



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

**PERFORMANCE REPORT
OF THE BOARD OF DIRECTORS/COMMITTEES OF KAZAKHSTAN
ELECTRICITY GRID OPERATING COMPANY (KEGOC) JOINT-
STOCK COMPANY FOR
2020**

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 2020, the Board of Directors initiated the convocation of the annual and extraordinary General Meeting of Shareholders through absentee voting, and mixed voting 5 (five) times:

1) 21 February 2020 (Minutes No. 15) with the following agenda:

Approval of the new revision of the Regulations on the Board of Directors of Kazakhstan Electricity Grid Operating Company (KEGOC) joint stock company II KEGOC ИД-215-19-OCA;

Appointment (election) of the Chairman of the Management Board of KEGOC and determination of the terms of powers of the Chairman of the Management Board of KEGOC.

2) 27 April 2020 (Minutes No.16) with the following agenda: *Election of a new member of KEGOC's Board of Directors, determination of the term of office, the salary and terms of remuneration and compensation of expenses for the member of KEGOC's Board of Directors;*

3) 29 May 2020 (Minutes No. 17), through absentee voting, with the following agenda:

Approval of the annual financial statements, distribution of the net income, decision to pay dividends on ordinary shares and approve the amount of the dividend per one ordinary share of KEGOC for 2019.

- Selection of an audit organization for the audit of KEGOC;

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

4) 26 June 2020 (Minutes No. 18), through absentee voting, with the following agenda: *“On some issues of the Board of Directors of KEGOC”;*

5) 23 October 2020 (Minutes No. 19), through absentee voting, with the following agenda:

Approval of the interim financial statements of KEGOC as of and for the six months ended June 30, 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 H1 2020.

- Approval of amendments to KEGOC's Charter;

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. BOARD OF DIRECTORS OF KEGOC

The Board of Directors is accountable to the General Meeting of Shareholders and is responsible for general management of the Company and supervises the operations of the Management Board, except for the issues referred to the competence of the General Meeting of Shareholders and (or) the Management Board of the Company according to the laws of Kazakhstan and (or) the Charter of the Company.

The assessment of KEGOC's position and prospects for its development will be presented in the Annual Report on KEGOC's operations for 2020.

A member of the Board of Directors can only be an individual person.

The number of members of the Board of Directors should be 7-11 people.

The recommended number of independent directors in the Board of Directors of the company shall be at least 30 (thirty) percent but not greater than 50 (fifty) percent of the total number of members of the Board of Directors.

The members of the Board of Directors shall be elected by the General Meeting of Shareholders based on clear and transparent procedures with due consideration of the competencies, skills, achievements, business reputation and professional background of the candidates. When certain members or the entire membership of the Board of Directors are re-elected for another term, their contribution to the efficient operation of the organization's Board of Directors shall be taken into account.

The Board of Directors have independent directors as its members, who 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.

The members of the Board of Directors shall be elected for a term not exceeding three (3) years.

An independent director cannot be re-elected to the Board of Directors for more than nine (9) years successively. In exceptional cases re-election can be made beyond those nine (9) years, but such independent director must be elected to the Board of Directors each time for one year with detailed clarification why it is necessary to re-elect this member of the Board of Directors and how it will impact the independence of decision making.

The Board of Directors is entitled to make decisions on the issues falling under the exclusive competence of the Board of Directors in accordance with the laws of the Republic of Kazakhstan and the Charter.

Rights and obligations of members of the Board of Directors are defined by the Charter of the Company.

The General Meeting of Shareholders (Minutes No. 8 dated 27 April 2018), elected the Board of Directors for three years, in accordance with the Rules for Selection and Election of Members of the Board of Directors of KEGOC, approved by the decision of the General Meeting of Shareholders dated 12 May 2017 (Minutes No. 6), based the candidates' compliance with the selection criteria, qualification requirements and benchmarking.

Members of the Board of Directors as on the 1 January 2020

- 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.
- Janusz Bialek, member of the Board of Directors, independent director.
- Yermek Kudabayev, 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.

In 2020, the membership of the Board of Directors was amended.

On 27 January 2020, a member of the Board of Directors, independent director Yermek Kudabayev, on the basis of his application, early terminated his powers.

On 27 April 2020, the General Meeting of Shareholders of KEGOC elected Zhanbota Bekenov from the pool of candidates of the Board of Directors to the Board of Directors as an independent director.

On 26 June 2020, the General Meeting of Shareholders of KEGOC early terminated the powers of a member of the Board of Directors, independent director, Yanush Bialek and elected Nurlan Akhanzaripov an independent director, as proposed by Samruk-Kazyna, the major shareholder.

