risks.

On financial reporting issues:

- Reviewing and submitting to the Board of Directors for approval the Separate and Consolidated Financial Statements of the Fund for the year ended December 31, 2020;
- Reviewing the interim condensed consolidated and separate financial statements of the Fund for the 3 and 6 months ended March 30 and June 30, 2021;
- Conducting a detailed review and discussing the following issues with executives and an external audit representative:
 - main indicators included in the financial statements, especially those related to the impairment of non-current assets;
 - accounting for new transactions and business associations;
 - business continuity and liquidity;
 - compliance with debt covenants;
 - uncorrected audit discrepancies.

On corporate governance issues:

- Reviewing 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 No. 1403 dated November 5, 2012;
- Reviewing the results of independent diagnostics of corporate governance systems in the Fund's Portfolio Companies;
- Reviewing and submitting to the Board of Directors for approval a plan for improving corporate governance.

Strategy Committee

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

- Preliminary 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 progress of implementation (monitoring) of the Development Strategy, the Development Plan of the Fund 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 compliance of national companies' development strategies with decomposed strategic indicators of national strategies, objectives and state programs;
- investment activities of the Fund Group, 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 and Development Plan and business plans of the Fund's companies.

The Strategy Committee consists of not less than 3 (three) members, one of which should be an independent director. The term of office of the Committee members coincides with their term of office as members of the Board of Directors of the Fund.

Attendance of members of the Committee at meetings in 2021

Nº	Member of the Strategy Committee	Position	Attendance at meetings of the Committee	%
1.	Asset Irgaliyev	Minister of National Economy of the Republic of Kazakhstan, member of the Board of Directors of the Fund, Chairman of the Committee	7 of 7	100%
2.	Jon Dudas	Independent Director, Chairman of the Board of Directors of the Fund, member of the Committee	6 of 7	83%
3.	Kairat Mazhibayev*	Independent Director, member of the Board of Directors of the Fund, member of the Committee	3 of 3	100%
4.	Ong Boon Hwee	Independent Director, member of the Board of Directors of the Fund, member of the Committee	7 of 7	100%
5.	Vyatcheslav Kim	Independent Director, member of the Board of Directors of the Fund, member of the Committee	1 of 1	33%

*Resigned from the Board of Directors of the Fund in June 2021

In 2021, the Strategy Committee held 7 meetings, including 2 in-person meetings and 5 absentee meetings.

Meetings of the Committee were held on a regular basis in accordance with the Committee's Work Plan for 2021, which, in turn, included the priority and most important issues of the Committee's activities for 2021.

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

- Report on performance of the Strategy Committee of the Board of Directors of the Fund for 2020;
- Implementation of the Development Plan of Samruk-Kazyna JSC taking into account the consolidated audited financial statements of Samruk-Kazyna JSC for 2020;
- Quarterly monitoring of major investment projects of Samruk-Kazyna JSC group following the results of the 4th quarter of 2020, as well as post-monitoring of implemented projects of Samruk-Kazyna JSC;
- information on the results of monitoring of the implementation of the Development Plan for the 1st quarter of 2021;
- Quarterly monitoring of major investment projects of Samruk-Kazyna JSC group following the results of the 1st quarter of 2021;
- Indicative preliminary macroeconomic indicators for use in the Development Plan and Business Plans of Portfolio Companies of Samruk-Kazyna JSC for 2022-2026;

- Information on the results of monitoring of the implementation of the Development Plan for the first six months of 2021;
- Indicative final macroeconomic indicators for use in the Development Plan and Business Plans of Portfolio Companies of Samruk-Kazyna JSC for 2022-2026;
- Quarterly monitoring of major investment projects of Samruk-Kazyna JSC group following the results of the 2th quarter of 2021;
- Information on the results of monitoring of the implementation of the Development Plan for the 3rd quarter of 2021;
- Quarterly monitoring of major investment projects of Samruk-Kazyna JSC group following the results of the 3rd quarter of 2021.

On January 11, 2022, by the Decree of the President of the Republic of Kazakhstan, Alibek Kuantyrov was appointed Minister of National Economy of the Republic of Kazakhstan. On January 26, 2022, Vyacheslav Kim resigned from the Board of Directors of the Fund. On February 19, 2022, Ong Boon Hwee resigned from the Board of Directors of the Fund.

In connection with the above changes, the updated composition of the Strategy Committee is as follows:

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

Jon Dudas – 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 for independent directors, terms of remuneration and bonus payments to members of the Management Board and Corporate Secretary.

In 2020, the Nomination and Remuneration Committee of the Board of Directors of the Fund held 5 (five) in-person meetings. In accordance with the Work Plan, 23 (twenty-three) issues were addressed.

Composition of the Committee

By the Resolution of the Government of the Republic of Kazakhstan No. 403 dated June 11, 2021, a decision was made on early termination of powers of Kairat Mazhibayev, an independent director.

Pursuant to the minutes of the in-person meeting of the Board of Directors No. 186 dated July 8, 2021, Daniyar Akishev, an independent director, was elected as a member of the Committee.

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 34 dated January 28, 2022 "On introduction of amendments and additions to some decisions of the Government of the Republic of Kazakhstan and Orders of the Prime Minister of the Republic of Kazakhstan", the powers of members of the Board of Directors Kanat Bozumbayev and Daniyar Akishev were terminated prematurely.

As of December 31, 2021, the Committee consisted of the following persons:

- Jon Dudas – Independent Director – Chairman of the Committee;
- Kanat Bozumbayev;
- Daniyar Akishev – Assistant to the President of the Republic of Kazakhstan, member of the Committee;
- Luca Sutera – Independent Director, member of the Committee.

