

## DIRECTORS' INDEPENDENCE CRITERIA

GRI 2-10

In accordance with paragraph 4) in clause 29 of the Articles of Association of Samruk-Kazyna Construction JSC, issues of determining the quantity of members, term of office of the Board of Directors, election of its members and early termination of their powers, election of the chairperson of the Board of Directors, as well as determining the amount and terms of payment of remuneration to members of the Board of Directors are referred to the exclusive competence of the Sole Shareholder.

In accordance with paragraph 20 of Article 1 of the Law On Joint-Stock Companies, the Articles of Association and the Corporate Governance Code define an "independent director" as a member of the Board of Directors who:

- is not an affiliate of the Company;
- was not a member during three years preceding election to the Board of Directors (except for the case of tenure as an independent director of the Company);
- is not an affiliate in relation to affiliates of the Company;
- is not subordinated to officials of the Company or organizations affiliated with the Company;
- was not subordinated to these persons during three years preceding election to the Board of Directors;
- is not an auditor of the Company and was not one during three years preceding election to the Board of Directors;
- does not participate in the audit of the Company as an auditor working for an audit organization and did not participate in such an audit during three years preceding election to the Board of Directors;
- is not a government official;

- is not a representative of the Sole Shareholder at meetings of the Company's bodies and was not one during three years preceding election to the Board of Directors.

Members of the Board of Directors of the Company notify in advance the Board of Directors of the Company of work in part-time positions in other organizations and positions of the members of the Board of Directors.

Members of the Board of Directors of the Company cannot be members of the Board of Directors or hold executive positions in organizations that are competitors of the Company.

By resolutions of the Management Board of the Sole Shareholder No. 20/23 dated 20 April 2023, No. 23/23 dated 12 May 2023 and No. 24/23 dated 19 May 2023, S. Mynsharipova, Y. Kydyrbayev, A. Milyutin respectively were elected as independent directors of the Company. The relationship between a member of the Board of Directors being an independent director and the Company is regulated by an agreement concluded on behalf of the Company by the Chairman of the Board of Directors of the Company.

The number of independent directors in the Board of Directors has been increased to 50% of the entire composition recommended by the Fund's Corporate Governance Code and the best global practice in the field of corporate governance.

## ASSESSMENT OF ACTIVITIES OF THE BOARD OF DIRECTORS

GRI 2-18

The assessment of the Board of Directors is carried out in accordance with the Policy for assessing the activities of the Board of Directors and its committees, the Chairman, members of the Board of Directors and the Corporate Secretary as approved by the resolution of the Board of Directors of the Company dated 27 February 2017 (Minutes No. 130), as amended and altered on 8 November 2019 (Minutes No. 149).

In accordance with this Policy, the Board of Directors may carry out an assessment with the involvement of a consultant, through questionnaires and interviews, or using a mixed approach: by own efforts with the coordination of the process by the consultant. The Sole Shareholder can also carry out own assessment independently or with the assistance of a consultant.

An independent assessment is carried out at least once every three years. Moreover, if during the reporting period the Company carried out a diagnostic of the corporate governance with the involvement of independent consultants, in order to avoid duplication of processes, there is no need to carry out separate assessment for the same reporting period.

In 2021, the Sole Shareholder carried out an external diagnostic of the corporate governance in the Company by independent consultants of PricewaterhouseCoopers LLP in order to provide recommendations for further

improvement of the practice of the corporate governance in the direction of similar international organizations. The completion of the assessment by an external consultant resulted in recommendations for further improvement.

The Board of Directors of the Company adopted resolution No. 197 dated 25 December 2023 to carry out a self-assessment of the activities of the Board of Directors of the Company for 2023. This resolution approved a self-assessment schedule including activities from December 2023 to May 2024.

## CAREER ENHANCEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

GRI 2-17

The Company has in place the Policy on career enhancement of members of the Board of Directors of Samruk-Kazyna Construction JSC and attraction of external experts by the Board of Directors of the Company, which determines the rights and responsibilities of members of the Board

of Directors in terms of their career enhancement and attraction of external experts.

In the year under review, independent directors took part in training on ESG issues.

