



**KAZAKHSTAN ELECTRICITY GRID OPERATING COMPANY
(KEGOC) JOINT-STOCK COMPANY**

PERFORMANCE REPORT

**OF THE BOARD OF DIRECTORS/COMMITTEES OF KAZAKHSTAN
ELECTRICITY GRID OPERATING COMPANY (KEGOC) JOINT-
STOCK COMPANY FOR 2021**

City of Nur-Sultan

1. GENERAL MEETING OF SHAREHOLDERS

The general meeting of shareholders is the superior body of the Company.

The general meeting of shareholders shall run its activities in accordance with the Law of the Republic of Kazakhstan On Joint-Stock Companies, the Charter and the Regulations on the General Meeting of Company Shareholders.

The exclusive competence of the General Meeting of Shareholders is defined by Article 18.1 of the Company Charter.

The General Meeting of Shareholders shall have the right to cancel any decision of other Company's bodies on the issues, which are recognised as the Company's internal affairs.

The General Meetings of Shareholders can be annual and extraordinary.

The Annual General Meeting of Shareholders shall be held no later than five (5) months after the end of the fiscal year.

All other meetings of shareholders except the annual General Meeting of Shareholders shall be considered extraordinary ones.

In 2021, the Board of Directors initiated the convocation of the annual and extraordinary General Meeting of Shareholders through praesentia, absentee voting, and mixed voting **6 (six)** times:

1) **23 February** 2021 (Minutes No. 20), the Board reviewed the agenda item of *“Determining the term of office of the Chairman of the Management Board of KEGOC”*.

2) **23 October** 2020 (Minutes No. 21), through absentee voting, the Board reviewed the following agenda items:

- *Approval of the interim financial statements of KEGOC as of and for a year ended 31 December 2020, the procedure for distributing the net income, decision to pay dividends on ordinary shares and approval of the amount of dividend per one ordinary share of KEGOC for 2020.*

- *Determination of the number of members, terms of office of KEGOC's Board of Directors, election of its members and the chairman, and determination of the rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties.*

- *Review of claims from the shareholders in relation to KEGOC's activities and its officers and results of consideration of such claims.*

3) **31 May** 2021 (Minutes No. 22), the Board reviewed through a mixed vote, the agenda item of *“Selection of the Auditing Organization Carrying out the Audit of KEGOC JSC and the Amount of Payment for its Services”*;

4) **30 July** 2021 (Minutes No. 23), the Board reviewed through absentee voting the following agenda item: *“Some issues of the Board of Directors of KEGOC”*.

5) **29 October** 2021 (Minutes No. 24), the Board reviewed through absentee voting the following agenda item: “Approval of the financial statements of KEGOC as of and for the six months ended June 30, 2021, the procedure for distributing the net income, decision to pay dividends on ordinary shares and approval of the amount of dividend per one ordinary share of KEGOC for H1 2021”;

5) **24 November** 2021 (Minutes No. 25), the Board reviewed through absentee voting the following agenda item: “*Some issues of KEGOC*”;

All decisions of the General Meeting of Shareholders have been brought to the attention of the Board of Directors, the Management Board, and the orders have been executed in full and on time.

2. CONSTITUTION OF THE BOARD OF DIRECTORS

Members of the Board of Directors as on the 1 January 2021

- Almassadam Satkaliyev, the Chairman of the Board of Directors, representative of Samruk-Kazyna JSC.

- Suinshlik Tiyessov, member of the Board of Directors, representative of Samruk-Kazyna;

- Zhanna Yegimbayeva, member of the Board of Directors, representative of Samruk-Kazyna;

- Dominique Fache, member of the Board of Directors, independent director.

- Zhanbota Bekenov, member of the Board of Directors, independent director.

- Nurlan Akhanzaripov, member of the Board of Directors, independent director.

- Bakytzhan Kazhiyev, member of the Board of Directors of KEGOC, chairman of the Management Board of KEGOC.

On 27 April 2021, a new constitution of the Board of Directors was elected:

- Kanysh Moldabayev, the Chairman of the Board of Directors, representative of Samruk-Kazyna JSC.