Information about the members of the Board of Directors (as of December 31, 2020)



**SATKALIYEV
Almasadam**

Chairman of the Board of
Directors of KEGOC

Born in 1970, citizen of the Republic of Kazakhstan.

Elected on 2 November 2018 (Minutes No. 10) by the decision of the extraordinary General Meeting of Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education: 1987- 1992, Mechanical Engineering, Mechanical Engineer, Application Mathematician, Al-Farabi Kazakh State University, Alma-Ata; 2011- 2013, Master of Economics, Russian Presidential Academy of National Economy and Public Administration, Moscow; 2013- 2015, Executive MBA, Master of Business Administration, Nazarbayev University, Graduate School of Business (programme in collaboration with Duke University's Fuqua School of Business), Astana; 2016, Stanford Executive Program (SEP); Stanford University, Graduate School of Business.

Work experience for the last five years:

2018 to present, Managing Director for Asset Management of Samruk-Kazyna;

2018 (July) - 2018 (August), Deputy Chairman; KAZENERGY Kazakhstan Association of Oil & Gas and Power Organizations;

2012 - 2018, Chairman of the Management Board of Samruk-Energo

Participation in the management bodies of other entities:

Member of the Board of Directors of NC Kazakhstan Temir Zholy JSC, NC KazMunaiGas JSC, KazAtomProm JSC, Kazakhstan Electricity Association (KEA)

Academic degree, academic status:

- Academician of the Kazakhstan Academy of Natural Sciences (2015)

- Doctor of Economics (2015)

- Foreign member of the Russian Academy of Natural Sciences (2010)

- Candidate of Economic Sciences (2002)



**KAZHIYEV
Bakytzhan**

Chairman of the
Management Board,
member of the Board of
Directors
of KEGOC

Born in 1964, citizen of the Republic of Kazakhstan.

Elected on 31 May 2011 (Minutes No. 24/11), 8 May 2012 (Minutes No. 21/12) by the decision of the Management Board of Samruk-Kazyna JSC; 30 April 2015 (Minutes No. 1) and 27 April 2018 (Minutes No. 8) by the decision of the General Meeting Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education: Alma-Ata Power Engineering Institute majoring in Power Systems and Networks, Electrical Engineer (1986); Karaganda State Technical University majoring in Economics, Bachelor of Economics (2007).

Work experience for the last five years:

Since 2011 - present: Chairman of Management Board of Kazakhstan Electricity Grid Operating Company;

2009 - 2011: Vice President of Kazakhstan Electricity Grid Operating Company JSC;

2008 - 2009: Executive Director, KEGOC JSC

Participation in the management bodies of other entities:

Deputy Chairman of the Board of Directors of the Kazakhstan Electricity Association (KEA)

Academic degree, academic status:

DBA Doctoral Student majoring in 6D052000 Business Administration (Almaty Management University).



TIYESSOV

Suinshlik

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 1946, citizen of the Republic of Kazakhstan.

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

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 Board of Directors, Chairman 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.

Born in 1953, citizen of the Republic of Kazakhstan.

Elected on 28 October 2016 (Minutes No. 5) and 27 April 2018 (Minutes No. 8) by the decisions of 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:

2016 - 2019: advisor in Baiterek National Holding JSC;

2016 - 2019: independent director, member of the Board of Directors, KazAgro National Management Holding joint-stock company.

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.

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

Participation in the management bodies of other entities:

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



DOMINIQUE FACHE,
independent director,
chairman of the
Occupational Health,
Safety and Environmental
Protection Committee,
member of the Audit
Committee and of the
Strategic Planning
Committee of the Board of
Directors of KEGOC.

Born in 1949, citizen of France.

Elected on 30 April 2015 (Minutes No. 1) by the decision of the General Meeting of Shareholders of KEGOC.

Shares owned in KEGOC or its subsidiaries: none

Education: University of Sorbonne, France (1972), degree in Engineering, Lomonosov Moscow State University, Russia. The National Centre for Scientific Research CNRS, Paris, France, University of Sorbonne in collaboration with Ecole Supérieure Electricité.

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

Since 2016: chairman of RTF Board of Directors;

Since 2013: member of the Board of Directors at Sophia Antipolis Science Park, France;

2008 – 2013: chairman of the Board of Directors, President of EnelOGK-5.

Founder of a series of science and innovation events, conferences and festivals for Sophia Antipolis science park, founder of Club de Nice, which organises European Energy Forum.



