



BAITEREK



KAZYNA
CAPITAL
MANAGEMENT

Annual Report

21

Table of contents

Address of the Chairman of the Board of Directors of Kazyna Capital Management JSC	2
Address of the Chairman of the Management Board of Kazyna Capital Management JSC	4
I. ABOUT THE COMPANY	8
1.1. History of KCM development	10
1.2. KCM Development Strategy	13
1.3. KCM subsidiaries	14
1.4. Organizational structure of the KCM	16
1.5. The main events of 2021	17
II. OPERATIONAL ACTIVITIES	18
2.1. Global Direct Investment Market	19
2.2. Direct investment market of the Republic of Kazakhstan	21
2.3. Results of investment activity	22
2.4. Financial and economic indicators	37
2.5. Goals and Plans for future periods	39
III. RISK MANAGEMENT SYSTEM	40
IV. SUSTAINABLE DEVELOPMENT	44
4.1. Social responsibility	47
4.2. Environmental friendliness	51
V. CORPORATE GOVERNANCE	52
5.1. Issuer's corporate Governance system	53
5.2. Corporate governance structure	54
5.2.1. Information about the Sole Shareholder	55
5.2.2. Information about the Board of Directors	56
5.2.3. Formation of the Board of Directors, the process of selecting members of the Board of Directors	63
5.2.4. Information on the evaluation of the activities of the Board of Directors	63
5.2.5. Information about the Board	65
5.2.6. Organizational structure of the issuer	68
5.2.7. Information about rewards	68
5.2.8. Shareholders	69
5.2.9. Subsidiaries and affiliates	69
5.2.10. Information about dividends	71
5.2.11. Information about major transactions	71
5.2.12. Information policy	71
5.2.13. Internal control and audit	71
5.2.14. Interaction with stakeholders	73
VI. FINANCIAL STATEMENTS	76
Glossary	81
Information for investors	81
Annex	82



Address of the Chairman of the Board of Directors



Dear ladies and gentlemen,

I bring to your attention the annual report of Kazyna Capital Management JSC (KCM), a fund of private equity funds, a part of the National Managing Holding Baiterek JSC's group of companies.

By the end of 2021, the equity capital of KCM amounted to 162 billion tenge, assets are 214 billion tenge, while the investment portfolio is 171 billion tenge.

In 2021 the volume of KCM's new investments into projects of Kazakhstan amounted to 36.7 billion Investments were mainly directed to the sectors of transport infrastructure (12 billion tenge), agro-industrial complex (12.8 billion tenge), media and entertainment industry (404 million tenge), IT (1.5 billion tenge) as well as in the segments of transport and logistics, food and beverage production, metallurgical industry, construction and installation works (8.5 billion tenge). Thus, with the support of KCM, 895 new jobs were created in 2021.

As part of the execution of the Order of the President of the Republic of Kazakhstan dated September 1, 2020 on the reduction of administrative and managerial personnel and subsidiaries in the quasi-public sector, KCM was reorganized by joining of Qaztech Ventures JSC and Kazakhstan Project Preparation Fund LLP to KCM. As a result, staff optimization equal to 17% in 2021.

During the reporting period, a number of partnerships were established with key players of the global markets, which will improve KCM's competences in the field of private equity and venture financing in particular. Pooling expertise in project implementation will provide an opportunity to form a sustainable investment portfolio in priority sectors of the economy.

Thus, KCM together with the German development institute DEG-Deutsche Investments-und Entwicklungsgesellschaft acted as key investors of the new Da Vinci Emerging Technologies Fund III. The capitalization of the fund amounted to 67.6 million USD.

In addition, in September 2021, during the 6th meeting of the Kazakhstan-Spain Business Council, KCM established cooperation with the Spanish Financial Development Institute COFIDES. Sharing expertise with the Spanish company will provide an opportunity to form a sustainable investment portfolio of joint projects aimed at technology transfer. In addition, COFIDES as an accredited entity of the EU will enable the use of EU funding through mixed financing initiatives.

Focusing on the global trends in adherence to the principles of responsible investment and their impact on sustainability and projects profitability, in 2021, KCM carried out work on integration of ESG standards into its investment processes. Amendments have been made to the Company's investment policy with regards to project evaluation for compliance with ESG standards. The introduction of responsible investment practices will increase the visibility of KCM for institutional investors and provide an opportunity to attract additional capitalization to increase the portfolio of "green" projects.

In July 2021 Fitch Ratings confirmed the long-term issuer default ratings ("IDR") in foreign and national currency "BB+" with a "Stable" outlook. Fitch also confirmed KCM's rating on the national scale "AA (kaz)".

In conclusion, I would like to wish KCM's team and its partners successful implementation of the planned tasks aimed at creating dynamic private equity ecosystem and increasing the investment attractiveness of the country.

ADIL MUKHAMEDZHANOV

Address of the Chairman of the Management Board



Dear colleagues, investors, partners!

Promotion and development of the private equity market and the national economy of Kazakhstan would be impossible without your trust and faith in our mission. I express my gratitude for your contribution to KCM's activities.

In accordance with the global agenda of the private equity market for transition to "responsible investment", in 2021 KCM initiated an introduction of ESG factors at all stages of the investment process. The integration of ESG principles and monitoring related risks will contribute to the formation of a sustainable portfolio of projects and increase investment attractiveness of KCM for global institutional investors.

In order to fully transition to the "responsible investment" model KCM is considering to join the UN Association on the principles of responsible investment (UN Principles for Responsible Investments). Membership in the Association will contribute to building up internal competencies of KCM in the field of responsible investment as well as experience exchange with international institutional investors and other financial organizations.

In investment decision making KCM continues to prioritize projects, the implementation of which will contribute to the population's life quality improvement and development of regional infrastructure.

Over the past year, private equity funds with the participation of KCM have financed 10 large projects worth 36.8 billion tenge, while the share of projects in Kazakhstan amounted to 92% of the total investment portfolio.

KCM supported the project of business processes modernization, cargo transportation efficiency and delivery system improvement of KTK Service group of companies. Financing this project will give impetus for development of the local transport and logistics market as well as significant geography expansion of services provided in the field of freight forwarding industry.

In addition, the joint private equity fund of KCM and the Development Bank of Kazakhstan DBK Equity Fund C.V. financed construction of a multifunctional tourist center of the PC "Turkestan Tourism City LTD" in Turkestan in the amount of 13.5 billion tenge. Every year 28 thousand foreign tourists visit the city of Turkestan. According to experts, the tourism complex plans to receive more than 1 million visitors in five years.

Through co-investment mechanism Kazakhstan Infrastructure Fund C.V. and TAV Airports have financed construction of a new international terminal at Almaty Airport for a total amount of 200 million USD, of which 170 million – funds from TAV Airports, 27.9 million – from KCM. In addition, a loan from a consortium of creditors was attracted for implementation of this project to finance the construction of a new terminal in the total amount of 450 million USD. The key participants of the consortium were international financial institutions represented by the European Bank for Reconstruction and Development and the International Finance Corporation (IFC).

The construction of the new terminal will increase the passenger traffic by 4 times to 14 million passengers per year by 2030. As a part of the project new international destinations and flights will be opened, services and customer service will be improved, cargo transportation will be increased to develop a regional transport and logistics hub based in the airport. In addition, advanced construction and cladding materials will be used for project implementation. The materials have no analogues in the EAEU countries and meet the technological requirements of the international standards Excellence in Design for Greater Efficiencies (EDGE). This will increase the energy efficiency of the new terminal by 40%, reduce water consumption by 20% and minimize wearout by 20%.

At the same time, it is expected that the number of new temporary and permanent jobs will reach over 2,000 and 90% of which will be occupied by local specialists.

In order to provide a state support the Government Support Agreement (GSA) between the government of the Republic of Kazakhstan (represented by MIID), the airport and the consortium of creditors was signed in September 2021. The agreement confirms the absence of plans to build an alternative airport near Almaty and encourages the parties to implement recommended measures for environment protection and a sanitary zone provision. This agreement is not a state guarantee.

On October 27, 2021, KCM issued a debut bond loan in the amount of 12.8 billion tenge for implementation of the third direction of the Employment Roadmap "development of the agro-industrial complex" for 2020–2021. These funds were used to finance projects in agricultural sector.

For the venture capital market development as well as country's startup community formation, 13 promising projects were supported. 10 projects were invested based on the results of the Kazakhstan Digital Accelerator acceleration program. The program was launched jointly with the Singapore Quest Ventures fund.

Quest Ventures Asia Fund II invested 500,000 USD in a mobile application for finding service stations and auto parts – STOGam. It is also worth noting the results of cooperation with the large American fund 500 Global (500 Startups) which invested in two Kazakhstani projects: a mobile commerce application for small businesses – Adaptive.plus in the amount of 250,000 USD and a mobile time tracking service with HR tools – Clockster in the amount of 450,000 USD.

In 2021, 7 project exits were carried out: Enel Russia (Macquarie Russia & CIS Infrastructure Fund C.V.); National Stock Exchange of India (Wolfensohn Capital Partners L.P.); Foundation Wind Energy- I Limited (Islamic Infrastructure Fund L.P.); Foundation Wind Energy- II (Pvt) Limited (Islamic Infrastructure Fund L.P.); Labnet Holding (Kazakhstan Growth Fund C.V.); VIST Group (Russian-Kazakh Nanotechnology Fund); Z-Invest LLP (Baiterek Venture Fund), as well as partial exit from the Arctic Green Energy China project (CITIC Kazyna Investment Fund I L.P.). The average return on projects (IRR) was 13.4% per annum.

In 2022, KCM will continued pursuing its activities to achieve the key goals of the state policy in the field of industrial and innovative development, such as attracting investments in non-resource sectors of the economy, improving activities in all segments of the private equity market, development of the agro-industrial complex and SMEs. Next year, besides the main investment activities, the teams of captive and portfolio funds of KCM will focus on enhanced monitoring of the project portfolio and working out optimal exit strategies for projects considering the current global market conditions.

KCM will direct its efforts to create an effective system of micro and small business financing as well as projects in the agro-industrial sector with involvement of credit partnerships. The development of sustainable agriculture by increasing the availability of financing, the level of technical equipment and the intensification of production in the agricultural sector is a strategically important goal that forms the country's food security.

In conclusion, I would like express my gratitude to the shareholder represented by Baiterek Holding, the team and partners of the company whose experience and high professionalism are the key to our dynamic development from year to year.

Ainur Kumatova





About the company

Kazyna Capital Management JSC (KCM) is a private equity fund of funds created to promote the sustainable development of the national economy.

15 years ago, in 2007, the President of the Republic of Kazakhstan in his annual Address to the People of Kazakhstan announced the initiative to create a fund of direct investment funds. Pursuant to the instruction of the Head of State, on March 7, 2007, the Board of Directors of Kazyna Sustainable Development Fund JSC decided to establish Kazyna Capital Management JSC.

In partnership with international institutional investors, sovereign wealth funds and international financial organizations, KCM invests and manages private equity funds. KCM's funds provide capital to companies in various sectors of the economy in order to further grow and increase market competitiveness.

Among the partners of KCM are the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), the global private equity fund Wolfensohn Capital Partners, the state holding company Mubadala, the Chinese investment company CITIC Group, the American venture fund 500 Startups, the largest fund in Southeast Asia Quest Ventures, the German development Institute DEG-Deutsche Investments-und Entwicklungsgesellschaft, a large Turkish company TAV Holding and others.

In order to effectively manage its portfolio funds KCM attracts international management companies with many years of successful experience in the industry. Thus, by transferring international experience, innovative knowledge, latest technologies and management strategies in private equity field, KCM strives to develop financing tools, form a sustainable private equity infrastructure and build up the internal competencies of its team.

Since its foundation, KCM has been a key player and driver of the private equity market in Kazakhstan. Today, KCM is a participant in 16 private equity funds with a total capitalization of more than 1 trillion tenge. The structure of KCM includes a subsidiary captive fund Baiterek Venture Fund JSC and a management company BV Management LLP. In addition, in 2021, in order to effectively implement the main activities of venture financing and public-private partnerships, the stakes of QazTech Ventures JSC and Kazakhstan Projects Preparation Fund LLP were transferred to KCM.

1.1. History of KCM development

2007

FEBRUARY

The Address of the President of the Republic of Kazakhstan with the instruction to create a fund of funds.

MARCH

The Board of Directors of Kazyna Sustainable Development Fund JSC decided to establish Kazyna Capital Management JSC.

MAY

The state registration of Kazyna Capital Management JSC was made in the Department of Justice of Almaty.

2008

JUNE

During the International Economic Forum in St. Petersburg, a Minutes of Understanding was signed between Vnesheconombank of Russia, the Eurasian Development Bank, Kazyna Capital Management JSC, Macquarie Group and Renaissance Group, who expressed their intention to jointly invest in the Macquarie Renaissance Infrastructure Fund (currently Macquarie Russia and CIS Infrastructure Fund).

AUGUST

Resolution regarding participation of Kazyna Capital Management JSC in the Falah Growth Fund together with International Petroleum Investment Company and Ordabasy Corporation.

OCTOBER

Resolution regarding participation of Kazyna Capital Management JSC in the current Wolfensohn Capital Partners fund together with National Industries Group Holding Company, CGI Private Equity, The Governing Council of the University of Toronto, etc.

DECEMBER

A Protocol of Intent was signed between the European Bank for Reconstruction and Development and the Sovereign Wealth Fund Samruk-Kazyna regarding the creation of the Kazakhstan Growth Fund.

2009

FEBRUARY

Creation of the Macquarie Russia and CIS Infrastructure Fund C.V. (MRIF) with the participation of Vnesheconombank of Russia, the European Bank for Reconstruction and Development, Macquarie Group, Renaissance Group.

The first closing of the Macquarie Renaissance Infrastructure Fund took place with the participation of Kazyna Capital Management JSC, the International Finance Corporation (IFC), the European Bank for Reconstruction and Development, Macquarie Group and Renaissance Group.

MAY

The key documents for the creation of the CITIC Kazyna Investment Fund I were signed.

AUGUST

Creation of Kazakhstan Growth Fund L.P. (KGF) with the participation of the European Bank for Reconstruction and Development.

2010

APRIL

Creation of CITIC Kazyna Investment Fund I L.P. (CKIF) together with CITIC Group and Sun Success International Ltd.

JUNE

Signing of an agreement on the establishment of the Kazakhstan Restructuring Fund ADM Kazakhstan Capital Restructuring Fund together with the European Bank for Reconstruction and Development.

OCTOBER

Signing of an agreement on the establishment of the Kazakhstan-Hong Kong Development Fund.

2011

NOVEMBER

Kazyna Capital Management JSC was transferred to the trust management of the Ministry of Industry and New Technologies of the Republic of Kazakhstan.

DECEMBER

Creation of the Russian-Kazakhstan Nanotechnology Fund together with RusNano.

2013

MAY

Since August 2013, shares of Kazyna Capital Management JSC have been transferred to the trust management of National Managing Holding Baiterek JSC.

2014

MAY

Creation of Baiterek Venture Fund JSC with 100% participation of KCM.

MARCH

Kazyna Capital Management JSC joined the consortium of investors of the Islamic Infrastructure Fund with the participation of the Islamic Development Bank, the Asian Development Bank, CIMB Bank Limited, the OPEC International Development Fund and Bangkok Bank.

DECEMBER

Creation of the Kazakhstan Infrastructure Fund C.V. together with Verno Capital. Creation of BV Management LLP.

2015

APRIL

Resolution on participation of Kazyna Capital Management JSC in Almex – Baiterek Fund LLP with a 50% share of the Company in the authorized capital.

MAY

The Board of Directors of Kazyna Capital Management JSC has resolved to terminate the participation of Kazyna Capital Management JSC in Kazakhstan Hong Kong Development Fund C.V.

2017

NOVEMBER

Creation of the DBK Equity Fund C.V. together with the Development Bank of Kazakhstan JSC.

DECEMBER

The initiative of Kazyna Capital Management JSC on the creation of a trading platform for small and medium-sized businesses in Kazakhstan.

2019

MARCH

Resolution of the Board of Directors of Kazyna Capital Management JSC on approval of key terms of participation of Kazyna Capital Management JSC in a private equity fund KCM Sustainable Development Fund I.

APRIL

Creation of the Eurasian Nurdy (Bright) Investment Fund L.P. with the participation of the Sovereign Wealth Fund Samruk-Kazyna JSC and CITIC Group.

2020

JANUARY

The Management Board of National Managing Holding Baiterek JSC elected Ainur Kumatova as a Chairman of the Management Board and a member of the Board of Directors of Kazyna Capital Management JSC.

JULY

Fitch Ratings has assigned Kazyna Capital Management JSC long-term issuer default ratings (“IDR”) in foreign and national currency “BB+” with a “Stable” outlook. Fitch also assigned KCM a rating on the national scale “AA (kaz)”.

SEPTEMBER

The updated Development Strategy for 2014–2023 was approved by the decision of the Board of Directors of Kazyna Capital Management JSC.

DECEMBER

The Board of National Managing Holding Baiterek JSC approved a roadmap on the transfer of shares of QazTech Ventures JSC to NMH Baiterek JSC in payment for shares of Kazyna Capital Management JSC.

2021

MAY

Acquisition of 100% of the common shares of QazTech Ventures JSC and 97.7% of the share in the authorized capital of Kazakhstan Projects Preparation Fund LLP.

JULY

Fitch Ratings has confirmed Kazyna Capital Management JSC's long-term issuer default ratings (“IDR”) in foreign and national currency “BB+” with a “Stable” outlook.

Kazyna Capital Management JSC together with Samruk Kazyna Invest LLP and the German development institute DEG-Deutsche Investments-und Entwicklungsgesellschaft acted as key investors of Da Vinci Emerging Technologies Fund III.

OCTOBER

Kazyna Capital Management JSC issued bonds in the amount of 12.8 billion tenge as part of the Employment Roadmap for 2020–2021. This bond issue was a debut.



STRATEGIC DIRECTION 1: PROMOTION AND DEVELOPMENT OF PRIVATE EQUITY AND NATIONAL ECONOMY IN KAZAKHSTAN

The ratio of attracted investments in the Republic of Kazakhstan to a unit of KCM's funds



The share of the investment portfolio in the total assets of the KCM (excluding treasury operations)



Implementation of new initiatives in the private equity market with the potential to diversify the portfolio or generate income



STRATEGIC DIRECTION 2: INCREASING THE INVESTMENT PORTFOLIO OF KCM

Volume of new investments per year (including captive funds)



STRATEGIC DIRECTION 3: IMPROVING THE PRODUCTIVITY OF THE ORGANIZATION

ROA, return on assets



ROE, return on equity



Key indicators for 2021

1.2. KCM's Development Strategy

KCM mission is to take a leading role in the development of the private equity ecosystem in Kazakhstan by investing in strong teams that will be able to create stable and efficiently managed companies, receive a steady level of profit and contribute to the growth and modernization of the economy.

KCM's vision is to create a dynamic PE ecosystem with the aim of developing leading companies in the market through flexible placement of long-term risk capital and the application of the best international practices; as well as active participation in the sustainable development of the national economy.

The Development Strategy of Kazyna Capital Management JSC for 2014–2023 was approved by the decision of the Board of Directors of KCM dated September 4, 2020 (Minutes No. 11/20) (hereinafter referred to as the Development Strategy).

In 2021, KCM's Development Strategy was aimed at achieving the following strategic directions and key performance indicators.

Goal	Objectives	Strategic key performance indicators
Strategic direction 1: Promotion and development of the private equity market and the national economy of Kazakhstan		
High investment attractiveness of Kazakhstan through cooperation with regional and international partners	Tapping the potential of private equity as an asset class through invested capital, business network of contacts, experience and knowledge of KCM employees	The ratio of attracted investments in the Republic of Kazakhstan to the unit of KCM funds The share of the investment portfolio of the total assets of the KCM (excluding treasury operations) Implementation of new initiatives in the private equity market with the potential to diversify the portfolio or generate income
Strategic direction 2: Increasing the investment portfolio of KCM		
Increasing the value of portfolio companies in the SME segment by actively participating in the creation of additional value of portfolio companies and increasing the investment attractiveness of the KCM portfolio	Development of SMEs with great potential to become market leaders in the region Assistance in the development of sustainable businesses based on internationally recognized environmental, social and governance standards (ESG)	Volume of new investments per year (including captive funds)
Strategic direction 3: Improving the productivity of the organization		
Ensuring uninterrupted operations of KCM while maintaining the level of planned profitability and break-even by improving operational processes	Focus on ensuring a positive rate of return above the risk-free rate on each investment and achieving an annual multiplier of the value of the investment portfolio above 1 Generating positive operating income (EBIT) and using additional capital for expansion initiatives only	ROA, return on assets ROE, return on equity Leverage ratio, ratio
Strategic direction 4: Diversification of income sources		
Diversification of sources of income and financing, through the development of passive sources of income, reducing dependence on public financing and the development of the local market for PPP infrastructure projects, distressed assets and venture financing	Diversification of sources of income and financing through new third-party funds and strengthening of the equity structure through retained earnings and external sources of financing	Share of management income from total KCM income

According to the 2021 results, 6 strategic key performance indicators (hereinafter referred to as SKPI) were achieved. The deadline for two SKPI ("The leverage ratio", "The share of management income from the total income of the KCM") is the end of 2022.

1.3. KCM subsidiaries



**BAITEREK
VENTURE FUND**

Baiterek Venture Fund JSC (BVF) was established in 2014, is a 100% subsidiary of KCM.

BVF makes direct investments in promising companies in non-resource sectors of the economy of Kazakhstan at the stages of launch, growth and maturity.

BVF is actively working in the private equity market, implementing projects in partnership with widely recognized international financial institutions such as the EBRD, ADB and others.

Indicators	December 31, 2020	December 31, 2021
Total assets, thousand tenge	86,838,752	89,752,973
Total liabilities, thousand tenge	40,322,123	40,339,194
Total equity, thousand tenge	46,516,629	49,413,779
Net profit, thousand tenge	4,336,555	5,038,764
ROA, return on assets (%)	5.12	5.71
ROE, return on equity (%)	9.76	11.23



**BV
MANAGEMENT**

BV Management LLP (BVM) was established in 2014, is a 100% subsidiary of KCM.

BVM provides financial support tools to companies operating in priority sectors of the economy of Kazakhstan.

BVM is a private equity management company and acts as a General Partner for DBK Equity Fund CV and KCM Sustainable Development Fund I C.V.

Indicators	December 31, 2020	December 31, 2021
Total assets, thousand tenge	226,519	218,685
Total liabilities, thousand tenge	67,595	62,062
Total equity, thousand tenge	158,924	156,623
Net profit, thousand tenge	59,547	38,467
ROA, return on assets (%)	28.53	17.28
ROE, return on equity (%)	39.53	24.38

**KAZYNA
CAPITAL
MANAGEMENT**



**QAZTECH
VENTURES**

QazTech Ventures JSC (QTV)

On the basis of the National Innovation Fund JSC that was established in 2003, the National Agency for Technological Development JSC was created in 2011, which in 2019 was transformed into QazTech Ventures JSC.

In 2021, 100% of the stake in the authorized capital of QTV was transferred to KCM.

QTV is a national development institute in the field of technological development, carries out activities aimed at providing state support for industrial and innovative activities in the Republic of Kazakhstan.

QTV support tools are aimed at developing and supporting the venture ecosystem by creating and participating in venture funds in order to attract investments for Kazakhstan startup projects.

Indicators	December 31, 2020	December 31, 2021
Total assets, thousand tenge	17,858,723	18,793,287
Total liabilities, thousand tenge	162,393	324,646
Total equity, thousand tenge	17,696,330	18,468,641
Net profit, billion tenge	852,281	1,368,909
ROA, return on assets (%)	4.49	7.47
ROE, return on equity (%)	4.54	7.57



KPPF
Kazakhstan Project
Preparation Fund

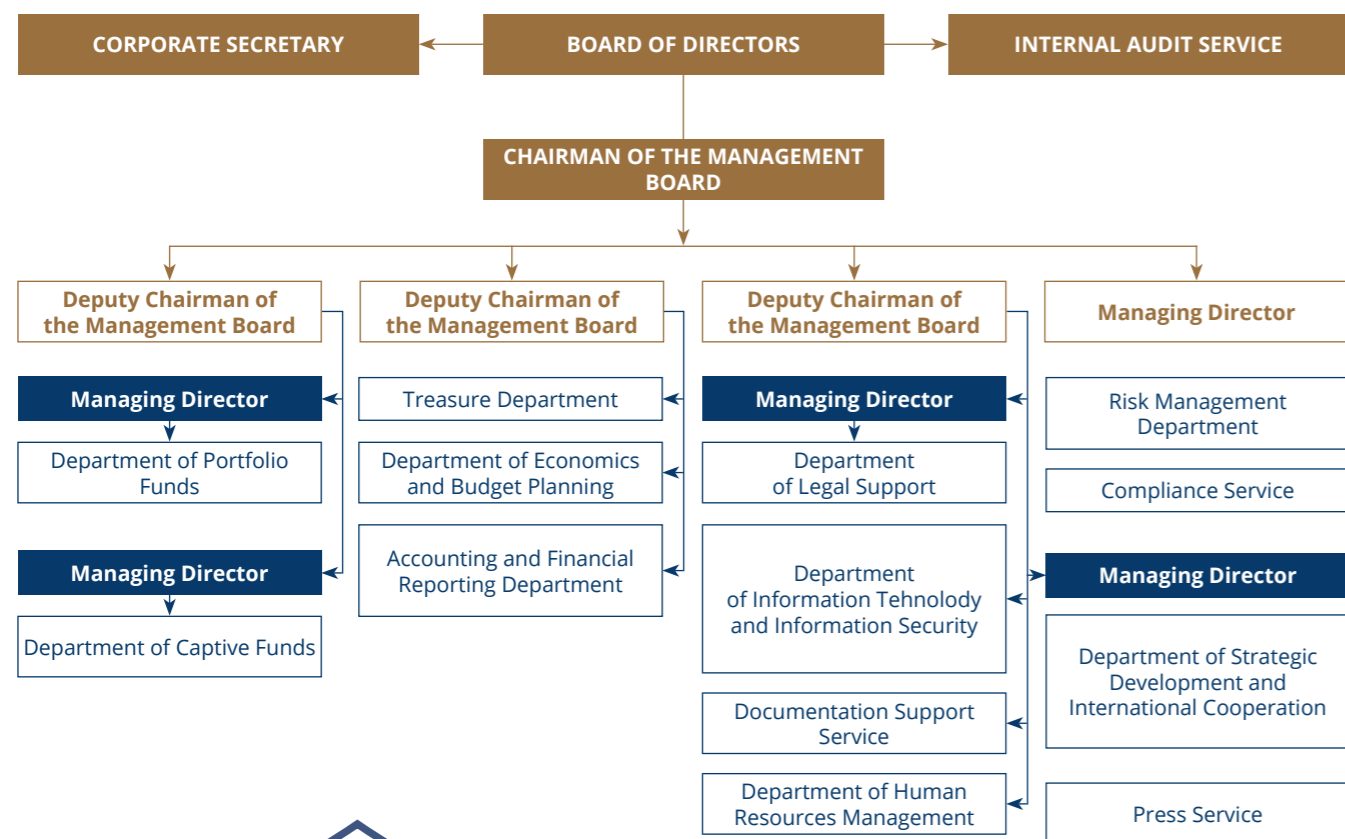
Kazakhstan Project Preparation Fund LLP (KPPF)

In 2014, the Public-Private Partnership Project Support Center LLP was established, which was renamed in 2016 to Kazakhstan Project Preparation Fund LLP. In 2021, 97.7% of the shares in the authorized capital of KPPF was transferred to KCM.

Indicators	December 31, 2020	December 31, 2021
Total assets, thousand tenge	1,684,761	1,370,778
Total liabilities, thousand tenge	109,614	97,325
Total equity, thousand tenge	1,575,147	1,273,453
Net profit, thousand tenge	(189,077)	(251,694)
ROA, return on assets (%)	(10.79)	(16.47)
ROE, return on equity (%)	(11.32)	(17.67)

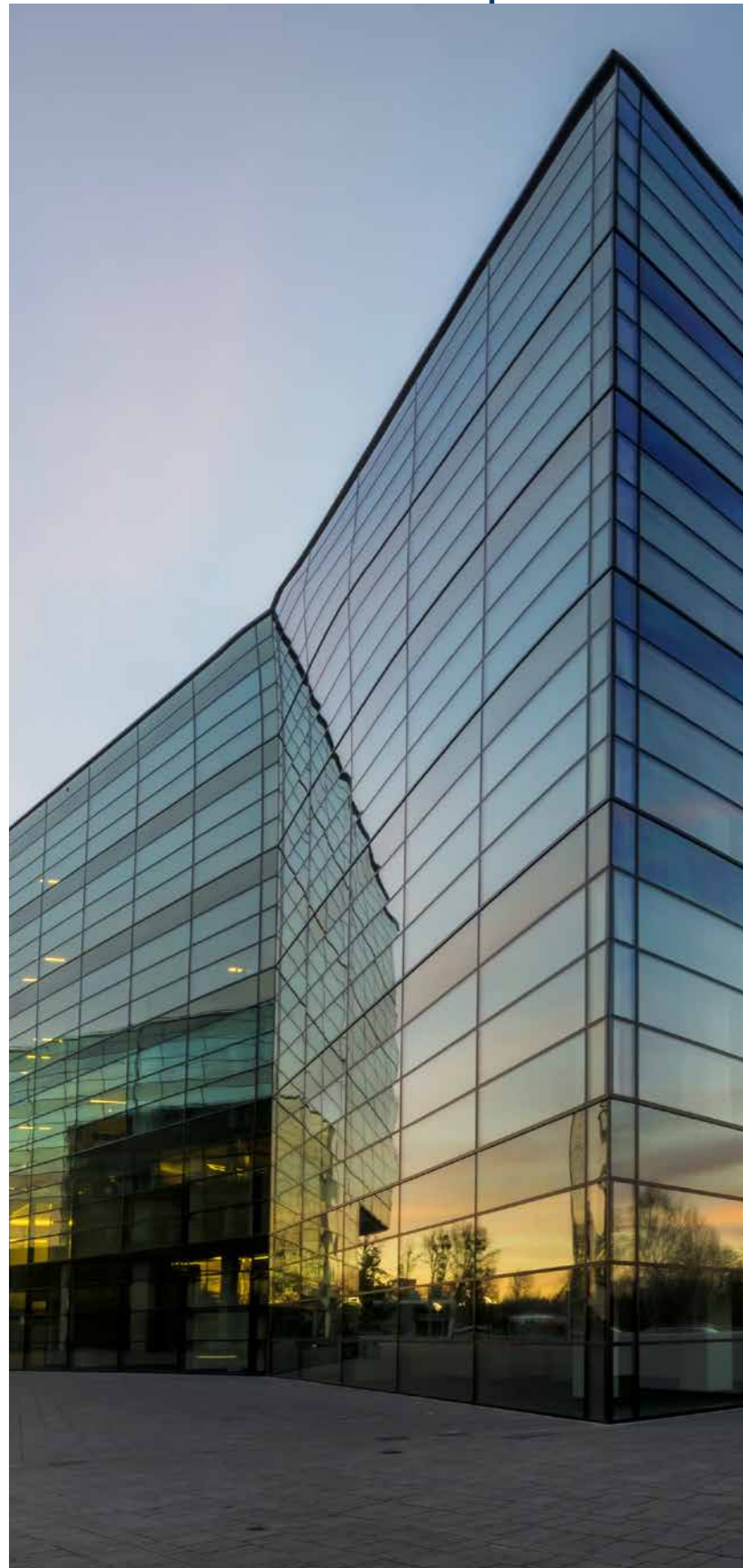
1.4. Organizational structure of the KCM

By the resolution of the Management Board of KCM dated June 29, 2021 (Minutes No. 32/21), the following organizational structure of the KCM was approved.



