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# INVESTING IN PROGRESS

ANNUAL REPORT OF QAZAQSTAN INVESTMENT CORPORATION  
JOINT STOCK COMPANY FOR 2023



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# Address by the Chairman of the Board of Directors



**USSEN**  
Galym

CHAIRMAN OF THE BOARD  
OF DIRECTORS

**Dear ladies and gentlemen!**

“Qazaqstan Investment Corporation” JSC (hereinafter – QIC, Corporation), a subsidiary of “Baiterek” National Management Holding” JSC (hereinafter – Holding), is the only institution in Kazakhstan developing the direct investment market (private equity) and forming the infrastructure to attract international players in the field of promising and providing opportunities for alternative financing of the market private equity.

In early 2023, the Corporation rebranded, changing its name from Kazyna Capital Management to Qazaqstan Investment Corporation. This resolution was made in connection with the expansion of the mandate and areas of activity and in order to strengthen the positioning of the Corporation, including in international markets.

*According to the results of 2023, the number of QIC Private Equity Funds amounted to 18, and the amount of the Corporation's investments exceeded 34 billion tenge. All these funds were directed to the development of non-resource sectors of the economy of Kazakhstan, including transport and logistics, medicine, food security, education, etc.*

Separately, I would like to focus on the work of the Corporation within the framework of the Program for financing projects in the manufacturing industry during the implementation of the Concept of Industrial and Innovative Development of the Republic of Kazakhstan. In May 2023, QIC attracted financing from the Republican budget in the amount of 35 billion tenge to finance manufacturing industry projects in 2023 and 2024, with a final remuneration rate of 8% per annum.

QIC exceeded the plan in 2023 and financed seven projects worth over 20 billion tenge. Thus, a number

of manufacturing enterprises have received state support measures. Among them are hot-dip galvanizing plants, packaging products, car seat manufacturing and others.

According to statistics, the share of the manufacturing industry in Kazakhstan's GDP in 2022 was 13%, and in 2023 the same indicator was 12%. At the same time, it is the manufacturing industry that increases import substitution and develops Kazakhstani content. That is why it is so important to give an impetus to the development of this area. In 2024, QIC will continue to finance projects within the framework of the Manufacturing Industry Concept.

It is worth emphasizing that QIC continues to improve the practice of corporate governance for sustainable development. In early 2023, the Corporation joined the United Nations Global Compact (UN Global Compact). The accession will contribute to the further implementation of the principles of corporate social responsibility and the promotion of the ten universal principles and values of the United Nations among the Corporation's stakeholders.

In addition, in 2023, for the first time, QIC was awarded a sustainable development rating from the Sustainable division of the international rating agency Fitch. This rating indicates QIC's firm commitment to the principles of sustainable development.

In conclusion, I would like to wish the QIC team further dynamic growth and implementation of the planned plans in attracting international investment and developing non-resource sectors of the economy of Kazakhstan.

**Ussen Galym**  
Chairman of the Board of Directors

# Address by the Chairman of the Management Board



**ZHOLAT**  
Yerbolat

CHAIRMAN OF THE MANAGEMENT  
BOARD

## Address by the Chairman of the Management Board

I am glad to welcome you to the pages of the annual report of "Qazaqstan Investment Corporation" JSC (hereinafter – QIC, Corporation), a subsidiary of "Baiterek" NMH" JSC.

The year 2023, which began for the Corporation with a rebranding, was marked by a number of successful events.

In particular, 34 projects totaling over 34 billion tenge were financed. In 2023, we continued to diversify our portfolio by investing in energy, industrial safety, manufacturing, information technology, healthcare, etc.

*One of the main tasks of QIC is to attract international investors. Last year, the Corporation carried out a lot of work in this direction. Agreements were reached with a number of foreign partners on the creation of funds and joint financing of projects, mainly in Kazakhstan.*

In September 2023, the international rating agency Fitch Ratings upgraded the QIC long-term issuer default ratings in foreign and national currency from "BB+" to "BBB-". The forecast is "stable". The Corporation's national rating has also been upgraded from "AA (kaz)" to "AA+ (kaz)". The key factors in the rating upgrade were the growing government support and the definition of QIC as a single investment institution contributing to the development of the alternative asset class market in Kazakhstan.

Realizing this role, we actively participate in the analysis of the market and introduce it to new players. In December 2023, QIC presented a report on the private equity market, prepared jointly with the international consulting company Baker Tilly. During the preparation of the report, comprehensive work was carried out to analyze data reflecting the dynamics and prospects of the direct investment market in Kazakhstan.