**BEKENOV
Zhanbota**
Independent director,
chairman of the Audit
Committee, the
Nomination and
Remuneration Committee
under KEGOC's Board of
Directors.

Born in 1957, citizen of the Republic of Kazakhstan

Elected on 27 November 2020 (Minutes No. 16) by the extraordinary General Meeting of Shareholders of 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 of the
Nomination and

Born in 1965, citizen of the Republic of Kazakhstan.

Elected on 26 June 2020 (Minutes No. 18) by the extraordinary General Meeting of Shareholders of 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:

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

Remuneration Committee the Strategic Planning and Corporate Governance Committee, member of the Audit Committee under KEGOC's Board of Directors.

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

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

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.

3. 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.

4. Competence of the members of the Board of Directors

Members of the Board of Directors	Almassadam Satkaliyev	Bakytzhan Kazhiyev	Suinshlik Tiyyessov,	Zhanna Yegimbayeva,	Dominique Fache	Zhanbota Bekenov	Nurlan Akhanzaripov
Experience in the sector/total work experience, years	20/29	35/35	53/53	5/50	49/49	1/36	18/28
Core competencies							
Knowledge of the industry							
Work experience in the production of the industry							
Deep knowledge of the industry							
Technical skills/experience							
Specific skills and experience							

Financial capability							
Advanced financial expertise							
Advanced marketing expertise							
Deep knowledge of social and environmental issues							
Experience in management and jurisprudence							
Corporate Governance							
Transformation							
Experience in IPO							
Development and implementation of the strategy							
International experience							

* The competence of the members of the Board of Directors is highlighted in blue
No competence - in white.

5. 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.

6. CONFLICT OF INTEREST

In accordance with the KEGOC's Corporate Governance Code, the members of the Board of Directors in 2020 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.

7. MEETINGS OF THE BOARD OF DIRECTORS OF KEGOC

During the reporting period, the Board of Directors held 12 meetings in praesentia and 1 in absentia.

Total number of reviewed agenda items: 122

Attendance at the meetings by the members of the Board of Directors in 2020:

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 audio-visual communication) using Microsoft Teams software.

Members of the Board of Directors	17 January	14 February	19 March	24 April	19 May	19 June	July 17 (via correspondent)	18 August	8 September	13 October	30 October	20 November	15 December	%
Almassadam Satkaliyev <i>Chairman of the Board of Directors</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	100
Bakytzhan Kazhiyev <i>Chairman of the Management Board</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	100
Suinshlik Tiyyessov <i>Representative of Samruk Kazyna</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	100
Yegimbayeva Zhanna <i>Representative of Samruk Kazyna</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	100
Dominique Fache <i>Independent Director</i>	+	+	+	+	+	+	+	+	+	+	+	+	+	100
Janusz Bialek	+	+	+	+	+	+	<i>powers terminated</i>							

<i>Independent Director</i>						<i>on 26 July 2020</i>						100
Zhanbota Bekenov <i>Independent Director</i>	<i>elected on 27 April 2020</i>			+	+	+	+	+	+	+	+	100
Nurlan <i>Independent Director</i>	<i>elected on 26 July 2020</i>					+	+	+	+	+	+	100

Agenda items reviewed by the Board of Directors in 2020, %



8. TRANSACTIONS

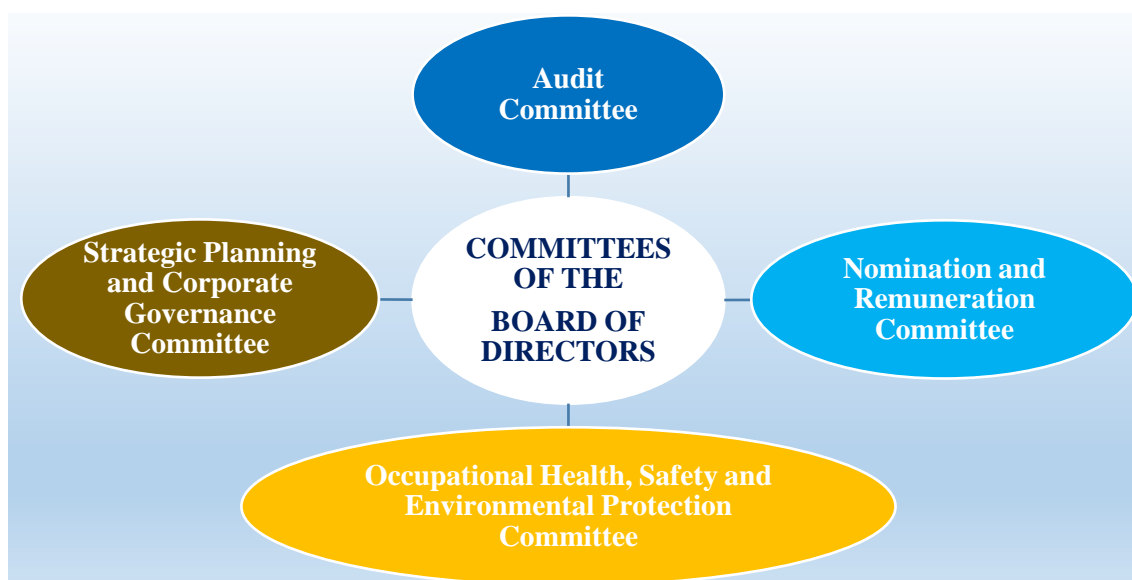
In accordance with the Corporate Governance Code, members of the Board of Directors (Almassadam Satkaliev, Suinshlik Tiyyessov, Zhanna Yegimbayeva, Bakytzhan Kazhiyev) did not participate in the discussion and voting on non arm's length transactions, and only independent directors took part in the voting, 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 280,504,361.10.