- Suinshlik Tiyessov, representative of Samruk-Kazyna;

- Zhanna Yegimbayeva, representative of Samruk-Kazyna;

- Nurlan Akhanzaripov, independent director;

- Zhanbota Bekenov, independent director;

- Bakytzhan Kazhiyev, Chairman of Management Board, KEGOC.

In 2021, the membership of the Board of Directors was amended as follows.

On 30 July 2021 Ulf Wokurka was elected as an independent director, member of the Board of Directors of KEGOC by the General Meeting of KEGOC Shareholders (Minutes No. 23) .

24 November 2021 the General Meeting of Shareholders of KEGOC elected the following constitution of the Board of Directors (Minutes No. 25):

- Suinshlik Tiyessov, Chairman of the Board of Directors, representative of Samruk-Kazyna;
- Zhanna Yegimbayeva, representative of Samruk-Kazyna;
- Yernat Berdigulov, representative of Samruk-Kazyna;
- Nurlan Akhanzaripov, independent director;
- Zhanbota Bekenov, independent director;
- Ulf Wokurka, independent director;
- Kanysh Moldabayev, the Chairman of the Management Board of KEGOC.

3. MEMBERS OF THE Board of Directors

Members of the Board of Directors as of 31 December 2021



TIYESSOV
Suinshlik
Chairman
of the Board of Directors
KEGOC JSC

Born in 1946, citizen of the Republic of Kazakhstan.

Elected on 28 October 2016 (Minutes No. 5), 27 April 2018 (Minutes No. 8), 27 April 2021 (Minutes No. 21) and 24 November 2021 (Minutes No. 25) by the General Meeting of Shareholders of KEGOC JSC.

Shares owned in KEGOC or its subsidiaries: none

Education: Lenin Kazakh Polytechnic Institute Almaty, majoring in Electrical Engineering (1968), Business and Management Centre of Gatton College of Business and Economics, University of Kentucky, USA (1996).

Work experience for the last five years:

2004 - 2016: Chairman of the Management Board at KOREM.

Author of the monograph *Formation of the electricity market in Kazakhstan*. Participated in the formation of the national grid, introduction of unique transmission lines and 1,150-500 kV substations, and the largest electricity generators: Aksuiyskaya GRES, Ekibastuz GRES. Participant in the development and implementation of: external power supply design of Tengiz oil and gas field; implementation of Kazakhstan Electricity Transmission Rehabilitation Project; the electricity and capacity market project in Kazakhstan, the First Electricity Law in 1995; all regulatory and legal documents relating to operation of the electricity market in Kazakhstan.

Academic degree, academic status:

Candidate of Technical Sciences



YEGIMBAYEVA
Zhanna
Member of KEGOC's

Born in 1953, citizen of the Republic of Kazakhstan.

Elected on 28 October 2016 (Minutes No. 5), 27 April 2018 (Minutes No. 8), and 27 April 2021 (Minutes No. 21) by the General Meeting of Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education: Kirov Kazakh State University, Lawyer.

Work experience for the last five years:

2017 to present: member of the Board of Directors of NC Kazakhstan Engineering JSC.

2016 – present: - member of KEGOC's Board of Directors, representative of Samruk-Kazyna;

2016-2019 - Advisor in Baiterek National Holding JSC;

Board of Directors, representative of Samruk-Kazyna, member of the Nomination and Remuneration Committee and the Occupational Health, Safety, and Environmental Protection Committee of KEGOC's Board of Directors.



**BEKENOV
Zhanbota**

independent director, chairman of the Audit Committee, the Nomination and Remuneration Committee under KEGOC's Board of Directors.

2016-2019 - Independent Director - member of the Board of Directors, KazAgro National Management Holding;

2011-2016 - Deputy Head of Prime Minister's Office of the Republic of Kazakhstan.

Participation in the management bodies of other entities:

Member of the Board of Directors of Kazakhstan Engineering NC JSC.

Born in 1957, citizen of the Republic of Kazakhstan

Elected on 27 April 2020 (Minutes No. 16) and 27 April 2021 (Minutes No. 21) by the Extraordinary General Meeting of Shareholders KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education: Alma-Ata Institute of National Economy, Faculty of Finance and Credit (1982-1985), Kazakh State University named after Al-Farabi, Faculty of Mechanics and Applied Mathematics (1985)

Work experience over the past five years:

2018 to present: member of the Board of Directors of Eurasian Bank JSC;

2016 - 2018: co-managing partner of Grant Thornton LLP;

2002 - 2014: senior advisor to the Audit Department PricewaterhouseCoopers LLP;

Participation in the management bodies of other entities:

Member of the Chamber of Auditors of the Republic of Kazakhstan (since 1994)

Member of the Advisory Council under the Ministry of Finance of the Republic of Kazakhstan (since 1994).