*The previous similar study was conducted in 2019, which led to a shortage of analytical information about the growth and development of the market. The analysis showed that the private equity market has been booming in the last few years, which indicates the gradual formation of an investment culture of working with private capital in the country. You can see the full version of the report on the QIC website.*

QIC has no less plans for 2024. As the Head of State noted in his Message to the People of Kazakhstan, "the main problem limiting economic growth is the lack of investment. A lack of investment equals a lack of growth in the future."

QIC will continue to work to expand investment opportunities, improve the investment climate and attract new projects that will support the economic growth and prosperity of Kazakhstan and the entire Central Asia. Work is also being intensified on the development of venture financing as the main source of launching innovative projects.

I am confident that work in these areas will contribute to increasing the attractiveness of Kazakhstan for investors, ensuring sustainable development of the region and creating favorable conditions for entrepreneurship.

**Yerbolat Zholat**  
Chairman of the Management Board





# 01. ABOUT THE CORPORATION

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"Qazaqstan Investment Corporation" JSC is a private equity fund created to promote the sustainable development of the national economy.

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

In order to strengthen the Corporation's positioning as a country investment institution, a key player in the global private equity market, a strategic partner for the international investment community, whose main activity is to facilitate the influx of foreign investment into the Republic of Kazakhstan, as well as to more accurately broadcast a wide range of financial instruments of the Corporation based on the decision of the Sole Shareholder dated December 28, 2022, the rebranding, during which on January 10, 2023, the re-registration of "Kazyna Capital Management" joint stock company was carried out to "Qazaqstan Investment Corporation" joint stock company.

*In partnership with international institutional investors, sovereign wealth funds and international financial institutions, QIC invests and manages private equity funds. QIC funds provide capital to companies in various sectors of the economy in order to further grow and improve competitiveness.*

Among the partners of QIC are the European Bank for Reconstruction and Development (EBRD), the Eurasian Development Bank (EDB), the International Finance Corporation (IFC), the global private equity fund Wolfensohn Capital Partners, the state holding company Mubadala, the Chinese investment company CITIC Group, the Arab investment holding ADQ, the American venture fund 500 Startups, the largest fund Southeast Asia Quest Ventures, the German development institute DEG-Deutsche Investments-und



Entwicklungsgesellschaft, a large Turkish company TAV Holding and others.

In order to effectively manage portfolio funds, QIC attracts international management companies with many years of successful experience in the industry. Thus, by transferring international experience, innovative knowledge, the latest technologies and management strategies in the field of private equity, QIC strives to develop financing tools, form a sustainable private equity infrastructure and build up the internal competencies of the QIC team. Today, QIC is a participant in 18 private equity funds with a total investment volume of 227 billion tenge.

The QIC structure includes the following subsidiaries: "Baiterek Venture Fund" JSC captive fund, the management company "BV Management" LLP, the private company "BGlobal Ventures Ltd.", "Kazyna Seriktes B.V.", "KCM Sustainable Development Fund C.V".



# History of development

## 2007

### February

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

### March

The Board of Directors of Kazyna Sustainable Development Fund JSC decided to establish Kazyna Capital Management JSC (hereinafter – KCM).

### May

The state registration of Kazyna Capital Management JSC in the Department of Justice of Almaty has been carried out.

## 2008

### June

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

### August

A decision has been made on the participation of Kazyna Capital Management JSC in the Falah Growth Fund together with International Petroleum Investment Company and Ordabasy Corporation.

### October

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

### December

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

## 2009

### February

Creation of the Macquarie Russia and CIS Infrastructure Fund C.V. (MRIF) with the participation of Vnesheconombank of Russia, the European Bank for Reconstruction and Development, Macquarie Group, Renaissance Group. The first closure of the Macquarie Renaissance Infrastructure Fund took place with the participation of Kazyna Capital Management JSC, the International Finance Corporation (IFC), the European Bank for Reconstruction and Development, Macquarie Group and Renaissance Group.

### May

The constituent documents for the creation of CITIC Kazyna Investment Fund I have been signed.

### August

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

## 2010

### April

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

### June

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

### October

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

## 2011

### November

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

### December

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

## 2013

### May

Since August 2013, the stake in "Kazyna Capital Management" JSC has been transferred to the trust management of "Baiterek" National Managing Holding" JSC.

## 2014

### May

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

### March

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

### December

Creation of Kazakhstan Infrastructure Fund C.V. jointly with Verno Capital.