No major deals were made.

9. 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

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

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 chair and the members of the Committee are the independent directors and have sufficient knowledge and extensive experience including practical one.

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.

The Committee includes 4 members, 3 independent directors and a non-voting expert.

As of 1 January 2020, the Committee included the following members of the Committee:

Yermek Kudabayev, chair of the Committee, independent director;
 Dominique Fache, independent director;
 Janusz Bialek, independent director;
 Saltanat Satzhan, non-voting expert.

In accordance with the decision of the Board of Directors of KEGOC dated 14 February 2020 (Minutes No. 2), dated 27 April 2020 (Minutes No. 4), and dated 18 August 2020 (Minutes No. 8), the composition of the Committee was amended.

As of 31 January 2020, the Committee included the following members of the Committee:

Zhanbota Bekenov, chair of the Committee, independent director;
 Dominique Fache, independent director;
 Nurlan Akhanzaripov, independent director;

Saken Pirmakhanov, a non-voting expert.

Attendance of the Committee members in 2020

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) using Microsoft Teams software.

Members of the Audit Committee	13 February	19 March	27 April	27 April	18 May	18 June	17 August	7 September	29 October	9 November	4 December	%
Dominique Fache <i>Independent Director</i>	+	+	+	+	+	+	+	+	+	+	+	100
Janusz Bialek <i>Independent Director</i>	+	+	+	+	+	+	<i>early terminated terms of office on 26 June 2020</i>					100
Zhanbota Bekenov <i>Independent Director</i>	<i>Member of the Committee 27 April 2020</i>		+	+	+	+	+	+	+	+	+	100
Akhanzaripov Nurlan <i>Independent Director</i>	<i>Member of the Committee since 18.08. 2020</i>						+	+	+	+	+	100
Pirmakhanov Saken <i>Expert without the right to vote</i>	+	+	+	+	+	+	+	+	+	+	+	100

Committee meetings

During the reporting period, the Audit Committee held 11 meetings in praesentia and considered 38 agenda items

In 2020, the Committee considered and made appropriate recommendations on the following issues:

Internal audit

- review of the Goal Map of the Head of the Internal Audit Service for 2020;
- review of the annual and quarterly performance reports of the Internal Audit Service
- review of assessment of employees' performance and the salaries of employees of the Internal Audit Service
- review of the budget of the Head of the Internal Audit Service for 2021;
- review of the 2021 Audit Plan of the Internal Audit Service

External audit

- review of the Report of the external auditor, Ernst & Young LLP based on the results of the audit of the financial statements for 2019;
- Review of the Report of the external auditor of Ernst & Young LLP based on the results of the audit of the interim financial statements for H1 2020;

➤ review of the plan of Ernst & Young LLP for the audit of financial statements for the year ending 31 December 2020.

Internal control and risk management

➤ review of the regulatory documents on the internal control and risk management system, including amendments thereto.

➤ review of quarterly Risk reports;

➤ approval of amendments to the Risk Register, Risk Map, Key Risk Management Action Plan, risk-appetite, tolerance levels and key risk indicators of KEGOC for 2021.

Financial statements

➤ preliminary approval of the annual financial statements, review of distribution of net income, payment of dividends on ordinary shares, and the amount of the dividends per one ordinary share of KEGOC for 2019.