**AKHANZARIPOV
Nurlan**

Independent director, chairman of the Nomination and Remuneration Committee, member of the Strategic Planning and Corporate Governance Committee, member of the Audit Committee of the Board of Directors of KEGOC

Born in 1965, citizen of the Republic of Kazakhstan.

Elected on 26 June 2020 (Minutes No. 18), 27 April 2021 (Minutes No. 21) by the Extraordinary General Meeting of Shareholders KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education: Semipalatinsk University named after Shakarim, accountant economist, accounting and audit (1991), MBA, Master of Business Administration, geophysicist (1995), Kazakh National Technical University named after K.I. Satpayev (2015)

Work experience for the last five years and participation in the management bodies of other entities:

2021 (October) to present – member of the Board of Directors, independent director of Kazakhstan Temir Zholy JSC

2017 - present: - member of Board of Directors, independent director of AstanaGas JSC;

2017 - present: - member of the Board of Directors, independent director of iQS Engineering LLP

2019 - 2020 - member of the Board of Directors of Centre for Engineering and Technology Transfer JSC, NMH Baiterek group;

2017-2018 - a member of the Board of Directors of Kazakhstan Engineering NC JSC.

2010-2016 - a member of Board of Directors, Independent Director of AlfaBank - Kazakhstan JSC

Member of the Governing Council of the Association of Taxpayers of Kazakhstan, the Expert Council of the Association "KazEnergy".
Certified Independent Director (Cert IoD) Institute of Directors, UK.



ULF WOKURKA
independent director,
Chairman of of Strategic
Planning and Corporate
Governance Committee
and the Health, Safety and
Environment Committee,
member of the Audit
Committee of the Board of
Directors of KEGOC

Born in 1962, national of the Federal Republic of Germany.

Elected on 30 July 2021 (Minutes No. 22) by the decision of the General Meeting of Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education:

1969 - 1980: 10-year high school and 12-year extended school in Dresden

1980 - 1981: study (matriculation certificate) at the Martin Luther University in Halle an der Saale

1981 - 1983: compulsory military service in the National People's Army

1983 - 1989: study at the Moscow State Institute of International Relations of the USSR Ministry of Foreign Affairs (MGIMO), at the Eastern Department of the Faculty of International Relations, diploma with honours, thesis topic: "Issues of Turkey's accession to EEC"

Work experience for the last five years:

2018 (September) - 2019 (February): the Chairman of the Management Board of TsesnaBank JSC, Astana

2018 (March) - 2018 (July): the Chairman of the Supervisory Board of three KUSA Kazkommertsbank JSC;

2017(July) - 2018(July): the Chairman of the Board of Kazkommertsbank JSC, Almaty

Participation in the management bodies of other entities:

2021 (October) – present: member of the Board of Directors of Kazakhstan Temir Zholy JSC

since 2019 (April) - present: member of the Board of Directors of Nurbank JSC, Almaty, Chairman of the Strategic Planning Committee of the Board of Directors

since 2016 (February) - present: member of the Board of Directors of AIFC Administration JSC, Nur-Sultan

since 2015 (December) - present: member of the Board of Directors of KAZAKH INVEST JSC, Nur-Sultan (until April 2017 of KAZNEX INVEST JSC), Chairman of the Audit Committee of the Board of Directors



**BERDIGULOV
Yernat**

member of KEGOC's Board of Directors, Chairman of Samruk-Kazyna, member of the Strategic Planning and Corporate Governance Committee and the Occupational Health, Safety, and Environmental Protection Committee of KEGOC's Board of Directors.

Born in 1987, citizen of the Republic of Kazakhstan.