1.5. The main events of 2021

- By the decision of the Board of the National Managing Holding Baiterek JSC dated May 31, 2021 (Minutes No. 28/21), 100% of the ordinary shares of QazTech Ventures JSC and 97.7% of shares in the authorized capital of Kazakhstan Project Preparation Fund LLP were transferred to KCM;
- Kazyna Capital Management JSC signed a limited partnership agreement on the establishment of a private equity fund "Da Vinci Emerging Technologies Fund III L.P." for the purpose of financing projects in information technology, infrastructure and fintech, B2C/B2B technology and digital automation sectors;
- KCM held a strategic session, during which the development strategy of KCM, new areas of activities as well as introduction of sustainable development and ESG standards in the Company were discussed;
- the Board of the National Managing Holding Baiterek JSC approved KCM's 2020 Annual Report;
- the investment holding AxFina Holding S.A. (Austria) and KCM signed a Letter of Intent to create a joint venture for the development of the distressed assets market in Kazakhstan;
- in Abu Dhabi (UAE), KCM and Abu Dhabi Development Holding Co PJSC (ADQ) have signed the key terms of participation (Term Sheet) for the creation of a joint venture fund. The planned capitalization of the fund is US\$ 100 million. 50% of the fund's investments will be directed to Kazakhstan, 30% to the UAE and 20% to Central Asian countries;
- KCM and the Spanish development finance company COFIDES (Compañía Española de Financiación del Desarrollo) signed a memorandum of understanding to create a platform for discussion between KCM and COFIDES of potential cooperation regarding the support, implementation and co-investment in industrial and infrastructure projects;
- KCM received a part of Kazakhstan Hungarian Investment Private Equity Fund C.V. assets in the amount of 49.5%;
- KCM has exited from the following projects – Enel Russia (Macquarie Russia & CIS Infrastructure Fund C.V.), National Stock Exchange of India (Wolfensohn Capital Partners L.P.), Foundation Wind Energy-I,II (Islamic Infrastructure Fund L.P.), Labnet LLP (Kazakhstan Growth Fund L.P.), VIST Group (Russian-Kazakh Nanotechnology Fund), Z-Invest LLP (Baiterek Venture Fund) as well as partial withdrawal from the Arctic Green Energy China project (CITIC Kazyna Investment Fund I L.P.);
- KCM issued a bond loan in the amount of 12.8 billion tenge as part of the third direction of the Employment Roadmap "development of the agro-industrial complex" for 2020–2021. The funds were used to finance 3 projects in the agro-industrial complex at a rate of 12% per annum;
- Through the mechanism of co-investment, Kazakhstan Infrastructure Fund and TAV Airports have financed a project on the construction of a new international terminal at Almaty airport for a total amount of 200 million USD, of which 170 million are funds provided by TAV Airports, 27.9 million – by KCM.
- Fitch Ratings assigned KCM long-term issuer default ratings ("IDR") in foreign and national currency "BB+" with a "Stable" outlook. Fitch also assigned KCM a rating on the national scale "AA (kaz)";
- technological expertise of 7 projects was carried out for independent evaluation and technical elaboration of documentation as well as financial and technical review of 2 projects is conducted, one of which is still an ongoing project;
- KCM and its subsidiary companies underwent structural changes;
- internal regulatory documents on sustainable development, risk management and corporate governance system improvement plans were approved.



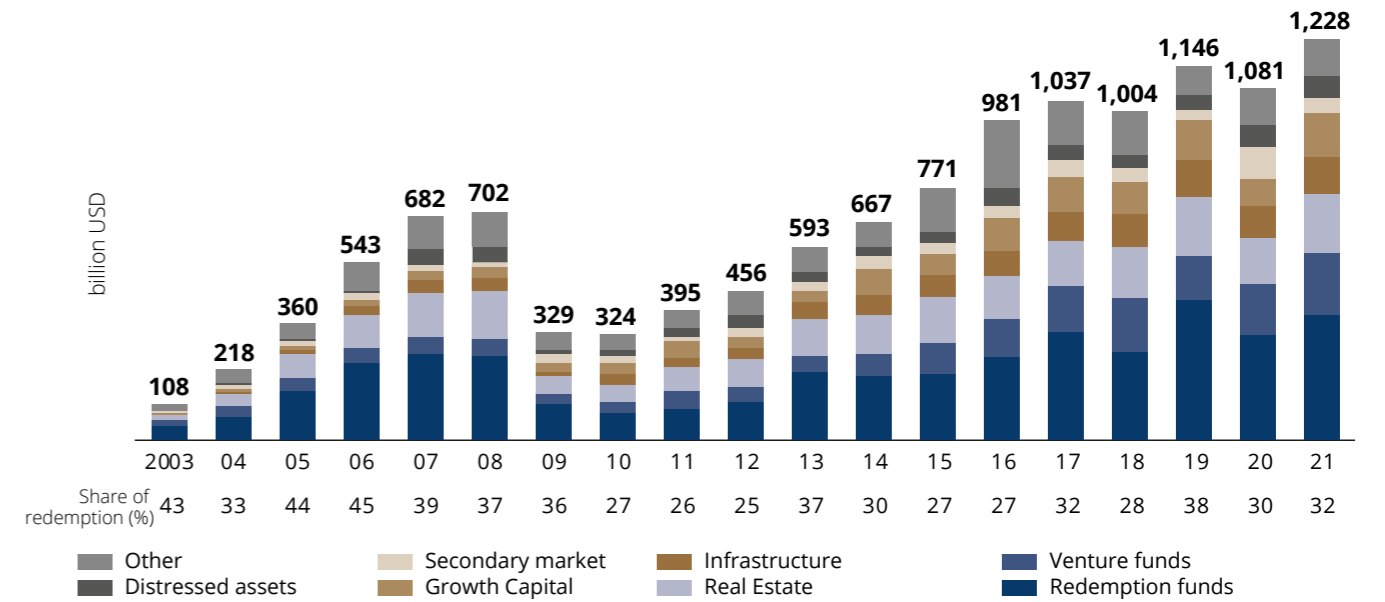
Operational activities

2.1. Global Direct Investment Market

According to the analysis of the global private equity market presented by Bain & The Company, the global volume of attracted private capital showed a high result. In 2021, the figure reached 1.2 trillion USD, which is higher by 14% than in 2020, and is the highest since 2003. In 2021, the buyout funds raised US\$ 387

billion, which was their second best indicator ever. The growth rate of growth capital, venture capital funds and infrastructure has increased faster than the five-year average, and the share of buyouts in the total volume has stabilized at 32% over the past few years.

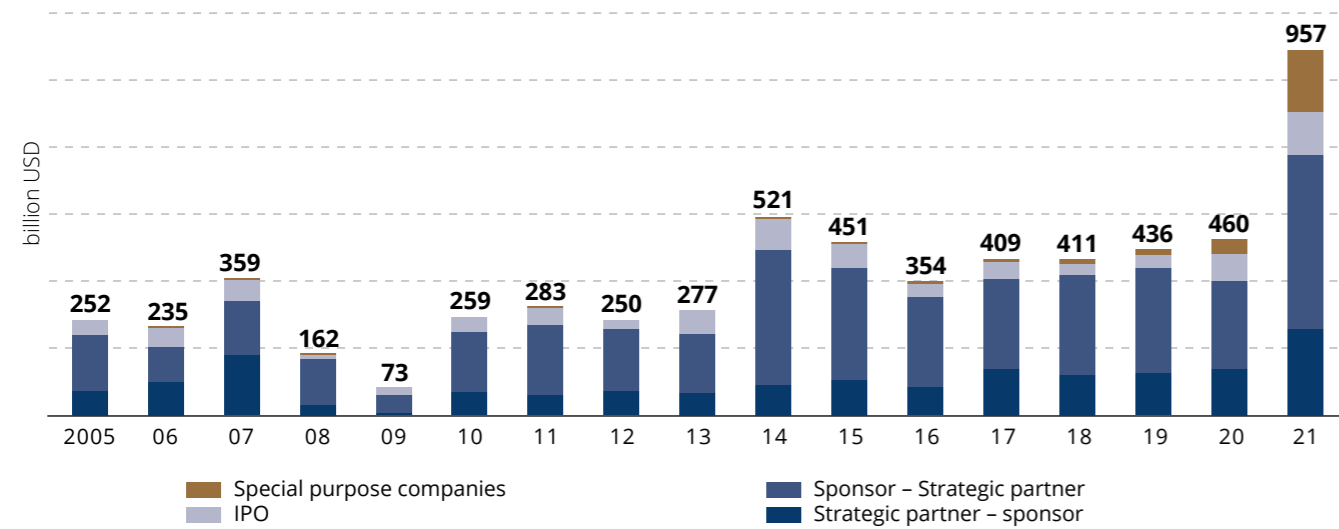
DIAGRAM 1. GLOBAL VOLUME OF PRIVATE CAPITAL RAISED, BY TYPE OF FUNDS (GLOBAL PRIVATE CAPITAL RAISED, BY FUND TYPE)



Source: Bain & Company Global private equity report 2022

The global value of exits in 2021 amounted to 957 billion USD, which is more than twice the total in 2020 and exceeds the five year average by 131%. North American funds account for the largest volume of the value of exits, and the largest share of transactions was concluded in the technology sector.

DIAGRAM 2. GLOBAL VOLUME OF THE VALUE OF EXITS BASED ON SHARE REPURCHASE, BY TYPE OF EXIT (GLOBAL BUYOUT-BACKED EXIT VALUE)

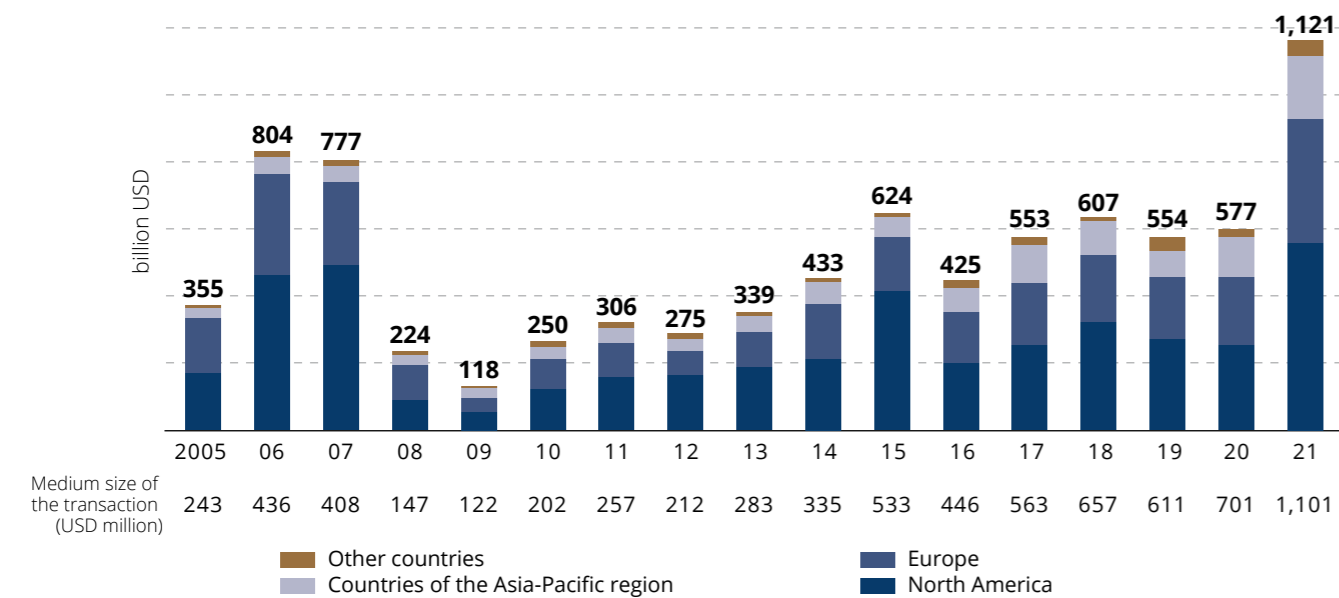


Source: Bain & Company Global private equity report 2022

The global industry, having recovered from the effects of COVID-19, at the end of the year amounted to 1,121 billion USD in buyout transactions. This is 79% more than in 2020, and

64% higher than the average for five years (682 billion USD). The number of transactions increased by 16% to 4,300 in 2021 compared to 3,700 in 2020.

DIAGRAM 3. GLOBAL TOTAL VALUE OF SHARE BUYOUT TRANSACTIONS (GLOBAL BUYOUT DEAL VALUE)



Source: Bain & Company Global private equity report 2022

2.2. Direct investment market of the Republic of Kazakhstan

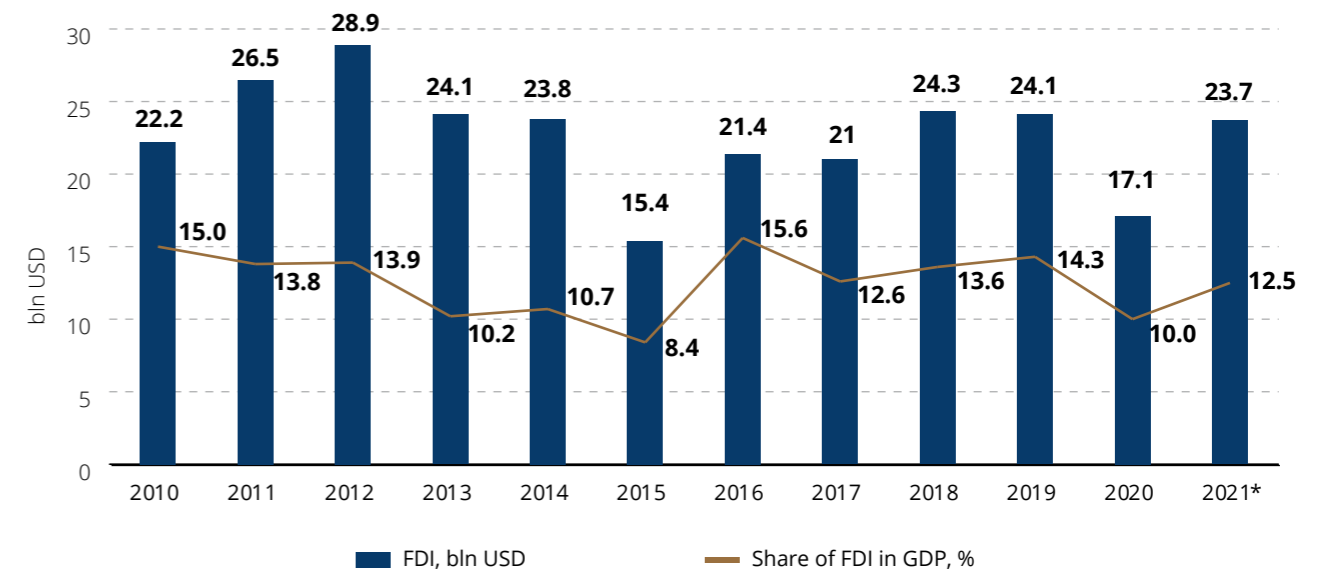
The volume of foreign direct investment (FDI) in the economy of Kazakhstan by the end of 2021 amounted to 23.7 billion USD, which is 37.7% higher than in 2020 (17.2 billion USD).

The growth of capital inflows in 2021 was observed in all major countries-investors in the economy of Kazakhstan. FDI inflows from the Netherlands amounted to 7 billion USD (an increase of 35%), the USA – 2.8 billion USD (an increase of 25%), Switzerland – 2.6 billion USD (an increase of 49.9%), Russia – 1.9 billion USD (an increase of 58.7%), China – 1.8 billion USD (an increase of 92.3%), Belgium – 1.0 billion USD (an increase of 35%), Turkey – 679.5 million USD (an increase of 86.9%), South Korea – 805.5 million USD (an increase of 73.2%)¹.

In 2021, FDIs in agriculture, forestry and fisheries recorded an increase of 2.8 times, in the field of professional, scientific and technical activities by 2.6 times, 80.1% was invested in information and communications, and 68.3% more was invested in electricity supply.

Investments in the manufacturing industry also showed a significant increase. Last year, investors invested 2 billion USD more in this sector than in 2020, an increase of 65.4%.

DIAGRAM 4. FOREIGN DIRECT INVESTMENT IN THE REPUBLIC OF KAZAKHSTAN



¹ National Bank of the Republic of Kazakhstan

2.3. Results of investment activity

The total capitalization of the PEF with the participation of KCM as of 31.12.2021

2.9
bln USD

The volume of the PEF investments with the participation of KCM as of 31.12.2021

1.8
bln USD

The volume of KCM investments in the PEF as of 31.12.2021

0.6
bln USD

The volume of KCM investments in 2021

36.8
bln tenge

Investments attracted to Kazakhstan for 1 USD invested KCM

2.36

Funded in 2021

10
projects

16 funds

private equity funds with the participation of KCM

100%

percent of KCM investments in the RK are directed to the non-resource sector

187
billion tenge

of KCM investments in projects cumulatively

99
companies

invested by KCM funds

92%

percent of KCM's investments have been invested in the economy of the RK

KEY RESULTS OF THE KCM AS OF THE END OF 2021



At the end of 2021, the KCM portfolio consisted of 16 PEF, the amount of cumulative investments by funds with the participation of KCM is 1,797 million USD.

pp. No.	Name of the Direct Investment Fund (PEF)	Year of creation	Size (mln USD)	The size of the KCM's obligations under the fund (mln USD)
1.	Aureos Central Asia Fund L.L.C. (ACAF)	2007	37	5,3
2.	Falah Growth Fund L.P. (FGF)	2008	500	50
3.	Wolfensohn Capital Partners L.P. (WCP)	2008	250	24,9
4.	Kazakhstan Growth Fund L.P. (KGF)	2009	80,8	40
5.	Macquarie Russia and CIS Infrastructure Fund C.V. (MRIF)	2009	630	30
6.	Islamic Infrastructure Fund L.P. (IIF)	2009	226,5	3
7.	Kazakhstan Capital Restructuring Fund C.V. (KCRF)	2010	100	49,5
8.	CITIC Kazyna Investment Fund I L.P. (CKIF)	2010	200,4	100
9.	Russian-Kazakhstan Nanotechnology Fund (RKFN)	2011	51	25
10.	Kazakhstan Infrastructure Fund C.V. (KIF)	2014	105	100
11.	Baiterek Venture Fund	2014	207,8*	89,9*
12.	Kazakhstan Hungarian Investment Private Equity Fund C.V. (KAGF)	2015	40	20
13.	DBK Equity Fund C.V. (DBKEF)	2017	77,6*	2,3*
14.	KCM Sustainable Development Fund I C.V. (KCM SDF)	2019	57,9*	57,9*
15.	Eurasian Nurly (Bright) Investment Fund L.P. (ENIF)	2019	242,4	30
16.	Da Vinci Emerging Technologies Fund III L.P. (Da Vinci)	2021	67,6	10
Total			2,874	637,8

* PEF with capitalization in tenge. Conversion at the KASE exchange rate as of 31.12.2021 431.80 tenge per USD

Activities of the funds in 2021

The strategic portfolio of KCM can be conditionally divided into several categories:

1. Funds within active investment period: BVF, DBK EF, KCM SDF I, KIF, Da Vinci, KAGF;
2. Funds with completed investment periods – PEFs that have completed the investment process and focused on managing portfolio companies and looking for successful exit opportunities: KGF, CKIF, FGF, RKFN, KCRF;
3. Funds with expired terms: ACAF, WCP, MRIF, IIF;
4. Funds at the creation stage: ENIF.

Funds engaged in active investment activities:

BAITEREK VENTURE FUND/ MANAGEMENT COMPANY – CAPTIVE TEAM

Term (Invest. period)	Total amount, million tenge	Investments, million tenge	KCM's share	Industry	Geography	Investors
2014 –2024 (2019)	81,658	50,167	100%	Priority sectors of the SPIID	Kazakhstan	KCM

The Fund is in an active investment phase. During the reporting period, the fund made investments into 5 projects totaling 8.5 billion tenge.

Investment portfolio:

1. Central Asian Electric Power Corporation JSC – Electric Power Industry (Republic of Kazakhstan);
2. Mining Chemical Company LLP – production of emulsion explosives (Republic of Kazakhstan);
3. Aitas KZ JSC – agriculture (poultry farming) (Republic of Kazakhstan);
4. CAPEC Green Energy LLP – alternative energy (Republic of Kazakhstan);
5. AstanaGaz JSC – transport and logistics (construction of the main gas pipeline) (Republic of Kazakhstan);
6. Baikonur Solar LLP – alternative energy (Republic of Kazakhstan);
7. Alex Astana LLP – production of road signs (Republic of Kazakhstan);
8. KazMyaso LLP – agriculture (Republic of Kazakhstan);
9. Makinsky Thermal Insulation Plant LLP – production of mineral wool slabs and mats from basalt rocks;



- 10. Burundai Mineral Waters LLP – tourism (Republic of Kazakhstan);
- 11. Baikonur Solar LLP – alternative energy (Republic of Kazakhstan);
- 12. EMC Agro LLP – agriculture (animal husbandry) (Republic of Kazakhstan);
- 13. Kazpoligraf LLP – production of packaging products (Republic of Kazakhstan);
- 14. BRBAPK LLP – agriculture (crop production) (Republic of Kazakhstan);
- 15. TTS Astana-2007 K LLP – tourism (Republic of Kazakhstan);
- 16. KTK Service LLP – transport and logistics (Republic of Kazakhstan);
- 17. Altyn Shyghys LLP – food and beverage production (Republic of Kazakhstan);

- 18. KazArmaprom LLP – metallurgical industry (Republic of Kazakhstan);
- 19. Compass Service LLP – other construction and installation works (Republic of Kazakhstan).

The exit was carried out from the following companies:

- 1. Sachiko-Olzha Products LLP – production of diapers (Republic of Kazakhstan);
- 2. ARP Company LLP – production of construction materials (Republic of Kazakhstan);
- 3. Primejet LLP – transport and logistics (Republic of Kazakhstan);
- 4. Oxy Textile LLP – light industry (Republic of Kazakhstan);
- 5. Allur Group of Companies JSC – automotive industry (Republic of Kazakhstan);
- 6. Z-Invest LLP – medicine (Republic of Kazakhstan).

DBK EQUITY FUND/ MANAGEMENT COMPANY – BV MANAGEMENT LLP

Term (Invest. period)	Total amount, million tenge	Investment, million tenge	KCM's share	Industry	Geography	Investors
2017–2027	33,500	37,687	2.99%		Kazakhstan	DBK, KCM, BV Management

The Fund is in an active investment phase. PEF of KCM and DBK financed construction of a multifunctional tourist center of the PC Turkestan Tourism City LTD in Turkestan in the amount of 13.5 billion tenge.

Investment portfolio:

- 1. CAPEC Green Energy LLP – alternative energy (Republic of Kazakhstan);
- 2. Turgusun-1 LLP – alternative energy (Republic of Kazakhstan);

- 3. Aitas KZ JSC – agriculture (poultry farming) (Republic of Kazakhstan);
- 4. Continental Logistics LLP – transport and logistics (transport and logistics center) (Republic of Kazakhstan);
- 5. PC Turkestan Tourism City LTD (Republic of Kazakhstan).

The exit was carried out from the following companies:

- TengizTransGaz LLP – transport and logistics sector (Republic of Kazakhstan).

KCM SDF I C.V. / MANAGEMENT COMPANY – BV MANAGEMENT LLP

Term (Invest. period)	Total amount, million tenge	Investment, million tenge	KCM's share	Industry	Geography	Investors
2019–2029	25,000	33,685	99.9%	Agriculture, industry, technical services and service provision, healthcare, information and communication, energy, etc.	Kazakhstan	KCM, BV Management

KCM SDF invests into projects in Kazakhstan. In December 2021, within the third direction of the Employment Roadmap for 2020–2021 “development of the agro-industrial complex”, KCM SDF financed 3 projects in the field of agriculture for a total of 12.8 billion tenge at a rate of 12% per annum.

Investment portfolio:

- 1. Astana Oil House LLP – modernization of mini-refineries (Republic of Kazakhstan);
- 2. Temirbeton-1 LLP – production of construction materials (Republic of Kazakhstan);
- 3. Agrimer LLP – processing, storage and sale of grain (Republic of Kazakhstan);
- 4. Karaganda Kus LLP – agriculture (poultry farming) (Republic of Kazakhstan);

- 5. OralMunayProm LLP – chemistry and petrochemistry (gas piston power plant) (Republic of Kazakhstan);
- 6. MerAs NS LLP – cinema construction (Republic of Kazakhstan);
- 7. Aqua Factoria LLP – food production (fish farm) (Republic of Kazakhstan);
- 8. PC “Kazrost Engineering Ltd” – production of agricultural machinery (Republic of Kazakhstan);
- 9. Altyn Shyghys LLP – food and beverage production (Republic of Kazakhstan);
- 10. Unicorn Feed Limited LLP – food and beverage production (Republic of Kazakhstan);
- 11. Eco Product Company LLP – food and beverage production (Republic of Kazakhstan).

KAZAKHSTAN INFRASTRUCTURE FUND C.V./THE MANAGEMENT COMPANY IS VPE EURASIA GP LTD.

Term (Invest. period)	Total size, USD	Investments, USD	KCM's Share	Industry	Geography	Investors
2014–2026 (2021)	105 million	81.19 million	95.24%	Infrastructure	Kazakhstan	KCM, VGL Ltd.

The Fund is at the stage of monitoring portfolio companies.

The National Managing Holding Baiterek JSC and the Abu Dhabi Sovereign Wealth Fund Mubadala Investment Company signed an agreement on co-investment in infrastructure and other projects

in the Republic of Kazakhstan in the amount of up to 500 million USD through Kazakhstan Infrastructure Fund C.V.

In 2020, the investment period of the fund was extended for one additional year according to the Limited Partnership Agreement between the fund's participants. Also, in 2020, the fund's co-

investment with TAV Holding in the project of expansion and modernization of the existing airport in Almaty was approved. This project was financed through a co-investment mechanism by the fund and the company TAV Airports for a total amount of 200 million USD, of which 170 million are funds from TAV Airports, 27.9 million – from KCM. In addition, a loan from a consortium of creditors was attracted for implementation of this project to finance the construction of a new terminal in the total amount of 450 million USD. The key participants of the consortium were international financial institutions represented by the European Bank for Reconstruction and Development and the International Finance Corporation (IFC). The transaction was completed in April 2021.

DA VINCI EMERGING TECHNOLOGIES FUND III L.P./MANAGEMENT COMPANY – DA VINCI CAPITAL

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2021–2031 (2026)	67.6 million	0	14.8%	Software development, IT infrastructure and telecommunications, financial technologies, B2C/B2B technologies and other IT industries	Kazakhstan, other countries in the region	KCM, Da Vinci Global Technology Growth PCC, DEG-Deutsche Investitions- und Entwicklungsgesellschaft, Samruk-Kazyna Invest LLP, 57 Stars

The first closing of the fund took place in June 2021. The Fund is in an active investment phase. In October 2021, the first cash calls and investment proposals were received.

KAZAKHSTAN HUNGARIAN INVESTMENT PRIVATE EQUITY FUND C.V./CEECAT CAPITAL MANAGEMENT COMPANY

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2015–2025 (2018)	40 million	25.91 million	49.5%	Agriculture	Kazakhstan	KCM, EximBank

The Fund was created by National Managing Holding KazAgro JSC together with the Hungarian Export-Import Bank, then due to the National Managing Holding KazAgro JSC merger with the National Managing Holding Baiterek JSC, the fund was transferred to KCM in December 2021.

The Fund is at the stage of monitoring portfolio companies.

Investment portfolio:

- Green Capital Kazakhstan LLP – greenhouse complex in Aktobe region (Republic of Kazakhstan);
- Gardens of the East LLP – creation of intensive apple orchards at the first stage of 150 hectares, at the second stage of 150 hectares of orchards and fruit storage in Zhambyl region (Republic of Kazakhstan).

Investment portfolio:

- Central Asian Electric Power Corporation JSC – Electric Power Industry (Republic of Kazakhstan);
- KIF Warehouses LLP – transport and logistics (Republic of Kazakhstan);
- Almaty International Airport – transport and logistics (Republic of Kazakhstan).

The exit was carried out from the following companies:

Primejet LLP – transport and logistics (Republic of Kazakhstan).

Funds with a completed investment period:

KAZAKHSTAN GROWTH FUND L.P./MANAGEMENT COMPANY – CEECAT CAPITAL

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2009–2021 (2015)	80.8 million	80.45 million*	49.5%	Food industry, production of equipment for the mining industry, metallurgy, woodworking, etc.	Kazakhstan (70% of the total capitalization of the Fund), Russian Federation, Central Asia	KCM, EBRD

*In 2017, the portfolio companies of the Kazakhstan Capital Restructuring Fund C.V.: Charlie Investments – Chaplin – 11.4 million USD, Universal Logistics – 12.88 million USD; VDP Holding – 9.0 million USD were transferred to the Kazakhstan Growth Fund C.V.

In 2018, the management company ADM Capital was transformed into CEECAT Capital. The management company is actively working to exit projects.

In 2020, an extension of the life of the fund for 1 year was initiated according to the Limited Partners Agreement. In October 2021, a complete withdrawal from the project of Labnet LLP was carried out.

Investment portfolio:

- KAPO Film CJSC – a chain of multiplex cinemas (Russian Federation);
- Best Cinemas LLP – Chaplin multiplex cinema chain (Republic of Kazakhstan);

- Universal Logistics LLP – provider of services in the field of freight transportation (Republic of Kazakhstan);
- KazGrain LLP – vertically integrated agricultural company (Republic of Kazakhstan);
- Sunpaper LLP – production of paper and hygienic products (Republic of Kazakhstan);
- Inviso VDP LLP is a network of modern medical functional diagnostic centers (Republic of Kazakhstan).

The exit was made from the following company:

Labnet LLP is a network of medical laboratories (Republic of Kazakhstan).

CITIC KAZYNA INVESTMENT FUND I L.P./CAPTIVE TEAM – CITIC KAZYNA MANAGER LTD.

Term (Invest. period)	The total amount of USD	Investments, USD	KCM's share	Industry	Geography	Investors
2010–2020 (2015)	200.4 million	135.64 million	49.9%	Infrastructure, raw materials sectors (except the oil and gas sector of the Republic of Kazakhstan), real estate	Kazakhstan (50% of the total capitalization of the Fund), China (50% of the total capitalization of the Fund)	KCM, CITIC Group, Sun Success International Ltd.

The Fund is at the stage of monitoring portfolio companies.

In April 2020, the Central Asian Electric Power Corporation JSC fully withdrew from the project.

In June 2021, a partial withdrawal from the Arctic Green Energy project was carried out.

The life of the fund has been extended until April 16, 2022.

Investment portfolio:

- Olzha JSC – transport and logistics company (Republic of Kazakhstan);

- Genesis Gas Ltd (prev. LongmenGroup PLC) – Methane production and Exploration (People's Republic of China);
- Arctic Green Energy China (prev. ORKA Energy) – geothermal energy (People's Republic of China).

The exit was carried out from the following companies:

- Shandong Xinjufeng Technical Packaging Co., Ltd – production of packaging materials (People's Republic of China);
- Central Asian Electric Power Corporation JSC – Electric Power Industry (Republic of Kazakhstan).

FALAH GROWTH FUND L.P. / MANAGEMENT COMPANY – AL FALAH CAPITAL PARTNERS LIMITED

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2008/2012–2022 (2019)	500 million	103.9 million	10%	Oil and gas, mining, energy, infrastructure, etc.	Kazakhstan, CIS countries	KCM, Aztech Investment Ltd., Ordabasy Shrakat Limited

The Fund is at the stage of monitoring portfolio companies. Negotiations were held with GP on the sale of assets, the appointment of a liquidator and the subsequent liquidation of the fund.

Investment portfolio:

1. Alsad Kazakhstan LLP – egg poultry farm (Republic of Kazakhstan);

2. Karaganda Kus LLP is a poultry farm of egg direction (Republic of Kazakhstan).

The exit was carried out from the following companies:

Karaganda Energy Center LLP – power engineering (Republic of Kazakhstan).

RUSSIAN-KAZAKHSTAN NANOTECHNOLOGY FUND/MANAGEMENT COMPANY – VTB CAPITAL I2BF INNOVATION PARTNERS

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2011–2021 (2017)	51 million	36.5 million	49%	Nanotechnology projects	Kazakhstan (50% of the total capitalization of the Fund), Russian Federation (50% of the total capitalization of the Fund)	KCM, RusNano, VTB Capital I2BF

The Fund is at the stage of monitoring and partial implementation of portfolio companies.

The complete exit from the VIST Group project was carried out in October 2021.