Creation of "BV Management" LLP.

## 2015

### April

The resolution was made on the participation of "Kazyna Capital Management" JSC in "Almex – Baiterek Fund" LLP with a 50% share of QIC in the authorized capital.

### May

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

## 2017

### November

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

### December

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

## 2019

### March

The resolution of the Board of Directors of "Kazyna Capital Management" JSC approved the basic conditions for participation of "Kazyna Capital Management" JSC in the KCM Sustainable Development Fund I private equity fund.

### April

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

## 2020

### July

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

### September

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

### December

By the decision of the Board of "Baiterek" National Managing Holding" JSC, a roadmap was approved for the transfer of shares of "QazTech Ventures" JSC to "Baiterek" NMH" JSC in payment for shares of "Kazyna Capital Management" JSC.

## 2021

### May

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

### July

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

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

### October

"Kazyna Capital Management" JSC has attracted a bond loan in the amount of KZT 12.8 billion as part of financing the Employment Roadmap for 2020–2021. This bond issue is a debut one.

## 2022

### June

Joining of "QazTech Ventures" JSC, "Kazakhstan Projects Preparation Fund" JSC to QIC.

### October

Joining the UN Association for Responsible Investment (UN Principles for Responsible Investment).

### December

A subsidiary company "BGlobal Ventures" has been established.

In connection with the withdrawal from projects and the completion of life terms, the private equity funds Islamic Infrastructure Fund L.P. and Wolfensohn Capital Partners, L.P. with the participation of Kazyna Seriktes B.V. were liquidated.

Fitch Ratings has confirmed the Corporation's long-term issuer default ratings ("IDRs") in foreign and national currency "BB+" with a "Stable" outlook.

By the decision of the Sole Shareholder, it was decided to rename "Kazyna Capital Management" JSC to "Qazaqstan Investment Corporation" JSC.



2023



#### January

Re-registration of the "Kazyna Capital Management" joint stock company to the "Qazaqstan Investment Corporation" joint stock company.

#### April

Accession to the UN Global Compact.

#### September

Approval by the decision of the QIC Board of Directors of the Sustainable Development Report for 2022.

The international agency Fitch Ratings has upgraded Qazaqstan Investment Corporation JSC long-term issuer default ratings ("IDR") in foreign and national currency from "BB+" to "BBB-". The forecast is "Stable".

#### October

Creation of the first apex fund in Kazakhstan "APEX FUND I" Limited Partnership.

#### November

Approval of the new QIC Development Strategy for 2024–2033.

#### December

For the first time, the Sustainable division of the international agency Fitch Ratings assigned the Corporation an ESG rating of "3" with a total score of 59.

By the decision of the Sole Shareholder of "Baiterek" NMH" JSC from December 4, 2023, Zholat Yerbolat Bauyrzhanuly was appointed Chairman of the Management Board and a member of the Board of Directors of "Qazaqstan Investment Corporation" JSC.

## Development strategy

The updated development strategy of "Qazaqstan Investment Corporation" joint stock company for 2014–2023 was approved by the decision of the Board

of Directors of QIC dated September 4th, 2020 (hereinafter referred to as the Development Strategy).



## MISSION

The mission of QIC is to take a leading role in the development of the private equity ecosystem in Kazakhstan by investing in strong teams that can

create stable and efficiently managed companies, generate sustainable profits and contribute to economic growth and modernization.

## THE VISION OF QIC


The vision of QIC is to create a dynamic ecosystem of private equity (hereinafter referred to as PE) in order to develop leading companies in the market through flexible placement of long-term risk capital

and the application of the best international practices, as well as active participation in the sustainable development of the national economy.



STRATEGIC DIRECTION 1:

Promotion and development of the PE market and the national economy of Kazakhstan

Goal	Tasks	Strategic key performance indicators
 <p><b>High investment attractiveness of Kazakhstan through cooperation with regional and international partners and the introduction of ESG standards in investment activities</b></p>	<ul style="list-style-type: none"><li>● Tapping the potential of PE as an asset class through invested capital, business network of contacts, experience and knowledge of QIC employees;</li><li>● Assistance in the development of sustainable business based on internationally recognized environmental, social and governance standards (ESG).</li></ul>	<ol style="list-style-type: none"><li>1. The ratio of attracted investments in the Republic of Kazakhstan to the unit of funds QIC</li><li>2. The share of the investment portfolio of total QIC assets (excluding treasury operations)</li><li>3. Sustainable development rating</li></ol>