Elected on 24 November 2021 (Minutes No. 25) by the General Meeting of Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education:

2004-2005 - Marysville Pilchuck High School Future Leaders Exchange Program (FLEX)

2004 - 2007 - Al-Farabi Kazakh National University, Faculty of International Relations, Almaty

2007-2010 - University of Toronto with a degree in Public Policy and International Relations (direction - International Economics)

2015-2018 - University of Warwick in the UK, Master of Business Administration

Work experience for the last five years:

April 2021 – present - Co-Managing Director for Strategy, Sustainable Development and Digital Transformation of Samruk-Kazyna JSC

May 2019 - April 2021 – Project manager at Whiteshield Partners, the international consulting company (senior analyst, consultant)

August 2018 - April 2019 - Analyst of the Asset Management Directorate of Samruk-Kazyna JSC

January 2013 - May 2018 - Advisor to the Chairman of the Board of Samruk-Energy JSC (on financial and economic issues). Also in different years he was the head of the analytical support department, the head of the strategic development department, the head of the project management department

Part-time work and membership in other Board of Directors:

Member of the Boards of Directors of other subsidiaries of Samruk-Kazyna JSC.



**MOLDABAYEV
Kanysh**

Chairman of Management Board, KEGOC

Born in 1963, citizen of the Republic of Kazakhstan.

Elected on 27 April 2021 (Minutes No. 21) and 24 November 2021 (Minutes No. 25) by the General Meeting of Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education:

2016 - 2020 - Doctor of Business Administration

Doctor of Business Administration (DBA) DBA No.5000000219, Russian Academy of National Economy and Public Administration under the President of the Russian Federation.

2003 - 2004: Public Service Manager KZ No. 0155, Academy of Public Administration under the President of the Republic of Kazakhstan.

1999 - 2002: economist/legal expert, ZhB No. 0020729, Karaganda State Technical University.

1981 - 1987: electrical engineer ZhV No. 242026, Pavlodar Industrial Institute. International Certification, IPMA Level B

Work experience for the last five years:

April 2021 - November 2021: Director of the Directorate of Energy and Mining Assets of Samruk-Kazyna National Welfare Fund JSC.

April 2019 – April 2021: Samruk-Kazyna National Wealth Fund JSC, Head of the Energy sector.

September 2018 – April 2019: Kazakhstan nuclear power plants JSC, Deputy General Director.

December 2017 - July 2018: Samruk-Energy JSC, Managing Director for Development and Sales, Member of the Management Board.

March 2016 - November 2017: Samruk-Energy JSC, Managing Director for Strategy and Sales, Member of the Management Board.

Participation in the management bodies of other entities:

Chairman of the Board of Directors of KOREM JSC, Chairman of the Supervisory Board of MAEC-Kazatomprom LLP.

CHAIRMAN OF THE BOARD OF DIRECTORS AND ITS ROLE

The Chairman of the Board of Directors shall be responsible for overall management of the Board of Directors, ensure that the members of the Board of Directors fulfil their key duties completely and efficiently, and ensure meaningful dialogue among the shareholders, the Board of Directors, and the Management Board.

The Chairman of the Board of Directors have shaped a team of professionals, who are oriented at the growth of the long-term value and sustainable development of the Company and are able to timely and duly respond to internal and external challenges.

The Chairman of the Board of Directors organizes the Board of Directors operations, convenes meetings of the Board of Directors, chairs on them, arranges minutes-keeping at meetings in accordance with the procedure set forth herein.

Selection criteria of Independent Directors

An independent director shall have sufficient professional skills and be independent so that he/she could make independent and objective decisions not influenced by individual shareholders, Management Board or other interested parties.

Independent directors comply with all legislative criteria of independence; their status, powers, rights and obligations are strictly regulated by the requirements of the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Charter

of KEGOC, the Corporate Governance Code of KEGOC and the Rules for the selection and election of members of the Board of Directors of KEGOC.

According to the world practice of the corporate governance and the requirement of Article 54.5 of the Law of the Republic of Kazakhstan on Joint-Stock Companies, a number of the members of the Board of Directors shall be at least three. At least thirty per cent of the Board of Directors of the Company shall be independent directors.

A director may be recognized as independent, if he was not:

an affiliate of the Company within three years prior to his/her election to the Board of Directors (except holding the position of an independent director of the Company);

an affiliated person in relation to the affiliated persons of the Company;

subordinated to officials of the Company or its affiliated companies within three years prior to his/her election to the Board of Directors;

a participant to the audit of the Company as an auditor working for an auditing organisation and has not taken part in such audit during the three years previous to his/her election to the Board of Directors;

a representative of the shareholder at the meetings of the Company's bodies and has not been as such within three years preceding his/her election to the Board of Directors;

a civil servant.