Investment portfolio:

1. Optical Security Systems – systems of continuous monitoring and control of the state of extended infrastructure facilities (Russian Federation);

2. Selecta Biosciences – Biopharmaceuticals (United States of America);
3. RoboCV – robotic systems (Russian Federation);
4. Primus Power – energy storage systems (Republic of Kazakhstan).

The exit was carried out from the following companies:

VIST Group – automation of the mining industry (Republic of Kazakhstan).

Funds at the stage of liquidation:**AUREOS CENTRAL ASIA FUND L.L.C. / MANAGEMENT COMPANY – THE ABRAAJ GROUP**

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2007–2018 (2011)	37 million	35.69 million	14.2%	Financial activities, retail trade, telecommunications, chemical industry	Kazakhstan (at least 50% of the total capitalization of the Fund), Central Asia	KCM, IFC, CDC Group, FMO, EBRD, DBJ

The life of the fund ended in November 2018. Work is underway to liquidate the fund.

The exit was carried out from all portfolio companies. The liquidator carries out the final work of the liquidation procedure.

The exit was carried out from the following companies:

1. Leasing Group LLP – leasing financing (Republic of Kazakhstan);
2. Asia-Electric JSC – electric cable production plant (Republic of Kazakhstan);
3. Ala-TV LLC – communications and Communications (Kyrgyzstan);
4. Derzhava LLP – chemistry and petrochemistry (Republic of Kazakhstan).

KAZAKHSTAN CAPITAL RESTRUCTURING FUND C.V./MANAGEMENT COMPANY – CEECAT CAPITAL

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2010–2018 (2014)	100 million	98.16 million*	49.5%	SMEs (non-resource sectors)	Kazakhstan	KCM, EBRD

*In 2017, the portfolio companies of the Kazakhstan Capital Restructuring Fund C.V.: Charlie Investments – Chaplin – 11.4 million USD, Universal Logistics – 12.88 million USD; VDP Holding – 9.0 million USD were transferred to the Kazakhstan Growth Fund C.V.

In 2018, the management company ADM Capital was transformed into CEECAT Capital. The management company is actively working to exit projects.

In August 2020, a complete exit from the projects of Arrowhead and Zhambyl Gypsum JSC was carried out. In October 2021, dividends were received from the portfolio company Caspian Development Company Services LLP.

Investment portfolio:

Caspian Development Company Services LLP – transport and logistics (Republic of Kazakhstan).

The exit was carried out from the following companies:

1. Arrowhead – real estate (Republic of Kazakhstan);
2. Zhambyl Gypsum JSC is a manufacturer of gypsum construction products (Republic of Kazakhstan).



WOLFENSOHN CAPITAL PARTNERS L.P./MANAGEMENT COMPANY – JDW PARTNERS, L.P.

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2008–2019 (2014)	250 million	248.2 million	9.94%	Alternative energy, finance and insurance, retail	BRIC, Bangladesh, Egypt, Indonesia, Iran, Korea, Mexico, Nigeria, Pakistan, Philippines, Turkey, Vietnam, and other developing countries	KCM, National Industries Group Holding Company, CGI Private Equity, The Governing Council of the University of Toronto, etc.

The Fund is at the stage of liquidation.

In December 2020, a deal was signed to sell the fund's stake in the National Stock Exchange of India. The transaction was completed in April 2021.

The exit was carried out from the following companies:

1. Fabindia Overseas Private Limited – retailer of clothing and household goods (India);
2. BTG Pactual Group – Investment Bank (Brazil);
3. Repco Home Finance – Mortgage Company (India);

4. Kalpan Hydro Company – construction of hydroelectric power plants (India);
5. Odebrecht Agroindustrial – ethanol production (Brazil);
6. OPX Biotechnologies – biofuel manufacturer (USA);
7. Banco Daycoval – commercial bank (Brazil);
8. Ujivan Financial Services – Microfinance Organization (India);
9. Development Credit Bank – Financial Services (India);
10. GE Joint Venture – Wind Energy (Central and Eastern Europe);
11. Alior/Meritum Bank – financial services (Poland);
12. Moscow Exchange – financial services (Russian Federation);
13. National Stock Exchange of India – financial services (India).

MACQUARIE RUSSIA AND CIS INFRASTRUCTURE FUND / MANAGEMENT COMPANY – MACQUARIE INFRASTRUCTURE AND REAL ASSETS (EUROPE) LTD.

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2009–2019 (2015)	630 million	433.28	4.76%	Transport infrastructure, electric power industry	Russian Federation, Kazakhstan (at least 20% of the total capitalization of the Fund), CIS countries	KCM, IFC, EBRD, Vnesheconombank, Macquarie Group, EDB

The Fund is at the stage of liquidation. In September 2020, a deal was signed to sell the fund's stake in Enel Russia. The transaction was completed in February 2021.

The exit was carried out from the following companies:

1. Brunswick Rail (2 projects) – operational leasing of railway freight cars (Russian Federation);
2. Russian Towers – telecommunications infrastructure (Russian Federation);
3. GSR Energy – production and sale of thermal and electric energy (Russian Federation);
4. Enel Russia – electricity production and distribution (Russian Federation).

**ISLAMIC INFRASTRUCTURE FUND L.P./MANAGEMENT COMPANY – CAPITAL ADVISORS PARTNERS ASIA PTE LTD**

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2009–2019 (2014)	226.5 million	143.94 million	1.32%	Electricity, transport, communications, water supply, etc.	Malaysia, Kazakhstan, Indonesia, Pakistan (60%), Afghanistan, Azerbaijan, Bangladesh, Kyrgyzstan, Uzbekistan, etc. (40%)	KCM, IDB, ADB, CIMB Bank (L) Ltd., OPEC Fund for International Development, Bangkok Bank Ltd.

The Fund is at the stage of liquidation.

The life of the fund ended on July 27, 2021.

The exit from the last portfolio company (Foundation Wind Energy – I, II) was carried out in September 2021.

The exit was carried out from the following companies:

1. Central Asian Electric Power Corporation JSC – Power Engineering (Republic of Kazakhstan);
2. PT Margautama Nusantara – Energy (Indonesia);
3. PT TransIndonesia Network – Telecommunications services (Indonesia);
4. Foundation Wind Energy – I Limited – Energy (Pakistan);
5. Foundation Wind Energy – II (Pvt) Limited – Energy (Pakistan).

Funds at the creation stage:**EURASIAN NURLY (BRIGHT) INVESTMENT FUND L.P. / MANAGEMENT COMPANY – NURLY FUND MANAGER L.P.**

Term (Invest. period)	Total size, USD	Investments, USD	KCM's share	Industry	Geography	Investors
2019–2027 (2023)	242.4 million	0	12.4%	Infrastructure, processing of natural resources, logistics, information technology, manufacturing industry, agro-industrial complex, etc.	Kazakhstan	KCM, Sovereign Wealth Fund Samruk-Kazyna, CITIC Group, Asia Investment Finance Group Limited, China Bosen New Energy Investment Holding Limited, Hong Kong Sino-Science Oil & Gas Company Limited

On April 25, 2019, at the Kazakh-Chinese Round Table on Investment Cooperation in Beijing, documents were signed for the first closure of the fund in the amount of 212.1 million USD.

On September 11, 2019, at the 6th meeting of the China-Kazakhstan Business Council in Beijing, Sovereign Wealth Fund Samruk-Kazyna JSC joined the Fund, the amount of the first closure of the Fund amounted to 242.4 million USD.

Results of the funds' activities in 2021

According to the results of 2021, the volume of new investments amounted to 36.8 billion tenge, within which the following was invested:

- in transport infrastructure by the Kazakhstan Infrastructure Fund – 11,985 million tenge;
- in agriculture by the KCM Sustainable Development Fund – 12,800 million tenge;
- in media and entertainment industry by the DBK Equity Fund – 404 million tenge;
- in transport and logistics, food and beverage production, metallurgical industry, construction and installation works by the BVF fund – 8,540 million tenge;

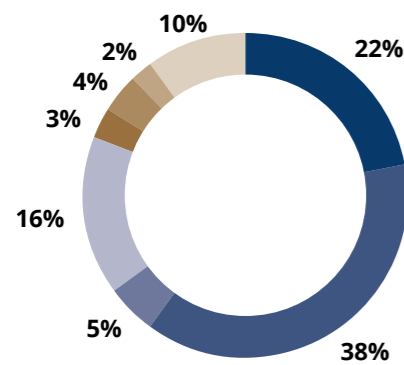
- in IT sector by QTV funds – 1,544 million tenge;
- fund management fees – 1,522 million tenge.

By the end of 2021, the largest share in the KCM portfolio is occupied by the transport and logistics sector – 38%, energy – 16% and food production – 22%.

At the end of 2021, there are 59 projects in the KCM portfolio, of which the share of projects in Kazakhstan is 92%.

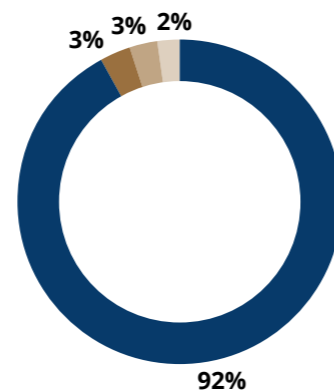
In 2021, a complete exit from 7 projects was carried out.

KCM PORTFOLIO INVESTMENTS BY INDUSTRY



- Food production
- Transport and logistics
- Chemistry and petrochemistry
- Energy
- Production of paper and paper products
- Production of building materials
- Medical services
- Other

KCM PORTFOLIO INVESTMENTS BY COUNTRY



- Kazakhstan
- Russia
- China
- Other countries

No	Name of the project	Name of the fund	IRR (%)
1.	Enel Russia	Macquarie Russia & CIS Infrastructure Fund C.V.	-7.4
2.	National Stock Exchange of India	Wolfensohn Capital Partners L.P.	24.9
3.	Foundation Wind Energy- I Limited	Islamic Infrastructure Fund L.P.	11.2
4.	Foundation Wind Energy- II (Pvt) Limited	Islamic Infrastructure Fund L.P.	11.2
5.	Labnet LLP	Kazakhstan Growth Fund C.V.	15.6
6.	VIST Group	Russian-Kazakh Nanotechnology Foundation	49.5
7.	Z-Invest LLP	Baiterek Venture Fund	20.15

A partial withdrawal from the Arctic Green Energy China (CITIC Kazyna Investment Fund I L.P.) project was also carried out, in the amount of 1.1 million USD.

Results of KCM investment activity

The Company, through the Kazakhstan Infrastructure Fund C.V. portfolio direct investment fund, together with the large Turkish company TAV Group, completed the process of investing in Almaty International Airport JSC. The total amount of investments in the project amounted to 200 million USD, of which KCM – 27.9 million USD, TAV Group – 170 million USD, Verno – 2.1 million USD. In addition, a loan from a consortium of creditors was attracted to the implementation of this project to finance the construction of a new terminal in the total amount of 450 million USD. The key participants of the consortium were international financial institutions represented by the European Bank for Reconstruction and Development and the International Finance Corporation (IFC).

The construction of the new terminal will increase the passenger traffic by 4 times to 14 million passengers per year by 2030. New international destinations and flights will be opened, cargo transportation will be increased as part of the project to develop a regional transport and logistics hub based on the airport, as well as services and customer service will be improved. In addition, construction and cladding materials, which have no analogues in the EAEU countries, and which meet the technological requirements of the international standards Excellence in Design for Greater Efficiencies (EDGE), will be used during construction. This will increase the energy efficiency of the terminal building by 40%, reduce water consumption by 20% and minimize wearout by 20%.

At the same time, it is expected that the number of new temporary and permanent jobs will be more than 2,000, of which 90% will be Kazakhstan's specialists.

In order to provide support from the state, the Government Support Agreement (GSA) between the Government of the Republic of Kazakhstan (represented by MIID), the airport and a consortium of creditors was signed in September

In 2021, under the program 4 projects were financed by BVF:

No	Name of the project	Company name
1.	Debt refinancing and development of the existing diagnostic center in Almaty, Z-Invest LLP (Zet-Invest)	Z-Invest LLP
2.	Purchase of equipment and machinery to expand the business of oversized and heavy transportation	KTK Service LLP
3.	Construction of a fruit storage facility	Arnau Agro LLP
4.	Acquisition of real estate in the shift settlement Tengiz (Republic of Kazakhstan, Atyrau region, Zhylyoosky district), as well as replenishment of working capital	Compass Service LLP

The construction of the new terminal will increase the passenger traffic by 4 times to 14 million passengers per year by 2030.

2021. The agreement confirms the absence of plans to build an alternative airport near Almaty and calls on the parties to implement the recommended measures to protect the environment and ensure a sanitary zone. This agreement is not a state guarantee.

In order to finance projects in the field of information technology, infrastructure and fintech, B2C/B2B technology and digital automation, the Company signed a limited partnership agreement on the creation of the Da Vinci Emerging Technologies Fund III L.P. direct investment Fund. Partners in the fund are DEG, Samruk Kazyna Invest LLP. The capitalization of the fund is 67.7 million USD, of which the obligations of the KCM are 10 million USD. The investment period of the fund ends in 2026, the life of the fund – in 2031.

On October 27, 2021, Kazyna Capital Management JSC attracted a bond loan in the amount of 12.8 billion tenge as part of the third direction of the Employment Roadmap “development of the agro-industrial complex” for 2020–2021. These funds were used to finance 3 projects in the agricultural sector at a rate of 12% per annum.

In order to develop projects in the manufacturing industry and export-oriented projects, as well as to ensure sustainable and balanced growth of entrepreneurship through the implementation of private equity in the capital of companies, the Company launched a Program of preferential equity financing in 2019, under which businesses are given the opportunity to receive direct investment in capital on preferential terms. The operators of the Program are BVF and the KCM SDF I Foundation (managed by BVM). In addition, second-tier banks are also involved in the direction of SME development.

Due to the merger of the National Managing Holding Baiterek JSC and National Managing Holding KazAgro JSC and expansion of investment activities, on December 23, 2021, part of the assets of Kazakhstan Hungarian Investment Private Equity Fund C.V. in the amount of 49.5% was transferred to KCM; This fund was created in accordance with Limited Partnership Agreement dated December 7, 2015. The Fund's partners also include CCL Agro Limited (hereinafter referred to as the Fund's Management Company), Stichting CCL Agro Administration, Hungarian Export-Import Bank and CCL KAGF Carried Interest L.P. The fund's activities are aimed at financing investment projects in the field of agro-industrial complex in the territory of the Republic of Kazakhstan. Currently, the fund's portfolio consists of two projects: Green Capital Kazakhstan LLP (a high-tech greenhouse complex in the Aktobe region) and Gardens of the East LLP (fruit orchards in the Zhambyl region and Northern Kazakhstan and fruit storage facilities in Taraz and Nur-Sultan). The size of the fund's investments in each project is 10 million USD.

In September 2020, KCM's Development Strategy was updated and the investment mandate of the Company was expanded, mainly in terms of participation of KCM in the distressed assets market, in development of the PPP infrastructure projects market and the venture capital market.

In this regard, in 2021, KCM made attempts to find a strategic partner with experience in the development of the distressed

assets market. On September 21, 2021, the investment holding AxFina Holding S.A. (Austria) and KCM signed a Letter of Intent with the aim to create a joint venture for the development of the distressed assets market in Kazakhstan. At the same time, KCM continues to search for alternative partners.

In order to achieve high investment attractiveness of Kazakhstan through cooperation with regional and international partners, in 2021 the Company carried out active work on expanding the network of business contacts, establishing cooperation with potential international and regional management companies in order to create new opportunities to attract partners (investors) in current and planned PEF, as well as joint investments or the creation of joint ventures, improving cooperation with development financial institutions and international financial organizations to organize mutually beneficial cooperation, including the exchange of experience and building up the internal competencies of the KCM team.

On October 5, 2021, a memorandum of understanding was signed between the Company and the Spanish development finance company COFIDES (Compañía Española de Financiación del Desarrollo) in order to create a basis for discussion between the Company and COFIDES of potential cooperation regarding the support, implementation and co-investment of industrial and infrastructure projects.

Partnership with a key financial institution for the development of Spain will improve the competence of KCM in private equity and venture financing fields. Combining project implementation expertise with the Spanish side will provide an opportunity to form a sustainable investment portfolio in priority sectors. In addition, COFIDES, while being an accredited entity of the EU, will enable the use of EU funding within mixed financing initiatives.

During the working visit of the Prime Minister of the Republic of Kazakhstan Mamin A.U. to the United Arab Emirates, the Company and the Abu Dhabi Sovereign Wealth Fund ADQ, through their own venture platform DisruptAD, agreed to create a joint venture fund ADQ-KCM.

On October 10, 2021, the Company and the Abu Dhabi Development Holding Company signed an agreement on the basic terms of participation in the ADQ-KCM Venture Capital Fund. The Fund will focus on joint investments in innovative companies at early and later stages, as well as in enterprises with high growth potential and a sustainable business model. The fund's investments will be aimed at supporting projects that correspond to the missions of development institutions and respond to regional challenges.

The planned capitalization of the ADQ-KCM fund is 100 million USD. The initial investment will amount to 50 million USD on a parity basis. Further investments in the fund will be agreed upon

On October 10, 2021, the Company and the Abu Dhabi Development Holding Company signed an agreement on the basic terms of participation in the ADQ-KCM Venture Capital Fund.

by the partners as the initial funds are disbursed. The fund's investments will be carried out in projects with the potential to introduce technological innovations to implement the digital transformation of industries. According to the basic conditions of the fund being created, projects will be in the fields of IT, fintech, agricultural technologies, B2B and B2C, infrastructure technologies and telecommunications, food production technologies, platform decisions and digital transformation.

According to the agreement, Kazakhstan's participation is determined to be at least 50%, up to 20% in the regions of Central Asia, up to 30% in Abu Dhabi (UAE). The Central Asian countries are defined and agreed upon by the partners.

Partnership with ADQ within the new fund will provide additional financial support for the development of the venture capital investment market in Kazakhstan and will become a catalyst for the growth of investment flows between the countries.



As part of the development of venture financing, the subsidiary of KCM QazTech Ventures JSC in 2021 signed 3 memoranda of understanding and cooperation with:

1. Maj Invest (CapitalSG Pte. Ltd.) dated May 4, 2021;
2. EOPC LLC (UZCARD) dated May 31, 2021;
3. National Venture Fund UzVC LLC dated May 31, 2021.

The purpose of the memoranda is to create a basis for joint scientific, technical and innovative work, as well as the possibility of creating a joint venture fund.

As part of the development of the PPP direction, the subsidiary of KCM KPPF carried out work to expand the network of business contacts on a regular basis, the electronic database of investors was updated.

At the end of 2021, the KPPF electronic investor database includes:

1. for potential industrial projects, a register of 1030 financial and 30 strategic investors.
2. in the direction of development of PPP projects, a register of 156 investors.

Also, the Company, together with its subsidiaries, conducted a search and formation of a "pool" of promising projects, investing in accordance with priority areas defined by state programs, as well as launching new initiatives (programs or investment platforms/funds).

In 2021, communication support of key KCM projects was actively carried out in order to inform the public and stakeholders about the company's activities and maintain the business reputation of KCM and National Managing Holding Baiterek JSC. No less than 20 materials on the activities of the KCM and its subsidiaries have been published.

As a result of active investment activity and timely information, in July 2021, Fitch Ratings assigned the Company long-term issuer default ratings ("IDR") in foreign and national currency "BB+" with a "Stable" outlook. Fitch also assigned KCM a rating on the national scale "AA (kaz)".

Many factors influence the further expansion of the partner network and the attraction of strategically important players in the global direct investment market to Kazakhstan. However, one of the key ones is undoubtedly the commitment to ESG standards. ESG approaches are based on the principles of sustainable development, namely environmental protection, social development and corporate governance

According to PricewaterhouseCoopers research, 79% of investors pay a lot of attention to how the company manages the risks and opportunities associated with ESG when making investment decisions. 68% of respondents use ESG ratings and ratings when exploring potential investment opportunities. The analysis showed that in the US alone, assets under management focused on ESG grew by about 5 trillion USD from 2018 to 2020, and the global impact investment market – a segment of the sustainable investment market focused on positive results regardless of profitability – is currently estimated at 715 billion USD.

Thus, focusing on global trends in adherence to the principles of responsible investment and their impact on the sustainability and profitability of projects, since 2021, KCM has been actively working to integrate ESG approaches into investment processes. The Company has made changes to the Company's investment policy in terms of evaluating projects for compliance with ESG standards and monitoring mitigation of risks associated with ESG during the project lifecycle.

Environmental protection and social responsibility issues are of great importance in making investment decisions for KCM, which is clearly evident from the structure of the Company's portfolio. KCM is constantly increasing its portfolio of "green" investments, thereby contributing to the fulfillment of the obligations of the Republic of Kazakhstan adopted under the Paris Climate Agreement, as well as to achieve the goal of ensuring carbon neutrality by 2060, announced by the Head of State of the Republic of Kazakhstan at the Climate Ambition Summit 2020.

2.4. Financial and economic indicators

The analysis of the financial condition and performance of KCM for the period 2019–2021 was carried out on the basis of the audited financial statements of KCM.

The income received from the strategic portfolio based on the results of the activities of the PEF's portfolio companies related

to the payment of dividends, interest, as well as income from the sale of shares in the PEF portfolio companies, as well as from the treasury portfolio in the form of remuneration on deposits, securities and derivatives.

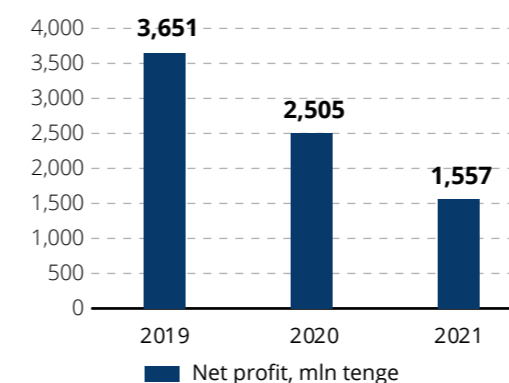
	<i>million tenge</i>		
Income	2019	2020	2021
Interest income	3,171	1,991	3,014
Dividend income	1,148	71	42
Income from derivatives	387	–	324
Income from changes in the fair value of financial instruments	1,056	1,882	3,297
Foreign exchange gains	–	3,291	448
Income from the restoration of reserves	920	–	183
Total:	6,682	7,235	7,308

The share of interest expenses in the structure of expenses increased in 2021, compared to 2020, due to the issue of debt securities. The increase in administrative costs resulted from acquisition of QTV and KPPF. It is also necessary to consider that

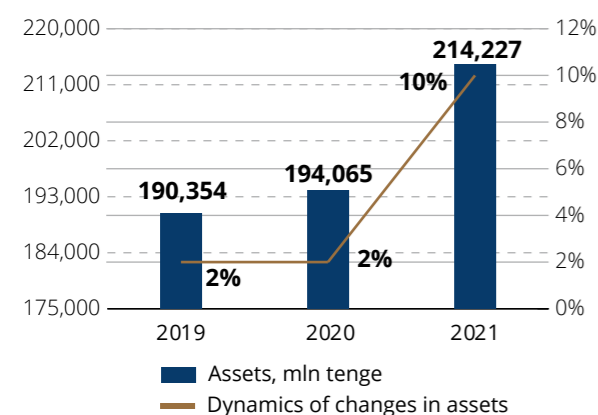
administrative expenses tend to increase due to internal and external factors of the economy, including inflation, changes in socio-economic indicators and the exchange rate. The expenses are presented in the following table:

	<i>million tenge</i>		
Expenses	2019	2020	2021
General and administrative expenses	1,497	1,322	2,157
Interest expense	–	9	363
Provisions for impairment	–	16	–
Expenses on derivatives	–	1,031	–
Foreign exchange gains	329	–	–
Other expenses	468	585	148
Total:	2,294	2,963	2,668

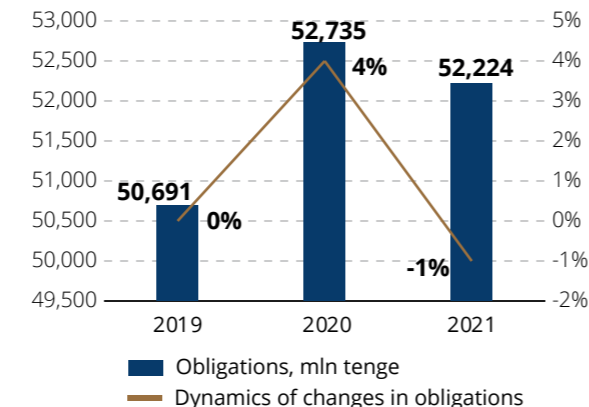
According to the audited financial statements for 2021, a positive financial result in the amount of 1,557 million tenge was achieved. Profit before interest, taxes and depreciation (EBITDA) amounted to 4,664 million tenge, corporate income tax expenses amounted to 3,083 million tenge.



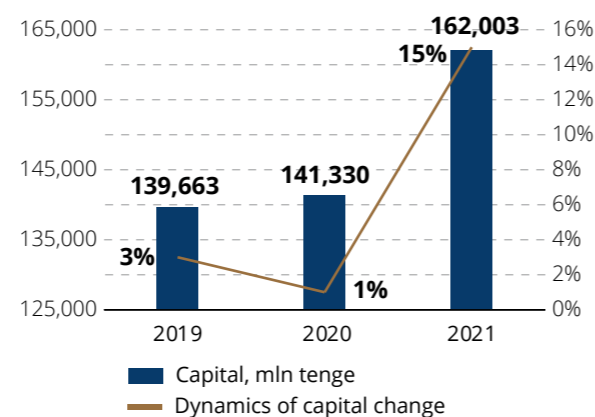
As of December 31, 2021, assets amount to 214,227 million tenge, which is 10% higher than in 2020, or 20,162 million tenge. The increase in assets is primarily due to the transfer of 100% of QTV common shares and 97.7% of the shares in the authorized capital of KPPF, raising funds, cash receipts from core activities and treasury portfolio.



Liabilities at the end of the reporting period amounted to 52,224 million tenge due to the issue of debt securities. In the reporting period, bonds were issued in the amount of 12.8 billion tenge with a maturity of 10 years and a fixed interest rate of 7.1% per annum. Also, a currency and interest rate swap agreement with the DBK was terminated prematurely.



As of December 31, 2021, KCM's capital amounted to 162,003 million tenge, for the same date in 2020 – 141,330 million tenge. The capital increased due to the transfer of QazTech Ventures JSC, Kazakhstan Project Preparation Fund LLP and Kazakhstan Hungarian Investment Private Equity Fund C.V., as well as a positive financial result by the end of 2021.



2.5. Goals and Plans for future periods

After the approval of the KCM Development Strategy in 2020, structural changes took place in National Managing Holding Baiterek JSC and KCM, namely:

- joining of National Managing Holding KazAgro JSC National Managing Holding Baiterek JSC;
- transfer of KPPF and QTV shares to KCM;
- On November 30, 2021, Resolution of the Government of the Republic of Kazakhstan No. 849 “On Amendments to the Resolution of the Government of the Republic of Kazakhstan dated June 18, 2014 No. 674 “On Approval of the Development Strategy of the National Managing Holding Baiterek JSC for 2014–2023” updated the Development Strategy of National Managing Holding Baiterek JSC for 2014–2023.

Given that the above structural changes affect the Company's Development Strategy, it became necessary to update the Company's Development Strategy by making appropriate changes.

In this regard, on February 25, 2022, by the decision of the Company's Board of Directors (Minutes No. 04/22), amendments were made to the Development Strategy of Kazyna Capital Management JSC for 2014–2023.

Within the framework of the updated Development Strategy, strategic directions, goals, objectives, strategic key performance indicators of the Company are updated.

No	Strategic directions	Goal:	Objectives:	Strategic key performance indicators
1.	Promotion and development of the private equity market and the national economy of Kazakhstan	High investment attractiveness of Kazakhstan through cooperation with regional and international partners and the introduction of ESG standards in investment activities	<ul style="list-style-type: none"> • Tapping the potential of private equity as an asset class through invested capital, business network of contacts, experience and knowledge of KCM employees • Assistance in the development of sustainable business based on internationally recognized environmental, social and governance standards (ESG) 	<ul style="list-style-type: none"> • The ratio of attracted investments in the Republic of Kazakhstan to one unit of KCM funds • The share of the investment portfolio in the total assets of the KCM (excluding treasury operations) • Rating on sustainable development
2.	Increasing the investment portfolio of KCM	Increasing the value of portfolio companies and developing the local market for PPP infrastructure projects, stress assets and venture financing	<ul style="list-style-type: none"> • development of business entities with great potential to become market leaders in the region • increasing the availability of financing, the level of technical equipment and intensification of production in the agro-industrial complex • development of the local market for PPP infrastructure projects, distressed assets and venture financing 	<ul style="list-style-type: none"> • Volume of new investments per year (including captive funds) • The volume of investments in fixed assets in the agricultural sector (per year), including: <ul style="list-style-type: none"> - in agriculture; - in the food production industry. • Number of new KCM initiatives in the private equity market
3.	Improving the productivity of the organization	Ensuring uninterrupted operations of KCM while maintaining the level of planned profitability and break-even by improving operational processes	<ul style="list-style-type: none"> • focus on ensuring a positive rate of return above the risk-free rate on each investment and achieving an annual multiplier of the value of the investment portfolio above 1 	ROA

In 2022, KCM will start developing the Company's Development Strategy for 2024–2033.



Risk management system

KCM has a structure approved by the Board of Directors that clearly defines the participants of the corporate risk management system. The structure provides for the presence of a Risk Management Department, accountable to the Managing Director, a member of the Management Board of KCM and is an independent unit in its activities.

The approved Risk Management Policy is the fundamental internal document of the KCM and defines the organizational structure of risk management, roles and responsibilities of bodies, committees and structural units: the Sole Shareholder, the Board of Directors, the Audit and Risk Committee, the Management Board, the Investment Committee, the Risk Management Department, the Internal Audit Service and other structural units.

The main objectives of the risk management system are:

- building an effective integrated system and creating an integrated risk management process as an element of the KCM, as well as continuous improvement of activities based on a unified standardized approach to risk management methods and procedures;
- improving the efficiency and sustainability of KCM development, reducing losses, increasing profitability and the most efficient use of capital;
- ensuring that KCMs accept acceptable risks that are adequate to the scale of their activities;
- ensuring the normal functioning of the KCM in crisis situations.

Basic principles of risk management of KCM:

- integrity – consideration of the total risk of KCM in the context of the corporate risk management system;
- openness – a ban on considering the corporate risk management system as autonomous or separate;
- structurality – a comprehensive risk management system has a clear structure;
- awareness – risk management is accompanied by the availability of objective, reliable and up-to-date information;

- continuity – the risk management process is carried out on an ongoing basis;
- relevance – continuous improvement of risk management procedures and mechanisms;
- timely and immediate transmission of information by all structural divisions on the “bottom-up” principle, including the Management Board and the Board of Directors of KCM, about changes, the status and size of the relevant risks, about all non-standard operations and situations;
- involvement – involvement of the top management of KCM, i.e. the Management Board and the Board of Directors, in the process of risk management and creation of a control environment;
- separation of powers – a clear separation of the powers of employees and the exclusion of situations where the employee’s area of responsibility allows for a conflict of interests;
- independence – risk management in all areas of the Company’s activities should be carried out by the relevant structural divisions of the KCM independent of operational activities;
- cyclicity – the risk management process is a constantly repeating structured cycle of its main components.