## REPORT ON ACTIVITIES OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY

The Board operates on the basis of an approved annual work plan.

For the effective organization of the activities of the Board of Directors and the interaction of the Board of Directors, the executive body with shareholders, the Board of Directors appoints a Corporate Secretary. The Corporate Secretary is accountable to the Board of Directors and independent of the executive body. The main responsibilities of the corporate secretary include assistance in the timely and high-quality adoption of corporate resolutions by the Board of Directors, the Sole Shareholder, acting as an adviser to members of the Board of Directors on all issues of their activities and the application of the provisions of the Corporate Governance Code, as well as monitoring implementation of the Corporate Governance Code and participation in improving corporate governance.

In 2023, Samruk-Kazyna Construction JSC held 15 meetings of the Board of Directors (meetings Nos. 183-197),

including 13 in-person meetings and 2 absentee meetings. A total of 118 issues were considered on key aspects of the Company's activities.

In accordance with the Regulations of the Board of Directors, in cases where one or more members of the Board of Directors are not able to personally attend a meeting of the Board of Directors, they can participate in the discussion of the issues under consideration using technical means of communication (i.e. video conference, telephone conference, etc.).

In 2023, the majority of the Board of Directors meetings were held in person, with the exception of two meetings of the Board of Directors, which were held in absentia.

Also, in 2023, members of the Board of Directors took part in a visiting session of members of the Board of Directors to visit the Company's investment projects.

## PARTICIPATION OF MEMBERS OF THE BOARD OF DIRECTORS IN MEETINGS OF THE BOARD OF DIRECTORS IN 2023:

Member of the Board of Directors	Independent	Participation in BoD meetings
M. Tazhigaliyev **	no	6 of 6
S. Satzhan	no	9 of 9
Ye. Korabayev	no	14 of 15
M. Aimanbetov	no	5 of 10
S. Mynsharipova	yes	11 of 11
Y. Kydyrbayev	yes	10 of 10
A. Milyutin	yes	10 of 10

\*\*The powers were early terminated under resolution of the Management Board of Samruk-Kazyna JSC No. 37/23 dated 27 July 2023.

## BASIC ISSUES CONSIDERED BY THE BOARD OF DIRECTORS FOR 2023

At the meetings of the Board of Directors in 2023, both strategic and current operational issues within its competence were considered.

In the course of its work, in 2023, the Board of Directors consistently implemented the main tasks in the priority areas of the Company's activities. Members of the Board of Directors pay great attention to the implementation of the national project "Comfortable School". Thus, on instruction of the members of the Board of Directors, a Roadmap for the implementation of the "Comfortable School" project was developed, the report thereon is considered at each meeting of the Board of Directors. Also, on a periodic basis, a report is heard from the CEO on the activities of the Company and monitoring of key corporate indicators and CEO-1, who oversees finance, on the current status of the implementation of investment projects, the repayment of receivables under previously concluded investment agreements.

The Board of Directors plays an important role in determining the main directions for improving the corporate governance in the Company.

At meetings of the Board of Directors, issues related to the Company's activities in the field of corporate

governance are regularly considered, including those related to reports on completed activities in this area and measures for further implementation.

Members of the Board of Directors regularly receive information that allows them forming an understanding and regularly monitoring the Company's activities, including information on the collection of lease payments receivable. In addition, the Board of Directors meets with external auditors several times a year. In 2023, the Board of Directors twice held meetings with the external auditors of Ernst & Young LLP concerning audit planning, preparation and results of the annual financial statements, the following issues were considered:

- Meeting with external auditors concerning preliminary approval of the audited Annual Financial Statements of Samruk-Kazyna Construction JSC (consolidated and separate) for 2022.
- Taking into account the Report on the implementation of the Action Plan to implement the recommendations of the independent audit organization – Ernst & Young LLP – based on the results of the audit for 2022.
- Meeting with external auditors to review the audit planning report for the year ended 31 December 2022.