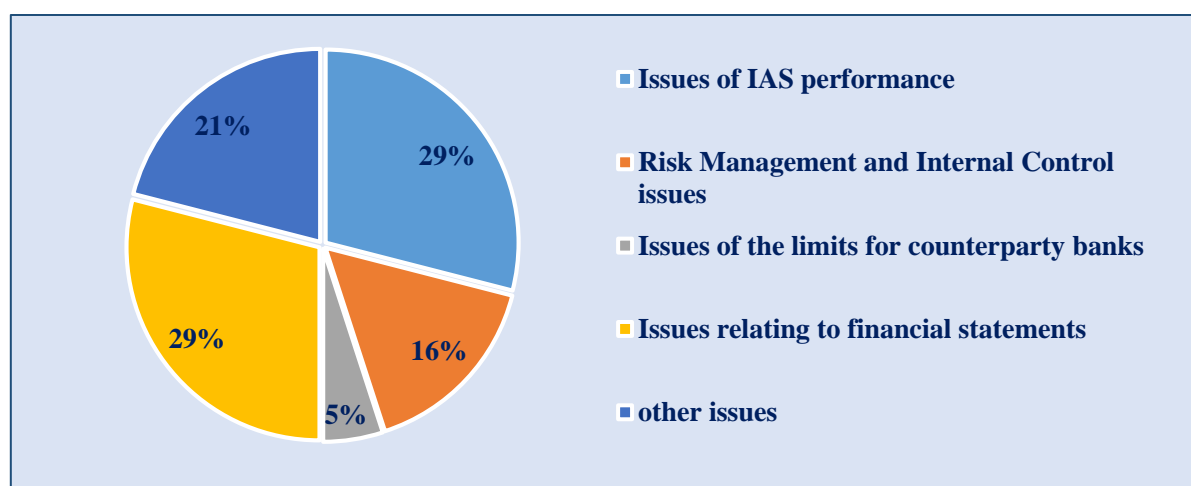
➤ preliminary approval of the interim financial statements of KEGOC as of and for the six months ended 30 June 2020, and the proposal regarding the distribution of KEGOC's net income and the amount of dividend per ordinary share of KEGOC for the first half of 2020

Compliance issues

➤ review of the Goal Map for Compliance Officer of KEGOC for 2020

➤ review of quarterly reports on the activities of the Compliance Officer.

Agenda items reviewed by the Committee in 2020, %



There were no rejections by the Board of Directors of certain proposals and / or recommendations of the Committee in 2020.

The Board of Directors (Minutes No. 12 dated 20 November 2020) approved self-assessment as a method for assessing the performance of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of KEGOC for 2019-2020 which resulted in the final rating the Committee was 92%, "AA" level, i.e. the Committee meets, in all material respects,

most of the established criteria and there is ample evidence that they are working effectively.

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 2020, the Committee included the following members of the Committee:

Janusz Bialek, the chair, independent director;
Yermek Kudabayev, independent director;
Zhanna Yegimbayeva, representative of Samruk-Kazyna;
Daulet Karimov, non-voting expert.

The Board of Directors of KEGOC (Minutes No. 2 dated 14 February 2020), (Minutes No. 4 dated 27 April 2020), and (Minutes No. 8 dated 18 August 2020) amended the membership of the Committee several times.

As of 31 January 2020, the Committee included the following members of the Committee:

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

Attendance of the Committee members in 2020

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) using Microsoft Teams software.

Members of the Nomination and Remuneration Committee;	17/01/2020	13/02/2020	19/03/2020	27/04/2020	18/05/2020	18/06/2020	17/08/2020	17/09/2020	12/10/2020	29/10/2020	19/11/2020	14/12/2020	%
Janusz Bialek <i>the chair, independent director</i>	+	+	+	+	+	+	<i>early terminated terms of office on 26 June 2020</i>					100	
Bekenov Zhanbota <i>independent director</i>	<i>elected on 27 April 2020</i>			+	+	+	+	+	+	+	+	+	100
Akhanzaripov Nurlan <i>independent director</i>	<i>elected on 26 July 2020</i>							+	+	+	+	+	100
Yegimbayeva Zhanna <i>representative of Samruk Kazyna</i>	+	+	+	+	+	+	+	+	+	+	+	+	100
Daulet Karimov <i>Expert without the right to vote</i>	+	+	+	+	+	+	+	+	+	+	+	+	100