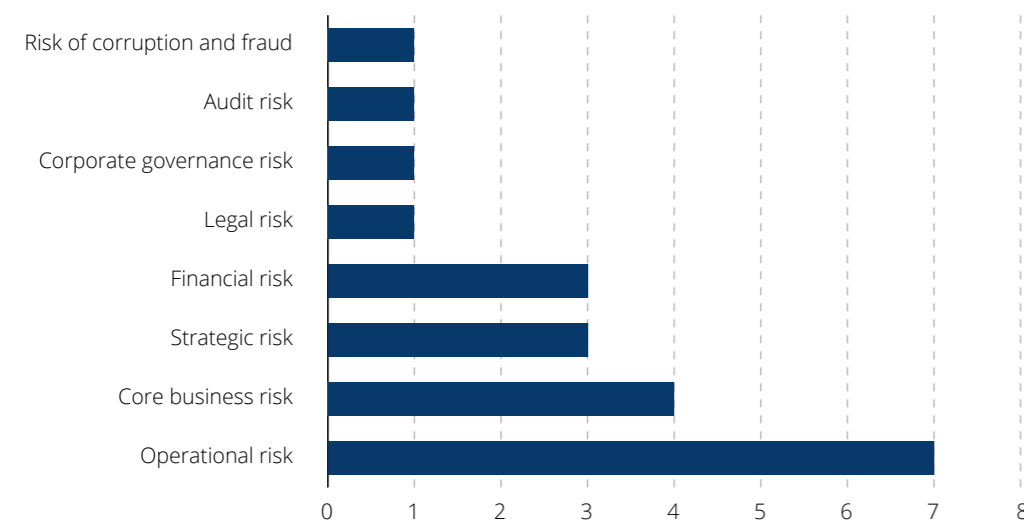
The risk management system includes the following main elements:

- definition of goals – KCM is exposed to risks from external and internal sources, and setting goals is the main prerequisite for effectiveness of identification, assessment and development of risk management methods. The goals and objectives of the KCM are coordinated with the risk appetite;
- risk identification – identification of internal and external risks to which the KCM is or may be exposed, which realisation may negatively affect the company’s ability to achieve planned goals and implement set tasks;

- risk measurement – development and use of a system and tools that allow you to objectively determine the size and probability of KCM risks;
- risk minimization – it involves implementation of a set of measures aimed at reducing the likelihood of events or circumstances leading to losses, and (or) reducing (limiting) the amount of potential losses;
- risk control – the functioning of the internal control system and the establishment of maximum permissible risk limits (restrictions);
- risk monitoring – continuous assessment of the level of the main risks of the KCM and compliance with the maximum permissible limits.

The Company monitors the key risks of the KCM quarterly and submits them to the Management Board and the Board of Directors of the KCM. Considering the unstable financial condition of second-tier banks, a monthly analysis of the financial condition of second-tier banks and issuers of securities is carried out. The Risk Management Department includes information on changes in their ratings, compliance by banks with prudential standards of the National Bank of the Republic of Kazakhstan, etc., on the basis of which a report is submitted for consideration by the Board of the KCM and appropriate measures are taken to reduce the credit risks of the treasury portfolio.

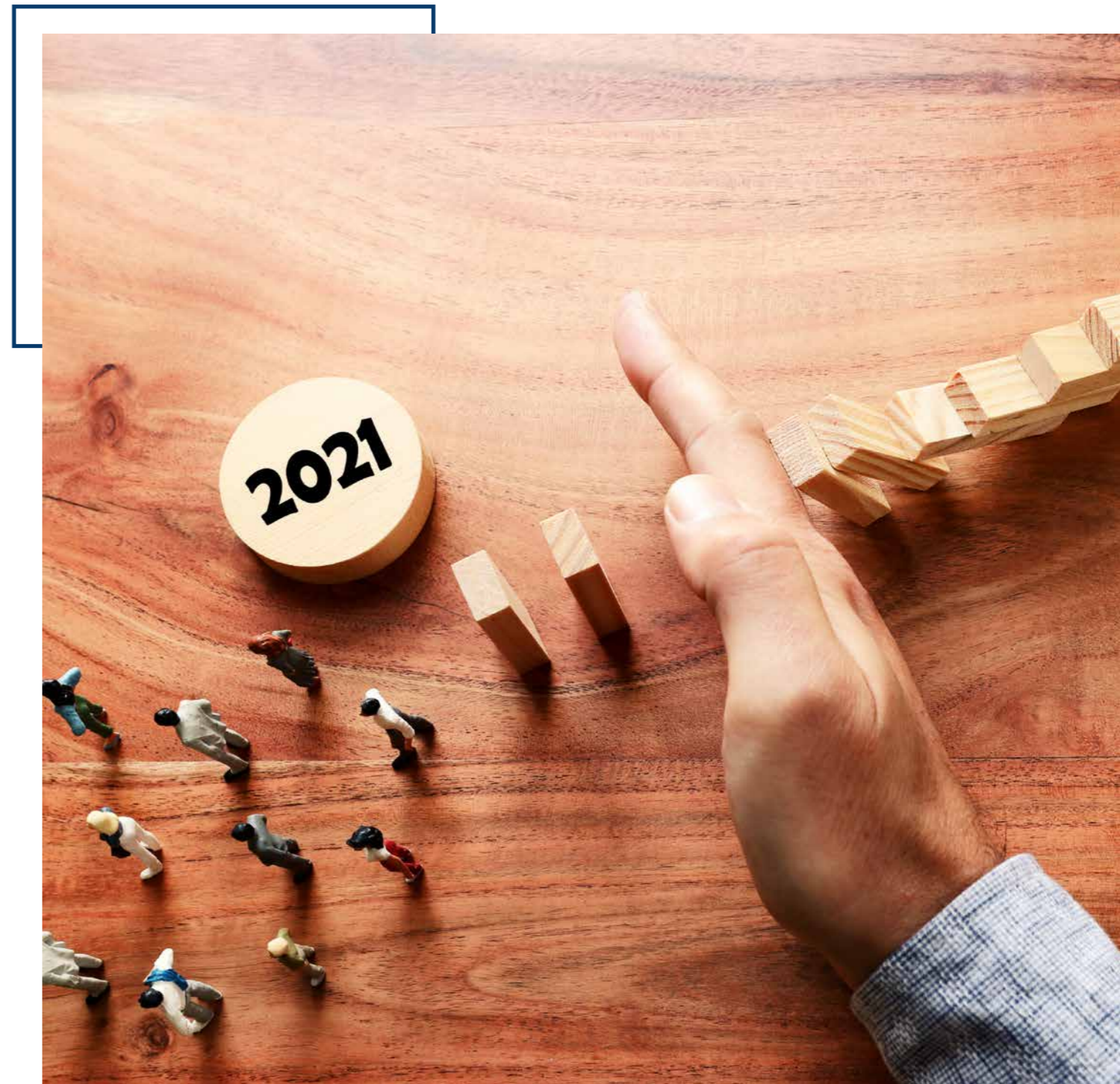
By the decision of the KCM Board of Directors dated December 7, 2021 (Minutes No. 21/21), the KCM risk register was approved, which includes 21 types of risks. To classify risks in the KCM, risks are grouped into the following categories: operational risk, core business risk, strategic risk, financial risk, legal risk, corporate governance risk, audit risk, corruption and fraud risk.



As part of the work on improving the risk management system in 2021, comprehensive work was carried out on the implementation or updating of the following internal documents:

- Risk Management Policy of Kazyna Capital Management JSC, approved by the decision of the Board of Directors of KCM dated June 29, 2021 (Minutes No. 10/21);
- The strategy for the development of the risk management system of Kazyna Capital Management JSC, approved by the decision of the Board of KCM dated March 16, 2018 (updated and approved by the decision of the Board of KCM dated June 15, 2021 in a new edition);

- Methodology for determining business processes, inherent risks and controls of Kazyna Capital Management JSC, approved by the decision of the Board of Directors of KCM dated June 29, 2021 (Minutes No. 10/21);
- Risk Management Rules of Kazyna Capital Management JSC, approved by the decision of the Board of Directors of KCM dated June 29, 2021 (Minutes No. 10/21).





Sustainable development

The Company pays special attention to the integration of the principles of sustainable development and best practices in the field of corporate social responsibility into activities of KCM and its subsidiaries. KCM is working to introduce the practice of “responsible investment”, the main purpose of which is to reduce the risks exerted by portfolio companies on society and the environment, and to increase the sustainability of companies’ business processes for the development of their competitiveness.

As part of the transition to the “responsible investment” model, the Company is working on joining the UN Association on the Principles for Responsible Investment (UN PRI). The members of the Association are international PEF whose activities are aimed at developing the concept of “responsible investment” by introducing ESG standards into investment activities. Joining the Association will allow exchanging experience in the field of responsible investment with institutional investors and will provide an opportunity to assess the progress of integration of ESG standards into business processes.

In order to increase the positive environmental and social effects from the implementation of projects, the decision of the Board of Directors of KCM dated September 9, 2021 (Minutes No. 16/21) updated the Policy of Sustainable Development of KCM, which developed environmental and social requirements for recipients of investments and procedures for their application in the framework of the support process, as well as the process of monitoring the implementation of projects.

The Sustainable Development Policy also includes a methodology for assigning ESG ratings for portfolio companies, the indicator of which reflects the portfolio company’s exposure to environmental and social business risks, as well as corporate governance risks, based on an assessment of the quality of compliance with relevant practices and their compliance with basic international guidelines, standards and best practices in the field of sustainable development.

In the implementation of the Sustainable Development Policy, the decision of the Board of the KCM dated November 2, 2021 (Minutes No. 58/21) approved the Action Plan in the field of Sustainable Development of the Kazyna Capital Management JSC for 2021–2022, which includes measures aimed at introducing the principles of sustainable development into the main processes of the KCM and the administrative and economic activities of the KCM, the development of corporate governance, including on anti-corruption issues.

In the reporting period, the issue of including requirements for evaluating projects for compliance with ESG standards in the investment policy of the KCM was also worked out, which will allow providing financial support to projects seeking to implement ESG standards and mitigate associated risks.

Previously, when making investment decisions, captive PEFs of KCM considered the development index, which reflected:

- increase in output in the economy;
- improvement of labor productivity;
- increase in export potential;
- development of the private sector of the economy;
- priority industries;
- impact on sustainable social development.

Implementation of “green” projects lays the foundation for systemic transformations in order to transition to the “green” economy through reducing the amount of carbon dioxide emissions, improving the welfare and quality of life of the country’s population while minimizing the environmental burden and degradation of natural resources.

In the portfolio of KCM there are a number of projects in the field of “green” energy for a total amount of financing of 12.4 billion tenge, with a total capacity of about 200 MW:

1. Construction of the Kengir solar power plant with a capacity of 10 MW in the Karaganda region, Zhezkazgan.

Kaz Green Energy LLP implemented of the Kengir solar power plant construction project that commissioned in January 2020.

2. Construction of the Baikonur solar power plant with a capacity of 50 MW in the Kyzylorda region.

The project on the construction and operation of the Baikonur power plant is being implemented by Baikonur Solar LLP, a joint venture of Baiterek Venture Fund JSC (49%), and UG Energy Ltd. (51%, United Kingdom), EBRD, ADB and CTF were partners in the project. 151 thousand solar panels and 14 inverter stations are installed on the territory of 150 hectares. More than 20 people are engaged in their maintenance. The amount of energy generated is sufficient to cover the energy shortage in the regional center and neighboring districts. The result of the activity of the Baikonur power plant is 4.4 million kWh of “green” electricity since its commissioning in December 2019, the project prevented about 75 thousand tons of greenhouse gas emissions.

3. Construction of the first and second start-up complex of the Astana Expo-2017 wind power plant with a capacity of 100 MW in Akmola region.

The wind power plant consists of two launch complexes of 50 MW each. In August 2019, the first launch complex was put into operation, and in November 2020, the second launch complex was launched. The station is located 40 km away from Nur-Sultan, in the Akmola region. The implementation of the Astana EXPO-2017 wind power plant construction project, implemented by TSATEK Green Energy LLP, provided the annual consumption of more than 10,000 families with environmentally friendly energy.

4. Turgusun-1 hydroelectric power plant in the East Kazakhstan region with a capacity of 24.9 MW.

The construction of the Turgusun HPP on the Turgusun River in the Altai region of East Kazakhstan region will provide 23% of the electricity demand of this area. The construction of the Turgusun hydroelectric power plant has reduced the cost of electricity production and reduced its deficit by 78 million kilowatt-hours per year in the East Kazakhstan region. Also, with the launch of the Turgusun HPP, it is projected to reduce carbon monoxide emissions into the atmosphere by 680 tons per year in the East Kazakhstan region. Small hydroelectric power plants like Turgusun-1 are able not only to maintain the energy security of the country, but also to become one of the resources for confident economic development.

The management of sustainable development in the Company is carried out within the general corporate governance system of KCM’s activities and it is an integral part of it.

The Board of Directors of KCM provides strategic guidance and control over the implementation of sustainable development.

The Board of the KCM ensures the formation of an appropriate sustainable development management system and its implementation, as well as approves an action plan in the field of sustainable development. The Management Board of KCM submits a sustainable development report for consideration by the Board of Directors on an annual basis in the 3rd quarter of the year following the reporting one.

Personal responsibility for implementation of measures and the achievement of key performance indicators in sustainable development within their competencies is taken by heads of relevant structural divisions, managing directors, members of the Management Board of KCM.

Gender equality is one of the 17 UN Sustainable Development Goals. In order to develop work in this direction, on November 5, 2021, within the framework of the IV Forum of Rural Women of Kazakhstan “Women’s entrepreneurship in rural areas – the path to economic stability and sustainable development”, KCM joined the accelerator of the World Economic Forum “Closing the Gender Gap”.

The “Closing the Gender Gap” accelerator is a global initiative created to bridge the gender gap in the economy. The accelerator’s activities are aimed at addressing issues related to women’s employment, including simplifying access to jobs, ensuring equal pay and increasing the number of women in leadership positions.

Within the framework of the signed agreement, the Company will actively participate in the accelerator’s work to find common decisions to reduce the gender gap and to expand the economic opportunities of women in Kazakhstan.

In 2021, green, social or other bonds for financing sustainable development projects were not issued, and no projects on the environment and/or social environment were funded.

4.1. Social responsibility

Within the social responsibility component, activities of KCM are aimed at:

- guidance by the principles of equal opportunities and non-discrimination when hiring, paying, providing access to training, promotion, dismissal on grounds such as gender, race, language, religious, political and other beliefs, citizenship, national or social origin, limited opportunities;
- continuous learning and development of employees using modern technologies and information management systems;
- use of advanced forms of training meetings with experts in the Friday-talk format, coaching, case studies, brainstorming sessions.

The staff policy of KCM is based on the principle of transparency and includes factors of attracting and retaining highly qualified employees as an essential element in achieving the strategic goals of KCM.

In order to increase the effectiveness and motivation of employees, an effective remuneration system is used through:

- implementation of the employee performance evaluation system;
- introduction of a motivating and transparent remuneration system based on the level of qualification, competence and performance of employees;
- implementation of monitoring and control of the fulfillment of tasks and goals of job evaluation and motivation of employees.

The organizational structures of KCM, BVF, QTV, KPPF provide for an umbrella back-office at the level of the central office of KCM and front-office divisions in KCM subsidiaries.

Employment

As of December 31, 2021, the total average number of KCM’s employees is 41 people as well as 46 people in subsidiaries.

In comparison with the same indicator of the previous year, the total average list number decreased by 30%.

DYNAMICS OF THE AVERAGE NUMBER OF EMPLOYEES

Name of the organization	2019	2020	2021
KCM	27	33	41
BVF	10	13	11
QTV	78	60	17
KPPF	17	18	18
Total	132	124	87

The average age of KCM employees is 37 years.

The turnover rate for the Company in 2021 was 15%, for the KCM group is 9%.

Name of the organization	2021, %
KCM	15
BVF	0
QTV	0
KPPF	0
Total	9

Staff turnover by KCM by age and gender:

	Gender groups		Age groups		
	men	women	up to 30 years old	from 30 to 50 years old	over 50 years
KCM	5	1	3	3	-

The main purpose of the selection of candidates is to contribute to the achievement of the strategic objectives of the KCM through the introduction of best practices in employees management in terms of attracting qualified candidates to fill vacant positions. Priority tasks include creation of an effective human resource management system. Employees are considered as an important resource, and the role of professionalism of employees plays an important role in the effective work of the KCM. Professionalism is considered in terms of both personal qualities and collective knowledge.

In accordance with the Regulations on recruitment, selection, hiring and adaptation of personnel Kazyna Capital Management JSC, approved by the decision of the Management Board of KCM dated April 7, 2015 (Minutes No. 13/18), when vacancies arise, first of all, an internal competition is held among employees of KCM and its subsidiaries, as well as employees of the outsourcing sector. Then an external competition is announced. Information about the search for external candidates is necessarily published on the KCM website, Facebook and LinkedIn, applications are accepted by e-mail.

Employees hired in 2021 in KCM, by age and gender:

Employees	Total	up to 30 years old	from 30 to 50 years old	over 50 years
Men	19	5	14	
Women	22	7	14	1
Total	41	12	28	1

Social support

On January 29, 2018, as per the resolution of the Management Board of KCM ot (Minutes No. 01/18) approved the Rules for Providing Social Support to Employees of Kazyna Capital Management JSC, which determine the types, conditions and procedure for providing social support to KCM employees in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of KCM.

The social policy of Kazyna Capital Management JSC is a competitive advantage of KCM, increases its attractiveness in the labor market and is aimed at attracting and long-term retention of highly qualified employees.

The basic principle of KCM's social policy is social partnership, and thus an integral part of management is activities related to the provision of additional benefits, services and social benefits to its employees.

The main purpose of social programs conducted by KCM is to increase employee motivation, stimulate initiative and conscientious work.

1. Voluntary medical insurance that allows employees to receive better and more diverse medical services. Employees and their family members are provided with health insurance funded by the KCM in accordance with the voluntary health insurance program. Funds for medical insurance are spent in case of an employee's illness in accordance with contracts with insurance organizations which were concluded in accordance with the procedures established by the legislation of the Republic of Kazakhstan, or under contracts for medical care with medical organizations. At the same time, the cost of health insurance per employee should not exceed 100 MCI for the corresponding financial year.
2. Paid annual leave, paid leave for significant events (marriage, death of a family member).
3. Insurance of employees against accidents during working hours and the acquisition of occupational diseases.
4. Financial support in connection with the birth/adoption of a child or children.
5. Financial support in connection with maternity leave.

Maternity leave is paid with the preservation of the average salary minus the amount of social benefits in case of loss of income due to pregnancy and childbirth. According to article 193 of the Labor Code, maternity leave is granted to an employee upon her application and on the basis of a certificate of disability issued in accordance with the established procedure. After the birth of a child, a parental leave of up to three years may be granted at will. It is also counted in the length of service, but it will be without pay. The same leave is granted to parents who have adopted or adopted children in accordance with the current legislation.

The social policy of Kazyna Capital Management JSC is a competitive advantage of KCM, increases its attractiveness in the labor market and is aimed at attracting and long-term retention of highly qualified employees.

INFORMATION ABOUT MATERNITY LEAVE AND CHILD CARE:

Indicators	Total, people.	Including	
		men	women
The number of employees who have taken maternity leave, as well as parental leave in 2021	7	0	7
The number of employees who returned from maternity leave and parental leave in 2021	2	0	2

6. Financial support in connection with marriage.
7. Quarterly bonuses to employees, annual bonus to the Management Board when performing key performance indicators.

At the same time, in line with the best international practices, managers are assigned with performance indicators related to economic, environmental and social tasks.

KCM is interested in decent and timely remuneration of its employees, applies transparent approaches in matters of material remuneration and strives to maintain a highly competitive level of wages in the labor market. The remuneration system in KCM is focused on motivating employees to high-quality and productive work.

The KCM has zero tolerance to discrimination and strives to ensure equal opportunities for men and women, adhering to an equal approach to remuneration. The company does not restrict the rights of employees to create or join public organizations representing their interests. KCM employees may engage in any political, educational, charitable or public activities as long as it does not affect the performance of official duties and does not bring harm to the society.

If, for certain reasons, the working conditions of employees change in the KCM, the KCM notifies employees of possible changes in writing in accordance with the employment contract, the Labor Code of the Republic of Kazakhstan. When working conditions change, appropriate additions and changes are made to an employment contract.

Workplace health and safety

The absolute priority for KCM and its subsidiaries is to ensure occupational safety and health safety in strict accordance with the requirements of the legislation of the Republic of Kazakhstan, related international and national standards, internal documents of KCM. KCM strives to strictly comply with national and international requirements and constantly improve the level of occupational health and safety management.

The pandemic has had a significant impact on the whole world, governments have taken measures to prevent the spread of the coronavirus by imposing restrictions. In turn, the KCM has introduced mandatory social distancing, strict sanitary and epidemiological procedures for disinfection in offices with the transfer to the work from home mode.

During 2021, the working mode of the KCM was promptly adjusted in accordance with the resolutions of the Chief State Sanitary Doctor of the Republic of Kazakhstan.

In order to prevent the spread of COVID-19 in the KCM, all counteractive and preventive measures were taken to reduce the risk of illness among workers:

- personal protective equipment and disinfectants to KCM employees were provided;
- the employees were informed about the features of the quarantine regime and rules of conduct;
- employees moved to the work-from-home mode in a timely manner;
- a plan on ensuring continuous operation during the pandemic was revised/developed;
- the employees were provided with the necessary equipment, software and hardware, information security and other means.

Thanks to the coordinated work of all structural divisions, transition to the work-from-home mode due to the need for social distancing, took place without significant problems.

Training and education

The needs of the KCM group in training and advanced training of personnel depend on internal and external factors: changing strategic objectives, changing legislation, introducing new programs, professional growth and development of employees, setting new tasks and goals, etc. The number of training events in the system of training and advanced training in 2021 amounted to 90 events (seminars, courses, trainings), of which 77 events are staff motivation programs for self-development through training platforms such as Coursera, the remaining 13 events were

held online. More than 50 people were enrolled in the training. On average, one employee has completed 2 or more trainings/seminars. The training policy in the KCM group of companies is aimed at the development of employees' personal and business competencies (softskills).

In order to ensure uniform principles of employee performance management as well as transparent criteria for rewarding and awarding employees, the effectiveness of KCM employees is evaluated on a periodic basis.

Taking into account that according to the rules of performance evaluation, employees on probation are not subject to evaluation, during the reporting period, more than 88% of employees, 41% of them managerial employees and heads of structural divisions and 59% administrative employees, were evaluated in the KCM.

In order to apply fair remuneration to employees, the KCM applies a grading system that defines remuneration schemes depending on the complexity and responsibility of the assigned duties. Note that this system excludes gender differences in determining remuneration. When comparing the actual salaries in the context of the structure of grades of the KCM, there are no differences in the remuneration of men and women.

Diversity and equal opportunities

The legal regulation of social and labor relations in the KCM in 2021 was implemented in accordance with labor legislation and local regulations of the KCM.

The gender structure of the KCM group of companies as of December 31, 2021 consists of 45 women and 51 men.

Company name	women	men
Kazyna Capital Management JSC	33	25
QazTech Ventures JSC	3	5
Baiterek Venture Fund JSC	3	9
Kazakhstan Project Preparation Fund LLP	6	12

The average age for the KCM group of companies was 36 in 2021, and 38 years old in 2020.

Company name	2020	2021
Kazyna Capital Management JSC	35	36
QazTech Ventures JSC	39	37
Baiterek Venture Fund JSC	42	34
Kazakhstan Project Preparation Fund LLP	36	35

The practice of labor relations.

Guided by the legislation of the Republic of Kazakhstan in the field of labor and labor relations, conventions of the International Labor Organization, the KCM observes the principles concerning fundamental rights that are the subject of the Convention, namely:

- freedom of association and effective recognition of the right to collective bargaining;
- abolition of all forms of forced or compulsory labor;
- prohibition of child labor;
- non-discrimination in the field of work and occupation.

In the reporting period, there were no complaints filed against the KCM for violations of the practice of labor relations. At the same time, if there are such complaints, the issuer has implemented internal tools (Ombudsman and Compliance) for preliminary discussion and mediation of disputes.

Sponsorship and charity

The Company implemented the following charity projects during 2021:

1. Charitable assistance was provided to orphans of the "Specialized Children's Home" under the Akimat of Nur-Sultan, for the Children's Day, at the expense of employees, the necessary children's things were purchased for the organization of the holiday and everyday life.
2. Charity fair "Baiterek – Open Hearts". As part of this event, the works of employees (culinary pastries, paintings, sculptures, photographs and other works of applied art) were put up for sale. The proceeds from this event went to the organization of a New Year's tree and the purchase of gifts for children with complex diseases undergoing long-term treatment at the National Scientific Center of Motherhood and Childhood of the Republic of Kazakhstan (departments of Nephrology, Orthopedics, Transplantation, Somatic Diseases and Neurology).
3. Charitable assistance was provided to socially vulnerable families from low-income families by the Day of Knowledge on September 1, by providing assistance in the purchase of school supplies.
4. By the "International Day of the Elderly", at the expense of the issuer's employees, charitable assistance was provided to lonely elderly people by providing food and money for medicines.
5. The National Managing Holding Baiterek JSC hosted a "Donor Day" during which employees donated blood. The blood donation point in the building of the Baiterek Business Center was organized by employees of the Transfusiology Research and Production Center. Within half a day, more than 30 liters of blood were donated. A physiological dose of 450 ml of blood given by a donor can save the lives of three people.

Anti-corruption

By the decision of the Board of the KCM dated February 27, 2019, the Rules for Organizing the work of the anti-corruption system in the Kazyna Capital Management JSC were approved. The document is posted on the official Internet resource of KCM – <https://kcm-kazyna.kz> in order to inform clients, contractors, partners and the public about the anti-corruption standards and requirements adopted in the Company.

In accordance with this Policy, the Company took the following anti-corruption measures during 2021:

- anti-corruption monitoring was carried out, the results of which were brought to the attention of the KCM management on a quarterly basis;
- when conducting an expert examination of investment projects, checking potential suppliers involved in the procurement of goods, works or services for KCM, an

analysis is carried out for signs of a conflict of interest among KCM officials and employees as well as checking for negative facts regarding the relevant counterparties;

- in order to form an anti-corruption culture in the Company, explanatory work is carried out on a regular basis among employees in the field of anti-corruption legislation of the Republic of Kazakhstan and the requirements of internal regulatory documents;
- an internal analysis of corruption risks in the activities of KCM was carried out;
- as part of the formation of an anti-corruption culture, training was conducted for all KCM employees on compliance with the requirements of anti-corruption legislation and the organization of the anti-corruption system in the Company;
- Information on the ongoing anti-corruption work for the first and second half of 2021 has been sent to the Agency of the Republic of Kazakhstan for Combating Corruption.

4.2. Environmental sustainability

Within the environmental sustainability development, activities of the KCM are aimed at:

- development of direct investment infrastructure in Kazakhstan in order to promote the sustainable development of Kazakhstan;
- participation in the implementation of state programs in support of large industrial projects;
- implementation of ESG principles in all stages of the investment process – from the search for project proposals to monitoring the environmental and social impact of funded projects;
- attracting investments and promoting financial instruments both on the domestic and foreign markets, realizing the importance of disclosure of non-financial information for investors.

KCM pays special attention to the implementation of "green" projects aimed at reducing the amount of carbon dioxide emissions, improving the welfare and quality of life of the population of the country while minimizing the burden on the environment and the degradation of natural resources.

By the end of 2021, the KCM portfolio has a number of "green" energy projects for a total amount of 12.4 billion tenge. One of the examples of projects that influenced the reduction of greenhouse gas emissions is the project "Wind Power plant

"Astana EXPO-2017" with a capacity of 100 MW" aimed at producing wind energy. The implementation of this project provided more than 10,000 families with clean energy. The wind power plant saves more than 79,000 thousand tons of conventional fuel per year, reduces greenhouse gas emissions by 230,000 tons per year which is equivalent to the volume of emissions of 113,000 cars.

KCM pays attention to environmental issues not only when considering investment projects, but also in operational activities.

At the same time, it should be noted that the Company does not have its own building and the placement is carried out on the terms of renting premises in a business center that meet modern standards and provide for effective layouts, panoramic windows that provide the premises with a large amount of natural lighting and climate control systems that help save heat and electricity.

In addition, the premises are equipped with various types of containers for selective garbage collection.



Corporate governance

5.1. Issuer's corporate Governance system

The Company carries out its activities on the basis of the Corporate Governance Code approved by the decision of the National Managing Holding Baiterek JSC dated January 12, 2018 (Minutes No. 01/18) (hereinafter referred to as the Code), and on an ongoing basis monitors major changes in international corporate governance trends, in national legislation and implements international corporate governance practices.

The approved corporate governance model ensures the effectiveness of the decision-making system, compliance with the interests of the Sole Shareholder, high standards of information disclosure, the functioning of an effective risk management system and internal control.

The fundamental principles of KCM corporate governance in accordance with the Corporate Governance Code are:

1. the principle of separation of powers;
2. the principle of protecting the rights and interests of the Sole Shareholder;
3. the principle of effective management of the Company by the Board of Directors and the Management Board;
4. the principle of sustainable development;
5. the principle of risk management, internal control and internal audit;
6. the principle of regulating corporate conflicts and conflicts of interest;
7. principles of transparency and objectivity of disclosure of information about the activities of KCM.

By the decision of the Board of Directors of KCM in November 2021, the Action Plan for Improving the Corporate Governance System of Kazyna Capital Management JSC for 2021–2022 was approved, aimed at implementing the fundamental principles of the Code:

1. to comply with the principle of segregation of responsibilities, measures are provided for: updating internal regulatory documents of the Company and subsidiaries for compliance with current activities; approving a map of key performance indicators of members of the Company's Management Board with target values for the corresponding year; preparing and submitting information on evaluating the performance of the map of key performance indicators of members of the Management Board for the reporting year for consideration by the HR Committee remuneration and social issues of the Board of Directors; approval of the work plan of the Board of Directors of the Company for the upcoming period;
2. to comply with the principle of protecting the rights and interests of the Sole Shareholder, measures are provided for:

- ensuring the payment of dividends to the Sole Shareholder of the Company in accordance with the Dividend Policy; holding meetings/meetings of the Company's employees (Managing Directors/Directors) with the heads of the structural divisions of the Sole Shareholder to discuss issues of Development Strategy and other aspects that affect profitability and sustainable development of the Company;
3. to comply with the principle of effective management of the Company, the Board of Directors and the Management Board provide for measures to: monitor the implementation of the Company's development strategy; approve reports on the implementation of the Company's Development Plan for 2019–2023, compliance/non-compliance with the principles of the Company's Corporate Governance Code, on the implementation of the Action Plan to improve the Company's corporate governance system; meetings and/or strategic sessions of independent the Board of Directors of the Company with representatives of the Company; provision of the Ombudsman's report on the results of the work carried out for consideration by the HR, Remuneration and Social Affairs Committee and the Audit and Risk Committee of the Board of Directors; development of a training and development plan for members of the Management Board of the Company; training of employees in the field of corporate governance; regular assessment of the level of staff involvement; monitoring and updating of the composition of the unified personnel reserve;
4. to comply with the principle of sustainable development, measures have been identified to approve the Sustainable Development Report, The action plan in the field of sustainable development and the report on the implementation of this plan;
5. to comply with the principle of risk management, internal control and internal audit, measures have been defined for: conducting introductory briefing for new employees when hiring, as well as training existing employees of the Company on the risk management system in force in the Company; internal evaluation of the effectiveness of the Company's corporate governance system; approval of the risk matrix and controls, risk appetite and report on the risks of the Company;
6. to comply with the principle of regulating corporate conflicts and conflicts of interest, measures are provided for: familiarization of the Company's officials and employees with the procedures for resolving conflicts of interest and their compliance; consulting managers and employees on labor legislation; organization of corporate and team-building events of the Company, as well as participation in events organized for the Holding Group of companies;

7. to comply with the principles of transparency and objectivity of disclosure of information about the Company's activities, measures are provided for: approval of the Company's media plan; placement of the Company's approved annual report on the Company's corporate website; participation in the annual reports competition; ensuring constant, systematic disclosure of information to interested parties on the Company's corporate Internet resource/Depositories of financial statements in accordance with the requirements of the Law of the Republic of Kazakhstan "On Access to Information" and internal regulatory documents; placement of the results of the assessment of the corporate governance system

in the Company/SD on the Company's corporate Internet resource/SD; production and placement of explanatory and informational videos about the company's activities on the Company's information resources.

In addition, on an annual basis, a Report on compliance with the principles of the Corporate Governance Code is formed and approved. It contains the results of monitoring on proper compliance with the KCM Corporate Governance Code and detailed information on the activities carried out to implement its principles and provisions (attached).



5.2. Corporate governance structure

The KCM corporate governance model is aimed at ensuring transparency and accountability and provides for a clear separation of powers and responsibilities between KCM bodies, officials and employees.