By resolution of the Board of Directors, the following issues by category were considered and approved:

### REPORTS

- on consideration of the report of CEO-1, who oversees financial issues, based on the results of 2022, 1<sup>st</sup> quarter of 2023;
- on consideration of quarterly reports on the implementation of the Business Plan of Samruk-Kazyna Construction JSC for 2022–2026 and semi-annual reports on a detailed analysis of financial statements;
- on approval of adjustments to the Business Plan of Samruk-Kazyna Construction JSC for 2022–2026;
- on consideration of a detailed analysis of the financial statements of Samruk-Kazyna Construction JSC;
- on consideration of information on the progress of implementation of the Personnel Policy of Samruk-Kazyna Construction JSC and the implementation of KPIs for the Personnel Policy for 2022; and
- on consideration of information on the implementation of the ESG Implementation Plan of Samruk-Kazyna Construction JSC for 2022–2025 (on a quarterly basis).

### STRATEGIC ISSUES

- the conclusion of an Agreement for termination of the Agreement of sale and purchase of 51% interest in the authorized capital of Samruk-Kazyna Development LLP dated 29 December 2020 with VentKarkaraServis LLP, the return of 51% interest in the authorized capital of SK Development LLP to Samruk-Kazyna Construction JSC, re-registration of SK Development LLP, approval of the new version of the Articles of Association of SK Development LLP, re-election of the General Director of SK Development LLP;
- approval of the Development Strategy of Samruk-Kazyna Construction JSC for 2023–2032;
- approval of the Business Plan of Samruk-Kazyna Construction JSC for 2023–2027; and
- approval of adjustments to the Business Plan of Samruk-Kazyna Construction JSC for 2022–2026.

### CORPORATE GOVERNANCE ISSUES

- approval of the Annual Report of Samruk-Kazyna Construction JSC for 2022;
- approval of a report on the Company's compliance with the principles and provisions of the Corporate Governance Code for 2022;
- preliminary approval of the audited annual financial statements of Samruk-Kazyna Construction JSC for 2022, proposal of the procedure for distributing net income, adoption of a resolution on dividend distribution on ordinary shares and approval of the amount of dividend per ordinary share;
- consideration of the Report on the activities of the Board of Directors and the Corporate Secretary of the Company for 2022, as well as regular monitoring of the instructions of the Board of Directors; and
- an assessment of the activities of the Board of Directors, the Chairman, members of the Board of Directors and the corporate secretary of Samruk-Kazyna Construction JSC.

### ISSUES RELATED TO PRIMARY ACTIVITIES

- consideration of the report on the progress of implementation of the national project "Comfortable School";
- approval of the selling cost (price) of commercial (non-residential) premises of Khan Tengri RC in Almaty City;
- approval of the selling cost (price) of parking spaces in Akzhaiyk RC and Ishim RC in Astana City; and
- consideration of the report on the management activities of (commercial/non-residential) real estate Samruk-Kazyna Construction JSC for 2022.

### APPROVAL OF INTERNAL DOCUMENTS

- approval of amendments and alterations to the Sustainable Development Policy of Samruk-Kazyna Construction JSC;
- approval of the Social Policy of Samruk-Kazyna Construction JSC;
- approval of amendments to the Risk Management and Internal Control Policy of Samruk-Kazyna Construction JSC;
- approval of the Rules for payment, performance assessment, remuneration and bonuses for executive employees of Samruk-Kazyna Construction JSC;
- approval of the Investment Policy of Samruk-Kazyna Construction JSC;
- amendments to the Regulations of the Board of Directors of Samruk-Kazyna Construction JSC.

### APPOINTMENT AND REMUNERATION

- consideration of the Maps of key performance indicators of executive employees of Samruk-Kazyna Construction JSC with actual indicators for 2022;
- approval of the Maps of key performance indicators of executive and managerial employees of Samruk-Kazyna Construction JSC for 2023;
- approval of the organization chart of Samruk-Kazyna Construction JSC (repeatedly);
- appointment of the Corporate Secretary of Samruk-Kazyna Construction JSC;
- appointment of an ombudsman for Samruk-Kazyna Construction JSC;
- appointment of a Compliance Controller for Samruk-Kazyna Construction JSC;
- approval of the Succession Plan of the Board of Directors of Samruk-Kazyna Construction JSC for 2023;
- approval of the job descriptions for executive and managerial employees of Samruk-Kazyna Construction JSC.