STRATEGIC DIRECTION 2:

Increasing the QIC investment portfolio

 <p><b>Increasing the value of portfolio companies and developing the local market for PPP infrastructure projects, stress assets and venture financing</b></p>	<ul style="list-style-type: none"><li>● Development of business entities with great potential to become market leaders in the region;</li><li>● Increasing the availability of financing, the level of technical equipment and intensification of production in the agro-industrial complex;</li><li>● Development of the local market for PPP infrastructure projects, stress assets and venture financing.</li></ul>	<ol style="list-style-type: none"><li>4. Volume of new investments per year (including captive funds)</li><li>5. The volume of investments in fixed assets in the agricultural sector (per year), including:<ul style="list-style-type: none"><li>● in agriculture;</li><li>● in the food production industry.</li></ul></li><li>6. Number of new QIC initiatives in the PE market</li></ol>
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STRATEGIC DIRECTION 3:

Improving the productivity of the organization



 <p><b>Ensuring the uninterrupted operation of QIC with maintaining the level of planned profitability and break-even by improving operational processes</b></p>	<ul style="list-style-type: none"><li>● Focus on establishing a positive rate of return on each investment above the risk-free rate and achieving an annual multiplier of the value of the investment portfolio above 1</li></ul>	<ol style="list-style-type: none"><li>7. ROA, return on assets, (%)</li></ol>
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In accordance with the Action Plan for the implementation of the Development Strategy of the Qazaqstan Investment Corporation JSC, 24 events were planned for 2023. By the end of 2023, 22 events have been completed, 2 events have not been completed.

Detailed information on the results of QIC's activities in terms of strategic directions is presented in the sections of the annual report.

STRATEGIC KEY PERFORMANCE INDICATORS

<p><b>As part of the updated Development Strategy of 7 approved strategic key performance indicators (hereinafter referred to as SKPI) by the end of 2023:</b></p>		<p><b>6 SKPIs were executed:</b></p> <p>"Coefficient of attracted investments in the Republic of Kazakhstan to a unit of QIC funds"; "Rating on sustainable development"; "Volume of new investments per year (including captive funds)"; "Volume of investments in fixed assets in the agro-industrial complex industry"; "ROA"; "Number of new QIC initiatives in the PI market".</p>
		<p><b>1 SKPI has not been executed:</b></p> <p>"The share of the investment portfolio from the total assets of QIC (excluding treasury operations)".</p>



No	SKPI	UoM	Plan	Actual	Status based on the results of 2023
STRATEGIC DIRECTION 1: PROMOTION AND DEVELOPMENT OF PI AND NATIONAL ECONOMY IN KAZAKHSTAN					
1.	The ratio of attracted investments in the Republic of Kazakhstan to the unit of funds QIC	%	At least 2	2.07	<b>Executed (104%)</b>  The over-fulfillment is related to attracting co-investments from the Turkish company TAV Group in order to invest in Almaty International Airport JSC through Kazakhstan Infrastructure Fund C.V. (for \$ 200 million), and attracting investments from international institutional investors totaling \$857 thousand in 2023, including: Sady Vostoka LLP – \$51 thousand (through Kazakhstan Hungarian Investment Private Equity Fund C.V.); BilimLand – \$667 thousand (through Da Vinci Emerging Technologies Fund III L.P.); In-Charge One Inc – \$139 thousand (through 500 Startups V, L.P.).
2.	The share of the investment portfolio of total QIC assets (excluding treasury operations)	%	71,44	70,80	<b>Not executed (99%)</b>  Non-fulfillment under this item is related to the allocation of budget funds in the amount of KZT 35 billion to support manufacturing entities, which led to an increase in assets at the end of the reporting period.
3.	Sustainable development rating	rating	D/25%/25 points	59 points	<b>Executed (236%)</b>  The over-fulfillment of this indicator was influenced by the results of the sustainable development rating from the international rating agency Sustainable Fitch, according to which the Corporation was assigned a sustainable development rating of "3" with a total score of 59.
STRATEGIC DIRECTION 2: INCREASING QIC INVESTMENT PORTFOLIO					
4.	Volume of new investments per year (including captive funds), million tenge	million tenge	4 500	34 518	<b>Executed (767%)</b>  In 2023, the following were invested: <ul style="list-style-type: none"><li>Expansion of the existing production of packaging products of Kazpoligraf LLP in the amount of 2 billion tenge (I tranche); expansion of the existing production of packaging products of Kazpoligraf LLP in the amount of 700 million tenge (II tranche);</li><li>Expansion and modernization of the complex for the production of oil and gas equipment of KaspiMunaiKapital LLP in the amount of 1 billion tenge under the program of the Concept of development of the manufacturing industry (CDMI);</li><li>Construction of a hot-dip galvanizing plant located at the address: Karaganda region, Saran, Kazakhstan Hot-dip Galvanizing Plant LLP in the amount of 4.99 billion tenge (under the CDMI program);</li><li>Expansion of production of metering devices for electric and thermal energy, water, gas by Kazakhstan Pipeline Systems LLP in the amount of 1.45 billion tenge (under the CDMI program);</li><li>Production of car seats in Almaty by Vehicles Almaty LLP in the amount of 1.8 billion tenge (under the CDMI program);</li></ul>