Committee meetings

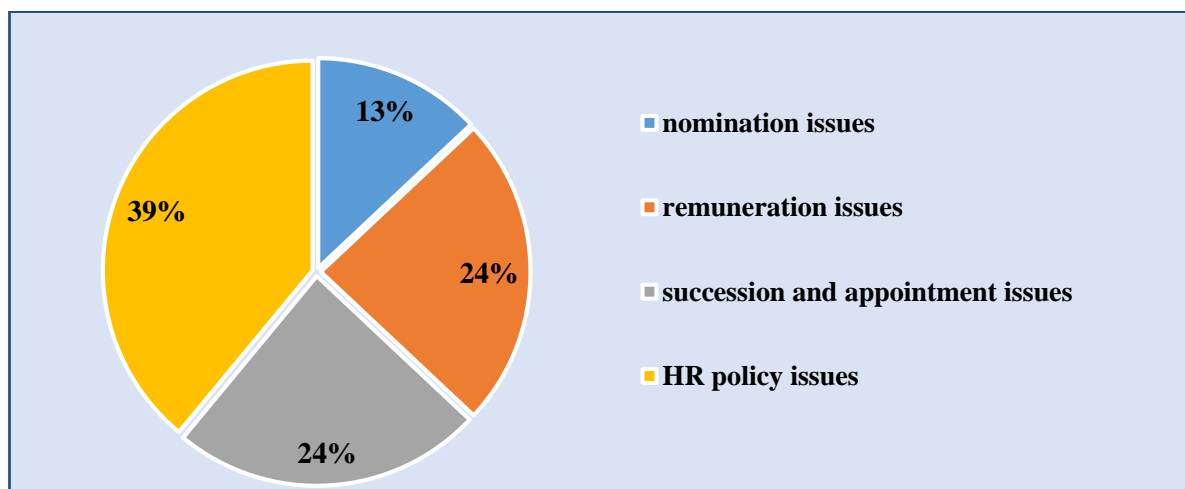
During the reporting period, the Committee held 12 meetings praesentia and considered 38 agenda items

In 2020, the Committee considered and made recommendations on the following agenda items:

- determination of the number of members, the term of office of the Management Board of KEGOC, election of members of the Management Board of KEGOC and determination of their salaries
- approval of amendments to the organizational structure and the total staff number of the Executive Administration (head office);
- qualification improvement of the members of the Board of Directors;
- key performance indicators and their targets for the members of the Management Board and the Corporate Secretary;
- the Rules for remuneration and bonuses for the Chairman of the Management Board, members of the Management Board, the Corporate Secretary, the Ombudsman, the Compliance Officer and the Head of the Internal Audit Service, the Rules for the provision of social support to the Company's employees and the Rules for the election and early termination of the powers of the Chairman and members of the Management Board;
- bonuses to the Corporate Secretary and the Ombudsman;
- a calibration session of the Corporate Secretary was held;
- the report on managing the Management Pool (Succession Plan) of KEGOC and review of the Management Pool of KEGOC;

- review of recommendations to nominations to the List of Candidates for the Board of Directors of KEGOC;
- review the long-term KPIs and its targets for the members of KEGOC's Management Board for 2020-2022;
- review of the method and plan of self-assessment of operations of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of KEGOC for 2019 - 2020.

Agenda items reviewed by the Committee in 2020, %



In accordance with subparagraph 4) of paragraph 117 of Section 16 of the Regulations on the Board of Directors of KEGOC, upon the recommendation of the Committee, the Board of Directors cancelled the review of 6 (six) agenda items for a number of reasons, however there were no rejections by the Board of Directors of proposals / recommendations of the Committee when considering the agenda items in 2020.

The Board of Directors (Minutes No. 12 dated 20 November 2020) approved self-assessment as a method for assessing the performance of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of KEGOC for 2019-2020 which resulted in the final rating was 99%, "AA" level, i.e. the Committee meets, in all material respects, most of the established criteria and there is ample evidence that they are working effectively.

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 2020, the Committee included the following members of the Committee:

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

The Board of Directors of KEGOC (Minutes No. 2 dated 14 February 2020), (Minutes No. 4 dated 27 April 2020), and (Minutes No. 8 dated 18 August 2020) amended the membership of the Committee several times.

As of 31 January 2020, the Committee included the following members of the Committee:

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

Attendance of the Committee members in 2020

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) using Microsoft Teams software.