In accordance with the Charter, the main bodies are:

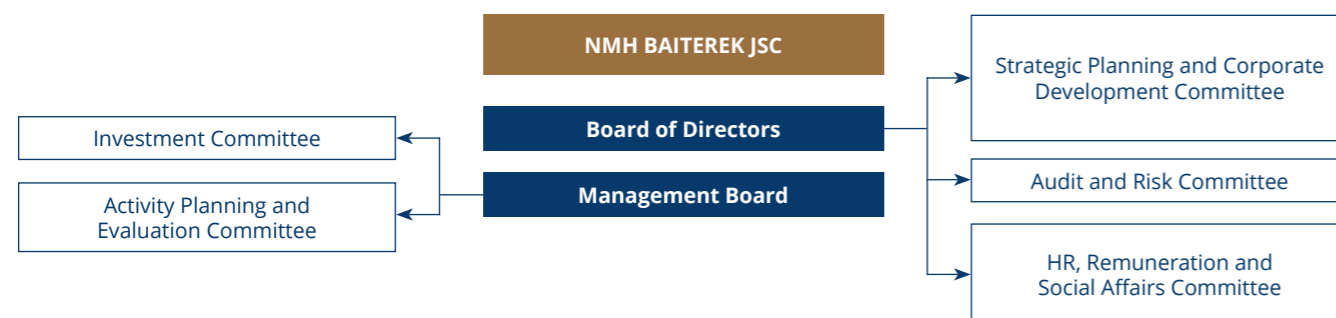
- The sole shareholder is the supreme management body of KCM;
- Board of Directors – management body;
- Management Board – executive body.

The body exercising control over the financial and economic activities of the KCM, assessment in the field of internal control, risk management, execution of documents in the field of corporate governance is the Internal Audit Service.

There are committees under the Board of Directors of KCM, whose competence includes consideration of issues on audit and risks, strategic planning and corporate governance, personnel, remuneration and social issues.

To prepare advisory decisions for the Management Board in certain areas of activity, including for the preparation and preliminary consideration of issues within the competence of the Management Board, committees have been established, including the Committee on Planning and Evaluation of Activities, as well as the Investment Committee.

In accordance with the Code, KCMs in their activities are required to strictly comply with the provisions of the Code and conduct an assessment of corporate governance by the Internal Audit Service once every two years, as well as an independent assessment of corporate governance with the involvement of external auditors at least once every three years, the results of which are posted on the Company's website.



By the decision of the Board of Directors of KCM dated January 28, 2022 (Minutes No. 2/22), the audit report "Assessment of the corporate Governance System" was approved based on the results of the diagnosis of corporate governance in the Company.

The corporate governance assessment was carried out according to three main components: Structure, Processes and Transparency, and is aimed at fulfilling the criteria of the corporate governance system provided for by the Methodology of Corporate Governance Diagnostics in Kazyna Capital Management JSC.

According to the results of diagnostics, compliance of the Company's management with the requirements of the best international practice was 88.6%, whereas it was 77.7% in late 2019.

To address the Internal Audit Service's findings, appropriate recommendations were issued to improve the corporate governance of the KCM.

By the decision of the Board of Directors of KCM dated January 28, 2022 (Minutes No. 2/22), based on the results of the Audit Assignment, the audit object approved an Action Plan to improve KCM corporate Governance based on the results of the audit assignment "Assessment of the Corporate Governance System" in the form of a Plan of corrective and/or preventive actions for the Company based on the results of audit "Assessment of the corporate governance system".

An independent assessment of corporate governance is planned for 2022.

5.2.1. Information about the Sole Shareholder

The sole shareholder of KCM is National Managing Holding Baiterek JSC, established in accordance with the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571 "On some measures to optimize the management system of development institutions, financial organizations and the development of the national economy" and the Decree of the Government of the Republic of Kazakhstan dated May 25, 2013 No. 516 "On measures to implement the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571".

Mission of the National Managing Holding Baiterek JSC is the sustainable development of the Republic of Kazakhstan and the achievement of the goals of "Strategy – 2050".

Vision of the National Managing Holding Baiterek JSC is to be an advanced development institute that provides business support tools in accordance with the best standards and improves the standard of living of the population of the Republic of Kazakhstan.

The key tasks that the Holding solves as part of the implementation of its mission for the sustainable development of Kazakhstan are:

1. development of non-resource sectors of the economy;
2. development of entrepreneurship (private sector of the economy);
3. support to the export of non-resource products;
4. performance improvement;
5. increasing the availability of financing, the level of technical equipment and intensification of production in the agro-industrial complex;
6. support to the urbanization of the economy.

Strategic directions:

1. entrepreneurship support;
2. development of the agro-industrial complex;
3. providing the population with housing.

The sole shareholder of National Managing Holding Baiterek JSC is the Government of the Republic of Kazakhstan.

5.2.2. Information about the Board of Directors

The general management of the KCM activities is carried out by the Board of Directors, with the exception of resolving issues related to the exclusive competence of the Sole Shareholder and the competence of the Management Board. The Board of Directors exercises its powers in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies" (hereinafter – the Law), the Charter and internal regulatory documents of the Company.

At the same time, the Board of Directors of KCM pays special attention to the issues of:

- definition of the development strategy (directions and results);
- delivery and monitoring of key performance indicators set out in the development strategy and/or KCM development plan;
- organization and control over the effective functioning of the risk management system, internal control and internal audit;

- approval and monitoring of the effective functioning of the implementation of major investment projects and other key strategic projects within the competence of the board of Directors;
- election/re-election (except for the Chairman of the Management Board), remuneration, succession planning and control over the activities of members of the executive body;
- corporate governance, etc.

According to the requirements of the Law "On Joint Stock Companies" (subparagraph 5) of paragraph 1 of Article 36) and the Articles of Association, the determination of the quantitative composition, term of office, election of members of the Board of Directors of Kazyna Capital Management JSC, as well as early termination of their powers is the exclusive competence of the Sole Shareholder in the person of National Managing Holding Baiterek JSC.

As of January 1, 2021, the Board of Directors of KCM was represented as follows:

Arifkhanov Aidar Abdrazakhovich	- Chairman of the Board of Directors of KCM, Chairman of the Management Board National Managing Holding Baiterek JSC;
Nurgozhin Adil Ergalievich	- Member of the Board of Directors of KCM, Managing Director of the National Managing Holding Baiterek JSC;
Nicholas Robert Page	- Member of the Board of Directors of KCM, Independent Director;
Ushbayev Anuar Daniyarovich	- Member of the Board of Directors of KCM, Independent Director;
Kuatova Ainur Sainovna	- Member of the Board of Directors of KCM, Chairman of the Board of KCM.

On June 16, 2021, the Sole shareholder of KCM resolved (minutes of the in-person meeting of the Board of National Managing Holding Baiterek JSC No. 30/21) on the early termination of the powers of a member of the Board of Directors of KCM Arifkhanov Aidar Abdrazakhovich. Along with the above decision, the Board of Directors of KCM was recommended to elect Adil Mukhamedzhanov, who was elected a member of the Board of Directors of KCM by the same decision, as Chairman of the Board of Directors of KCM. On June 18, 2021, by the decision of the Board of Directors of KCM (minutes of the in-person meeting No. 9/21) Mukhamedzhanov Adil Bektasovich was elected Chairman of the Board of Directors of KCM with a term of office

until the expiration of the term of office of the Board of Directors of KCM as a whole.

On July 28, 2021, the Sole Shareholder of KCM resolved (minutes of the in-person meeting of the Board of the National Managing Holding Baiterek JSC No. 39/21) on the early termination of the powers of a member of the Board of Directors of KCM Nurgozhin Adil Ergalievich, from July 19, 2021. Along with this decision, Vyacheslav Vladimirovich Son was elected as a member of the Board of Directors of KCM, as a representative of the Sole Shareholder, with a term of office until the expiration of the term of office of the Board of Directors of KCM as a whole.

Composition of the Board of Directors of KCM as of December 31, 2021:

Mukhamedzhanov Adil Bektasovich	- Chairman of the Board of Directors of KCM, Deputy Chairman of the Management Board National Managing Holding Baiterek JSC;
Son Vyacheslav Vladimirovich	- Member of the Board of Directors of KCM, Managing Director of the National Managing Holding Baiterek JSC;
Nicholas Robert Page	- Member of the Board of Directors of KCM, Independent Director;
Ushbayev Anuar Daniyarovich	- Member of the Board of Directors of KCM, Independent Director;
Kuatova Ainur Sainovna	- Member of the Board of Directors of KCM, Chairman of the Board of KCM.

Information on independent directors

According to the international practice of corporate governance and the requirements of the Law, it is necessary to have independent directors who ensure that the Board of Directors makes objective decisions. Their number should be at least thirty percent of the Board of Directors.

In accordance with subparagraph 20 of Article 1 of the Law, an independent director is a member of the Board of Directors who (1) is not an affiliated person of this joint-stock company and has not been one during the three years preceding his election to the board of directors (except in the case of his tenure as an independent director of this joint-stock company), is not an affiliated person in relation to the affiliated persons of this joint-stock company; (2) is not subordinated to officials of this joint-stock company or affiliated organizations of this joint-stock company and was not subordinated to these persons during the three years preceding his election to the board of directors;

(3) is not a civil servant; (4) is not a shareholder's representative at meetings of the bodies of this joint-stock company and was not a shareholder during the three years preceding his election to the board of directors; (5) does not participate in the audit of this joint-stock company as an auditor working as part of an audit organization, and did not participate in such an audit during the three years preceding his election to the board of directors.

By the decision of the Board of the National Managing Holding Baiterek JSC dated September 21, 2020, independent directors Nicholas Page and Anuar Ushbayev, who met the listed criteria of independence, were included in the Board of Directors of the Company.

In addition, the agreements concluded between the Company and independent directors provide for the obligation of the independent director to comply with the requirements concerning the conflict of interests and his responsibility for failure to provide relevant information.

Composition of the Board of Directors:



**MUKHAMEDZHANOV
ADIL
BEKTASOVICH**

Mukhamedzhanov Adil Bektasovich – Chairman of the Board of Directors of JSC Kazyna Capital Management, Deputy Chairman of the Board of JSC National Managing Holding Baiterek.

Adil Mukhamedzhanov (born in 1981) graduated from the T.Ryskulov Kazakh University of Economics with the qualification "Economist", the University of Nottingham (United Kingdom), the Business School of Chicago Booth under the EMBA program.

He has more than 17 years of experience in corporate governance. He started his career in October 2003 as a specialist in the Project Management Department at KazTransOil CJSC. In the period from March 2004 to March 2016, he worked at Caspian Energy Inc. PLS Canada, Toronto, at Aral Petroleum Capital JSC as a financial manager, Vice President, and was also a member of the Board of Directors of this company. From September 2010 to December 2011 – Chairman of the Management Board of Otan Open Accumulative Pension Fund JSC. In the period from May 2008 to May 2016 – Member of the Board of Directors of AsiaKreditBank JSC. From September 2016 to May 2021 – Chairman of the Management Board of Kazakhstan Housing Company JSC. In May 2021, by the decision of the Board of Directors, he was appointed Deputy Chairman of the Board of the National Managing Holding Baiterek JSC.

Part-time work and membership in the SD/NS: Member of the Board of Directors of Development Bank of Kazakhstan JSC (since 06/16/2021), Member of the Board of Directors of FRP Damu JS (as of 06/16/2021), Member of the Board of Directors of ESC KazakhExport JSC (as of 06/16/2021).

Ownership of shares of KCM and its subsidiaries: no ownership.
Citizenship – the Republic of Kazakhstan.



**VYACHESLAV
VLADIMIROVICH
SON**

Vyacheslav Vladimirovich Son – Member of the Board of Directors of KCM since July 28, 2021, Managing Director of the National Managing Holding Baiterek JSC, member of the HR, Remuneration and Social Affairs Committee, Audit and Risk Committee and the Strategic Planning and Corporate Development Committee.

Vyacheslav Son (born in 1982) graduated from the Kazakh Humanitarian Law University (jurisprudence), the Modern Humanitarian University (Linguistics), as well as the University of International Business (MBA, Finance and Credit).

Has extensive experience in the quasi-public sector, in the field of corporate governance:

- From 2002 to 2009 – Lawyer, Chief Lawyer, Head of the Legal Department, Director of the Legal Department of Development Bank of Kazakhstan JSC;
- From 2009 to 2011 – Managing Director for Administrative and Legal Work of National Mining Company Tau-Ken Samruk JSC;
- in 2011 – 2012 – Managing Director for Project Development of National Mining Company Tau-Ken Samruk JSC;
- From 2012 to 2013 – Chief of Staff, Deputy General Director of the Republican State Enterprise “Kazspetsexport” of the Ministry of Defense of the Republic of Kazakhstan;
- From 2013 to 2016 – Director of the Audit and Control Department of National Managing Holding Baiterek JSC;
- From January 2017 to the present day – Managing Director of National Managing Holding Baiterek JSC.

Part-time work and membership in the SD: No.

Ownership of shares of KCM and its subsidiaries: no ownership.

Citizenship – the Republic of Kazakhstan.



**NICHOLAS
ROBERT
PAGE**

Nicholas Robert Page – Member of the Board of Directors of KCM, Independent Director since October 22, 2020, Chairman of the Audit and Risk Committee and the Strategic Planning and Corporate Development Committee as well as a member of the HR, Remuneration and Social Affairs Committee.

Nicholas Page (born 1968) graduated with honors from Loughborough University in 1990 with a degree in Civil Engineering and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Mr. Page has 30 years of professional experience in international finance and mergers and acquisitions. From 2020 to the present, Mr. Page has been the CFO of Arabesque, the company is engaged in the implementation of sustainable development practices and artificial intelligence in asset and data management. In 2016–2019, he was a partner of PricewaterhouseCoopers LLP in the UK, where he advised financial institutions and private investors on mergers and acquisitions, and also held a number of senior positions. Mr. Page was a non-executive Director on the boards of Directors of EuroChem Group AG and SUEK Group. From 1990 to 2016 he worked at PricewaterhouseCoopers, equity analyst at BNP Paribas, CEO at AIM Capital SE and Independent Director of EuroChem Group AG and SUEK Group.

Part-time work and membership in the SD/NS: Executive Director, Member of the Board of Directors and Member of the Executive Committee of Arabesque Holding Ltd (fka Arabesque Asset Management Holdings Ltd) (2020 – present).

Ownership of shares of KCM and its subsidiaries: no ownership.
Citizenship – United Kingdom.



**USHBAYEV
ANUAR
DANIYAROVICH**

Ushbayev Anuar Daniyarovich – Member of the Board of Directors of KCM, independent Director since October 22, 2020. HR, Remuneration and Social Affairs Committee; Member of the Audit and Risk Committee and the Strategic Planning and Corporate Development Committee.

Anuar Ushbayev (born in 1988) has a Bachelor's degree in Economics, University of Warwick, a Master's degree in applied mathematics and Finance, Imperial College London, has extensive experience in investment banking, capital markets and investment management in Europe and the countries of the Eurasian continent, is a specialist in exchange and private investment, corporate support financial transactions, macroeconomic policy.

He has considerable experience in negotiating and structuring transactions to attract equity and debt capital, mergers and acquisitions in Société Générale CIB in the UK and France. Previously, at Société Générale CIB, Anuar Ushbayev focused on the development of complex structured asset and liability management decisions for institutional clients (banks, insurance companies, pension funds) as well as corporate clients, mainly from developing countries. He worked on the development of trading strategies and investment decisions based on statistical arbitrage, using derivatives and algorithmic trading in the Systematic Alpha Trading group at Goldman Sachs in London.

Part-time work and membership in the SD/NS: Member of the Board of Directors of Tengri Partners Investment Banking JSC (Kazakhstan)" (since 29.03.2021), Member of the Board of Directors of Baiterek Venture Fund JSC (since 28.10.2021), Member of the Board of Directors of Leasing Group JSC (since 09.11.2020), Chairman of the Management Board, Member of the Board of Directors, Tengri Partners Investment Banking JSC(Kazakhstan)" (21.12.2018 – 26.03.2021).

Ownership of shares of KCM and its subsidiaries: no ownership.
Citizenship – the Republic of Kazakhstan.



**KUATOVA
AINUR
SAINOVNA**

Kuatova Ainur Sainovna – Member of the Board of Directors, Chairman of the Management Board of the Company since January 6, 2020.

Ainur Kuatova (born in 1973) holds a Master's degree in Business Administration from Middlesex University and a Bachelor's degree in Economics from the Kazakh State Academy of Management.

Prior to her appointment to Kazyna Capital Management JSC, since 2016 she held the position of Managing Director – member of the Board of Baiterek National Managing Holding JSC, supervised issues of project financing, public-private partnership, export support and work with investors.

She has more than 20 years of experience in public service and corporate governance.

From 2012 to 2015, she held the positions of Deputy Chairman of the Management Board for Strategy and Business Transformation of NAC Kazatomprom JSC and Deputy Chairman of the Management Board of NC Astana EXPO-2017 JSC.

Over the years, she held senior positions in the companies Lancaster Invest JSC, KMK Munai JSC, Karpovsky Severny JSC. She worked in the civil service as the head of the Department of the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan and Adviser to the Minister of Environment and Water Resources of the Republic of Kazakhstan.

Part-time work and membership in the SD/NS: Member of the Supervisory Board of Kazakhstan Project Preparation Fund LLP (since 25.12.2020 – 27.01.2022).

Ownership of shares of KCM and its subsidiaries: no ownership.
Citizenship – the Republic of Kazakhstan.

Committees of the Board of Directors of KCM

To consider the most important issues and prepare recommendations to the Board of Directors, the following committees have been established and operate in KCM:

- Audit and Risk Committee;
- HR, Remuneration and Social Affairs Committee;
- Strategic Planning and Corporate Development Committee.

In accordance with generally accepted principles of corporate governance, the committees of the Board of Directors are headed by members of the Board of Directors from among independent directors.

The Audit and Risk Committee of the Board of Directors of KCM was established to improve the efficiency and quality of the work of the Board of Directors by preparing recommendations to the Board of Directors on establishing an effective system of control over the financial and economic activities of the Company (including the completeness and reliability of financial statements), monitoring the reliability and effectiveness of the internal control and risk management system, to control the independence of external and internal audit and anti-corruption compliance service, compliance with the legislation of the Republic of Kazakhstan, internal documents as well as to prepare recommendations to the Board of Directors of the Company on the development of priority areas of activity (development), and the functioning of an adequate risk management system in the Company, improving and strengthening the risk management system.

Composition of the Audit and Risk Committee of the Board of Directors of KCM as of January 1, 2021:

- N.R. Page – Chairman of the Committee;
- A.D. Ushbaev – Member of the Committee;
- A.E. Nurgozhin – Member of the Committee.

Composition of the Audit and Risk Committee of the Board of Directors of KCM as of December 31, 2021:

- N.R. Page – Chairman of the Committee;
- V.V. Son – Member of the Committee;
- A.D. Ushbaev – Member of the Committee.

PARTICIPATION OF MEMBERS OF THE AUDIT AND RISK COMMITTEE IN MEETINGS IN 2021:

Members of the Committee	№ 1/21 27.01	№ 2/21 25.02	№ 3/21 17.03	№ 4/21 21.04	№ 5/21 03.06	№ 6/21 18.06	№ 7/21 22.07	№ 8/21 08.09	№ 9/21 10.11	10/21 06.12	№ 11/21 27.12
N.R. Page	+	+	+	+	+	+	+	+	+	+	+
A.D. Ushbaev	+	+	+	+	+	+	+	+	+	+	+
A.E. Nurgozhin	+	+	+	+	+	+					
V.V. Son							+	+	+	+	+

Designation:

1) “+” – participated in person;

2) “empty cell” – was not a member of the Committee.

In 2021, 11 meetings of the Audit and Risk Committee of the KCM Board of Directors were held, 43 issues were considered and relevant recommendations were made to the KCM Board of Directors, including:

- preliminary review of KCM risk reports;
- on preliminary consideration of the audit report “Assessment of the effectiveness of the internal control system” and the plan of corrective actions based on the results of the audit assignment “Assessment of the effectiveness of the internal control system”;
- on the preliminary review of the report on the results of the internal quality assessment of the Internal Audit Service of the Kazyna Capital Management JSC for 2020;
- on preliminary review of the report on the activities of the Internal Audit Service of the Kazyna Capital Management JSC for 2020 and the results of the assessment of the performance of key performance indicators and the development of personal and business competencies of the head of the Internal Audit Service of the Kazyna Capital Management JSC for 2020;
- about preliminary consideration of the issue of approval of the Policy of the organization of external audit in Kazyna Capital Management JSC;
- on preliminary approval of the Regulations on the Audit and Risk Committee of the Board of Directors of Kazyna Capital Management JSC;
- preliminary review of the annual consolidated and separate financial statements of KCM for 2020;
- review of regular reports on the activities of the KCM Internal Audit Service;
- consideration of draft documents regulating the activities of the KCM Internal Audit Service;
- on preliminary consideration of the risk appetite of Kazyna Capital Management JSC for 2022;
- consideration of the annual audit plan of the Internal Audit Service for 2022.

The HR, Remuneration and Social Affairs Committee of the Board of Directors of the Company was established to improve the efficiency and quality of the work of the Board of Directors, through in-depth study and monitoring of issues within the competence of the Board of Directors in the field of personnel policy, appointment and remuneration systems as well as evaluation of the activities in general and separately of the members of the Board of Directors of the Company, members of the Management Board of the Company, succession planning of the Chairman and members of the Management Board and evaluation of the activities of the Corporate Secretary.

Composition of the HR, Remuneration and Social Affairs Committee as of January 1, 2021:

- A.D. Ushbaev – Chairman of the Committee;
- N.R. Page – Member of the Committee;
- A.E. Nurgozhin – Member of the Committee.

Composition of the HR, Remuneration and Social Affairs Committee as of December 31, 2021:

- A.D. Ushbaev – Chairman of the Committee;
- N.R. Page – Member of the Committee;
- V.V. Son – Member of the Committee.

In 2021, 13 in-person meetings of the Committee were held, 45 issues were considered and appropriate recommendations were made to the Board of Directors of KCM, including:

- on preliminary consideration of the appointment of the Ombudsman of Kazyna Capital Management JSC and determination of the term of his powers;
- on preliminary consideration of amendments to the Rules of Remuneration and Bonuses, performance evaluation and provision of social support to employees of the Internal Audit

Participation in meetings of members of the HR, Remuneration and Social Affairs Committee in 2021:

Members of the Committee	№ 1/21 27.01	№ 2/21 25.02	№ 3/21 17.03	№ 4/21 21.04	№ 5/21 03.06	№ 6/21 18.06	№ 7/21 01.07	№ 8/21 22.07	№ 9/21 08.09	№ 10/21 28.10	№ 11/21 10.11	№ 12/21 06.12	№ 13/21 27.12
A.D. Ushbaev	+	+	+	+	+	+	+	+	+	+	+	+	+
N.R. Page	+	+	+	+	+	+	+	+	+	+	+	+	+
A.E. Nurgozhin	+	+	+	+	+	+	+						
V.V. Son									+	+	+	+	+

1) “+” – participated in person;

2) “empty cell” – is not a member of the Committee.

The Strategic Planning and Corporate Development Committee of the Company's Board of Directors

was established to enhance the preparation of recommendations to the Board of Directors on the development of priority areas of activity (development), strategic goals (development strategy), corporate development issues, including issues on the development of measures to improve the efficiency of the Company in the medium and long term, its profitable activities and sustainable development.

Composition of the Strategic Planning and Corporate Development Committee as of January 1, 2021:

Service and Corporate Secretary accountable to the Board of Directors of Kazyna Capital Management JSC;

- on preliminary approval of the Regulations on the Personnel, Remuneration and Social Affairs Committee of the Board of Directors of Kazyna Capital Management JSC;
- on preliminary consideration of the issue of evaluating the activities of the Board of Directors of Kazyna Capital Management JSC and its committees for 2020;
- on preliminary consideration of issues on early termination of powers of a member of the Board of Directors of the Baiterek Venture Fund JSC and election of a member of the Board of Directors of the Baiterek Venture Fund JSC;
- on preliminary consideration of the issue of approving the total number of employees of Kazyna Capital Management JSC;
- on preliminary consideration of the issue of election of the Chairman of the Board of Directors of Kazyna Capital Management JSC;
- on preliminary consideration of the issue of determining the size of the official salaries of the executives of the joint-stock company “Kazyna Capital Management”;
- on preliminary consideration of the appointment of the Ombudsman of Kazyna Capital Management JSC and determination of the term of his powers;
- on preliminary consideration of the issue of election of a member of the Management Board of Kazyna Capital Management JSC;
- on preliminary consideration of the issue of approval of the salary scheme (based on grades) of senior employees of the Kazyna Capital Management JSC in a new edition;
- on consideration of regular reports on the performance of the efficiency of the corporate secretary of the KCM.

- N.R. Page – Chairman of the Committee;
- A.D. Ushbaev – Member of the Committee;
- A.E. Nurgozhin – Member of the Committee.

Composition of the Strategic Planning and Corporate Development Committee as of December 31, 2021:

- N.R. Page – Chairman of the Committee;
- A.D. Ushbaev – Member of the Committee;
- V.V. Son – Member of the Committee.

In 2021, 12 meetings of the Strategic Planning and Corporate Development Committee were held, 47 issues were considered and appropriate recommendations were made to the Board of Directors of KCM, including:

- review of regular reports on the strategic portfolio of KCM;
- consideration of implementation of, and revisions to the KCM's development plan;
- about preliminary consideration of certain types of standards and other limits of administrative expenses of the KCM;
- on preliminary consideration of the issue of approval of the KCM Stakeholders' Map;
- on preliminary approval of the Regulations on the Strategic Planning and Corporate Development Committee of the Board of Directors of KCM;

- on preliminary consideration of the Report on the Strategic Portfolio of Kazyna Capital Management JSC for 2020;
- on preliminary consideration of amendments to the Preferential Financing Program of Kazyna Capital Management JSC and/or its subsidiaries, including private equity funds;
- on preliminary consideration of the Rules for the development, coordination, approval, adjustment, execution and monitoring of the implementation of the KCM development plan in the new edition;
- on preliminary consideration of the issue of approval of the KCM Sustainable Development Policy in a new edition;
- on the preliminary consideration of the issue of approving the Investment Policy of the KCM.

Participation in meetings of members of the Strategic Planning and Corporate Development Committee in 2021:

Members of the Committee	№ 1/21 27.01	№ 2/21 25.02	№ 3/21 17.03	№ 4/21 21.04	№ 5/21 03.06	№ 6/21 01.07	№ 7/21 22.07	№ 8/21 08.09	№ 9/21 28.10	№ 10/21 10.11	№ 11/21 06.12	№ 12/21 27.12
N.R. Page	+	+	+	+	+	+	+	+	+	+	+	+
A.D. Ushbaev	+	+	+	+	+	+	+	+	+	+	+	+
A.E. Nurgozhin	+	+	+	+	+	+						
V.V. Son								+	+	+	+	+

Designation:

1) "+" – participated in person;

2) "empty cell" – was not a member of the Committee.

Information about meetings of the Board of Directors

In 2021, 12 in-person meetings and 11 absentee meetings of the Company's Board of Directors were held and decisions were made on 146 issues, among the most important decisions taken:

- on approval of the audit report "Assessment of the effectiveness of the internal control system" and the plan of corrective actions based on the results of the audit assignment "Assessment of the effectiveness of the internal control system";
- on the approval of the Policy of the organization of external audit in Kazyna Capital Management JSC;
- on approval of the concluded transaction in which Kazyna Capital Management JSC has interest;
- on the appointment of the Ombudsman of the Kazyna Capital Management JSC and the determination of his term of office;
- on approval of amendments to the Rules of Remuneration and Bonuses, Performance Evaluation and Provision of Social Support to Employees of the Internal Audit Service and Corporate Secretary accountable to the Board of Directors of Kazyna Capital Management JSC;

- on approval of the Regulations on the Audit and Risk Committees of the Company's Board of Directors, on Personnel, Remuneration and Social Issues of the Company's Board of Directors, on Strategic Planning and Corporate Development of the Board of Directors of Kazyna Capital Management JSC;
- on consideration of the Report on the Strategic Portfolio of Kazyna Capital Management JSC for 2020;
- on approval of the results of the evaluation of the activities of the Board of Directors of Kazyna Capital Management JSC and its Committees for 2020;
- on preliminary consideration of the issue of election of the Chairman of the Board of Directors of Kazyna Capital Management JSC.

According to the Work Plan of the Company's Board of Directors for 2021 approved by the decision of the Company's Board of Directors dated December 9, 2020 (Minutes No. 15/20), 45 issues were scheduled for consideration by the Company's Board of Directors in 2021.

44 issues were considered in the reporting period, 1 issue "On approval of the report on the performance of key performance

indicators of the Head of the Internal Audit Service of Kazyna Capital Management JSC for the 2nd quarter of 2021" was not considered due to the change of the head of the Internal Audit Service in the 2nd quarter of 2021.

Statistics of attendance by members of the Board of Directors of in-person meetings of the Board of Directors of the Company in 2021:

Full name	participation	%
A.A. Arifkhanov	4/4	100%
A.B. Mukhamedzhanov	8/8	100%
A.E. Nurgozhin	6/6	100%
V.V. Son	5/6	83,3%
N.R. Page	12/12	100%
A.D. Ushbaev	12/12	100%
A.S. Kuvatova	12/12	100%

5.2.3. Formation of the Board of Directors, the process of selecting members of the Board of Directors

The personal and quantitative composition of the Board of Directors is determined by the decision of the Sole Shareholder. The formation of the Board of Directors and the selection process of the members of the Board of Directors, including independent directors, is carried out in accordance with the Law, the Charter, the Corporate Governance Code of KCM, the Regulations on the Board of Directors of KCM.

As of December 31, 2020, the Board of Directors consisted of 5 members – the Chairman of the Board of Directors, a representative of the Sole Shareholder, a representative of KCM and 2 independent directors.

5.2.4. Information on the evaluation of the activities of the Board of Directors

On December 7, 2021, the Board of Directors of the Company resolved (Minutes No. 21/21) to evaluate the activities of the Board of Directors of the Company and its committees as well as the activities of the members of the Board of Directors of the Company for 2021 through a questionnaire.

Based on the results of the questionnaire on a four-point rating system, the strengths of the Board of Directors and its committees were identified as well as areas for further improvement for the Board of Directors and its committees, the questionnaire results were noted by the members of the Board of Directors.

Strengths of the Board of Directors (based on the questionnaire questions that scored an average of more than 3.7 points):

- The Board of Directors pays enough attention to, and, when making decisions, focuses on achieving the set goals and protecting the interests of the Company and its Sole Shareholder;
- The Board of Directors performs its duties well in assessing the work of the first head and members of the executive body (has the Board of Directors determined the main indicators of the Company's profitability in order to assess the effectiveness of the executive body on this basis);
- Members of the Board of Directors receive properly prepared materials on the agenda of the meeting of the Board of Directors;

- The number of members of the Board of Directors meets the needs of the Company;
- Effective leadership of the Chairman of the Board of Directors at the level of the Board of Directors itself;
- The composition of the Board of Directors (since the point of view of the knowledge and experience of its members) allows the latter to perform the duties of exercising control and developing the Company's strategy;
- Effective joint work of the members of the Board of Directors. The Board of Directors is effective as a collegial body and the expression of dissenting opinions by directors is encouraged;
- Meetings of the Board of Directors are held in accordance with the Work Plan of the Board of Directors;
- Members of the Board of Directors devote sufficient time to studying the Company's activities and its specifics in order to effectively perform their control functions;
- Members of the Board of Directors disclose information about their interest in transactions and abstain from voting in such cases;
- The Board of Directors has all the necessary tools for proper control over the financial and economic activities of the Company;
- The Board of Directors regularly monitors and evaluates the progress of strategic objectives, execution and approval of plans, budget and efficiency of the Company's activities;

- The Board of Directors and the executive body pay full attention to the main risks that may have a significant impact on the Company's activities;
- The Board of Directors has sufficient time and information to make informed important decisions regarding future goals, strategy, policy, major investment projects, appointments to senior management positions, etc.;
- The Board of Directors has all the necessary skills and knowledge, as well as a variety of opinions and approaches;
- Meetings of the Board of Directors are held in such a way as to ensure an open exchange of views, active participation of members of the Board of Directors and timely resolution of issues;
- Reports during meetings of the Board of Directors provide sufficiently clear information for making informed decisions.