CONFLICT OF INTEREST

In accordance with the KEGOC's Corporate Governance Code, the members of the Board of Directors in 2021 did not allow any conflict of interest, there were no situations in which the personal interest of the members of the Board of Directors could affect the proper performance of their duties; no occurrence of situations with conflicts of interest that affected or could potentially affect impartial decision-making was not recorded and the members of the Board of Directors did not participate in the discussion and adoption of such decisions.

MEETINGS OF THE BOARD OF DIRECTORS OF KEGOC

During the reporting period, the Board of Directors held 13 meetings in presentia and 1 in absentia.

Total number of reviewed agenda items: 128

All members of the Board of Directors attended 100% of the meetings of the Board of Directors in 2021.

In 2021, the meetings of the Board of Directors considered agenda items in strategic, financial, economic and investment areas, corporate governance and sustainable development, risk management, internal control and audit, personnel policy, safety, occupational health, transformation, activities of subsidiaries and other agenda items.

Transactions

In accordance with the Corporate Governance Code, members of the Board of Directors did not participate in the discussion and voting on non-arm's length transactions, and only independent directors took part in the voting, which is reflected in the minutes of the meeting of the Board of Directors.

In the reporting year, the Board of Directors of KEGOC made decisions to conclude of 10 non arm's length transactions interested-party transactions for the operation and maintenance of equipment between the branches of KEGOC and Batys Transit, Tengizchevroil LLP, Caspian Pipeline Consortium-K LLP, PetroKazakhstan Kumkol Resources JSC, JV Kazgermunai LLP, Kazakhstan-China Pipeline LLP, Kazakh-French Joint Venture Katko LLP for a total amount of KZT 274,496,146.

There were no major deals.

4. COMMITTEES OF THE BOARD OF DIRECTORS

In order to create a platform for active discussion and detailed analysis of individual issues, the Board of Directors has 4 (four) committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Strategic Planning and Corporate Governance Committee;
- Occupational Health, Safety and Environmental Protection Committee.

AUDIT COMMITTEE

The Committee's operations are governed by the Regulations on the Audit Committee, approved by the Board of Directors (Minutes No. 12 dated 30 November 2018).

The Committee in its operation is completely accountable to the Board of Directors. The members of the Committee were elected by the Board of Directors, the chairman of the Committee is an independent director, the Committee also includes a non-voting expert who submits to the Committee the recommendations based on the policies and visions of Samruk-Kazyna as a major shareholder of the Company.

All members of the Committee have sufficient knowledge and extensive experience including practical one.

The Committee includes 4 members including 3 independent directors, 1 representative of Samruk Kazyna, and a non-voting expert.

As of 1 January 2021, the Committee included the following members of the Committee:

Zhanbota Bekenov, the Chairman of the Committee, independent director
Dominique Fache, Independent Director, member of the Committee
Nurlan Akhanzaripov, independent director, member of the Committee
Saken Pirmakhanov, a non-voting expert.

In accordance with the decisions of the Board of Directors dated 17 May 2021 (Minutes No. 5), dated 20 August 2021 (Minutes No. 9), the constitution of the Committee was amended.

As of 31 December 2021, the Committee included the following members of the Committee:

Zhanbota Bekenov, the Chairman of the Committee, independent director
Nurlan Akhanzaripov, independent director, member of the Committee
Ulf Wokurka, independent director, member of the Committee
Saken Pirmakhanov, a non-voting expert.

Dominique Fache, member of the Audit Committee, attended 75% of the Committee meetings in 2021 (three meetings out of four).

All other members of the Committee participated 100% of the meetings in 2021.

Committee meetings

During the reporting period, the Committee held 13 meetings praesentia and considered 62 agenda items

In 2021, the meetings of the Audit Committee considered agenda items in the areas of internal control and risk management, financial reporting, external audit, including meetings with representatives of the external auditor who audits the financial statements of KEGOC, items of the Internal Audit Service and the Compliance Officer operations, other questions.