Members of the Strategic Planning and Corporate Governance Committee	14/02/2020	19/03/2020	27/04/2020	18/05/2020	18/06/2020	17/08/2020	17/09/2020	09/10/2020	29/10/2020	19/11/2020	14/12/2020	%
Janusz Bialek <i>the chair, independent director</i>	+	+	+	+	+	<i>early terminated terms of office on 26 June 2020</i>						100
Dominique Fache <i>independent director</i>	+	+	+	+	+	+	+	+	+	+	+	100
Akhanzaripov Nurlan <i>independent director</i>	<i>elected on 26 July 2020</i>					+	+	+	+	+	+	100
Tiyessov Suinshilik <i>representative of Samruk Kazyna</i>	+	+	+	+	+	+	+	+	+	+	+	100

Daulet Karimov <i>Expert without the right to vote</i>	+	+	+	+	+	+	+	+	+	+	+	100
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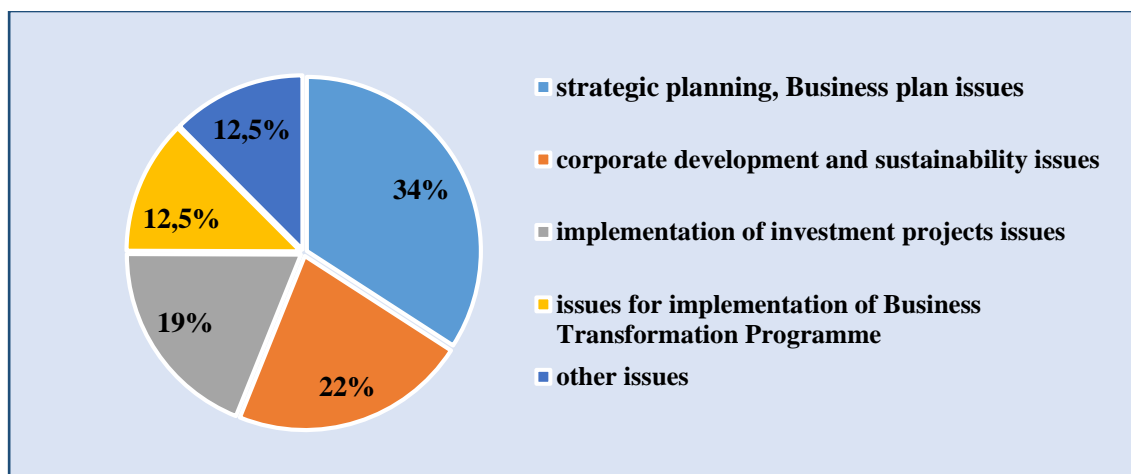
Committee meetings

During the reporting period, the Committee held 10 meetings praesentia and considered 32 agenda items

In 2020, the Committee considered and made recommendations on the following agenda items:

- the Business Plan (Development Plan) and reports on the implementation of the Business Plan (Development Plan);
- the report on the implementation of the Development Strategy;
- the Roadmap for the Transformation and Business Programme;
- the progress report of KEGOC’s Business Transformation Programme;
- the Action Plan to improve corporate governance and on the report on compliance with the Corporate Governance Code;
- the reports on the implementation of the major investment projects;
- the annual report and the sustainability report;
- the report on implementation of KEGOC's Information and Telecommunication System Development Strategy

Agenda items reviewed by the Committee in 2020, %



There were no rejections by the Board of Directors of certain proposals and / or recommendations of the Committee in 2020.

The Board of Directors (Minutes No. 12 dated 20 November 2020) approved self-assessment as a method for assessing the performance of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of KEGOC for 2019-2020 which resulted in the final rating was 95%, "AA" level, i.e. the Committee meets, in all material respects, most of the established criteria and there is ample evidence that they are working effectively.

Occupational Health, Safety and Environmental Protection 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 representatives of Samruk Kazyna, and a non-voting expert.

As of 31 January 2020, the Committee included the following members of the Committee:

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

In 2020, there were no changes in the membership of the Committee.

Attendance of the Committee members in 2020

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 audio-visual communication) using Microsoft Teams software.

The members of the Occupational Health, Safety and Environmental Protection Committee	14/02/2020	17/08/2020	17/09/2020	29/10/2020	14/12/2020	%
Dominique Fache <i>the chair, independent director</i>	+	+	+	+	+	100
Suinshlik Tiyyessov <i>representative of Samruk Kazyna</i>	+	+	+	+	+	100
Zhanna Yegimbayeva <i>representative of Samruk Kazyna</i>	+	+	+	+	+	100
Daulet Karimov <i>Expert without the right to vote</i>	+	+	+	+	+	100

Committee meetings

During the reporting period, the Committee held 5 meetings praesentia and considered 6 agenda items

In 2020, the Committee considered and made appropriate recommendations on the following issues:

- industrial and information security, occupational health, environment;
- the analysis of accidents in the electric networks of KEGOC JSC (for the period 2010-2020);
- comparison (benchmarking) of reliability performance of KEGOC's power grids with the leading European and world peer system operators;
- the performance report of the Occupational Health, Safety and Environmental Protection Committee and on the approval of the Work Plan of the Committee for 2021.