Attendance of members of the Committee at meetings in 2021

Nº	Member of the Nomination and Remuneration Committee	Position	Attendance at meetings of the Committee	%
1.	Jon Dudas	Independent Director, Chairman of the Board of Directors of the Fund, Chairman of the Committee	5 of 5	100%
2.	Kanat Bozumbayev	Assistant to the President of the Republic of Kazakhstan, member of the Board of Directors of the Fund, member of the Committee	4 of 4	100%
3.	Daniyar Akishev	Assistant to the First President of the Republic of Kazakhstan – Yelbasy, member of the Board of Directors of the Fund, member of the Committee	3 of 3	100%
4.	Kairat Mazhibayev	Independent Director, member of the Board of Directors of the Fund, member of the Committee	0 of 1	0%
5.	Luca Sutera	Independent Director, member of the Board of Directors of the Fund, member of the Committee	5 of 5	100%

Meetings of the Committee were held on a regular basis in accordance with the Work Plan of the Committee for 2021 approved by decision of the absentee meeting of the Committee No. 51 dated December 29, 2020.

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

- Composition of the Management Board of Samruk-Kazyna JSC;

- Giving consent for members of the Management Board of Samruk-Kazyna JSC to hold the positions of a member of the Board of Directors, a member of the Supervisory Board and a member of the Board of Trustees in certain companies of Samruk-Kazyna JSC group and other organizations;
- Approval of the Key Performance Indicators (KPI) Map of the Fund and actual KPI values for the Chief Executive Officer, members of the Management Board

of Samruk-Kazyna JSC for 2020 and the amount of remuneration following the performance results for 2020;

- Submitting for consideration by the Sole Shareholder of Samruk-Kazyna JSC the issue of approval of the Regulations on the Public Council of Samruk-Kazyna Sovereign Wealth Fund Joint Stock Company;
- Introducing amendments and additions to the Resolution of the Government of the Republic of Kazakhstan No. 1418 dated November 8, 2012 “On approval of the Charter of Samruk-Kazyna Sovereign Wealth Fund Joint Stock Company”;
- Approval of the Rules for the selection of independent directors of Samruk-Kazyna JSC;
- Some issues relating to the activities of the Corporate Secretary of Samruk-Kazyna JSC;
- Approval of the restated Policy for the appointment of newly elected members of the Board of Directors of Samruk-Kazyna JSC;
- Consideration of agreements on the achievement of business goals of members of the Management Board of Samruk-Kazyna JSC for 2021;
- Consideration of the corporate Key Performance Indicators Map of Samruk-Kazyna JSC for 2022;
- Consideration of agreements on the achievement of business goals of members of the Management Board of Samruk-Kazyna JSC for 2022;
- Approval of the Rules for Professional Development of members of the Board of Directors of Samruk-Kazyna JSC;
- Some issues of attracting experts by the Board of Directors and committees of the Board of Directors of Samruk-Kazyna JSC;
- Introducing amendments and additions to the Regulations on the Nomination and Remuneration Committee of the Board of Directors of Samruk-Kazyna JSC.

In 2021, 5 (five) in-person meetings were held via videoconferencing.

Transformation Program Oversight Committee

The Transformation Program Oversight Committee is a consultative and advisory body of the Board of Directors of the Fund and was established to perform the task of monitoring and assessing the implementation of the Fund's Transformation Program and preparing necessary recommendations to the Board of Directors of the Fund.

In 2021, the Transformation Program Oversight Committee of the Board of Directors held 5 (five) in-person meetings via videoconferencing. In accordance with the Work Plan, 13 (thirteen) issues were addressed.

Composition of the Committee

Pursuant to the minutes of the in-person meeting of the Board of Directors of the Fund No. 186 dated July 8, 2021, Vyacheslav Kim, an independent director, was elected as a member of the Committee.

In accordance with the Resolution of the Government of the Republic of Kazakhstan No. 34 dated January 28, 2022 “On introduction of amendments and additions to some decisions of the Government of the Republic of Kazakhstan and Orders of the Prime Minister of the Republic of Kazakhstan”, the powers of a member of the Board of Directors Kanat Bozumbayev were terminated prematurely.

As of December 31, 2021, the Committee consisted of the following persons:

- Jon Dudas – Independent Director, Chairman of the Committee;
- Kanat Bozumbayev;
- Ong Boon Hwee – Independent Director, member of the Committee;
- Vyatcheslav Kim – Independent Director, member of the Committee.

Attendance of members of the Committee at meetings in 2021

Nº	Member of the Transformation Program Oversight Committee	Position	Attendance at meetings of the Committee	%
1.	Jon Dudas	Independent Director, Chairman of the Board of Directors of the Fund, Chairman of the Committee	5 of 5	100%
2.	Kanat Bozumbayev	Assistant to the President of the Republic of Kazakhstan, member of the Board of Directors of the Fund, member of the Committee	4 of 5	80%
3.	Ong Boon Hwee	Independent Director, member of the Board of Directors of the Fund, member of the Committee	5 of 5	100%
4.	Vyatcheslav Kim	Independent Director, member of the Board of Directors of the Fund, member of the Committee	1 of 2	50%

In 2021, the Committee held meetings on a regular basis as part of its mandate.