In 2021, the Board of Directors rejected the recommendation of the Committee on the following agenda items:

- With respect to the agenda item of "Consideration of the Performance Report of Galym Amanbekov, the Compliance Officer of KEGOC, for the period of 13 May 2019 to March 15, 2021, and the appointment and determination of the term of office, the amount of salary of the KEGOC Compliance Officer" the Committee recommended to the Board of Directors to appoint Galym Amanbekov to the position of the Compliance Officer of KEGOC with a term of office of one year, while the members of the Board of Directors did not agree with the decision of the Committee, taking into account the findings of the Compliance Service of Samruk-Kazyna, the Board of Directors decided to terminate the powers of Galym Amanbekov as the Compliance Officer, due to expiration of the term of office.

- With respect to "Amendments to clause 3 of the resolution of KEGOC Board of Directors dated 30 November 2019 (Minutes No.10) and consideration of the agenda item on payment of bonuses to the employees of Internal Audit Service, Corporate Secretary, Ombudsman and Compliance Officer based on the performance in the third and fourth quarters of 2020". the Committee decided to recommend the Board of Directors not to amend the decision of the Board of Directors of KEGOC dated 30 November 2019 (Minutes No.10) and to pay the bonus in the earlier adopted amounts, however the the Board members did not agree with the decision of the Committee. Based on the principle of internal fairness, opinion of Samruk-Kazyna structural units, availability of funds for bonus payment

subject to amendments, the Board of Directors decided to amend paragraph 3 of the decision of the Board of Directors of KEGOC dated 30 November 2019 (Minutes No.10) and pay bonus to the employees of the Internal Audit Service, Corporate secretary, Ombudsman, and Compliance-Officer based on the performance in the third and fourth quarters of 2020.

Also, in 2021, members of the Committee took part in 3 praesentia meetings of the Nomination Commission for the vacant positions of Compliance Officer and Auditor of the Operational and Financial Audit Department of the Internal Audit Service of KEGOC, as well as in 2 praesentia meetings of the Unified Commission for the selection procedure auditor for the KEGOC group of companies.

In addition, as instructed by the Audit Committee, Samruk-Kazyna has been provided relevant information on the actions taken and the status of implementation of the recommendations reflected in the management letters from the external auditor upon the audit of the financial statements for 2018, 2019 and 2020.

NOMINATION AND REMUNERATION COMMITTEE

The operations of the Nomination and Remuneration Committee are governed by the Regulations on the Audit Committee, approved and updated by the Board of Directors dated 30 November 2019 (Minutes No. 10).

The Committee in its operation is completely accountable to the Board of Directors. The members of the Committee were elected by the Board of Directors, the chairman of the Committee is an independent director, the Committee also includes a non-voting expert who submits to the Committee the recommendations based on the policies and visions of Samruk-Kazyna as a major shareholder of the Company.

All members of the Committee have sufficient knowledge and extensive experience including practical one.

The Committee includes 4 members including 2 independent directors, 1 representative of Samruk Kazyna, and a non-voting expert.

As of 1 January 2021, the Committee included the following members of the Committee:

- Nurlan Akhazaripov, the chair, independent director;
- Zhanbota Bekenov, independent director;
- Zhanna Yegimbayeva, representative of Samruk-Kazyna;
- Daulet Karimov, non-voting expert.

All members of the Committee participated 100% of the meetings in 2021.

Committee meetings

During the reporting period, the Committee held 13 meetings praesentia and considered 49 agenda items

In 2021, the Nomination and Remuneration Committee considered appointment, remuneration, succession and evaluation, personnel policy and other agenda items.

In 2021, the Board of Directors rejected the Committee's recommendation on one agenda item: "Amendment of Clause 3 of the Decision of the Board of Directors of KEGOC dated 30 November 2019 (Minutes No. 10) and considering the agenda item of paying bonuses to employees of the Internal Audit Service, the Compliance Officer, to the Ombudsman and the Corporate Secretary based on the performance results in 2020". The Committee decided not to amend the decision of the Board of Directors, since the proposed increased bonus will exceed the amounts provided for in the budget approved by the Board of Directors on 30 November 2019. Accordingly a decision in favour of changing the amount of quarterly bonuses, would require adjustment of the budget of the Internal Audit Service and the Corporate Secretary, approved by the decision of the Board of Directors on 30 November 2019, which would not be possible, since the financial year 2020 has already been completed and the annual financial statements for this year have been approved. The members of the Board of Directors did not agree with the decision of the Committee, since the Company created a reserve for these purposes, and therefore, the adoption of the decision will not affect the financial result of the Company.