Areas for further improvement (based on questionnaire questions with an average score of less than 3.5 points):

- At the meetings of the Board of Directors, sufficient time is given to discuss each issue;
- Provision of any form of protection to the members of the Board of Directors by the Company in case liability of any member of the Board of Directors arises;
- Participation of the Chairman of the Board of Directors in the process of taking office and adaptation of newly elected members of the Board of Directors.

In general, almost all the results of evaluating the activities of the Board of Directors have improved, compared with 2020.

Special improvements occurred in the following areas:

- The Board of Directors pays enough attention and, when making decisions, focuses on achieving the set goals and protecting the interests of the Company and its Sole Shareholder;
- Regular monitoring and evaluation by the Board of Directors of the progress of strategic objectives, approval and implementation of plans, budget and efficiency of the Company's activities;
- The Board of Directors has sufficient time and information when making important decisions regarding future goals, strategy, policy, major investment projects, appointments to senior management positions, etc.;
- To a high degree, the Board of Directors and the executive body pay attention to the main risks that may have a significant impact on the Company's activities;
- The number of the members of the Board of Directors meets the needs of the Company;
- Meetings of the Board of Directors are held in such a way as to ensure an open exchange of views, active participation of members of the Board of Directors and timely resolution of issues;
- The Board of Directors has all the necessary skills and knowledge, as well as a variety of opinions and approaches.

During the period under review, the Company has achieved success in the development of the corporate governance system, the work plans of the Board of Directors and Committees for the year are drawn up, approved and executed in a timely manner. The Company has strengthened the role of the Board of Directors in making key decisions: determining the Company's Strategy, investment and budget planning, establishing a system of motivation and evaluation of management activities, as well as supervision of the Company's assets and the reliability and effectiveness of risk management systems, internal control, internal audit and corporate governance systems. The norms of internal regulatory documents on the deadlines for the provision of materials to members of the Board of Directors are observed, the instructions of the Board of Directors are executed, the minutes of the Board of Directors and committees are signed in a timely manner.

5.2.5. Information about the Board

The management of current activities is carried out by a collegial executive body – the Management Board, headed by the Chairman of the Management Board.

The Management Board of the Kazyna Capital Management JSC consists of 5 members. The members of the Management Board, with the exception of the Chairman of the Management Board of KCM, are elected by the Board of Directors of KCM.

The Chairman of the Management Board of KCM is elected by the Sole Shareholder. When choosing representatives for appointment to the executive body, work experience is taken into account, including experience in senior positions in financial and other organizations similar in profile to the KCM, education, high professional and personal qualities and other parameters that allow strengthening the role of the KCM Board.

THE COMPOSITION OF THE MANAGEMENT BOARD OF THE COMPANY ACTING FOR THE REPORTING PERIOD:

Kuatova Ainur Sainovna	- Chairman of the Management Board;
Makanalina Gulnara Sabitovna	- Deputy Chairman of the Management Board;
Kuanysbayev Renat Borzhikhanovich	- Deputy Chairman of the Management Board;
Meyrkhanov Ruslan Talgatovich	- Deputy Chairman of the Management Board;
Kabdrakhmanov Yerlan Dulanovich	- Managing Director, Member of the Management Board;
Sagimbekov Asset Serikovich	- Deputy Chairman of the Management Board (powers terminated on July 1, 2021);
Nurskenov Daniyar Zhunisbekovich	- Deputy Chairman of the Management Board (powers terminated from December 8, 2021).



**KUATOVA
AINUR
SAINOVNA**

Kuatova Ainur Sainovna -Chairman of the Management Board of the Company, Member of the Board of Directors since January 6, 2020.

Ainur Kuatova (born in 1973) holds a Master's degree in Business Administration from Middlesex University and a Bachelor's degree in Economics from the Kazakh State Academy of Management.

Prior to her appointment to Kazyna Capital Management JSC, since 2016 she held the position of Managing Director – member of the Board of Baiterek National Managing Holding JSC, supervised issues of project financing, public-private partnership, export support and work with investors.

She has more than 20 years of experience in public service and corporate governance.

From 2012 to 2015, she held the positions of Deputy Chairman of the Management Board for Strategy and Business Transformation of NAC Kazatomprom JSC and Deputy Chairman of the Management Board of NC Astana EXPO-2017 JSC.

Over the years, she held senior positions in the companies Lancaster Invest JSC, KMK Munai JSC, Karpovsky Severny JSC. She worked in the civil service as the head of the Department of the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan and Adviser to the Minister of Environment and Water Resources of the Republic of Kazakhstan.

Part-time work: there is no part-time job.

Ownership of shares of the Company and its subsidiaries: no ownership.

Participation in the work of the Committee under the Board of Directors: no participation.

Functional responsibilities, powers: The rights and obligations of the members of the Management Board are determined by the legislative acts of the Republic of Kazakhstan, the Charter of the Company, the Regulations on the Management Board of the joint-stock company, as well as the employment contract concluded with the Company.

Citizenship – the Republic of Kazakhstan.



**MAKANALINA
GULNARA
SABITOVNA**

Makanalina Gulnara Sabitovna – Deputy Chairman of the Management Board since August 13, 2020.

Gulnara Makanalina (born in 1978) graduated from KSU named after A. Baitursynov graduated in 1999 with a degree in Physics, and in 2001 with a degree in Economics and Management. In 2006, she completed postgraduate studies at Al-Farabi Kazakh National University (Almaty), majoring in Mathematical Modeling, Numerical Methods and Software Packages, with the award of the degree of Candidate of Physical and Mathematical Sciences. From 2007 to 2014, she was engaged in risk management in the field of investment management of pension assets. Prior to her current position, since 2015 she held the position of Director of the Treasury Department at NMH Baiterek JSC. In 2020, she received a Master of Business Administration degree – Executive Master of Business Administration at Moscow State University named after M. V. Lomonosov (Moscow). She has more than 13 years of experience in treasury, corporate finance and risk management. Awards: Public medal of the Association of Financiers of Kazakhstan “The best financier”, 2013. Departmental award of the Ministry of Finance of the Republic of Kazakhstan “Karzhy kazmetinin uzdigi”, 2019.

Part-time work: there is no part-time job.

Ownership of shares of the Company and its subsidiaries: no ownership.

Participation in the work of the Committee under the Board of Directors: no participation.

Functional responsibilities, powers: The rights and obligations of the members of the Management Board are determined by the legislative acts of the Republic of Kazakhstan, the Charter of the Company, the Regulations on the Management Board of the joint-stock company, as well as the employment contract concluded with the Company.



**KUANYSHBAYEV
RENAT
BORZHIKHANOVICH**

Kuanyshbayev Renat Borzhikhanovich – Deputy Chairman of the Management Board since October 1, 2020.

Renat Kuanyshbayev (born in 1979) graduated from Kainar University (Almaty) in 2002, majoring in International Economics.

He has more than 15 years of experience in the field of strategic planning, economics, business process reengineering, project management, implementation of ERP systems. From 2007 to 2014, he was engaged in management reporting, treasury and budgeting in the field of subsoil use. In 2010, he received a Master of Business Administration degree from Moscow State University named after M. V. Lomonosov (Moscow). In subsequent years, he headed the business solutions development unit of the business transformation program of Kazpost JSC. He also held the position of Head of the Management Reporting and Budgeting Service of Sovereign Wealth Fund Samruk-Kazyna JSC. From 2017 to 2020, he held the position of Managing Director of the consulting company Nova Management Group LLP. Supervised issues of strategic development, finance and implementation of information technologies.

Part-time work: there is no part-time job.

Ownership of shares of the Company and its subsidiaries: no ownership.

Participation in the work of the Committee under the Board of Directors: no participation.

Functional responsibilities, powers: The rights and obligations of the members of the Management Board are determined by the legislative acts of the Republic of Kazakhstan, the Charter of the Company, the Regulations on the Management Board of the joint-stock company, as well as the employment contract concluded with the Company.



**KABDRAKHMANOV
YERLAN
DULANOVICH**

Kabdrakhmanov Yerlan Dulanovich – Deputy Chairman of the Management Board since October 5, 2020.

Yerlan Kabdrakhmanov (born in 1987) Graduated from Syracuse University, USA, Martin J. Whitman School of Management with a degree in Finance and Marketing in 2009. He has more than 10 years of experience in risk management and control, audit, investment, and sales. In 2009, he began his professional career in sales at LLC “Ultimate Wireless”, Boston, USA. In subsequent years, he worked in the audit, investment block. From 2011 to 2016, he dealt with risk management issues at Real Estate Fund Samruk-Kazyna JSC. Until 2018, he headed the risk management service at Kazakhtelecom JSC. In 2018, he headed the e-commerce direction at Kazpost JSC. Since 2019, he worked at Kcell JSC as the head of the risk and control department.

Part-time work: there is no part-time job.

Ownership of shares of the Company and its subsidiaries: no ownership.

Participation in the work of the Committee under the Board of Directors: no participation.

Functional responsibilities, powers: The rights and obligations of the members of the Management Board are determined by the legislative acts of the Republic of Kazakhstan, the Charter of the Company, the Regulations on the Management Board of the joint-stock company, as well as the employment contract concluded with the Company.



**MEYRKHANOV
RUSLAN
TALGATOVICH**

Meyrkhanov Ruslan Talgatovich – Deputy Chairman of the Management Board since December 8, 2021.

Ruslan Meyrkhanov (born in 1981) graduated from Al-Farabi Kazakh National University, Bachelor’s degree in World Economy in 2002. In 2007, he received a Master’s degree in Business Administration from the Kazakhstan Institute of Management, Economics and Forecasting (KIMEP).

He has more than 10 years of experience in investments, including government loans. He also engaged in the reorganization of business processes, strategy development and financial consulting. In overall, he has 17 years of work experience in leadership positions. From 2007 to April 2008, he held the position of President of the Almaty Venture Capital Venture Fund JSC. Until 2010, he was Chairman of the Board of Investment Company Mangistau JSC, Aktau. From 2011 to 2012 – General Director of Kuat Agro LLP (a company with foreign participation), Astana. From 2013 to 2014 – Deputy Chairman of the Board of Kazakhstan Housing and Construction Corporation JSC. From March to July 2015 – Advisor to the Minister of Finance of the Republic of Kazakhstan. From July 2015 to 2019 – Director of the State Borrowing Department of the Ministry of Finance of the Republic of Kazakhstan.

Part-time work: there is no part-time job.

Ownership of shares of the Company and its subsidiaries: no ownership.

Participation in the work of the Committee under the Board of Directors: no participation.

Functional responsibilities, powers: The rights and obligations of the members of the Management Board are determined by the legislative acts of the Republic of Kazakhstan, the Charter of the Company, the Regulations on the Management Board of the joint-stock company as well as the employment contract concluded with the Company.

Information on the activities of the Management Board and the Management Board Committees

The activities of the Management Board are regulated by the Regulation on the Management Board approved by the decision of the Board of Directors of the Company dated November 6, 2020 (Minutes No. 14/20).

In accordance with paragraph 3 of the Regulations for the Preparation, Coordination, Holding of Meetings and Execution of Decisions of the Management Board of Kazyna Capital Management JSC, approved by the decision of the Management Board of the Company dated October 19, 2020 (Minutes No. 35/20), meetings of the Management Board of the Company

may be regular and extraordinary. The next meeting of the Management Board is held on the second working day of each week. If necessary, at the discretion of the Chairman of the Management Board, the date of the next meeting of the Management Board may be postponed to another day. 71 Board meetings were held in 2021. The Company's Management Board has established permanent committees, such as the Investment Committee and the Activity Planning and Evaluation Committee, which consider issues on various aspects of operational activities and make recommendations to the Management Board on their effective solution.

Since the beginning of 2021, 71 meetings of the Company's Management Board have been held. During the reporting period, 251 issues related to the Company's activities were considered.

The remuneration system of the Company's executives is determined in accordance with the Rules on Remuneration, Performance Evaluation and Remuneration of the Executives of the Kazyna Capital Management JSC (approved by the decision of the Board of Directors of the KCM dated September 26, 2019 No. 9/19) and includes official salary, health-related financial assistance, remuneration based on the results of work for the corresponding period as well as a one-time bonus for Public holidays.

Remuneration based on the results of work for the corresponding period is paid depending on the results of the evaluation of the activities of managers in order to financially reward them for their achievements and improve the effectiveness of work, depending on the degree to which managers achieve strategic goals. The effectiveness of achieving the strategic goals of

managers is assessed by two types of key performance indicators (KPIs): corporate and functional KPIs.

Annual remuneration is paid to the members of the Management Board based on the results of the approval of the audit of the Company's financial statements, subject to the achievement of the approved efficiency of the Company's executives. The decision of the Board of Directors of the Company dated June 7, 2021 (Minutes No. 08/21) approved remuneration based on the results of work for 2020 to the members of the Management Board of the Company in proportion to the time worked.

Remuneration of members of the Management Board for the year ended December 31, 2021 totaled 143.8 million tenge (including taxes and other mandatory payments in line with the tax legislation of the Republic of Kazakhstan).

5.2.6. Organizational structure of the issuer

As of December 31, 2021, the total average number of KCM personnel is 47 people as well as 40 people in subsidiaries.

By the decision of the Management Board dated June 29, 2021 (Minutes No. 32/21), the organizational structure of the Company was approved.

No	Name of the structural unit	Information about heads
1.	Department of Legal Support	Zholumbetov Eldar Maratbekovich
2.	Risk Management Department	Sadykov Askat Sakypzhanovich
3.	Portfolio Funds Department	Mukhamedgaliev Beibut Sakenovich
4.	Department of Captive Funds	Abdgaliyev Bekzat Amangeldyevich
5.	Department of Strategic Development and International Cooperation	Gabdullina Zhanar Muratovna
6.	Accounting and Financial Reporting Department	Kuttybayeva Raukhan Aldiyarovna
7.	Treasury Department	Burumbayev Medet Uralovich
8.	Department of Human Resources Management	Nurmagambetova Gulden Jacksenbaevna
9.	Department of Economics and Budget Planning	Karsembayeva Kuanysh Yerikovna
10.	Department of Operations	Makashev Serik Dyusenbaevich
11.	Department of Information Technology and Information Security	Berdychanov Iskander Timurovich
12.	Compliance Service	Mukhametkaliyzy Altnai (compliance controller)
13.	Documentation Support Service	Karipova Aigerim Erezhepovna
14.	Internal Audit Service	Tuyakbayeva Saltanat Mursalnabikyzy
15.	Corporate Secretary	Smagulov Ermek Serikovich

As of December 31, 2021, the Company has no branches and representative offices.

5.2.7. Information about remuneration

Independent directors are remunerated according to the decisions of the Sole Shareholder of the Company. The total amount of remuneration accrued to independent directors of the Company, including taxes and other mandatory payments for 2021, amounted to 29 million tenge.

The Board of Directors of the Company determines the amount of the official salary, the terms of remuneration of the Chairman and members of the Management Board of the Company (senior employees).

5.2.8. Shareholders

The sole shareholder of KCM is National Managing Holding Baiterek JSC.

As of December 31, 2021:

- number of announced shares – 55,000,000 pieces of common shares;

- number of outstanding shares – 53,550,002 pieces of common shares;
- the number of shares in free circulation is 53,550,002 shares.

During the reporting period, 2 (two) pieces of ordinary shares were placed at the price of KZT 19,269,422,735 and KZT 1,052,307,159, respectively.

No	Name of the issuer of securities:	Number of securities /share of participation in the authorized capital	Payment amount	Transaction registration date:
1	QazTech Ventures JSC	23,336,856 pieces	17,731,571,000 tenge	8.06.2021
2	Kazakhstan Project Preparation Fund LLP	2,150,000,000.00 tenge	1,537,851,735 tenge	2.07.2021
3	Kazakhstan Hungarian Investment Private Equity Fund C.V.	1,052,307,159.00 tenge	1,052,307,159 tenge	23.12.2021

5.2.9. Subsidiaries and affiliates

Baiterek Venture Fund JSC

Full name: Baiterek Venture Fund JSC.

Legal address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Actual address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Number (size) of shares (participation shares in the authorized capital): 100% of the shares of Kazyna Capital Management JSC.

Type of activity: The company carries out direct investments in promising companies in the non-resource sector of the economy of Kazakhstan at the stages of launch, growth and maturity.

Information about the first manager: Chairman of the Board Kutbai Zhandar Berikovich.

The amount of investments directed by the issuer in the reporting year: in 2021, investments in BVF were not directed to KCM.

BV Management LLP

Full name: BV Management Limited Liability Partnership.

Legal address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Actual address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Number (size) of shares (participation shares in the authorized capital): 100%

Type of activity: The company is a private equity management company and acts as a General Partner for the DBK Equity Fund CV. and KCM Sustainable Development Fund I C.V.

Information about the first head: General Director Kaligazin Aslan Ermekovich.

The amount of investments directed by the issuer in the reporting year: in March 2021, KCM capitalized the DBK Equity Fund CV. in the amount of 403,650 thousand tenge for investment in the project of the PC "Turkestan Tourism City LTD".

QazTech Ventures JSC

Full name: QazTech Ventures JSC.

Legal address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Actual address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Number (size) of shares (participation shares in the authorized capital): 100% of the shares of Kazyna Capital Management JSC.

Type of activity:

- investments in industrial and innovative projects by participating in the authorized capitals of subjects of industrial and innovative activity, creating legal entities with foreign participation, creating or participating in investment funds, venture funds and other ways provided for by the legislation of the Republic of Kazakhstan;
- participation in the creation, management and coordination of technology parks, technology commercialization centers, design bureaus;
- participation in the implementation of state support mechanisms for technological business incubation, technology commercialization;
- assistance in the development of risk investment funds, venture funds and venture financing;
- organization of training events in the fields of technological entrepreneurship, technology development;
- provision of services to support the activities of business incubators and to support the processes of granting state grants to industrial and innovative projects within the framework of business incubation;
- carrying out project expertise (technological, financial, economic, legal);
- provision of information, analytical and consulting services in the field of innovation development;
- provision of service and technology consulting services, including with the assistance of the development of risk investment funds, venture funds and venture financing within the framework of its activities;
- cooperation with international organizations in order to attract information, educational and financial resources to stimulate the technological development of priority sectors of the economy.

Information about the first manager: Chairman of the Management Board Khairulin Erbol Meirzhanovich.

The amount of investments directed by the issuer in the reporting year: in 2021, investments in QTV were not directed to KCM.

Kazakhstan Project Preparation Fund LLP

Full name: Limited Liability Partnership “Kazakhstan Project Preparation Fund”.

Legal address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Actual address: Republic of Kazakhstan, Nur-Sultan city, Yesil district, Z05T3E2, 55A Mangilik El Avenue.

Number (size) of shares (participation shares in the authorized capital): 100% of the shares of Kazyna Capital Management JSC.

Type of activity:

- financing the development of project documentation and structuring of investment and infrastructure projects, including public-private partnership projects, as well as the implementation of the developed project documentation;
- provision of services for the analysis and evaluation of the possibility of implementing investment and infrastructure projects, including public-private partnership projects;
- advisory support of concession projects and public-private partnership projects;
- independent evaluation of the submitted concession applications, as well as applications for public-private partnership projects contained in the relevant tender application;
- advising government agencies and potential investors on the creation and structuring of investment and infrastructure projects, including public-private partnership projects;
- development of proposals on the financing structure of potential investment and infrastructure projects, including public-private partnership projects;
- development of investment proposals, feasibility studies of budget investment projects, budget investments planned for implementation through the participation of the state in the authorized capital of legal entities, local budget investment projects planned for financing through loans from the republican budget and targeted transfers for development.

Information about the first manager: General Director of Shashdavletov Adilkhan Askarovich.

The amount of investments directed by the issuer in the reporting year: in 2021, KCM investments in KPPF were not directed.

5.2.10. Information about dividends

The Company is guided by the Procedure for determining the amount of Dividends paid by subsidiaries of the National Managing Holding Baiterek JSC, approved by the decision of the Management Board of the National Managing Holding Baiterek JSC (Minutes No. 14/14 dated May 11, 2014), which establishes uniform approaches and principles for determining the amount of dividends paid by subsidiaries National Managing Holding Baiterek JSC.

The conditions and procedure for payment of dividends to the Sole Shareholder of the Company are regulated by the legislation of the Republic of Kazakhstan, the Charter of the Company, as well as the relevant decision of the Sole Shareholder of the Company.

According to the decision of the Board National Managing Holding Baiterek JSC dated May 26, 2021 (Minutes No. 27/21), the Company did not pay dividends based on the results of 2020.

5.2.11. Information about major transactions

In the reporting year, KCM did not conclude major transactions.

5.2.12. Information policy

Disclosure of information of Kazyna Capital Management JSC is carried out in accordance with the legislation of the Republic of Kazakhstan, the Charter of the KCM, the information policy approved by the Board of the KCM in 2018 and other internal documents of the KCM. The information policy of KCM is based on the principles of regularity, efficiency, accessibility, reliability, objectivity, equality and security of information resources.

According to the information policy of the KCM, in order to protect the rights and interests of the sole shareholder and investors of the Company, the KCM provides access to information about the Company, in accordance with the procedure provided for by the legislation of the Republic of Kazakhstan, this Policy and other documents of the Company. KCM provides information about corporate events of the Company to the sole shareholder and investors of the Company in accordance with the requirements

of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and (or) the Law of the Republic of Kazakhstan “On the Securities Market”, other regulatory legal acts and the Charter of the Company.

As part of the implementation of the information policy, an external communications plan is approved on an annual basis, which includes measures aimed at highlighting the activities of the KCM as well as increasing the level of trust of potential customers and partners of the Company.

In order to inform the public and stakeholders about the company's activities and maintain the business reputation of KCM, during 2021 the Company provided communication support for key KCM projects and published more than 20 materials on the activities of KCM and its subsidiaries.

5.2.13. Internal control and audit

The Internal Audit Service of Kazyna Capital Management JSC (hereinafter – IAS) is accountable to the Board of Directors of KCM and is supervised by the Audit Committee of the Board of Directors of KCM.

In carrying out its activities, the IAS is guided by the legislation of the Republic of Kazakhstan, the Company's Charter, decisions of the Company's bodies, the IAS Regulations and other internal documents of the Company as well as International Professional Standards of Internal Audit.

The mission of the IAS is to provide the necessary assistance to the Board of Directors of the Company and the Executive Body in fulfilling their duties to achieve the strategic goals of the Company. The main purpose of the IAS is to monitor the financial and economic activities of the Company and provide the Board of Directors of the Company with independent reasonable guarantees and consultations aimed at improving the Company's activities and improving the efficiency of the Company's management, including risk management systems, internal control

and corporate governance in the Company, in accordance with the powers determined by the Board of Directors of the Company.

The annual internal audit plan is developed taking into account the Company's key risks, all stages of the audit process and management requests and is adjusted based on special requests from the Audit Committee and management. The Audit Committee not only monitors the results of the IAS activities, but also pays attention to the development of employees' potential and professionalism. These issues are included in the IAS reports and reviewed by the Audit Committee on a quarterly basis.

At the meetings of the Audit Committee, internal audit issues such as:

- IAS annual report;
- quarterly reports of the IAS, including significant conclusions based on the results of audits as well as monitoring of the implementation of internal auditors' recommendations;
- annual audit plan and additions to it;
- actual values of the map of key performance indicators of the head and employees of the IAS;
- HR issues of the IAS.

According to the IAS work plan approved by the Company's Board of Directors, in 2021, audits of treasury operations, stress testing, processes for ensuring the implementation of the state program of industrial and innovative development, activities for the analysis and monitoring of portfolio funds, information technology and information security, as well as confirmation of the reliability of the actual values of key performance indicators of the executive body were carried out.

In the 4th quarter of 2021, the IAS conducted an evaluation of the corporate governance system in Kazyna Capital Management JSC.

Based on the results of audit assignments completed in 2021, the IAS issued 57 recommendations aimed at minimizing risks, improving the design of business processes, increasing the effectiveness of internal control and developing the Company's corporate governance.

According to the results of an internal self-assessment based on the results of the work of 2021, conducted in accordance with the requirements of the International Fundamentals of Professional Practice of Internal Audit of The Institute of Internal Auditors, the compliance of the IAS activities with International Professional Standards of Internal Audit amounted to 99%. The IAS is moving according to the developed plan for improving the activities of the internal audit function, aimed at improving audit approaches and procedures, updating internal regulatory documents regulating the activities of internal audit, automating the processes and document flow of the IAS, improving interaction with the internal audit service of the National Managing Holding Baiterek JSC and continuous professional development, including obtaining internationally recognized certifications by internal auditors.

To date, the Company has a comprehensive system of compliance control and anti-corruption, a responsible structural unit has been identified – the Anti-Corruption Compliance Service (hereinafter referred to as the Service). The main functions of the Service include the fight against corruption, prevention of conflicts of interest, consideration of appeals of individuals and legal entities on the facts of violations of the requirements of the Code of Business Ethics, corruption and other illegal actions.

In 2021, the Service carried out work on the organization and control of the functioning of the anti-fraud and corruption system, as well as control over the management of compliance risks of the Company. During the reporting period, the Service regularly conducted anti-corruption monitoring as well as an internal analysis of corruption risks, within the framework of which an assessment of the Company's internal regulatory documents was carried out to identify corruption-related norms and compliance with the legislation of the Republic of Kazakhstan.

In order to prevent or identify cases of corruption and fraud, the Company operates feedback channels ("hotline") to collect and process relevant information. The service ensures the continuous functioning of the available feedback channels as well as the confidentiality of the information received.

5.2.14. Interaction with stakeholders

In order to implement a successful and effective policy in the field of sustainable development, due attention is paid to interaction with stakeholders in Company.

The Stakeholder Map approved by the decision of the Company's Board of Directors dated March 18, 2021 (Minutes No. 5/21) defines the list of key stakeholders and the degree of their influence. The map allows you to systematize and visualize information about the Company's environment in order to develop an effective strategy for working with each of the stakeholders.

Identifying stakeholders and working with them is one of the tools that allows you to improve the business reputation of the Company, establish effective and balanced relationships with all stakeholders.

The main forms of interaction with stakeholders are: joint programs and projects, contracts, agreements, memorandums of cooperation, joint working groups, reporting on activities, meetings, meetings, forums, interaction through publications, the Company's Internet resource and official social networks.

The main areas of interaction with stakeholders: strategic planning, financial activities, project management, supply of goods, works and services, operational activities, interaction with the media.

The process of organizing the Company's interaction with stakeholders is based on the principle of involvement which implies consideration of interests of stakeholders at all stages of the Company's management process and involving stakeholders in the discussion of significant topics and important issues, potential risks and limits of responsibility.

Engagement is achieved by following three principles:

1. Materiality

The Company clearly defines its stakeholders and is aware of which stakeholders' interests are essential;

2. Completeness

In the course of its activities, the Company pays attention to the concerns of interested parties, namely, understands their views, needs and expected results of activities, as well as opinions on significant issues;

3. Response

The Company consistently responds to all significant issues of stakeholders.

Approach to interaction with stakeholders

In order to organize the management of relations with stakeholders, the Company focuses its activities on the following basic principles:

- respects and consideration of interests of all interested parties;
- strives to actively inform target audiences about its activities;
- ensures objectivity, reliability, independence and a high level of information transparency regarding the implementation of government programs, certain internal procedures (procurement, competitive selection among external candidates for employment, provision of financial and non-financial services) as well as the use of financial resources;
- ensures open and productive cooperation with all stakeholders;
- fulfills its obligations to interested parties;
- receives feedback from stakeholders on a regular basis.

THE MAIN GROUPS OF STAKEHOLDERS AND MECHANISMS OF INTERACTION WITH THEM

Groups	Mechanisms of interaction	Interests	Ongoing work
Sole shareholder	<ul style="list-style-type: none"> meetings of the Board of Directors and committees under the Board of Directors; implementation of orders of the Sole Shareholder; participation in the development and updating of regulatory documents affecting the interests of the Company; preparing responses to incoming requests; publication of financial statements and annual report on the Company's website as well as disclosure of other information in accordance with legislation and best practices. 	<ul style="list-style-type: none"> compliance with the interests of the Sole Shareholder of the Company; implementation of the development strategy; transparency and disclosure of information. 	<ul style="list-style-type: none"> ensuring the exercise of the rights of the Sole Shareholder within the framework of corporate governance principles; providing reliable information on the results of the Company's financial and economic activities; implementation of the Company's Development Strategy; implementation of state programs and monitoring of results.
Employees	<ul style="list-style-type: none"> functioning of internal communication channels; creation of optimal working conditions, medical insurance; employee benefits; training and development. 	<ul style="list-style-type: none"> competitive wages; safe working conditions; professional growth; high-quality social package (medical insurance, annual paid leave); professional development; protection of human rights and compliance with ethical standards. 	<ul style="list-style-type: none"> maintaining an open, transparent, HR policy aimed at the maintaining qualified and motivated employees; ensuring equal opportunities for all employees to realize their potential in the course of their work, an impartial and fair assessment of their results, the selection and career growth of employees solely on the basis of professional abilities, knowledge and skills; Introduction of the Ombudsman Institution; support in conducting training and/or improving the skills and competence of employees; conducting cultural corporate events for employees; informing employees via e-mail about vacant positions.
Subsidiaries	<ul style="list-style-type: none"> conducting round tables/competence centers with subsidiaries; correspondence and sending requests to subsidiaries. 	<ul style="list-style-type: none"> compliance with the interests of shareholders/participants. 	<ul style="list-style-type: none"> the Company's exercise of its rights as a shareholder/participant of a subsidiary.
Government agencies	<ul style="list-style-type: none"> consideration of program documents, draft regulatory documents affecting the interests of the Company; payment of taxes to the state budget; participation in the implementation of state programs and initiatives. 	<ul style="list-style-type: none"> state regulation. 	<ul style="list-style-type: none"> participation in working groups, forums, conferences; business correspondence and preparation of responses to requests.
Customers	<ul style="list-style-type: none"> publications in the media, on the Company's website. 	<ul style="list-style-type: none"> commercial interests; social interests. 	<ul style="list-style-type: none"> posting of the latest public information about the Company and its activities on the Company's Internet resource; business correspondence, meetings with (potential) clients; ensuring compliance with the expectations of consumers of financial products and services of the Company and subsidiaries; conclusion of contracts, control over execution.

Groups	Mechanisms of interaction	Interests	Ongoing work
Suppliers	<ul style="list-style-type: none"> procurement and conclusion of contracts for the purchase of goods, works and services. 	<ul style="list-style-type: none"> efficient supply chain; transparent procurement system; compliance with commercial agreements. 	<ul style="list-style-type: none"> conclusion of contracts, control over the execution of contractual relations; ensuring a transparent and efficient procurement system; preventive measures to combat corruption.
Partners and investors	<ul style="list-style-type: none"> meetings with representatives of foreign organizations; participation in forums, conferences, exhibitions, including during visits of the Head of State of the Republic of Kazakhstan, the Prime Minister and Deputy Prime Ministers of the Republic of Kazakhstan; publication of financial statements and annual report on the Company's Internet resource; conducting negotiations and meetings with partners; conclusion of agreements and memoranda of cooperation; publication of the financial statements of the annual report on the Company's website. 	<ul style="list-style-type: none"> strong financial position; sustainable development; commercial interests. 	<ul style="list-style-type: none"> implementation of ESG principles in the activities of the Company and its subsidiaries; effective financial management; business correspondence, meetings with (potential) clients; attracting investments for the implementation of projects; getting credit ratings; mutually beneficial cooperation, improvement of business and technological processes and their automation; conclusion of contracts, control over the execution of contractual relations.
Financial institutions	<ul style="list-style-type: none"> conducting negotiations and meetings with representatives of financial institutions, rating agencies; publication of financial statements, annual report on the Company's website. 	<ul style="list-style-type: none"> placement of free funds on deposit accounts, maintenance of special accounts. 	<ul style="list-style-type: none"> conclusion of contracts, control over the execution of contractual relations; improvement of financial indicators.
Portfolio companies	<ul style="list-style-type: none"> conducting negotiations and meetings; monitoring, field visits, collection of financial and management documentation; press releases, mass media, Internet resource of the Company. 	<ul style="list-style-type: none"> mutually beneficial cooperation; contracts; agreements. 	<ul style="list-style-type: none"> conclusion of contracts, control over the execution of contractual relations; participation in decision-making in the composition of collegial bodies; development of investment policy, regulations and procedures that ensure investment activities, financing conditions.
Mass media	<ul style="list-style-type: none"> development of annual media plans; holding press conferences and meetings with information recipients; posting information about the Company's activities in the media, the Internet, on the Company's Internet resource at: https://kcm-kazyna.kz/. 	<ul style="list-style-type: none"> publications and information about the Company's activities. 	<ul style="list-style-type: none"> Organization of information activities by: communicating the strengths and capabilities of Company to the target audience; creating a positive public opinion; ensuring transparency of the Company's activities through reliable, regular, continuous and timely disclosure of information; maintaining the brand awareness of the Company; presentation to the public of the results of activities in the main areas of the Company's activities; providing press releases and arranging interviews; placement of reports and other publications.