No	SKPI	UoM	Plan	Actual	Status based on the results of 2023
5.	The volume of investments in fixed assets in the agricultural sector (per year), including: <ul style="list-style-type: none"><li>in agriculture;</li><li>in the food production industry</li></ul>	billion tenge	2	8,1	<b>Executed (405%)</b>  Production of dry building mixes "Alit" in Taraz, Alit Holding LLP in the amount of 3.3 billion tenge (under the CDMI program); Construction of the second stage of the sodium cyanide production plant with capacity up to 30 thousand tons per year in Zhambyl region of Talas Investment Company LLP in the amount of 4.8 billion tenge (under the CDMI program); For poultry, a closed-cycle complex for the production and processing of broiler meat (II stage) Prima-Kus LLP for a total amount of 3 billion tenge; For the construction of the Verkhne-Talaptinskaya hydroelectric power station in the Almaty region of Bekzat LLP in the amount of 860 million tenge (2 tranches) (at its own expense); Information technologies of BilimLand LLP (PEF Da Vinci Emerging Technologies Fund III L.P.) in the amount of 151.5 million tenge; On the creation of intensive apple orchards and fruit storages of Gardens of the East LLP (PEF Kazakhstan Hungarian Investment Private Equity Fund C.V.) in the amount of 22 million tenge; Venture funds (Quest Ventures Asia Fund II and 500 Startups) in the amount of 165.48 million tenge;Construction of a pig breeding complex. Expansion of up to 200,000 heads of commodity herd per year by EMC Agro LLP in the amount of 1.1 billion tenge (at its own expense); Reconstruction and construction of a building in Atyrau and purchase of equipment for the medical center "iClinic Atyrau Medical Center LLP" in the amount of 3.914 billion tenge (at own expense); Construction of an oil extraction plant with a capacity of 500 tons per day by ALTAI MAI LLP in the amount of 4 billion tenge (under the program of the DKZ AIC). Administrative expenses of the PEF are 1,265 billion tenge.  Projects have been funded in 2023: <ul style="list-style-type: none"><li>A project for the construction of an oil extraction plant with a capacity of 500 tons per day (the applicant is ALTAI MAI LLP) in the amount of 4 billion tenge (financed on 12/29/2023);</li><li>Construction of a pig breeding complex. Expansion to 200,000 heads of commercial herd per year (the applicant is EMC Agro LLP) in the amount of 1.1 billion tenge (financed on 5.12.2023);</li><li>Poultry project for a closed-cycle complex for the production and processing of broiler meat (Stage II) Prima-Kus LLP for a total amount of 3 billion tenge.</li></ul>