### RISK ISSUES

- approval of the limit of liabilities to Halyk Bank of Kazakhstan JSC;
- approval of quarterly Risk Management Reports of Samruk-Kazyna Construction JSC;
- setting a limit of liabilities to Jusan Bank JSC;
- approval of the register and risk map of Samruk-Kazyna Construction JSC for 2024;
- approval of the general risk appetite, tolerance levels and key risk indicators of Samruk-Kazyna Construction JSC for 2024;
- approval of the register and risk map of Samruk-Kazyna Construction JSC for 2024.

### ISSUES OF BOD SUBDIVISIONS

- approval of the goal maps of the Internal Audit Service, the Corporate Secretary of the Company for the forecast period and assessment of their activities for the reporting period;
- consideration of the Annual Report of the Internal Audit Service of Samruk-Kazyna Construction JSC for 2022;
- approval of changes to the Annual Audit Plan of the Internal Audit Service of Samruk-Kazyna Construction JSC for 2023 (repeatedly during the year);
- consideration of quarterly reports of the Internal Audit Service of Samruk-Kazyna Construction JSC;
- approval of the Work Plan of the Compliance Controller for 2024.

## COMMITTEES OF THE BOARD OF DIRECTORS

In order to support the activities of the Board of Directors, the Company has formed the following committees, whose responsibilities include considering issues and developing recommendations on a particular issue within the framework of their functional responsibilities:

- Audit Committee;
- Nomination and Remuneration Committee;
- Committee for Strategic and Investment Issues.

By resolution of the Board of Directors No. 188 dated 6 June 2023, a new composition of the Audit Committee of the Board of Directors was elected:

- Chairman of the Audit Committee – S. Mynsharipova;
- Members of the Audit Committee – A. Milyutin, Y. Kydyrbayev.

By resolution of the Board of Directors No. 196 dated 4 December 2023, a new composition of the Nomination and Remuneration Committee of the Board of Directors was elected:

- Chairman of the Nomination and Remuneration Committee – A. Milyutin;
- Members of the Audit Committee – S. Mynsharipova, Y. Kydyrbayev;
- Expert without voting rights – N. Belgibayev, representative of the Sole Shareholder.

*In 2023, 3 meetings of the Audit Committee and 1 meeting of the Nomination and Remuneration Committee were held.*

## COMPLIANCE CONTROLLER

In accordance with the legislation of the Republic of Kazakhstan, all companies of the Fund Group have a compliance service, the task of which is to build an effective compliance system that provides reasonable assurance that the Company's significant compliance and corruption risks are properly managed.

The Company has a Compliance Controller, who is appointed by the resolution of the Board of Directors; he/she is designed to ensure compliance with the anti-corruption laws of the Republic of Kazakhstan, the adoption of policies on compliance issues, as well as the formation of an internal corporate culture based on the principles of transparency and reliability in accordance with the law and best international practices.

## INTERNAL AUDIT

The Company has in place a generally accepted internal audit model, in which the internal audit functions are separated from the internal control and risk management functions. Internal audit is in a regime of special functional and administrative subordination and accountability ensuring objectivity and independence. The Internal Audit Service was formed to facilitate the achievement of strategic goals and objectives by applying a systematic and consistent approach to assessing and improving the effectiveness of the internal control and risk management system during audits and consultations and is accountable to the Board of Directors of the Company.

The Board of Directors annually approves the risk-based Annual Audit Plan of the Internal Audit Service, as well as key performance indicators of the Internal Audit Service and its head. The report of the Internal Audit Service is provided to the Board of Directors of the Company on a quarterly and annual basis. In its activities, the Internal Audit Service takes into account the current International Standards for the Professional Practice of Internal Auditing and the Internal Auditing Code of Ethics adopted by the International Institute of Internal Auditors, and is guided by local regulations on internal audit approved in the Company. During 2023, the Internal Audit Service completed 10 planned audit engagements.