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

- Introducing amendments and additions to the Rules for the transfer to a competitive environment of assets of Samruk-Kazyna Sovereign Wealth Fund Joint Stock Company and organizations, more than fifty percent of the voting shares (participation interest) of which directly or indirectly belong to Samruk-Kazyna JSC on the right of ownership;
- Report on the progress of withdrawal of assets of Samruk-Kazyna JSC and its subsidiaries for sale pursuant to the Resolution of the Government of the Republic of Kazakhstan No. 1141 dated December 30, 2015, following the results of 2020;
- Some issues of transferring assets to a competitive environment;
- Report on the implementation of the Transformation Program of portfolio companies of Samruk-Kazyna JSC following the results of 2020 and the 1st quarter of 2021;

- Transfer of 49.5% of the participation interest in the authorized capital of Kazakhstan Petrochemical Industries Inc. LLP;
- Report on the progress of withdrawal of assets of Samruk-Kazyna JSC and its subsidiaries for sale pursuant to the Resolution of the Government of the Republic of Kazakhstan No. 908 dated December 29, 2020, following the results of the first six months of 2021;
- Report on the implementation of the Transformation Program of Samruk-Kazyna JSC following the results of the third quarter of 2021.

Special Committee

The Special Committee carries out a comprehensive and objective analysis of the impact of activities of organizations of the Fund Group on the development of the economy or a particular sector of the economy, except for the issues related to the use of funds of the National Fund of the Republic of Kazakhstan, the republican budget, as well as guarantees and state assets.

MANAGEMENT BOARD

The Management Board is a 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 regulations 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 attributed 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, except for 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 performance results and reporting on the performance results of companies to the Board of Directors of the Fund;
- Making decisions on issues of the Fund's internal activities.

The full list of issues attributed 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



Almassadam Satkaliyev
CEO

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, Financial Economics program;
- 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.

Professional Experience:

Mr. Satkaliyev held the positions of First Vice President at 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, Chairman of the Board of Directors at KEGOC JSC, Chairman of the Board of Directors at Samruk-Energy JSC, Managing Director at Samruk-Kazyna JSC.

Awards: Kurmet, Parasat orders. 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 KAZENERGY Association". Mr Satkaliyev was awarded the title of the Honored Power Engineer of the CIS and Barys medal of III degree.



Yernar Zhanadil
Managing Director for Development and Privatization

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.

Professional Experience:

Over the years, Yernar Beisenuly worked for Philip Morris Kazakhstan, PricewaterhouseCoopers. In 2016, he was appointed to the position of Financial Controller of Samruk-Kazyna JSC with subsequent approval to the position of Managing Director for Finance and Operations and Co-Managing Director for Economics and Finance – a member of the Management Board of Samruk-Kazyna JSC.



Nazira Nurbayeva
*Managing Director for Economics
 and Finance*

Education:

- University of Wisconsin Center Richland (USA) under the student exchange program.

Professional Experience:

Nazira Nurbayeva started her career in 1998 at the PriceWaterhouse branch. From 2003 to 2004, she held a position of a senior tax adviser at LUKOIL Overseas Services Ltd. From 2014 to 2020, she held a position of Director of PricewaterhouseCoopers Tax & Advisory LLP. From June 2020 to April 2021, she worked as a Partner in Deloitte TCF LLP.



Yernat Berdigulov
*Managing Director for Strategy and
 Asset Management*

Education:

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

Professional Experience:

Mr. Berdigulov started his career in 2011 at Samruk-Kazyna JSC. In the period from 2013 to 2018, he held the positions of directors of various departments and Adviser to the CEO at Samruk-Energo JSC. From 2019 to 2021, he worked at Whiteshield Partners as a Project Manager. In 2021, he was appointed Co-Managing Director for Strategy, Sustainable Development and Digitalization at Samruk-Kazyna JSC.



Nikolay Kazutin
*Managing Director for Legal
 Support, Security and Risks*

Education:

- Kazakh Economic University named after T. Ryskulov, specialization in Accounting and Audit.

Professional Experience:

Nikolay Yuryevich started his career in 2001 and worked for insurance companies as a financial analyst until 2005. In 2006-2016 he worked at PricewaterhouseCoopers Tax and Advisory LLP. 2016 – 2020: Director of the Internal Audit Service and Adviser to the CEO of Kokshetau Mineral Waters JSC and East Kazakhstan Regional Energy Company JSC. 2020 – 2022: Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan.

WORK REPORT OF THE MANAGEMENT BOARD

In 2021, the Management Board held 60 meetings, of which 56 in-person meetings and 4 absentee meetings. The Management Board addressed 403 issues, including 399 issues in the in-person format.

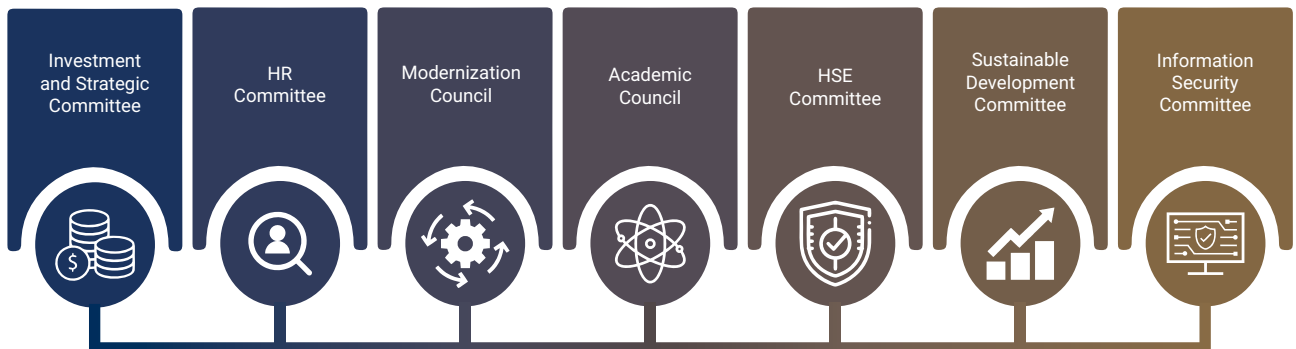
The most important issues addressed by the Management Board of the Fund are as follows:

- approval of the annual financial statements of the Fund's Portfolio Companies for 2020;
- election of the Boards of Directors and Supervisory Boards of the Fund's Portfolio Companies;
- coordination and/or appointment of first executives of the Fund's Portfolio Companies;
- changing authorized capitals of the Fund's Portfolio Companies;
- amendments to the Charters of the Fund's Portfolio Companies;
- preliminary approval and submission of issues to the Board of Directors of the Fund;
- approval of and/or amendments to the corporate standards of the Fund;
- approval of and/or amendments to the Fund's internal regulations on procurement, investment and HR management issues;
- changing the organizational structure and staffing of the Fund;
- adjustment of the Fund's budget;
- approval of limits for counterparty banks of the Fund.

COMMITTEES OF THE MANAGEMENT BOARD

To improve the efficiency of decisions taken by the Management Board, there are five committees operating under the Management Board: Investment and Strategy Committee; HR Committee; HSE Committee; Academic Council and Modernization Council.

Committees of the Management Board





Investment and Strategic Committee

The goal of the Investment and Strategy Committee is to assist in increasing efficiency in the decision-making process when managing the Fund's assets 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 assets portfolio and the investment projects portfolio 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 major capital projects.

In 2021, the Investment and Strategy Committee held 54 meetings.



HR Committee

The goal 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 provision of methodological and expert-analytical support in the field of HR for the Fund Group.

The composition of the HR Committee is determined by the decision of the Management Board of the Fund and consists of at least 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, the HR Committee of the Fund held 12 in-person meetings. In total, 31 issues were considered, on which 62 decisions were made.

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

- issues of assessment of positions (grades) of individual employees of the Fund;
- issues of training and professional development of the Fund's employees;
- issues of rewarding employees of the Fund Group on the day of the Constitution of the Republic of Kazakhstan and the Independence Day of the Republic of Kazakhstan.



Modernization Council

The main goal of the Modernization Council is to manage and coordinate activities aimed at implementing the Transformation Program in the Fund Group and introducing advanced practices, technologies and standards for effective management of companies.

The Council is a collegial consultative and advisory body under the Management Board of the Fund, the decisions of which should be considered 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 its companies;
3. ensuring communication between the participants of the Transformation Program in the Fund and its 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;
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.



Academic Council

The Academic Council of Samruk-Kazyna was established in 2019. The main role of the Council is to participate in a collegial and transparent decision-making process, selection, accounting, monitoring and control of R&D and innovation projects to ensure national welfare.

In 2021, the Council held 6 meetings devoted to the following issues: recycling of secondary material resources, coal chemistry, petrochemistry, technologies of the mining and metallurgical complex, and energy transition.

49 research papers were reviewed, and 37 promising pilot projects were selected.

A corporate standard for R&D, innovation and knowledge management was formed to regulate a unified approach to the management of R&D and innovation portfolio of the Fund Group.



Health, Safety and Environmental Protection (HSE) Committee

The purpose of the HSE Committee is to develop recommendations for the Management Board of the Fund and representatives of the Fund in 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.

In 2021, the HSE Committee continued to successfully fulfill its function, i.e. to serve as a platform for discussing problematic issues, exchanging experience, as well as submitting strategic initiatives and ideas for consideration.

The HSE Committee held 12 meetings, during which the following topical issues were addressed:

- progress and results of PCs' activities in the field of health, safety and environmental protection;
- results of accident investigations and measures undertaken;
- discussion and adoption of a strategic vision for the development of the HSE management system in the Fund Group;

- A HSE management policy and guidances were developed and are currently at the stage of approval.
- the goals, objectives and process of the Fund's HSE management system were defined;
- the protocol for immediate notification of major incidents was amended;
- continuing the monitoring of the epidemiological COVID-19 situation in the Fund Group, consideration of preventive measures, as well as tools to encourage employees for vaccination/revaccination.



Sustainable Development Committee

The Sustainable Development Committee was created to develop recommendations for the Management Board of the Fund and representatives of the Fund in the Boards of Directors of PCs, as well as to coordinate the activities undertaken by Portfolio Companies in the field of sustainable development, specifically:

- introducing a system of systematic and continuous adherence to the principles of sustainable development;
- developing an effective system of interaction with stakeholders, confirming the Company's commitment to standards in the field of sustainable development;
- ensuring the achievement of strategic goals of the Fund and PCs without compromising their sustainability in the long term, considering the interests of stakeholders.

In 2021, the Sustainable Development Committee held one meeting devoted to carbon neutrality issues.



Information Security Committee

The Information Security Committee was created in order to develop recommendations for the Management Board of the Fund for the formation and development of a unified information security system in the Fund Group, as well as to ensure interaction with governmental authorities, information technology units of Portfolio Companies and other persons and entities on information security issues.

During the reporting period, meetings of the Information Security Committee were not held.

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 responsibilities they perform in the framework of their functions.

The amount and 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 of the Fund's Board of Directors 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 of remuneration and bonuses for the Chief Executive Officer and members of the Fund's Management Board as 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 to financially reward for the successes achieved and increase the performance.

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

The total remuneration paid to the key management personnel included in general and administrative expenses amounted to KZT 615 million for 2021. This amount includes remuneration for Independent Directors and remuneration paid to members of the Executive Body.