Financial statements

The audit of the annual financial statements of KCM and its subsidiaries for 2021 was carried out by the independent audit organization KPMG Audit LLP.

In the opinion of KPMG Audit LLP, the separate and consolidated financial statements in all material aspects reliably reflect the financial position of the Company as of December 31, 2021, as well as its financial results and cash flows comply with International Financial Reporting Standards.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 thousand tenge	2020 thousand tenge
Interest income (calculated using the effective rate method)	5	3,014,066	1,990,667
Interest expense	5	(362,656)	(8,792)
Net interest income		2,651,410	1,981,875
Net profit from transactions with financial instruments measured at fair value, changes in which are reflected in profit or loss for the period	27	3,297,276	1,882,316
Net income/(expense) from operations with financial derivatives	17	324,325	(1,030,473)
Dividend income		41,910	71,170
Net profit from foreign exchange transactions	10	447,703	3,291,023
Net loss from operations with investment financial assets		(7,550)	(458,455)
Other operating income/(expenses), net	6	(140,945)	(127,701)
Operating income		6,614,129	5,609,755
Recovery/(formation) of impairment losses in respect of debt financial assets		183,371	(15,486)
Staff costs	7	(1,052,180)	(635,437)
General and administrative expenses	8	(1,105,061)	(687,405)
Profit before tax		4,640,259	4,271,427
Income tax expense	9	(3,083,382)	(1,766,044)
Profit for the year		1,556,877	2,505,383
Other comprehensive (loss)/income			
<i>Items that have been reclassified or may be subsequently reclassified to profit or loss:</i>			
Revaluation reserve for investment financial assets:			
- net change in fair value, net of income tax		(18,834)	183,383
- net change in fair value transferred to profit or loss for the period		(765)	73,565
Other comprehensive (loss)/income for the year, net of income tax		(19,599)	256,948
Total comprehensive income for the year		1,537,278	2,762,331

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 thousand tenge	2020 thousand tenge
ASSETS			
Cash and cash equivalents	11	21,492,027	16,586,480
Amounts to be received from credit institutions	12	5,417,308	30,609,539
Assets measured at fair value through profit or loss for the period	13	165,529,982	139,001,229
- Investments in joint ventures		52,486,753	46,929,140
- Investments in associated enterprises		31,494,552	31,164,044
- Other financial assets		81,548,677	60,908,045
Loans issued to customers	14	5,867,054	-
Investment financial assets	15	13,528,179	4,162,053
Deferred tax asset	9	-	2,353,147
Current tax asset		1,881,907	1,295,775
Investment property		133,539	-
Fixed assets and intangible assets		126,861	26,672
Other assets		250,369	30,582
Total assets		214,227,226	194,065,477
OBLIGATIONS			
Debt securities issued	16	49,732,173	40,150,736
Government subsidies	17	1,423,476	-
Financial instruments measured at fair value through profit or loss for the period	18	-	12,145,034
Deferred tax liabilities	9	148,286	-
Other liabilities		920,097	439,644
Total obligations		52,224,032	52,735,414
EQUITY CAPITAL			
Share capital	19	107,761,730	87,440,000
Revaluation reserve for investment financial assets		(923)	18,676
Retained earnings		54,242,387	53,871,387
Total equity		162,003,194	141,330,063
Total liabilities and equity		214,227,226	194,065,477

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 thousand tenge	2020 thousand tenge
CASH FLOW FROM OPERATING ACTIVITIES		
Interest income	2,602,535	1,847,812
Interest paid	(177,604)	(4,015)
Dividends received	41,910	71,170
Staff costs paid	(1,247,630)	(609,994)
Other general and administrative expenses (payments)	(1,180,161)	(690,022)
Other receipts	279,308	-
(Increase)/decrease in operating assets		
Financial instruments measured at fair value through profit or loss for the period	(20,262,991)	(3,545,208)
Loans issued	(6,290,414)	-
Amounts to be received from credit institutions	26,579,239	(7,483,779)
Other liabilities	-	22,874
Increase in operating liabilities		
Financial instruments measured at fair value through profit or loss for the period	70,291	816,278
Net cash (used in)/from operating activities before income tax	414,483	(9,574,884)
Income tax paid	(1,124,073)	(1,702,308)
Net cash (used in)/from operating activities	(709,590)	(11,277,192)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of investment financial assets	(41,290,077)	-
Sale and repayment of investment financial assets	31,143,292	25,873,945
Cash flow resulting from the acquisition of subsidiaries (Note 20)	2,843,002	-
Acquisition of fixed assets and intangible assets	(54,825)	(999)
Net cash flow from/(used in) investing activities	(7,358,608)	25,872,946
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	(1,095,395)
Proceeds from debt securities issued (Note 16)	12,800,000	-
Net cash flow from/(used in) financing activities	12,800,000	(1,095,395)
Net increase in cash and cash equivalents	4,731,802	13,500,359
Cash and cash equivalents at the beginning of the year	16,586,480	946,080
Effect of changes in exchange rates on cash and cash equivalents	173,745	2,140,041
Cash and cash equivalents at the end of the year (Note 11)	21,492,027	16,586,480

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

thousand tenge	Share capital	Revaluation reserve for investment financial assets	Retained earnings	Total
Balance as of January 1, 2021	87,440,000	18,676	53,871,387	141,330,063
Total comprehensive income				
Profit for the year	-	-	1,556,877	1,556,877
Other comprehensive loss				
<i>Items that have been or may be subsequently reclassified to profit or loss:</i>				
Net change in fair value, net of income tax	-	(18,834)	-	(18,834)
Net change in fair value transferred to profit or loss	-	(765)	-	(765)
Total other comprehensive loss	-	(19,599)	-	(19,599)
Total comprehensive income for the year	-	(19,599)	1,556,877	1,537,278
Transactions with owners reflected directly in equity				
Issue of shares related to the acquisition of a business (Note 19, 20)	19,269,423	-	(448,200)	18,821,223
Acquisition of non-controlling interests in subsidiaries	-	-	(50,000)	(50,000)
Transfer of assets by the Parent Company (Note 19)	1,052,307	-	(687,677)	364,630
Total transactions with owners	20,321,730	-	(1,185,877)	19,135,853
Balance as of December 31, 2021	107,761,730	(923)	54,242,387	162,003,194

thousand tenge	Share capital	Revaluation reserve for investment financial assets	Retained earnings	Total
Balance as of January 1, 2021	87,440,000	(238,272)	52,461,399	139,663,127
Total comprehensive income				
Profit for the year	-	-	2,505,383	2,505,383
Other comprehensive (loss)/income				
<i>Items that have been or may be subsequently reclassified to profit or loss:</i>				
Net change in fair value, net of income tax	-	183,383	-	183,383
Net change in fair value transferred to profit or loss	-	73,565	-	73,565
Total other comprehensive income	-	256,948	-	256,948
Total comprehensive income for the year	-	256,948	2,505,383	2,762,331
Transactions with owners reflected directly in equity				
Dividends declared and paid (Note 19 (b))	-	-	(1,095,395)	(1,095,395)
Total transactions with owners	-	-	(1,095,395)	(1,095,395)
Balance as of December 31, 2021	87,440,000	18,676	53,871,387	141,330,063

Glossary

ADB	- Asian Development Bank
JSC	- joint-stock company
AIC	- agro-industrial complex
DBK	- Development Bank of Kazakhstan joint-stock company
SPIID	- The State program of Industrial and Innovative Development for 2020-2025
PPP	- public-private partnership
SD	- subsidiaries
EBRD	- European Bank for Reconstruction and Development
EU	- European Union
CJSC	- closed Joint stock company
KCM, Company	- Kazyna Capital Management Joint Stock Company
SMEs	- small and medium-sized enterprises
UN	- United Nations
RK	- Republic of Kazakhstan
CIS	- Commonwealth of Independent States
SKPI	- strategic key performance indicator
LLP	- limited liability partnership
PEF	- private equity funds
BVF	- Baiterek Venture Fund Joint Stock Company
BVM	- BV Management Limited Liability Partnership.
ESG	- Environmental, Social and Governance (Environmental, Social and Governance Standards)
IRR	- Internal rate of return
IT	- Information technology
QTV	- QazTech Ventures Joint Stock Company
KPPF	- Kazakhstan Project Preparation Fund Limited Liability Partnership
ROA	- Return on Assets
ROE	- Return on Equity
PE	- private equity

Information for investors

Address:	Republic of Kazakhstan, Z05T3E2, Nur-Sultan city, Yesil district, 55A Mangilik El Ave.
Contacts:	+ 7 7172 554 222
Email:	info@kcm-kazyna.kz
Website:	kcm-kazyna.kz

Annex

REPORT ON COMPLIANCE/NON-COMPLIANCE WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE OF KAZYNA CAPITAL MANAGEMENT JOINT STOCK COMPANY FOR 2021

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
1. General provisions			
1.1	<p>The Corporate Governance Code (hereinafter – the Code) of Kazyna Capital Management Joint Stock Company (hereinafter – the Company) is a set of rules and recommendations followed by the Company in the course of its activities to ensure efficiency, transparency, accountability, high level of business ethics in relations within the Company and with other stakeholders.</p> <p>The Company recommends implementation of this Code in the organisations, in which the Company directly or indirectly owns more than fifty percent of the voting shares or equity interests (subsidiaries).</p> <p>The Company's subsidiaries in the legal form of a limited liability partnership are recommended to follow the provisions of this Code to the extent not contradicting the Law of the Republic of Kazakhstan «On Partnerships with Limited and Additional Liability».</p>	Observed	<p>The Company follows the Code, which provides a set of rules and recommendations, in the course of its activities to ensure efficiency, transparency, accountability, high level of business ethics in relations within the Company and with other stakeholders.</p> <p>The Company implements the fundamental principles and provisions of the Code in its subsidiaries (JSCs, LLPs) by adopting relevant VNDs in them, including codes of corporate governance.</p>
1.2	<p>The objectives of this Code are to improve corporate governance in the Company and its subsidiaries, to ensure transparency and efficiency of governance and to confirm the commitment of the Company and its subsidiaries to follow the standards of good corporate governance.</p> <p>In particular:</p> <ol style="list-style-type: none"> 1) the Company and its subsidiaries shall be managed in a lawful manner with an appropriate level of responsibility, clear separation of powers, accountability and efficiency so as to maximise the value of the Company and other benefits to the Sole Shareholder; 2) information disclosure, transparency, including thorough assessment, disclosure and periodic review of the objectives that justify the public participation in the Company shall be ensured; 3) the risk management and internal control systems are functioning properly; 4) the risk of conflicts of interest that may lead to decisions that differ from those based on the best interests of the Company and the general public is minimised. 	Observed	<p>The Company and its subsidiaries shall ensure transparency and efficiency of corporate governance in order to comply with the Code and improve corporate governance, namely:</p> <ol style="list-style-type: none"> 1) the Company and its subsidiaries shall be managed with observance of principle of legality and appropriate level of responsibility, clear delineation of authority, accountability and effectiveness in order to maximize the Company value and other benefits for the Sole Shareholder; 2) disclosure of information, transparency, including thorough assessment, disclosure and periodic review of objectives, which justify the state participation in the Company, shall be ensured; 3) the risk management and internal control systems are functioning properly; 4) the risk of conflicts of interest that may lead to decisions that differ from those based on the best interests of the Company and the general public is minimised.

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
1.3	The Company conducts an independent assessment of corporate governance at least once every three years, the results of which are posted on the Company's website	Partially observed	<p>The Company complies with all the principles and provisions of the Code, except for the need for the Company to conduct an independent assessment of corporate governance at least once every three years, the results of which are posted on the Company's website. This provision is partially complied with by the Company.</p> <p>However, according to decision of the Board of Directors of the Company dated 7 December 2021 (minutes # 21/21) decision was made to assess activity of the Board of Directors of Kazyna Capital Management Joint Stock Company for 2021 using questionnaire survey method.</p> <p>Also Internal Audit Service of the Company carried out diagnostics of corporate governance, based on the results of which the Board of Directors of the Company approved the audit report by its decision dated 28 January 2022 (Minutes № 2/22).</p> <p>In April 2019, the International Finance Corporation (IFC) evaluated the performance of the Company's Board of Directors and its committees for 2018.</p>
1.4	The Company and its subsidiaries shall strictly comply with the provisions of the Code in their activities. In the event of non-compliance, explain in the annual report the reasons for non-compliance with each provision, periodically (at least once every two years) assess (if necessary, independently assess) corporate governance and post the relevant results on the Company's and the subsidiary's website. This paragraph does not apply to non-commercial joint stock companies with state participation, established in accordance with the Law of the Republic of Kazakhstan «On Non-Commercial Organisations».	Observed	<p>The Company and its subsidiaries strictly comply with the provisions of the Code in their activities.</p> <p>In 2021, the IAS carried out a Corporate Governance Assessment. By decision of the Board of Directors of the Company dated 28 January 2022 (Minutes No. 2/22), the audit report «Assessment of the Corporate Governance System» based on the results of diagnostics of corporate governance in the Company was approved. The relevant results are posted on the Company's website.</p> <p>According to the diagnostic results, the assessment of the compliance of the Company's governance with the best international practices was 88.6%, while previously the result for 2019 was 77.7%.</p> <p>An independent assessment of corporate governance is planned for 2022.</p>
1.5	Officers and employees of the Company shall undertake the obligations set out in this Code, including under appropriate contracts with the Company, and shall comply with its provisions within the Company and in their relations with its subsidiaries.	Observed	<p>Officials and employees of the Company undertake the obligations stipulated by this Code, including those under relevant contracts with the Company, and undertake to comply with its provisions within the Company and in their relations with its subsidiaries.</p> <p>Thus, in accordance with the labour law, the Company's employees and officers have concluded contracts and job descriptions stipulating requirements to comply with the Company's IRD in general, including the provisions of the Code.</p>
1.6	The Board of Directors of the Company is responsible for monitoring the Company's compliance with this Code. The Corporate Secretary monitors and advises the Board of Directors and the Management Board on proper implementation of the Code, and prepares an annual report on compliance/non-compliance with its principles and provisions. This report is subsequently submitted to the relevant committee of the Board of Directors, approved by the Board of Directors and included in the Company's annual report (paragraph 6 of the Code)	Observed	<p>Control of the Company's compliance with this Code shall be performed by the Board of Directors of the Company through annual review of the report on compliance/non-compliance with the principles and provisions of the Code, which is prepared by the Corporate Secretary of the Company, who ensures effective implementation of functions vested in him/her.</p> <p>The Corporate Secretary of the Company, who ensures effective implementation of the functions vested in him/her, including monitoring of proper compliance with the Code, shall carry out continuous work aimed at identification and elimination of facts of non-compliance with provisions and principles of the Code within the Company. The results of these activities are presented in this report.</p> <p>The Corporate Secretary of the Company advises the Board of Directors and, on a regular basis, provides the Company's Management Board with recommendations and proposals on the matters of proper compliance with the Code.</p> <p>In 2021, the Corporate Secretary of the Company prepared a report on compliance/non-compliance with the principles and provisions of the Company's Corporate Governance Code for 2020, which was preliminarily considered by the Committee for Strategic Planning and Corporate Development of the Board of Directors of the Company dated 3 June 2021 (Minutes No.05/21) and approved by decision of the Board of Directors of the Company dated 7 June 2021 (Minutes No.08/21).</p> <p>The said report was reflected in the annual report of the Company for 2020, approved by the decision of the Management Board of Baiterek NUH JSC dated 25 August 2021 (Minutes No. 43/21).</p>
1.7	Cases of non-compliance with the provisions of this Code are considered at meetings of the relevant committee of the Board of Directors and the Board of Directors, with appropriate decisions aimed at further improving corporate governance in the Company and its subsidiaries.	Observed	<p>Given that there is partial non-compliance with a particular provision of the Code for an objective reason, due to a lack of funds in the Company's budget, this issue has been placed within the scope of the report under consideration.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
2. The principle of separation of powers			
2.1	The Sole Shareholder of the Company delimits its powers in order to prevent a conflict of interests that does not contribute to both the interests of the Company and the interests of the Sole Shareholder. The functions of the Sole Shareholder of the Company are carried out in order to ensure the profitability of the Company and its subsidiaries and the implementation of state and government programs in which the Company and its subsidiaries participate.	Observed	<p>The Company carries out its activities as an independent legal entity in accordance with the distribution of competencies between the bodies of the Company. Decisions on issues referred by the legislation of the Republic of Kazakhstan and the Charter of the Company to the competence of the General Meeting of Shareholders are made by the Sole Shareholder in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company and the Charter of the Sole Shareholder.</p> <p>The Sole Shareholder participates in the management of the Company solely through the exercise of the powers of the Sole Shareholder provided for in the legislative acts of the Republic of Kazakhstan, the charter of the Company and representation in the Board of Directors of the Company.</p>
2.2	The sole shareholder of the Company grants the Company full operational independence and does not interfere in the operational (current) and investment activities of the Company, except in cases provided for by the legislation of the Republic of Kazakhstan, acts and instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.	Observed	<p>The Company is a commercial organization, is completely independent, self-governing, has an independent balance sheet, has property separate from the property of the Sole Shareholder, has the right to open its own, including correspondent, bank accounts, can acquire and exercise property and personal non-property rights on its own behalf, bear obligations, be a plaintiff and defendant in court.</p> <p>The main activity of the Company is the implementation of investment activities in accordance with the Charter, internal documents of the Company and the current legislation of the Republic of Kazakhstan.</p> <p>The purpose of the Company's activities is to promote the increase of overall investment and innovation activity, the development of the direct investment market of Kazakhstan by investing in Investment Funds.</p> <p>In carrying out its activities, the Company is guided by the decisions of the Sole Shareholder and the Board of Directors of the Company.</p> <p>Transactions and relations between the Company and the Sole Shareholder are carried out within the framework of the legislation of the Republic of Kazakhstan.</p> <p>On October 28, 2021, by the decision of the Board of Directors of the Company (Minutes No. 18/21), the Program of financing by direct Investment funds, in which Kazyna Capital Management Joint Stock Company directly and (or) indirectly participates, investment projects of the agro-industrial complex was approved.</p>
2.3	The relationship (interaction) between the Sole Shareholder and the Company shall be exercised through the Board of Directors and/ or the Management Board of the Company in accordance with the principles of good corporate governance. The roles and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company are clearly delineated and set out in the Company's documents.	Observed	<p>The Company ensures compliance with the hierarchy of issue consideration and decision-making procedures, clear delineation of authority and responsibility between bodies, officials and employees, timely and high-quality decision-making by the Company's bodies, efficiency of processes in the Company's operations, compliance with legislation, the Corporate Governance Code and internal documents of the Company.</p> <p>The following internal documents have been approved in the Company: Regulations on the Board of Directors of Kazyna Capital Management Joint Stock Company, approved by the Board of Directors of the Holding on 28 November 2018 (Minutes No. 53/18), Regulations on the Management Board of Kazyna Capital Management Joint Stock Company, approved by the Board of Directors of the Company on 6 November 2020 (Minutes No. 14/20). Compliance with the provisions of these documents ensures consistency and coherence of the corporate governance processes.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
2.4	The Company's corporate governance system provides for the relationship between: <ol style="list-style-type: none"> 1) Sole shareholder; 2) Board of Directors; 3) Management Board; 4) interested parties; 5) other bodies determined in accordance with the Charter. <p>The corporate governance system provides, including:</p> <ol style="list-style-type: none"> 1) compliance with the hierarchy of the order of consideration of issues and decision-making; 2) clear delineation of powers and responsibilities between bodies, officials and employees; 3) timely and high-quality decision-making by the bodies of the Company and its subsidiaries; 4) efficiency of processes in the activities of the Company and its subsidiaries; 5) compliance with the legislation, this Code and internal documents of the Company and its subsidiaries. <p>The Company and its subsidiaries approve regulations on bodies (if such provisions are not provided for by the Company's charter) and structural divisions, as well as job descriptions for the relevant positions. Compliance with the provisions of these documents ensures the consistency and consistency of corporate governance processes.</p>	Observed	<p>The corporate governance structure of the Company complies with the legislation of the Republic of Kazakhstan and clearly defines the division of powers between the subsidiaries of the Company.</p> <p>The Charter, the Regulations on the Board of Directors of the Company and the Regulations on the Management Board of the Company, A list of documents regulating internal activities of the Company subject to approval by the Board of Directors of the Company, determined by the decision of the Board of Directors of the Company dated October 19, 2017 (Minutes No. 121), provides for the separation of powers of the Board of Directors and the Management Board of the Company, similarly in subsidiaries of the Company.</p>
2.5	The Company and its subsidiaries carry out their activities within the framework of their main (profile) activities.	Observed	On September 4, 2020, the Company's Board of Directors amended the Development Strategy in connection with new areas of activity (venture financing, public-private partnership infrastructure projects, stressful assets) and the expansion of the investment mandate (Minutes No. 11/20).

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
3. The principle of protecting the rights and interests of the Sole Shareholder			
3.1	Compliance with the rights of the Sole Shareholder is a key condition for attracting investments in the Company and its subsidiaries. In this regard, corporate governance in the Company and its subsidiaries is based on ensuring the protection, respect for the rights and legitimate interests of the Sole Shareholder and is aimed at contributing to the effective operation of the Company and achieving profitability.	Observed	<p>The Company is a fund of private capital funds (private equity), established in 2007 to promote the sustainable development of the national economy, the formation of private equity infrastructure in Kazakhstan, attracting foreign investment in priority sectors of the economy, using leading international experience, transfer of innovative knowledge and technologies to private equity. KCM, together with international institutional investors, effectively manages private equity funds. Private equity funds with the participation of KCM (PEF) provide capital to companies in various sectors of the economy in order to further growth and increase competitiveness.</p> <p>The sole shareholder of the Company is the National Managing Holding Baiterek Joint-Stock Company.</p> <p>The Holding was established in accordance with the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571 «On some measures to optimize the management system of development institutions, financial organizations and the development of the national economy» and the Decree of the Government of the Republic of Kazakhstan dated May 25, 2013 No. 516 «On measures to implement the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571».</p> <p>Two out of five members of the Company's Board of Directors are representatives of the Sole Shareholder.</p> <p>The Company ensures the exercise of the rights of the Sole Shareholder and the protection of his interests within the framework of the principles of corporate governance, expressed in participation in the management of the Company, in accordance with the procedure provided by the Law of the Republic of Kazakhstan «On Joint Stock Companies» (hereinafter – the Law on Joint Stock Companies) and the Company's Charter approved by the decision of the Holding's Management Board dated August 16, 2017 (Minutes No. 32/17), making key decisions on the approval of the Charter, the Corporate Governance Code, determining the composition and term of office of the Board of Directors, the election of the Chairman of the Management Board, the approval of an external auditor, annual financial statements, etc.</p> <p>Information about the Company's activities is provided to the Sole Shareholder in full and allows making balanced and fair decisions.</p> <p>Exclusive competence of the Sole shareholder provided for by the Law on JSC, by the Charter of the Company is respected.</p> <p>Annually the Company sends the annual financial report, the procedure for the distribution of net income, and the annual report to the Sole Shareholder for approval.</p> <p>Materials on issues submitted for consideration by the Sole Shareholder of the Company are prepared and sent within the time limits established by the Company's Charter and contain information to the extent necessary for making informed decisions on issues.</p> <p>There are no facts of appeals of the Sole Shareholder to state and judicial bodies to protect their rights and legitimate interests, challenging decisions taken by the Company's bodies during 2021.</p> <p>As part of the action plan to improve the Company's corporate governance in 2021, all measures were carried out on time and in full. On July 23, 2021, the Corporate Secretary held a strategic session with the participation of members of the Board of Directors, the Management Board, heads of subsidiaries and structural divisions of the Company, as well as representatives of the Sole Shareholder.</p>
3.2	The Company provides the Sole Shareholder with reliable information about its financial and economic activities and its results in accordance with the requirements of the legislation of the Republic of Kazakhstan. In the case of combining the tasks of implementing state policy in the implementation of the Company's activities with the main commercial activity, these goals are disclosed and brought to the attention of interested parties.	Observed	<p>The Company ensures timely disclosure of information to the Sole Shareholder:</p> <ul style="list-style-type: none"> • on corporate events in accordance with the Law on JSC, the Charter and internal documents of the Company; • on the decisions taken by the Board of Directors on the list of issues stipulated by the Information Policy of Kazyna Capital Management JSC, approved by the decision of the Board of Directors of the Company dated July 31, 2018 (Minutes No. 06/18). <p>At the request of the Sole Shareholder, the Company provides documents and information in accordance with the Law on JSC and internal regulatory documents of the Company.</p> <p>During 2020, management and financial statements were provided to the Sole Shareholder on a periodic basis.</p> <p>The exchange of information between the Company and the Sole Shareholder is carried out through the electronic document management system in accordance with the procedure provided for by the Company's internal documents.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
3.3	The amount of dividends is calculated based on the amount of the Company's net income reflected in the Company's annual audited financial statements prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards. At the same time, the amount of dividend payment is determined taking into account the legislation of the Republic of Kazakhstan.	Observed	<p>The Company is guided by the Procedure for Determining the Amount of Dividends Payable by Subsidiaries of Joint Stock Company National Management Holding Baiterek, approved by the decision of the Management Board of the Holding dated 11 May 2014 (Minutes No. 14/14), which establishes common approaches and principles for determining the amount of dividends payable by subsidiaries of the Holding.</p> <p>The conditions and procedure for payment of dividends to the Sole Shareholder of the Company are governed by the laws of the Republic of Kazakhstan, the Company's Charter and the relevant resolution of the Sole Shareholder of the Company.</p> <p>In accordance with the decision of the Sole Shareholder of the Company dated 26 May 2021 (Minutes No. 27/21) it was decided not to pay dividends on common shares for 2020.</p> <p>Pursuant to decision of the Sole Shareholder of the Company as of May 26, 2022 (Minutes # 23/22) distribution of consolidated net income of Kazyna Capital Management JSC for the year 2021 in amount of 1,556,877,000 (one billion five hundred and fifty six million eight hundred and seven thousand) tenge was approved as follows</p> <ol style="list-style-type: none"> 1) The amount in amount of 1,089,813,900 (one billion eighty nine million eight hundred thirteen thousand nine hundred) tenge be allocated to the payment of dividends to the Sole Shareholder; 2) The rest amount of 467 063 100 (four hundred sixty seven million, sixty three thousand and one hundred) tenge shall be left at the disposal of Joint Stock Company Kazyna Capital Management. <p>Amount of dividend per one common share of Kazyna Capital Management JSC 20 (twenty) tenge 35 (thirty-five) tiyn. Dividend payment commencement date for 2021 is May 26, 2022. Term of payment of dividends in cash by non-cash transfer to the bank account of the Sole Shareholder until 1 August 2022.</p>
4. The principle of effective management of the Company by the Board of Directors and the Management Board			
4.1	The Board of Directors is a management body that provides strategic management of the Company and control over the activities of the Management Board.	Observed	<p>The activities of the Company's Board of Directors are regulated by the Regulations on the Company's Board of Directors approved by the decision of the Holding's Management Board dated November 28, 2018 (Minutes No. 53/18).</p> <p>On September 22, 2021, the Management Board of the Holding approved amendments to the Regulations on the Board of Directors (Minutes No. 50/21).</p> <p>The activities of the Board of Directors are based on the principles of efficiency and responsibility, maximum observance and realization of the interests of the Sole Shareholder and the Company, as well as protection of the rights of the Sole Shareholder. This principle is observed in practice by the Board of Directors of the Company.</p> <p>The Board of Directors exercises general management of the Company's activities, except for resolving issues that fall within the exclusive competence of the Sole Shareholder and the Management Board.</p> <p>The Board of Directors ensures full transparency of its activities to the Sole Shareholder.</p> <p>All members of the Board of Directors comply with their duties stipulated by the Regulations on the Board of Directors of the Company, including the obligation to act in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company on the basis of awareness, transparency, in the interests of the Company and the Sole Shareholder in good faith and reasonably, on the basis of full awareness, honestly, actively, prudently and professionally.</p> <p>Members of the Board of Directors of the Company are officials of the Company and bear responsibility provided for by the legislation of the Republic of Kazakhstan.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code																												
4.2	<p>The composition of the Board of Directors of the Company is formed from among the representatives of the Sole Shareholder, the Chairman of the Management Board of the Company, independent directors and other persons.</p> <p>The Sole shareholder elects the members of the Board of Directors on the basis of clear and transparent procedures, taking into account the competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of the Board of Directors or its full composition for a new term, their contribution to the effectiveness of the Company's Board of Directors is taken into account.</p>	Observed	<p>During 2021, the Board of Directors of the Company consisted of 5 members of the Board of Directors, of which 2 members of the Board of Directors are representatives of the Sole Shareholder, 2 members are independent directors and 1 member of the Board of Directors is the Chairman of the Management Board of the Company.</p> <p>Composition of the Board of Directors of the Company as of 31.12.2021:</p> <table border="0"> <tr> <td><i>A.B. Mukhamedzhanov</i></td> <td>Chairman of the Board of Directors of the Company, Deputy Chairman of the Management Board of the Holding</td> </tr> <tr> <td><i>V.V. Son</i></td> <td>Member of the Board of Directors of the Company, Managing Director of the Holding</td> </tr> <tr> <td><i>N.R. Page</i></td> <td>Member of the Board of Directors of the Company, Independent Director</td> </tr> <tr> <td><i>A.D. Ushbaev</i></td> <td>Member of the Board of Directors of the Company, Independent Director</td> </tr> <tr> <td><i>A.S. Kuvatova</i></td> <td>Member of the Board of Directors of the Company, Chairman of the Management Board of the Company</td> </tr> </table> <p>Independent Directors are the Chairmen of the Committees of the Board of Directors of the Company.</p> <p>The independence criteria are defined by the legislation of the Republic of Kazakhstan, the Regulations on the Board of Directors of the Company, as well as the best international practices in the field of corporate governance.</p> <p>In order to facilitate the effective performance of the functions of the Company's Board of Directors, 3 (three) committees have been established and operate under the Board of Directors to consider the most important issues and prepare recommendations.:</p> <ol style="list-style-type: none"> 1) Audit and Risk Committee; 2) HR, Remuneration and Social Affairs Committee; 3) Strategic Planning and Corporate Development Committee. <p>Composition of the Audit and Risk Committee as of 31.12.2021:</p> <table border="0"> <tr> <td><i>N.R. Page</i></td> <td>Chairman of the Committee</td> </tr> <tr> <td><i>A.D. Ushbaev</i></td> <td>Member of the Committee</td> </tr> <tr> <td><i>V.V. Son</i></td> <td>Member of the Committee</td> </tr> </table> <p>Composition of the HR, Remuneration and Social Affairs Committee as of 31.12.2021:</p> <table border="0"> <tr> <td><i>A.D. Ushbaev</i></td> <td>Chairman of the Committee</td> </tr> <tr> <td><i>N.R. Page</i></td> <td>Member of the Committee</td> </tr> <tr> <td><i>V.V. Son</i></td> <td>Member of the Committee</td> </tr> </table> <p>Composition of the Strategic Planning Committee as of 31.12.2021:</p> <table border="0"> <tr> <td><i>N.R. Page</i></td> <td>Chairman of the Committee</td> </tr> <tr> <td><i>A.D. Ushbaev</i></td> <td>Member of the Committee</td> </tr> <tr> <td><i>V.V. Son</i></td> <td>Member of the Committee</td> </tr> </table>	<i>A.B. Mukhamedzhanov</i>	Chairman of the Board of Directors of the Company, Deputy Chairman of the Management Board of the Holding	<i>V.V. Son</i>	Member of the Board of Directors of the Company, Managing Director of the Holding	<i>N.R. Page</i>	Member of the Board of Directors of the Company, Independent Director	<i>A.D. Ushbaev</i>	Member of the Board of Directors of the Company, Independent Director	<i>A.S. Kuvatova</i>	Member of the Board of Directors of the Company, Chairman of the Management Board of the Company	<i>N.R. Page</i>	Chairman of the Committee	<i>A.D. Ushbaev</i>	Member of the Committee	<i>V.V. Son</i>	Member of the Committee	<i>A.D. Ushbaev</i>	Chairman of the Committee	<i>N.R. Page</i>	Member of the Committee	<i>V.V. Son</i>	Member of the Committee	<i>N.R. Page</i>	Chairman of the Committee	<i>A.D. Ushbaev</i>	Member of the Committee	<i>V.V. Son</i>	Member of the Committee
<i>A.B. Mukhamedzhanov</i>	Chairman of the Board of Directors of the Company, Deputy Chairman of the Management Board of the Holding																														
<i>V.V. Son</i>	Member of the Board of Directors of the Company, Managing Director of the Holding																														
<i>N.R. Page</i>	Member of the Board of Directors of the Company, Independent Director																														
<i>A.D. Ushbaev</i>	Member of the Board of Directors of the Company, Independent Director																														
<i>A.S. Kuvatova</i>	Member of the Board of Directors of the Company, Chairman of the Management Board of the Company																														
<i>N.R. Page</i>	Chairman of the Committee																														
<i>A.D. Ushbaev</i>	Member of the Committee																														
<i>V.V. Son</i>	Member of the Committee																														
<i>A.D. Ushbaev</i>	Chairman of the Committee																														
<i>N.R. Page</i>	Member of the Committee																														
<i>V.V. Son</i>	Member of the Committee																														
<i>N.R. Page</i>	Chairman of the Committee																														
<i>A.D. Ushbaev</i>	Member of the Committee																														
<i>V.V. Son</i>	Member of the Committee																														
4.3	<p>The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation by the Board of Directors of its main functions and building a constructive dialogue between the members of the Board of Directors, the Sole Shareholder and the Management Board of the Company.</p>	Observed	<p>The Chairman of the Board of Directors of the Company in accordance with the Law on JSC, the Charter, the Regulations on the Board of Directors of the Company is elected from among its members by a majority vote of the total number of members of the Board of Directors by open voting.</p> <p>Chairman of the Board of Directors of the Company organizes the work of the Board of Directors, including:</p> <ol style="list-style-type: none"> 1) convenes and conducts meetings of the Board of Directors; 2) approves the agenda of the meeting of the Board of Directors scheduled for holding; 3) organizes the minutes at the meetings of the Board of Directors in accordance with the procedure established by the legislation of the Republic of Kazakhstan. <p>The Chairman of the Board of Directors adheres to the principle of freedom of expression by the members of the Board of Directors on the issues discussed, promotes the search for an agreed solution, consensus-building by the members of the Board of Directors, decision-making in the interests of the sole shareholder and the Company. Also, the Chairman of the Board of Directors promotes effective leadership in order to create conditions for the work of members of the Board of Directors as a single team.</p>																												