In accordance with the tasks assigned to it, the Internal Audit Service performs the following functions:

- assessment of the adequacy and effectiveness of the internal control system in the Company;
- assessment of the completeness of application and effectiveness of the risk assessment methodology and risk management procedures in the Company;
- assessment of the implementation and compliance with accepted principles of corporate governance, relevant ethical standards and values of the Company, etc.

Based on the results of assessments and audits, the Internal Audit Service issued relevant recommendations and comments aimed at eliminating the causes of identified violations and inconsistencies, as well as improving

the internal control system. All recommendations given are binding on the management of the audited entity in accordance with the agreed plan of corrective and preventive actions.

## MANAGEMENT BOARD

The current activities of the Company are managed by a collegial body in the form of the Management Board, headed by the Chairman of the Management Board. The activities of the Management Board are aimed at maximizing the interests of the Sole Shareholder, as well as fulfilling the objectives of the Company and implementing its strategy. The organization of the work of the Management Board, the procedure for convening and holding its meetings, and the procedure for adopting resolutions are determined by the Regulations of the Management Board of the Company. The main principles of the Management Board are: honesty, fairness, reasonableness, prudence, regularity. The Management Board holds regular meetings with voting in person. There are 4 Committees under the Management Board: Committee for Planning and Performance Assessment, Investment Committee, Risk Management Committee, and Sustainable Development Committee.

In 2023, the following changes occurred in the composition of the Management Board:

- on 10 February 2023, by resolution of the Board of Directors of the Company No. 184, B. Mukushev,

- Vice-Chairman of the Management Board for Economics and Finance, was elected a member of the Management Board;
- on 2 May 2023, by resolution of the Board of Directors of the Company No. 187, D. Seitbekov, Vice-Chairman of the Management Board for operating activities, and A. Sattarov, Vice-Chairman of the Management Board for the national project and regional development, were elected as members of the Management Board;
- on 4 December 2023, by resolution of the Board of Directors of the Company No. 196, the powers of D. Seitbekov, Vice-Chairman of the Management Board for operating activities, member of the Management Board, were early terminated, and employment relations with him were terminated;
- on 25 December 2023, by resolution of the Board of Directors of the Company No. 197, B. Bulatbekov, Vice-Chairman of the Management Board for operating activities, was elected a member of the Management Board.

## MEMBERS OF THE MANAGEMENT BOARD (AS OF 31 DECEMBER 2023)



### MAULEN AIMANBETOV

#### Chairman of the Management Board

**Date of birth:** 28.01.1966

**Place of birth:** KazSSR, Alma-Ata City

**Nationality:** Republic of Kazakhstan

**Date of election as the Chairman of the Management Board:** 2 March 2022

#### Education

- 1983-1990 – Ust-Kamenogorsk Construction and Road Institute, Almaty General Technical Department, motor road constructing engineer;
- 2000–2002 – Kazakh National Agrarian University, agricultural scientist;
- 2000–2002 – Kazakh Economic University named after T. Ryskulov, economist;
- 2011–2013 – NP EE International Business Academy (module learning), management, Master of Business Administration.

#### Places of work and positions held in organizations over recent 5 years:

- from 2 May 2022 till the present – Chairman of the Management Board of Samruk-Kazyna Construction JSC;

- September 2020 – March 2022 – deputy Akim of Shymkent City, supervisory control of administrations of construction, energy and infrastructure development, architecture, urban planning and land relations, development of comfortable urban environment and emergency department;
- June 2014 – September 2020 – head of the Major Construction Division of the Department of Presidential Affairs of the Republic of Kazakhstan, design and construction and transfer to record in the balance sheet the facilities of the Department of Presidential Affairs of the Republic of Kazakhstan.

#### Additional information

He was awarded Kurmet Order (2017) and anniversary medals: 20 Years of Independence of the Republic of Kazakhstan (2011), 30 Years of Independence of the Republic of Kazakhstan (2021).

#### Work in a part-time position

From 22 August 2022 till the present – Chairman of the Board of Trustees of Facility Construction Company Corporate Fund.

He does not hold shares in the Company, suppliers and competitors of the Company.