Corporate Secretary

The Corporate Secretary ensures compliance by the bodies and officials of the Fund with the corporate governance rules and procedures that guarantee the enforcement and protection of the Sole Shareholder's rights and interests.

Internal Audit Service

The main goal of the Internal Audit Service is to provide the Board of Directors and the Committee with independent and objective information with the aim of ensuring effective management of the Fund through the assessment and provision of recommendations to improve the risk management, internal control and corporate governance systems in the Fund.

Ombudsman

The main functions of the Ombudsman are to advise employees of the Fund and to assist in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as in ensuring compliance with the principles of business ethics by the Fund's employees.

Compliance Service

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

ANTI-CORRUPTION

The anti-corruption culture is an integral part of the corporate culture of the Fund Group, as well as the requirement of Article 9 of the Law of the Republic of Kazakhstan “On Combating Corruption” (hereinafter – the Law).

Thus, with the aim of implementing coordinated actions as part of the anti-corruption policy of the Fund and its Portfolio Companies, on February 16, 2021, the Fund and the Anti-Corruption Agency of the Republic of Kazakhstan (hereinafter referred to as the Anti-Corruption Service) signed a Memorandum of Cooperation and opened a joint Adaldyk Alany project office in the Fund’s building.

In the framework of the Memorandum, a project was launched at Samruk-Kazyna Corporate University to train/retrain specialists of compliance subjects of the quasi-public sector.

Pursuant to the requirements of Article 16 of the Law, as of December 31, 2021, 77 independent compliance services and 44 divisions were created in the Fund Group to perform the functions of anti-corruption compliance services.

The activities of the Compliance Service of the Fund in 2021 were focused on the development of the following areas:

1. Ensuring that activities of the Fund and its Portfolio Companies comply with the requirements of anti-corruption legislation.

The CEO of the Fund issued an order (No. 13-P dated 29.01.2021) to approve an Action Plan for 2021 to ensure that the Fund complies with the requirements of the Law. Similar plans were approved in all Portfolio Companies of the Fund.

In accordance with the plans, the following measures were implemented:

- A list of employees equated to persons authorized to perform state functions was determined, and appropriate measures were developed to ensure compliance with anti-corruption legislation.
- An internal analysis of corruption risks in the Fund and Portfolio Companies was carried out.

- Compliance trainings were held for employees; banners with updated information about the hotline numbers and anti-corruption requirements were posted in the Fund and Portfolio Companies.
- Ensuring compliance with the requirements for declaration of assets and liabilities by the Fund's senior managers based on the results of review of tax laws.
- Exercising control over the adoption of anti-corruption restrictions by all persons equated to persons authorized to perform state functions.

2. Lawmaking, improving and updating the internal regulatory framework of the Fund, bringing it into line with the legislation of the Republic of Kazakhstan and the best international practice.

Dauren Akshalov, Head of the Compliance Service, was included as a permanent member of the working group in the Majilis of the Parliament of the Republic of Kazakhstan thanks to which amendments were made at the initiative of the Fund to the anti-corruption legislation of the Republic of Kazakhstan regarding the independence of compliance services of the quasi-public sector, which entered into force on January 1, 2022 (paragraph 3 of Article 16 of the Law).

The Fund carried out a review of legislative changes and an analysis of the internal regulatory framework in the field of compliance, following the results of which 4 internal regulations were developed and approved (the Anti-Corruption Policy, the Rules for Verifying the Reliability of Counterparties, the Conflict of Interest Policy, the Internal Control Rules for delineating access rights to insider information and preventing the misuse of such information by insiders), amendments were made to the Regulations on the Board of Directors and the Audit Committee of the Fund, the restated Regulations on the Compliance Service were approved in terms of bringing the provisions on the independence of compliance services and accountability to the Board of Directors into line with the requirements of the anti-corruption legislation of the Republic of Kazakhstan.

In September 2021, Dauren Akshalov, Head of the Compliance Service, was involved as an expert of the working group in the Majilis of the Parliament of the Republic of Kazakhstan to review the draft Law of the

Republic of Kazakhstan “On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on Anti-Corruption Issues”. The Fund's proposals were supported by deputies of the Majilis of the Parliament of the Republic of Kazakhstan; work on the draft law is in progress.

3. Conducting an internal analysis of corruption risks.

Pursuant to Article 8 of the Law, in accordance with the Order of the CEO of the Fund No. 31-п dated 07.04.2021, an internal analysis of the Fund's processes was carried out to check the presence of conditions that admit committing corruption crimes. Similar measures were taken in all portfolio companies of the Fund Group, and appropriate action plans were developed to mitigate corruption risks.

The results of the internal analysis of corruption risks were submitted to executives of companies, the Office of the Prime Minister of the Republic of Kazakhstan and the Anti-Corruption Service.

4. Automation of compliance processes in the Fund and Portfolio Companies.

Pursuant to the Order of the Accounts Committee for Control over Execution of the Republican Budget Тщю 10-2-Н-қбп dated May 29, 2020 “On the results of the state audit of the asset management efficiency of Samruk-Kazyna JSC”, a plan for the development and implementation of the procedure for verifying the reliability of third parties and their affiliation with employees of the Fund and the Group of companies of Samruk-Kazyna JSC was developed and approved by the CEO of the Fund on October 31, 2020.