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
4.4	<p>Meetings of the Board of Directors are held in accordance with the work plan approved by the Board of Directors before the beginning of the calendar year, which includes a list of issues under consideration and a schedule of meetings with dates. Meetings of the Board of Directors and its committees are held by means of in-person or absentee voting, while the number of meetings with absentee voting should be minimized. Consideration and decision-making on issues of an important and strategic nature is carried out only at meetings of the Board of Directors with face-to-face voting.</p>	Observed	<p>The Board of Directors holds regular meetings to effectively perform its functions. Meetings of the Board of Directors are held in accordance with the work plan approved by the decision of the Board of Directors of the Company dated December 9, 2020 (Minutes No. 15/20), which includes a list of issues under consideration and a schedule of meetings with dates. Meetings of the Board of Directors and its committees are held by means of in-person or absentee voting.</p> <p>In 2021, 12 in-person and 11 absentee meetings of the Board of Directors were held and 146 issues were considered.</p> <p>11 meetings of the Audit and Risk Committee were held, 43 issues were considered; 13 meetings of the HR, Remuneration and Social Affairs Committee, 45 issues were considered; 12 meetings of the Strategic Planning and Corporate Development Committee, 47 issues were considered.</p>
4.5	<p>The Board of Directors, committees and members of the Company's Board of Directors are evaluated on an annual basis in accordance with the Company's internal regulatory documents. At the same time, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.</p> <p>The assessment makes it possible to determine the contribution of the Board of Directors and each of its members in achieving the strategic objectives of the Company's development, as well as to identify areas and recommend measures for improvement. The results of the evaluation are taken into account when re-electing or early termination of the powers of members of the Board of Directors.</p>	Observed	<p>In accordance with the best international corporate governance practice, the Company annually evaluates the activities of the Board of Directors, which determines the further effective development of the Board of Directors.</p> <p>In accordance with the Regulations on the Board of Directors of the Company, in order to obtain a comprehensive analysis of the main areas of activity of the Board of Directors of the Company, an annual assessment of the activities of the Board of Directors has been conducted since 2015. The annual Work Plan of the Company's Board of Directors also provides for an annual assessment of the activities of the Board of Directors.</p> <p>In accordance with the Corporate Governance Code, the Regulations on the Board of Directors of the Company – the Board of Directors, committees and members of the Board of Directors are evaluated on an annual basis until June 1 of the year following the reporting year.</p> <p>The decision to evaluate the activities of the Board of Directors (hereinafter referred to as the Evaluation of the Board of Directors) is made by the Board of Directors.</p> <p>The evaluation of the Board of Directors makes it possible to determine the contribution of the Board of Directors and each of its members in achieving the strategic objectives of the Company's development, as well as to identify areas and recommend measures for improvement. The results of the evaluation of the Board of Directors are taken into account when re-electing or early termination of the powers of members of the Board of Directors.</p> <p>The evaluation of the Board of Directors is carried out in order to obtain a comprehensive analysis of the main areas of activity of the Board of Directors and allows the Board of Directors of the Company:</p> <ul style="list-style-type: none"> • to analyze and identify the strengths and weaknesses (advantages and disadvantages) of the Company's Board of Directors; • make adjustments to the work and adjust the target areas of activity of the Board of Directors of the Company; • determine to what extent the structure and composition of the Company's Board of Directors contribute to the solution of the Company's strategic objectives; • determine the effectiveness of the work of the Chairman of the Board of Directors and each member of the Board of Directors; • determine the effectiveness of the remuneration system for members of the Board of Directors. <p>The ways to assess the SD are self-assessment or the involvement of an independent consultant to improve the quality of the assessment. At the same time, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.</p> <p>The decision of the Board of Directors of the Company dated December 7, 2021 (Minutes No. 21/21) approved the evaluation of the activities of the Board of Directors of Kazyna Capital Management Joint Stock Company for 2021, conducted by the Corporate Secretary of the Company. The assessment is carried out by means of a questionnaire and its results will be included in the Annual Report of the Company.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
4.6	The management of the Company's current activities is carried out by the Management Board. The Chairman and members of the Management Board have high professional and personal characteristics, a good business reputation and adhere to ethical standards. The Chairman of the Management Board has high organizational skills, works in active interaction with the Sole Shareholder and constructively builds a dialogue with the Board of Directors, employees and other interested parties.	Observed	<p>The management of the Company's current activities is carried out by a collegial body in the form of a Management Board headed by the Chairman of the Management Board.</p> <p>The work of the Management Board is aimed at fulfilling the Company's objectives and implementing the Company's development strategy.</p> <p>The activities of the Management Board are regulated by the Regulation on the Management Board of the Company, which provides for the procedure and timing of meetings of the Management Board, the responsibility of members of the Management Board, and also regulates the main functions of the Secretary of the Management Board.</p> <p>Quantitative composition of the Management Board of the Company consists of 5 (five) members, of which 1 Chairman of the Management Board, 3 (three) Deputy Chairman of the Management Board and 1 (one) Managing Director is a member of the Management Board.</p> <p>Members of the Management Board of the Company are officials of the Company and bear responsibility provided for by the legislation of the Republic of Kazakhstan.</p>
4.7	The Management Board is accountable to the Board of Directors and manages the daily activities of the Company, is responsible for the implementation of the development strategy and/or development plan and decisions taken by the Board of Directors and the Sole Shareholder.	Observed	<p>In accordance with the Charter of the Company, the Management Board manages the current activities of the Company.</p> <p>The Management Board ensures the implementation and implementation of the strategy, risk management and internal control policies approved by the Board of Directors, including decisions of the Company's Board of Directors on the organization of the risk management and internal control system, transactions with financial instruments, evaluates policies, plans and other internal documents of the Company for their compliance with the strategy, current market and the economic situation, the risk profile of the Company and the requirements of the legislation of the Republic of Kazakhstan.</p> <p>The main principles of the Board's activities are: legality, honesty; integrity; reasonableness; regularity, professionalism, objectivity.</p> <p>The activities of the Management Board are fully accountable to the Board of Directors of the Company.</p> <p>In accordance with the Regulations on the Management Board of the Company the Management Board is obliged to implement the decisions of the Sole Shareholder and the Board of Directors of the Company and to carry out its functions in good faith in the interests of the Company.</p> <p>The Management Board, on an annual and semi-annual basis, in accordance with the Work Plan of the Board of Directors, provides the Board of Directors with a report on the work done by the Management Board of the Company.</p>
4.8	In order to effectively organize the activities of the Board of Directors and the interaction of the Management Board with the Sole Shareholder, the Board of Directors appoints a Corporate Secretary.	Observed	<p>By decision of the Board of Directors of the Company dated 28 March 2018 (Minutes No. 2/18), the Regulations on the Corporate Secretary of the Company (hereinafter referred to as the Regulations) were approved. The Regulations define the status of the Corporate Secretary in the organisational structure and corporate governance system of the Company, the procedure for appointment and early dismissal of the Corporate Secretary, his/her tasks, functions, rights and duties, powers and responsibilities, organisational and technical support of activities.</p> <p>Also by the resolution of the Board of Directors of the Company dated January 29, 2021 (Minutes No. 1/21) Smagulov E. was appointed Corporate Secretary of the Company.</p> <p>In accordance with the resolution of the Board of Directors dated December 7, 2021 (Minutes No. 21/21) the authority of the Company's Corporate Secretary Smagulova E. was terminated, and from January 5, 2022 Belyalova A. was appointed the Company's Corporate Secretary.</p> <p>The Corporate Secretary of the Company is constantly working to ensure the proper preparation and presentation to the members of the Board of Directors and members of the Committees of the materials for the meetings, recording and signing the minutes of meetings, providing extracts from the decisions of the Board of Directors, providing operational information to the structural units of the Sole Shareholder and the Company.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
4.9	In order to comply with the principles of business ethics, optimal regulation of social and labor disputes arising in the Company, an Ombudsman may be appointed in the Company from among the employees of the Company, the Sole Shareholder or its subsidiaries.	Observed	<p>By the resolution of the Board of Directors of the Company dated March 18, 2021 (Minutes No. 5/21) the Head of Compliance Service of National Management Holding Baiterek JSC – R.I. Arystanbekov was appointed as the Ombudsman of the Company with the term of powers of 2 years.</p> <p>In accordance with the decision of the Board of Directors dated July 2, 2021 (Minutes No. 11/21) the powers of the Company's Ombudsman R.I. Arystanbekov were prematurely terminated.</p> <p>Resolution of the Board of Directors dated 2 July 2021 (Minutes No. 11/21) the Head of Corporate Secretary Service of JSC «National Management Holding «Baiterek» – Maira Dusenbayevna Turganova was appointed as the Ombudsman of the Company with the term of office of 2 years.</p> <p>The Ombudsman's role is to advise the employees, participants of labor disputes and conflicts addressed to him and assist them in developing a mutually acceptable, constructive and realizable solution in compliance with the legislation of the Republic of Kazakhstan (including confidentiality if necessary), assist in solving the problematic social and labor issues of both employees and the Company.</p> <p>The Ombudsman of the Company initiates consideration of disputes on violation of provisions of the Code of Business Ethics of the Company, including corporate conflicts and conflicts of interest, and participates in their settlement.</p> <p>No complaints of violations were received by the Ombudsman in 2021.</p>
5. The principle of sustainable development			
5.1	The Company and its subsidiaries are aware of the importance of their influence on the economy, the environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company and its subsidiaries.	Observed	<p>In order to determine the fundamental norms, principles, rules and approaches that the Company should adhere to in building a management system in the field of sustainable development in the Company, the Board of Directors approved the Policy of Sustainable Development of Kazyna Capital Management Joint Stock Company on September 9, 2021 (Minutes No. 16/21).</p> <p>Solving problems in the field of sustainable development, the Company relies on its mission, the Holding's Development Strategy/Company, and also uses international norms of behavior and principles enshrined in international standards in the field of sustainable development. The Company considers the use of international standards in the field of sustainable development as a necessary condition for ensuring compliance of its activities with the best international practice and achieving goals and objectives in the field of sustainable development.</p> <p>The Management Board of the Company ensures the formation of an appropriate sustainable development management system and its implementation.</p> <p>The Company is aware of the importance of its influence on the economy, the environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders contributes to the sustainable development of the Company. The principles in the field of sustainable development are openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest. In general, these principles are applied and observed by the Company.</p> <p>In order to ensure the sustainable development of the Company, the Sole Shareholder forms and approves uniform policies, guidelines and corporate standards for its subsidiaries.</p> <p>The Company discloses the principle of sustainable development on an ongoing basis within the framework of the Company's Annual Report, which is subject to approval by the Sole Shareholder of the Company.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
5.2	The Company and its subsidiaries develop action plans in the field of sustainable development.	Observed	<p>By the decision of the Board of Directors dated September 4, 2020 (Minutes No. 11/20), the Company approved its 2014–2023 Development Strategy and 2020–2022 Action Plan for the implementation of the Company's 2014–2023 Development Strategy which was revised to include the sustainable development action plan.</p> <p>According to the resolution of the company's Management Board dated November 2, 2021 (minutes No. 58/21), the company approved its 2021–2022 Sustainable Development Action Plan.</p> <p>The action plan includes actions on introducing ESG principles into the company's business processes aimed at improving the company's sustainability indicators for the following categories: «Sustainable Management», «Economic Component», «Environmental Component» and «Social Component».</p>
5.3	The Company and its subsidiaries ensure consistency of their economic, environmental and social goals for sustainable development in the long term. Sustainable development in the Company and its subsidiaries consists of three components: economic, environmental and social.	Observed	<p>Sustainable development in the Company consists of three components: economic, environmental and social components.</p> <p>The economic component directs the activities of the Company and its subsidiaries and affiliated companies towards protecting interests of shareholders and investors as well as improving the efficiency of processes.</p> <p>The environmental component contributes to minimization of the negative impact on the environment, optimal use of limited resources, use of environmentally friendly, energy-efficient and resource-saving technologies. In its activities, the Company follows the principles of the most careful and rational attitude to the environment in accordance with the requirements of the legislation of the Republic of Kazakhstan and generally recognized environmental protection standards.</p> <p>The social component focuses on the principles of social responsibility, which also include ensuring labor safety and maintaining the health of employees, fair remuneration and respect for the rights of employees, professional development of staff, sponsorship and charity, environmental and educational events.</p> <p>In order to promote professional development, the Company approves the Staff Training Plan on an annual basis.</p> <p>The Company ensures the consistency of its economic, environmental and social goals for sustainable development in the long term. Within its activities the Company is guided by its sustainable development principles that are included in the Company's Corporate Governance Code. The Company also declares adherence of its activities with the principles of the UN Global Compact in the areas of human rights protection, labor relations, environmental protection and the fight against corruption.</p>
5.4	The Company and its subsidiaries strive for profitability, ensure sustainable development, and maintain a balance of interests of interested parties.	Observed	<p>In order to implement the Company's Sustainable Development Policy, by the decision of the Board of Directors of the Company dated March 18, 2021 (Minutes No. 5/21), the Stakeholders Map of the Kazyna Capital Management JSC was approved.</p> <p>The Company's Stakeholders Map allows to improve the effectiveness of the system of the corporate governance and stakeholder engagement in order to establish balanced relationships.</p> <p>The stakeholder map is risk-based and ranked according to the level of dependency from stakeholders (direct or indirect), commitments, situation (with a special focus on high-risk areas), impact and different perspectives and determines the extent of stakeholders' interest and their degree of influence.</p> <p>The Company recognizes the rights of all stakeholders and strives to cooperate with them in order to develop its activities and ensure sustainable development.</p> <p>In case of violation of the rights of the Company's employees, partners and third parties, the Company acts within the framework of the current legislation of the Republic of Kazakhstan.</p> <p>In 2021, violations of the rights of the Company's employees, partners and third parties were not identified.</p> <p>Work on informing interested parties about the Company's activities is carried out in accordance with a Special media plan and network schedule of subsidiaries of NMH Baiterek JSC. Information for stakeholders (news about the Company's activities, instruments of state support for exporters, success stories, and others) is updated on an ongoing basis on the official website of the Company: www.kcm-kazyna.kz</p> <p>Kazyna Capital Management JSC, as a socially responsible company, strives to build a transparent company that is intolerant to corruption.</p> <p>In its activities, Kazyna Capital Management JSC adheres to high ethical standards and principles of open and honest business conduct, and also strives to improve corporate culture, follow the best practices of corporate governance and maintain business reputation at the proper level. The Company adheres to the principle of intolerance to corruption in any forms and manifestations.</p> <p>Kazyna Capital Management JSC proclaims the inevitability of punishment for employees, regardless of their position, in case they commit corruption offenses in connection with performance of their work duties.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
6. The principle of risk management, internal control and internal audit			
6.1	The Company has an effectively functioning risk management and internal control system aimed at ensuring reasonable confidence in the Company's achievement of its strategic and operational goals, and representing a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Management Board of the Company.	Observed	<p>The Company has the structure that was approved by the Board of Directors that clearly defines the participants of the corporate risk management system. The structure provides for a Risk Analysis and Management Service reporting directly to the Chairman of the Management Board.</p> <p>The approved Risk Management Policy defines the organizational structure of risk management, the roles and responsibilities of bodies, committees and structural divisions: the Sole Shareholder, the Board of Directors, the Audit and Risk Committee, the Management Board, the Investment Committee, the Risk Analysis and Management Service, the Internal Audit Service and structural divisions.</p> <p>The main objectives of the risk management system are:</p> <ul style="list-style-type: none"> building an effective integrated system and creating an integrated risk management process as an element of the Company, as well as continuous improvement of activities based on a unified standardized approach to risk management methods and procedures; improving the efficiency and sustainability of the Company's development, reducing losses, increasing profitability and the most efficient use of capital; ensuring that the Company accepts acceptable risks that are adequate to the scale of related activities; ensuring the normal functioning of the Company in crisis situations. <p>The Risk Analysis and Management Service monitors the Company's key risks on a quarterly basis and submits them to the Management Board of the Company and the Board of Directors of the Company. Considering the unstable financial condition of commercial banks, a quarterly analysis is carried out on the financial system of Kazakhstan and for each bank separately, on the basis of which a report is submitted for consideration by the Investment Committee and appropriate measures are taken to reduce the credit risks of the treasury portfolio.</p> <p>In the reporting period, work was carried out to improve the Company's risk management guidelines and updated internal regulatory documents:</p> <ul style="list-style-type: none"> The strategy for the development of the risk management system of the Kazyna Capital Management JSC was approved by the decision of the Management Board of the Company dated June 15, 2021 (Minutes No. 27/21); The risk management policy of the Kazyna Capital Management JSC was approved by the decision of the Board of Directors of the Company dated June 29, 2021 (Minutes No. 10/21); The risk management rules of the Kazyna Capital Management JSC were approved by the decision of the Board of Directors of the Company dated June 29, 2021 (Minutes No. 10/21); The methodology for determining the business processes of the Kazyna Capital Management JSC was approved by the decision of the Board of Directors of the Company dated June 29, 2021 (Minutes No. 10/21). <p>Principles of internal audit.</p> <p>The Company has established an Internal Audit Service, which carries out activities to provide the Board of Directors with independent reasonable guarantees and consultations aimed at improving the Company's activities. Internal audit helps the Company achieve its goals by using a systematic and consistent approach to assessing and improving the effectiveness of risk management, internal control and corporate governance processes.</p> <p>The Company's Board of Directors annually approves the Annual Audit Plan of the Internal Audit Service based on a risk-based approach. The results of each audit are reviewed and discussed at a meeting of the Company's Management Board. Quarterly, the results of audit assignments, key findings, relevant recommendations and corrective action plans adopted by the Company's Management Board are submitted for consideration by the Board of Directors.</p> <p>The Internal Audit Service, in carrying out its activities, is guided by:</p> <ol style="list-style-type: none"> the legislation of the Republic of Kazakhstan, the Charter of the Company, decisions of the Company's bodies, this Regulation and other internal documents of the Company; The IPPAS, the constituent elements of which are the definition, mission, basic principles of the professional practice of internal audit, the Code of Ethics of Internal Auditors (hereinafter referred to as the Code of Ethics), international professional standards of internal audit (hereinafter referred to as Standards), as well as practical guidelines and guidelines for them.

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
			<p>The main tasks of the Internal Audit Service are to conduct analysis and evaluation:</p> <ul style="list-style-type: none"> reliability and efficiency of the internal control system; reliability and effectiveness of the risk management system; reliability of the functioning of the internal control system for the use of automated information systems, including monitoring the integrity of databases and their protection from unauthorized access and (or) use, taking into account measures taken in case of non-standard and emergency situations in accordance with the action plan aimed at ensuring the continuity of activities and (or) restoring the Company's activities in the event of non-standard and emergency situations; reliability, completeness, objectivity of the accounting system and reliability of financial statements and other information of the Company, as well as evaluation of the rules (principles, methods) used to identify, measure, classify and present such information (plans and reports) to internal and external users; the rationality and efficiency of the use of resources, assets and the methods used to ensure their accounting, preservation (restoration) and/or security (protection); economic feasibility and efficiency of transactions and transactions; compliance with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents of the Company, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements (compliance control); implementation of decisions of the Company's bodies and instructions (proposals) of authorized (supervisory) state bodies; sufficiency and/or effectiveness of business processes carried out by the Company's structural divisions, measures to achieve the tasks assigned to them within the framework of the Company's strategic goals; the effectiveness of the corporate governance system and the process of its improvement, compliance with the accepted principles of corporate governance, relevant ethical standards and values. <p>In order to develop the competence and potential of employees in the field of internal audit, the Board of Directors of the Company annually approves a professional training plan for employees of the Internal Audit Service of the Company.</p> <p>In order to improve the activities of the Internal Audit Service in 2021, the documents regulating the activities of the Internal Audit Service have been updated.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
6.2	The Company established an Internal Audit Service for a systematic independent assessment of the reliability and effectiveness of the risk management and internal control system and corporate governance practices.	Observed	<p>The Internal Audit Service ensures the organization and implementation of internal audit in the Company, is directly subordinate and accountable to the Board of Directors of the Company.</p> <p>The mission of the Internal Audit Service is to preserve and increase the value of the organization by conducting objective internal audits based on a risk-based approach, providing recommendations and sharing knowledge.</p> <p>The Internal Audit Service carries out its activities based on the principles of honesty, objectivity, confidentiality and professional competence.</p> <p>The main tasks of the Internal Audit Service are to conduct analysis and evaluation within the framework of audits and consultations:</p> <ul style="list-style-type: none"> reliability and efficiency of the internal control system; reliability and effectiveness of the risk management system; the effectiveness of the corporate governance system and the process of its improvement, compliance with ethical standards and values. compliance with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements (compliance control); implementation of decisions of the Company's bodies and instructions (proposals) of authorized (supervisory) state bodies; sufficiency and/or efficiency of business processes carried out by the Company's structural divisions, measures to achieve the tasks assigned to them within the framework of the Company's strategic goals; rationality and efficiency of the use of resources and the methods (methods) used to ensure the safety of property (assets); economic feasibility and efficiency of transactions and transactions; reliability, completeness, objectivity of the accounting system and reliability of financial statements and other information of the Company. <p>The Company's Board of Directors annually approves the Annual Audit Plan of the Internal Audit Service based on a risk-based approach. The results of each audit are reviewed and discussed at a meeting of the Company's Management Board.</p> <p>In order to develop the competence and potential of employees in the field of internal audit, the Board of Directors of the Company annually approves a professional training plan for employees of the Internal Audit Service of the Company.</p> <p>The Internal Audit Service provides a quarterly report to the Audit and Risk Committee and the Board of Directors of the Company. The Head of the Internal Audit Service meets quarterly with the Audit and Risk Committee of the Board of Directors without the participation of members of the Company's Management Board.</p> <p>On November 12, 2021, the Company's Board of Directors approved amendments to the Rules for the Organization of Internal Audit (Minutes No. 20/21).</p> <p>In order to improve the activities of the Internal Audit Service in 2021, the documents regulating the activities of the Internal Audit Service have been updated. Also, on March 2, 2021, the Company's Board of Directors approved the audit report «Assessment of the effectiveness of the internal control system» and the corrective action plan based on the results of the audit assignment «Assessment of the effectiveness of the internal control system» (Minutes No. 4/21).</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
7. The principle of regulating corporate conflicts and conflicts of interest			
7.1	<p>Members of the Board of Directors and the Management Board of the Company, employees of the Company, perform their professional functions in good faith and reasonably in the interests of shareholders and the Company, avoiding conflicts.</p> <p>In the event of corporate conflicts, the participants seek ways to resolve them through negotiations in order to ensure effective protection of the interests of the Company and interested parties. At the same time, the Company's officials promptly inform the Corporate Secretary and/or the Ombudsman about the presence (occurrence) of a conflict.</p> <p>The effectiveness of work on the prevention and resolution of corporate conflicts presupposes the full and early identification of such conflicts and coordination of actions of all bodies of the Company</p>	Observed	<p>The Company operates in strict accordance with the legislation of the Republic of Kazakhstan, generally accepted principles of business ethics and internal documents of the Company.</p> <p>Relations between the Sole Shareholder, members of the Board of Directors and the Management Board of the Company are based on mutual trust, respect, accountability and control.</p> <p>The Company carries out its activities recognizing the supremacy of the Constitution, laws and other regulatory legal acts of the Republic of Kazakhstan in relation to the internal documents of the Company and not allowing decisions to be made at the personal discretion of officials and other employees of the Company.</p> <p>The Company has a Code of Business Ethics of the Company, approved by the decision of the Board of Directors of the Company dated October 23, 2018 (Minutes No. 09/18). The objectives of the Code of Business Ethics are to improve, systematize and regulate the Company's relations aimed at improving the efficiency of corporate governance and promoting successful interaction with employees, customers, suppliers, business partners, stakeholders and authorized state bodies through the application of generally accepted standards and norms of business conduct. In accordance with the Code of Business Ethics, the Company's employees undertake to comply with the norms of the Code.</p> <p>Compliance with the principles of business ethics and optimal regulation of disputes on violation of the provisions of the Company's Code of Business Ethics are entrusted to the Company's Ombudsman.</p> <p>In order to implement the requirements of the legislation of the Republic of Kazakhstan and the Company's internal regulatory documents on combating corruption, resolving corporate conflicts and conflicts of interest, the Ombudsman institute has been introduced in the Company.</p> <p>The tasks of the Ombudsman include collecting information, complaints and other appeals from individuals and legal entities on the actions (inaction) of officials and employees of the Company, ensuring their consideration, as well as organizing the consideration of disputes arising on the application of business ethics, conflict of interest settlement.</p> <p>All employees of the Company, clients, partners and other interested persons have the right to apply to the Ombudsman.</p> <p>If it is impossible to resolve corporate conflicts in the Company through negotiations or other alternative ways of resolving corporate conflicts, they are subject to resolution in accordance with the legislation of the Republic of Kazakhstan.</p> <p>In 2021, there were no complaints and appeals to the Ombudsman regarding violations of business ethics and labor legislation in the Company.</p>

Ser. No.	Principles and Provisions of the Corporate Governance Code of Kazyna Capital Management Joint Stock Company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Company's Corporate Governance Code
7.2	<p>The Board of Directors approves and periodically reviews the policy and rules for resolving corporate conflicts, in which their resolution will best meet the interests of the Company and the Sole Shareholder.</p> <p>The Board of Directors settles corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman are responsible for ensuring that the Board of Directors is informed as much as possible about the essence of the corporate conflict and the role of an intermediary in resolving the corporate conflict.</p> <p>The Board of Directors considers individual corporate conflicts within the competence of the Management Board (for example, if the subject of the conflict is the actions (inaction) of this body).</p>	Observed	<p>In order to prevent and resolve corporate conflicts and conflicts of interest in the Company, as well as coordinate the actions of all bodies and officials, by decision of the Board of Directors of the Company dated December 12, 2015 (Minutes No. 89) The Policy on the Settlement of Corporate Conflicts and Conflicts of Interest has been approved, regulating the procedure and procedures for pre-trial settlement of conflicts, as well as the actions of bodies, officials and employees of the Company in the framework of these issues.</p> <p>Members of the Board of Directors and the Management Board, as well as employees of the Company, perform their duties in good faith and reasonably, with due care and prudence in the interests of the Company and the Sole Shareholder, avoiding conflicts of interest. They ensure full compliance of their activities not only with the requirements of the legislation of the Republic of Kazakhstan, but also with ethical standards and generally accepted norms of business ethics.</p> <p>Also, in 2021, there were no cases of violations of the Policy on the Settlement of Corporate Conflicts and conflicts of Interest.</p> <p>In order to ensure the regulation of the conflict of interests, the Company maintains a list of affiliated persons. To track potential conflicts of interest in the Company, members of the Board of Directors and the Management Board regularly provide information about their affiliates. An Ombudsman has been appointed in the Company. The functions of the Ombudsman include collecting information on non-compliance with the provisions of the Company's Code of Business Ethics, consulting employees and officials of the Company on the provisions of the Code, initiating dispute resolution on violation of the provisions of the Code and participating in it.</p> <p>Members of the Board of Directors and the Management Board, employees of the Company, perform their professional functions in good faith and reasonably in the interests of the Company and the Sole Shareholder, avoiding conflicts of interest and corporate conflicts.</p> <p>A civil contract is concluded with a member of the Board of Directors – an independent director in the Company, reflecting the conditions for compliance with the requirements provided for by the Company's internal regulatory documents, including on corporate conflicts and conflicts of interest.</p> <p>During 2021, no cases of corporate conflicts and conflicts of interest were recorded in the Company by the Corporate Secretary.</p> <p>The Company's Ombudsman initiates consideration of disputes on violation of the provisions of the Company's Code of Business Ethics, including in terms of corporate conflicts and conflicts of interest, and participates in their settlement.</p> <p>There were no complaints about violations to the Ombudsman during 2021.</p>
8. Principles of transparency and objectivity of disclosure of information about the Company's activities			
8.1	<p>In order to comply with the interests of interested parties, the Company promptly and reliably discloses information provided for by the legislation of the Republic of Kazakhstan and internal documents of the Company, as well as information on all important aspects of its activities, including financial condition, results of operations, ownership and management structure.</p>	Observed	<p>In order to improve the corporate governance system, the Company ensures timely disclosure of reliable information about all material facts related to its activities, including its financial position, results of operations, ownership and management structure of the Company, corporate events and other information, in accordance with the best practices of corporate governance, in accordance with the current legislation of the Republic of Kazakhstan. This information is published on the official Internet resource of the Company: www.kcm-kazyna.kz http://baiterekdevelopment.kz/.</p> <p>All events and significant corporate events of the Company are accompanied by the release of press releases and information messages.</p> <p>The principles, forms and methods, as well as the procedure for disclosure of information about the Company are regulated by the Information Policy of Kazyna Capital Management Joint Stock Company, approved by the decision of the Board of Directors of the Company dated July 31, 2018 (Minutes No. 6/18).</p> <p>In the course of information disclosure, the Company takes into account that information constituting commercial, official and other information protected by the legislation of the Republic of Kazakhstan shall be protected. The conditions of access to such information are determined by the Company, taking into account the need to maintain a balance between openness and transparency of the company's activities and a focus on eliminating damage to its interests. All employees and Companies undertake written obligations not to disclose information containing trade secrets and other confidential information.</p> <p>In accordance with the Law of the Republic of Kazakhstan «On Joint Stock Companies», the Company informs the Sole Shareholder about corporate events of the Company.</p>