Agenda items reviewed by the Committee in 2020, %



There were no rejections by the Board of Directors of certain proposals and / or recommendations of the Committee in 2020.

The Board of Directors (Minutes No. 12 dated 20 November 2020) approved self-assessment as a method for assessing the performance of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of KEGOC for 2019-2020 which resulted in the final rating was 96%, "AA" level, i.e. the Committee meets, in all material respects, most of the established criteria and there is ample evidence that they are working effectively.

10. Assessment of performance of the Board of Directors

The Board of Directors (Minutes No. 12 dated 20 November 2020) approved self-assessment as a method for assessing the performance of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary of KEGOC for 2019-2020.

The self-assessment of the activities of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Corporate Secretary for 2019-2020, was carried out in accordance with the Methodological Recommendations for assessing the activities of the Board of Directors and its committees, the Chairman, members of the Board of Directors and the Corporate

Secretary in Samruk-Kazyna's organisations. The self-assessment showed the final rating of 96% at "AA" level, e.g. the Board of Directors, its committees and the Corporate Secretary of KEGOC meet, in all material respects, most of the established criteria, and there is sufficient evidence that they are working effectively.

However, the following aspects need to be improved:

1) promoting the principles of sustainable development of KEGOC and ensuring their effective communication with all stakeholders;

2) development of KEGOC employees:

- to determine the strengths and depth of knowledge of KEGOC's managers, the Company needs to organize special meetings of the Board of Directors with members of the Management Board and candidates for the position of members of the Management Board;

- the Board of Directors needs to actively interact with promising employees of KEGOC (members of the personnel reserve).

4) interaction with subsidiaries of KEGOC on strategic issues;

5) number of members of the Board of Directors;

6) the quality of materials provided to the Board of Directors of KEGOC;

7) interaction of the Audit Committee with the external auditor;

8) effectiveness of the Internal Audit Service and consideration of restrictions on the powers of employees of the Internal Audit Service;

9) remuneration of the members of KEGOC's Board of Directors;

In accordance with the Rules for assessing the performance of the Board of Directors and its committees, the Chairman, members of the Board of Directors and the Corporate Secretary of KEGOC, none of the directors was involved in the process of his/her assessment, except for participation in the survey.

11. 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 by the decision of the General Meeting of Shareholders and additional remuneration for chairmanship or for participation in the meetings in praesentia of committees of the Board of Directors by decision of the General Meeting of Shareholders.

In accordance with the decisions 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 are excluded

The Director shall be compensated for the expenses associated with his/her travel to meetings of the Board of Directors, committees of the Board of Directors and the meetings held beyond the place of permanent residence of the independent

director: (transport including transfer, accommodation, daily allowance, telephone services (except mobile) in Kazakhstan, documents scan, copy, fax, print, type services, access to the internet in Kazakhstan, courier and mail 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 audio-visual communication).

In 2020, remuneration to independent directors of the Board of Directors of KEGOC and representatives of Samruk-Kazyna amounted to KZT 56,383 thousand.

In accordance with the KEGOC Corporate Governance Code, none of the members of the Board of Directors in 2020 took part in making decisions related to his/her own remuneration.

12. Participation of the members of the Board of Directors in workshops, conferences, trainings and meeting

20 February 2020 the Corporate University of Samruk-Kazyna held a seminar for the members of the Board of Directors on the topic: A system for assessing grades, remuneration and efficiency.

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 Microsoft TEAMS video conference platform.

27 April 2020 members of the Audit Committee took part in the Meeting of the Unified Commission for the selection of an external auditor (with the participation of members of the Audit Committee).

23 October 2020 PricewaterhouseCoopers Tax and Advisory LLP held a seminar for the members of the Board of Directors on the topic: Best Practices in Reporting and Sustainable Development Management. GRI Standards.

11 December 2020 Ernst & Young Kazakhstan LLP held a seminar for the members of the Board of Directors on the topic: Finance for non-financial directors.

23 December 2020 Ernst & Young Kazakhstan LLP held a seminar for the members of the Board of Directors on the topic: Energy Industry Economics.

In 2020, the meeting of the Board of Directors with promising employees of KEGOC did not take place due to the COVID-19 pandemic.