As part of the ongoing automation of certain elements of the Fund's compliance program, a centralized automated hotline system (<https://sk-hotline.kz/>) has been operating since June 2021. This system is administered by an independent third party – KPMG. All requests

As of December 31, 2021, pursuant to the requirements of Article 16 of the Law, 77 independent compliance services and 44 divisions were created in the Fund Group to perform the functions of anti-corruption compliance services.

are submitted by the Hotline operator to compliance officers of the Fund's group of companies in real time. Moreover, the automated compliance system includes a function for the development and implementation of a procedure for verifying the reliability of third parties and their affiliation with employees of the Fund Group, the <Automonitoring> module designed to analyze active counterparties who have contractual obligations, and the <Working with Cases> module, which allows working with Hotline requests and creating new cases. In addition, the System was integrated with SAP HCM based on the list of employees, and a data model was used to implement integration with the e-procurement system. Currently, the system is functioning as a pilot version.

5. Formation of anti-corruption and compliance culture.

The Compliance Service implements measures to form and develop an anti-corruption culture – a system of values that reflects intolerance to corruption, including face-to-face training and information events for employees of the Fund, placing videos and other visual materials that set out the requirements of the Fund's anti-corruption policy in public places, conducting activities jointly with the Anti-Corruption Service, in particular, opening a joint project office “Adaldyk Alany”.

6. Carrying out checks on appeals received as part of proactive informing on violations.

According to the Proactive Information Policy, the Fund recognizes that it is important to increase the credibility of the proactive information line (Hotline). In 2021, a total of 594 applications were received by the Hotline, of which 150 applications were confirmed. The largest number of applications received were related to the activities of KTZ, KMG and Kazpost. By type of violations, the largest number of applications were related to violations of established procedures and laws – 83, labor conflicts – 103 and procurement – 53.

RISK MANAGEMENT AND INTERNAL CONTROL

The aim of the risk management system is to provide reasonable assurance about the achievement of strategic, operational goals, goals in the field of preparing reliable reporting and compliance 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 fundamental principles and approaches to organizing risk management and internal control in the Fund Group

are set out in the Risk Management and Internal Control Policy of the Fund. The Policy was compiled considering the COSO recommendations "Conceptual Framework for Risk Management of Organizations: Integration with Strategy and Performance Indicators" and aims to strengthen the responsibility of risk owners for risk management at all levels of the Fund and 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 provided by structural units represented by each employee, which, within their competence, directly identify, manage risks and perform control procedures. The second line of defense (monitoring functions) is provided by the Risk Management and Internal Control Department and the Compliance Service of the Fund, which are responsible for monitoring the implementation of effective risk management and internal control practices by business functions, compliance with laws and internal regulations of the Fund. The third line of defense (an independent guarantee) is provided by the



Internal Audit Service of the Fund by conducting an independent assessment of effectiveness of the risk management and internal control system and promoting their improvement.

The Fund and its Portfolio Companies approve a risk appetite, risk register and risk map on an annual basis; submit regular management reporting on significant areas of activity to 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 coverage for the risks of the Fund’s companies.

The Fund continued to work on building an effective internal control system. 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 risks of significant investment projects are subject to internal and external factors. Apart from classic project risks such as a failure of the project implementation

deadlines and an increase in capital expenditures, external factors such as, for example, high inflation, exchange rates fluctuations and logistical issues negatively affect the performance of projects. The Fund is working on an ongoing basis to identify potential and occurred risks, as well as to develop measures to minimize such risks.

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, the Fund interacts with Portfolio Companies on an ongoing basis in order to build a unified image and communication policy of the Fund Group, takes measures to ensure compliance with legislative requirements and established ethical standards of behavior by employees of the Fund and Portfolio Companies.

Financial risks:

Liquidity risk and risk of violation of covenants/listing requirements are risks associated with the inability of the company to finance its activities in a timely manner and meet its obligations in full. In managing these risks, the Fund sets limits and monitors them for the degree of the Fund’s and PCs’ debt burden, takes various measures to ensure the execution of covenants by Portfolio Companies, and to increase the financial sustainability of the Fund Group.



Currency risk is the risk of losses caused by 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 and the actions of the regulator are monitored. Work is underway to reduce foreign currency debt, including by refinancing foreign currency loans and increasing foreign currency earnings.

Operating risks:

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

Risk of accidents is the risk which, due to the specifics of activities, is significant mainly for the Fund's Portfolio Companies engaged in production. To mitigate this risk, the Fund provides for a synergistic initiative called "Industrial Safety" to bring the HSE management system in Portfolio Companies of the Fund to the level of the best international standards. The above-mentioned initiative is being implemented as part of work of the HSE Committee under the Management Board of the Fund, which includes responsible representatives of 13 largest Portfolio Companies. The main goal of the HSE Committee is to ensure coordination and control over the implementation of Portfolio Companies' activities to improve the efficiency of the corporate HSE management system.

Legal risks:

Litigation risk is the risk of the Fund and the Portfolio Companies being involved in major litigation. The Fund takes measures to minimize these risks by preliminary settlement of disputes through negotiations, monitoring the Fund's obligations under existing agreements, clarifying regulatory legal acts that govern the Fund's activities, and other legal actions to protect the interests of the Fund Group.