STRATEGIC PLANNING AND CORPORATE GOVERNANCE COMMITTEE

The operations of the Strategic Planning and Corporate Governance Committee are governed by the Regulations on the Audit Committee, approved and updated by the Board of Directors dated 30 November 2019 (Minutes No. 10).

The Committee in its operation is completely accountable to the Board of Directors. The members of the Committee were elected by majority votes of the Board of Directors members. The chairman of the Committee is an independent director, the Committee also includes a non-voting expert who submits to the Committee the recommendations based on the policies and visions of Samruk-Kazyna as a major shareholder of the Company.

All members of the Committee have sufficient knowledge and extensive experience including practical one.

The Committee includes 4 members including 2 independent directors, 1 representative of Samruk Kazyna, and a non-voting expert.

As of 1 January 2021, the Committee included the following members of the Committee:

- Nurlan Akhanzaripov, the chair of the Committee, independent director;
- Dominique Fache, independent director;
- Suinshilik Tiyessov, representative of Samruk-Kazyna;
- Daulet Karimov, non-voting expert.

In accordance with the decisions of the Board of Directors dated 17 May 2021 (Minutes No. 5), dated 20 August 2021 (Minutes No. 9), and dated 20 December 2021 (Minutes No. 14) the constitution of the Committee was amended.

As of 31 December 2021, the Committee included the following members of the Committee:

- Ulf Wokurka, the chair of the Committee, independent director;
- Nurlan Akhanzaripov, member of the Committee, independent director;
- Yernat Berdigulov, representative of Samruk-Kazyna;
- Daulet Karimov, non-voting expert.

All members of the Committee participated 100% of the meetings in 2021.

Committee meetings

During the reporting period, the Committee held 11 meetings praesentia and considered 35 agenda items

In 2021, the Committee for Strategic Planning and Corporate Governance, considered strategic and economic, corporate development and sustainable management, investment program and transformation program and other agenda items.

At the same time, the Board of Directors has not rejected any individual proposals/recommendations of the Committee when considering agenda in 2021.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The operations of the Occupational Health, Safety and Environmental Protection Committee are governed by the Regulations on the Audit Committee, approved and updated by the Board of Directors dated 30 November 2019 (Minutes No. 10).

The Committee in its operation is completely accountable to the Board of Directors. The members of the Committee were elected by majority votes of the Board of Directors members. The chairman of the Committee is an independent director, the Committee also includes a non-voting expert who submits to the Committee the recommendations based on the policies and visions of Samruk-Kazyna as a major shareholder of the Company.

All members of the Committee have sufficient knowledge and extensive experience including practical one.

The Committee includes 4 members including 1 independent directors, 2 representative of Samruk Kazyna, and a non-voting expert.

As of 1 January 2021, the Committee included the following members of the Committee:

- Dominique Fache, the chair, independent director;
- Zhanna Yegimbayeva, representative of Samruk-Kazyna;
- Suinshilik Tiyessov, representative of Samruk-Kazyna;
- Daulet Karimov, non-voting expert.

In accordance with the decisions of the Board of Directors dated 17 May 2021 (Minutes No. 5), dated 20 August 2021 (Minutes No. 9), and dated 20 December 2021 (Minutes No. 14) the constitution of the Committee was amended.

As of 31 December 2021, the Committee included the following members of the Committee:

- Ulf Wokurka, the chair of the Committee, independent director;
- Zhanna Yegimbayeva, representative of Samruk-Kazyna;
- Yernat Berdigulov, representative of Samruk-Kazyna;
- Daulet Karimov, non-voting expert.

All members of the Committee participated 100% of the meetings in 2021.

Committee meetings

During the reporting period, the Committee held 6 meetings praesentia and considered 7 agenda items

In 2021, at the Committee on Occupational Health, Safety and Environmental Protection considered industrial and information security, occupational health, environmental protection and other agenda items.

At the same time, the Board of Directors has not rejected any individual proposals/recommendations of the Committee when considering agenda in 2021.

5. ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

In 2021, Samruk-Kazyna completed an independent diagnostics of corporate governance by engaging independent consultants from PricewaterhouseCoopers LLP.

KEGOC has achieved the planned strategic target of "BBB", thanks to systematic work aimed at implementing the recommendations resulting from the diagnostics carried out in 2017 and 2018.

Based on the results of independent diagnostics in 2021, recommendations were received to enhance the corporate governance of KEGOC; with regard to the operations of the Board of Directors, it was proposed to:

✓ consider appointing an independent director as Chairman of the Board of Directors or a senior independent director;

✓ appoint a new independent director with experience in personnel management and an additional international independent director with experience in the power industry, chosen strategic priority area of the Company (e.g. decarbonization, strategy to achieve zero carbon emissions, renewable energy sources), and knowledge in safety and occupational health;

✓ increase the number of independent directors to at least 50% and ensure gender diversity of members of the Board of Directors;

✓ consider optimizing the schedule of meetings of the Board of Directors and committees to ensure sufficient time between the committees and before the meetings of the Board of Directors;

- ✓ enhance the efficiency of Board meetings through even more thorough annual agenda planning;
- ✓ involve the Board of Directors in succession planning and appointment of the Chairman of the Management Board of the Company;
- ✓ redistribute the membership in the committees among the members of the Board of Directors, so that each director was a member of no more than two committees. Consider hiring an additional independent director, if necessary;
- ✓ consider revising the requirements for materials to for the Board of Director meetings to avoid generation of bureaucratic material, and inclusion of details that are not relevant to decision-making;
- ✓ increase the efficiency of the BOD meetings through careful annual planning of the agenda;
- ✓ A special offsite strategic session will help the Board of Directors to focus exclusively on the strategic direction of the Company and to assess the results achieved in relation to the outlined plan

6. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the Rules for the Payment of Remuneration and Reimbursement of Expenses to the Members of the Board of Directors of KEGOC approved by the General Meeting of Shareholders (Minutes No. 6 dated 12 May 2017), the Directors' remuneration consists of two parts: the annual fixed remuneration and additional remuneration for chairmanship or for participation in the meetings in praesentia of committees of the Board of Directors.

However in accordance with the decision of the General Meeting of Shareholders (Minutes No. 18 dated June 26, 2020), payments of additional remuneration to directors for participation in in-person meetings of the committees of the Board of Directors were excluded

The director is reimbursed for expenses related to travel to meetings of the Board of Directors, committees of the Board of Directors, travel to meetings held outside the place of permanent residence: travel, including transfer, accommodation, daily allowance, telephone communication (except for mobile communications) in the Republic of Kazakhstan , services of scanning, photocopying, faxing, printing documents, access to the Internet in the Republic of Kazakhstan, courier and postal services.

Following the announcement by the World Health Organization of a pandemic associated of COVID-19 virus, all meetings of the Board of Directors and its committees in 2020 were held via videoconference (interactive audiovisual communication).

In 2021 the remuneration of directors amounted to KZT 38,885 thousand.

In accordance with the KEGOC Corporate Governance Code, none of the members of the Board of Directors in 2021 took part in making decisions related to his/her own remuneration.

7. PARTICIPATION OF THE MEMBERS OF THE BOARD OF DIRECTORS IN WORKSHOPS, CONFERENCES, TRAININGS AND MEETING

On 22 January and 17 March 2021, members of the Audit Committee attended the meeting of the Single Commission for the Selection of the External Auditor.

On 24 September 2021, the Board of Directors held an offsite meeting to discuss topical issues on changes and opportunities in the power industry after the crisis due to COVID-19, consider various scenarios to ensure the reliability of the power system in relation to KEGOC's Development Strategy and in connection with the commissioning of new capacity in Kazakhstan, on the risks and safety performance, loss reduction, and cybersecurity.

On 28 September 2021, the "Issuer Day" meeting was held by Kazakhstan Stock Exchange JSC (KASE) with the participation of members of the Board of Directors, members of the Management Board, managing directors and the investment community.

23 October 2020, PricewaterhouseCoopers Tax and Advisory LLP held a seminar for the members of the Board of Directors on the topic: "Risk Management"

On 28 December 2021, members of the Board of Directors met with the members of the Talent Pool (KEGOC's talent pool).