STAKEHOLDER ENGAGEMENT

Stakeholder group	Type of information provided	Communication methods
Shareholders	Information on the Company's activities and corporate events that affect the interests of securities holders	<ul style="list-style-type: none"> • Providing access to information • Representing shareholders' interests in the Board of Directors • Publishing on the corporate website
<i>Investors</i> <i>See more details in the Interaction with Investors section</i>	Information on the Company's activities and corporate events that affect the interests of investors and the investment community as a whole	<ul style="list-style-type: none"> • Providing access to information • Publishing on the corporate website, including in the Investors and Stakeholders section (www.sk.kz) • Organization of field presentations (road shows) for investors and other public events • Holding meetings and conference calls • Handling of requests via e-mail, telephone consultations • Publishing press releases
Financial institutions	Financial information that affects the interests of financial institutions, issues of the Company's financial stability	<ul style="list-style-type: none"> • Providing access to information • Publishing on the corporate website • Publishing in the media
Media	Any information other than that which is confidential in accordance with the laws of the Republic of Kazakhstan and internal regulations of the Fund	<ul style="list-style-type: none"> • Publishing press releases, informational messages and articles on the Fund's website and in the media • Distribution of press releases • Providing answers to media inquiries • Conducting press conferences, briefings, press tours, forums, information sessions and other media events • Requests handling

PUBLIC COUNCIL

The Regulation on the Public Council of Samruk-Kazyna JSC was approved by the Decree of the Government of the Republic of Kazakhstan No. 828 dated November 22, 2021. The Public Council of Samruk-Kazyna JSC is a consultative, advisory and supervisory body established to represent the interests of civil society and take into account the public opinion when discussing and making decisions, as well as to increase accountability and transparency of activities of the Fund and national companies included in the Fund Group.

“We should further increase the role of public councils by involving them in the work of procurement commissions. We should also provide for the creation of public councils in the quasi-public sector” (from the Message of the

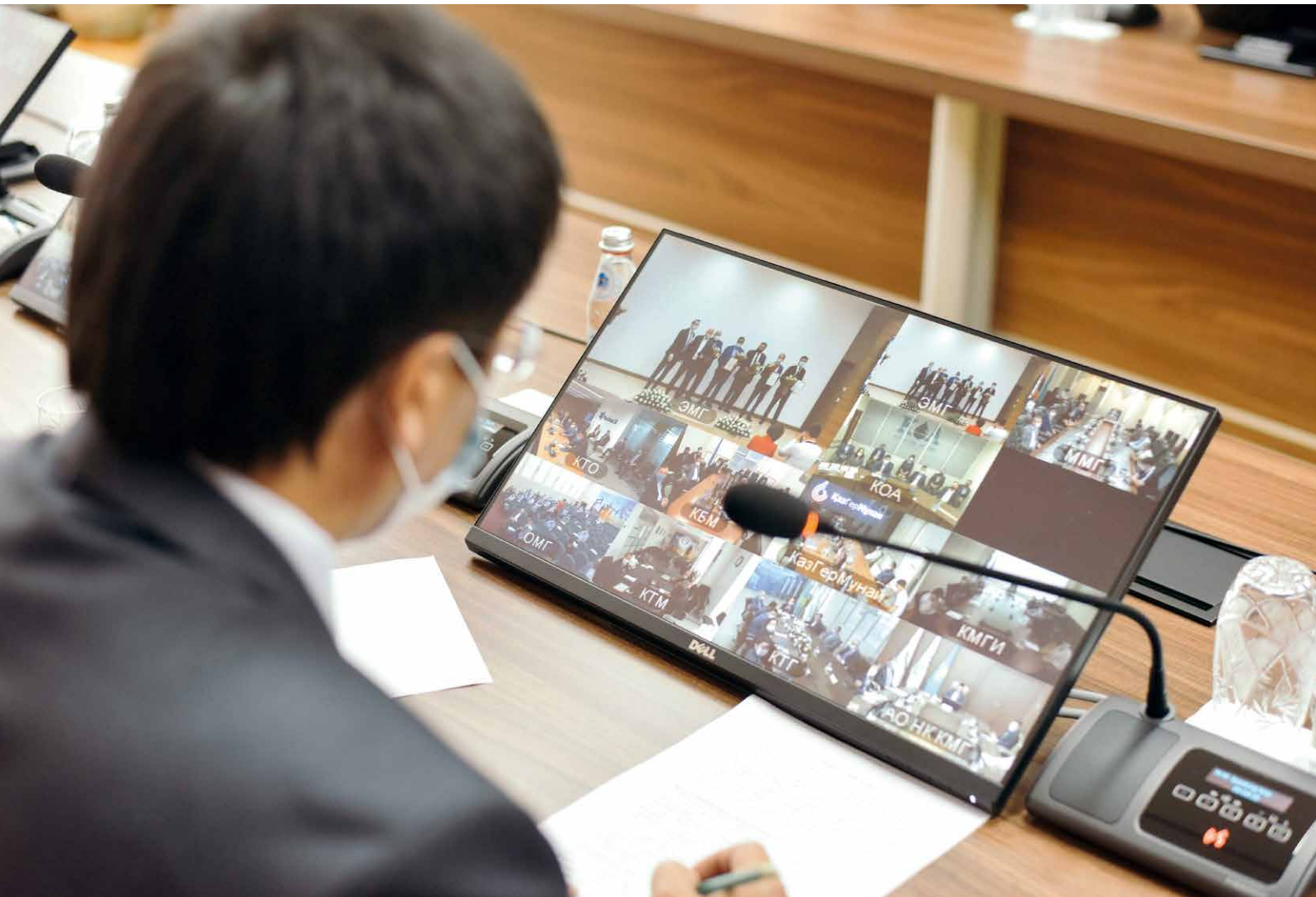
Head of State Qassym-Jomart Tokayev to the people of Kazakhstan dated September 1, 2020).

Goal of the Public Council

- Collecting, consolidating and considering the public opinion

Objectives of the Public Council:

- Representation of civil society's interests
- Development of constructive interaction with civil society
- Monitoring the implementation of the Fund's development strategies and plans
- Making recommendations on improving the Fund's activities



COMPOSITION OF THE PUBLIC COUNCIL



Bolat Zhamishev

Statesman of the Republic of Kazakhstan

Professional Experience: Chairman of Qazaqstan Halqyna Public Social Fund. Since January 2004 held a position of the Chairman of the Agency of the Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organizations. He worked as the Minister of Finance of the Republic of Kazakhstan, the Minister of Regional Development of the Republic of Kazakhstan, CEO of Development Bank of Kazakhstan JSC.



Olga Bulavkina

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

Professional Experience: Olga Bulavkina started her career as a kindergarten teacher in Ust-Kamenogorsk. She held the positions of an economist, accountant, head of the department of the akim of Shemonaikhinsk district of East Kazakhstan region, deputy akim of Shemonaikhinsk district of East Kazakhstan region, akim of Borodulikha district of East Kazakhstan region. Since August 2020 – a member of the Senate of the Parliament of the Republic of Kazakhstan.



Yerlan Sairov

Deputy of the Majilis of the Parliament of the Republic of Kazakhstan, member of the Committee on International Affairs, Defense and Security

Professional Experience: Public figure, Ph.D. in Politics Author of 30 scientific articles, 3 books on political modeling and information technologies. Member of the National Council of Public Trust under the President of the Republic of Kazakhstan.



Aidar Kazybayev

Managing Director of the Administration of the Astana International Financial Center

Professional Experience: Ph.D. in Economics. Over the years, he worked in the Ministry of National Economy of the Republic of Kazakhstan, the Ministry of Industry and Trade of the Republic of Kazakhstan, Small Business Development Fund JSC, the National Bank of the Republic of Kazakhstan, the Administration of the Astana International Financial Center. Commissioner General of the Republic of Kazakhstan at EXPO-2008, EXPO-2010, EXPO-2012, EXPO-2015.



Irina Tazhibayeva

Executive Director of the Nuclear Technology Safety Center

Professional Experience: Doctor of Physical and Mathematical Sciences, Professor. Currently, she holds positions of Executive Director of the Scientific and Technical Center for the Safety of Nuclear Technologies, CEO of the Nuclear Society of Kazakhstan. Since 2009 – official representative of Kazakhstan in the IAEA Scientific Council for thermonuclear energy, expert representative of Kazakhstan in the NATO Scientific Committee “Science for Peace and Security”, representative of Kazakhstan in the IAEA working group for fast reactors. Winner of the 2017 Altyn Adam Award – Person of the Year in Kazakhstan in the nomination of “Scientis”.



Alua Zholdybalina

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

Professional Experience: Professor of the National School of Public Policy of the Academy of Public Administration under the President of the Republic of Kazakhstan. Member of the Republican Educational and Methodological Council in the area of Political Science. Member of the National Scientific Council in the area of Social and Humanitarian Research. Ph.D, Master of Political Science.



Lyazzat Zhunussova

First Deputy Chairman of the Management Board of Khabar Agency JSC

Professional Experience: Over the years, she held positions of Financial Director, Deputy Chairman of the Management Board of Kazakhstan Republican TV and Radio Corporation JSC, Deputy General Director of Arna Media Production LLP, Director of Television News Agency LLP, General Director of Eurasia+ORT LLP.



Nazira Nurbayeva

Managing Director for Economics and Finance

Professional Experience: Nazira Nurbayeva started her career in 1998 at the Pricewaterhouse branch. From 2003 to 2004, she held a position of a senior tax adviser at LUKOIL Overseas Services Ltd. From 2004 to 2014, she worked as a senior manager at PricewaterhouseCoopers Tax & Advisory LLP. From 2014 to 2020, she held a position of Director of PricewaterhouseCoopers Tax & Advisory LLP. From June 2020 to April 2021, she worked as a Partner in Deloitte TCF LLP. In April 2021, she was appointed Managing Director for Economics and Finance of Samruk-Kazyna JSC – a member of the Management Board of Samruk-Kazyna JSC.



Yernar Zhanadil

Managing Director for Development and Privatization

Professional Experience: Over the years, Yernar Beisenuly worked for Philip Morris Kazakhstan and PricewaterhouseCoopers. In 2016, he was appointed to the position of Financial Controller of Samruk-Kazyna JSC with subsequent approval to the position of Managing Director for Finance and Operations and Co-Managing Director for Economics and Finance – a member of the Management Board of Samruk-Kazyna JSC. Later he was appointed Managing Director for Investments, Privatization and International Cooperation – a member of the Management Board of Samruk-Kazyna JSC.



Nikolay Kazutin

Managing Director for Legal Support, Security and Risks

Professional Experience: Nikolay Yuryevich started his career in 2001 and worked for insurance companies as a financial analyst until 2005. In 2006-2016 he worked at PricewaterhouseCoopers Tax and Advisory LLP. 2016 – 2020: Director of the Internal Audit Service and Adviser to the CEO of Kokshetau Mineral Waters JSC and East Kazakhstan Regional Energy Company JSC. 2020 – 2022: Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan.

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REPORT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR 2021

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

The objectives of the Corporate Governance Code are:

- improving corporate governance in the Fund and Organizations;
- ensuring transparency of management;
- confirming the commitment of the Fund and Organizations to follow the standards of good corporate governance.

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

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

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

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

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

regular independent diagnostics of the corporate governance system;

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

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



RELATED-PARTY TRANSACTIONS REPORT FOR 2021

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

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

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

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

GLOSSARY

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

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

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

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

CONTACT INFORMATION

Questions regarding this Annual Report can be sent to the Corporate Governance Sector of ESG Department at governance@sk.kz, Phone: +7 7172 55 2674

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Republic of Kazakhstan

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labor questions)**

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