No	SKPI	UoM	Plan	Actual	Status based on the results of 2023
6.	Number of new QIC initiatives in the PE market	ed. cum.	6	8	<b>Executed (133%)</b>  As of December 31, 2023, 10 new initiatives (programs or investment platforms/funds) have been launched (cumulatively): <ul style="list-style-type: none"><li>On June 30, 2021, a limited partnership agreement was signed, providing for QIC's participation in the <b>Da Vinci Emerging Technologies private equity Fund III</b> with a capitalization of 80 million US dollars (QIC's obligations are \$ 10 million).</li><li>By the resolution of QIC Board of Directors dated September 9, 2021, the main conditions for QIC's participation <b>in the ADQ-KCM Venture Capital Fund were approved</b>, with the signing of the Term Sheet on October 10, 2021.</li><li>On October 28, 2021, the resolution of the Board of Directors of the Corporation (Minutes 18/21) approved <b>the program of financing by direct investment funds of investment projects of the agro-industrial complex</b>.</li><li>On July 26, 2022, the resolution of the Board of Directors of the Corporation (minutes No. 15/22) approved the basic <b>conditions for the participation of QIC JSC in the Apex Fund</b>.</li><li>On December 15, 2022, the decision of the Board of Directors of the Corporation (minutes No. 19/22) approved the basic <b>conditions for the participation of QIC JSC in the creation of a private company BGlobal Ventures Ltd</b> on the territory of the AIFC.</li><li>On February 23, 2023, the Board of Directors of the Corporation (minutes No. 02/23) approved a <b>Program for financing manufacturing industry projects</b> within the framework of the Concept of Industrial and Innovative Development of the Republic of Kazakhstan for 2021–2025 at the expense of the Republican budget.</li><li>On February 23, 2023, the decision of the Board of Directors of the Corporation (minutes No. 02/23) approved the <b>basic conditions</b> (parameters) of the Corporation's direct participation <b>in the Creative Capital Fund private equity fund</b>.</li><li>On March 14, 2023, the decision of the Board of Directors of the Corporation (minutes No. 04/23) <b>approved the basic conditions</b> (parameters) of the Corporation's direct participation <b>in the TVM Healthcare SEA Fund direct investment fund</b>.</li></ul>

STRATEGIC DIRECTION 3: IMPROVING THE PRODUCTIVITY OF THE ORGANIZATION

7.	ROA, return on assets, (%)	%	1	1,54	<b>Executed (154%)</b>  The over-fulfillment of this indicator was influenced by the results of the revaluation of the investment portfolio, income from the treasury portfolio, as well as savings in administrative expenses.
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QIC STRATEGY FOR 2024–2033

Due to the expiration of the current development strategy of the Corporation, in 2023 a new Development Strategy of Qazaqstan Investment Corporation joint stock company for 2024–2033 was developed and approved by the decision of the Board of Directors (minutes No. 14/23) dated November 9, 2023.

The next strategic document is based on the key areas of QIC's activities, which will ensure the embodiment of the Corporation's role as a driver of the development of the direct investment market in Kazakhstan and an authorized operator for the implementation of state incentives for industries.

The directions, goals and objectives that formed the basis of the new Development Strategy were dictated by the need to develop the direct investment market of Kazakhstan through large-scale reforms and measures to improve the investment climate.

In order to implement the mission and vision of the Strategy, three main directions were identified:



Development of the direct investment ecosystem in Kazakhstan;



Development of the alternative asset market in Central Asia;



Global strategic asset allocation.

As its mission, QIC has identified taking a leading role in the development of the direct investment ecosystem in Kazakhstan and Central Asia, contributing to the modernization and growth of the economy through strategic asset allocation and investments in global innovative projects.

QIC sees itself as an international player in the private equity market with a stable and progressive portfolio of projects and an extensive network of investment partners, striving to introduce the concept of responsible investment, innovation and increase cross-country investment flows.



# Subsidiaries

At the end of 2023, QIC group of companies included:

- Baiterek Venture Fund" JSC
- "BV Management" LLP
- Private Company BGlobal Ventures Ltd.
- Kazyna Seriktes B.V.<sup>1</sup>
- KCM Sustainable Development Fund C.V.<sup>2</sup>

## "BAITEREK VENTURE FUND" JSC (BVF).



Established in 2014, it is a 100% subsidiary of QIC.

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

implementing projects in partnership with international financial institutions such as the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB) and others.

Indicators	2021	2022	2023
Total assets, thousand tenge	89 752 973	92 698 923	<b>112 451 084</b>
Total liabilities, thousand tenge	40 339 194	40 277 962	<b>40 638 565</b>
Total equity, thousand tenge	49 413 779	52 420 961	<b>71 812 519</b>
Net profit, thousand tenge	5 038 764	3 434 300	<b>4 391 558</b>
ROA, return on assets (%)	5,71	3,76	<b>4,28</b>
ROE, return on equity (%)	11,23	6,74	<b>7,07</b>



<sup>1</sup> A special purpose company created to structure QIC's participation in the PEF.

<sup>2</sup> Private Equity Fund Kazyna Seriktes B.V. is a limited partner with a 99.9% ownership share, while "BV Management" LLP is a general partner with a 0.01% ownership share.



## "BV MANAGEMENT" LLP (BVM)



Was established in 2014 and is a 100% subsidiary of QIC.

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

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

Indicators	2021	2022	2023
Total assets, thousand tenge	218 685	332 899	<b>574 207</b>
Total liabilities, thousand tenge	62 062	115 509	<b>198 041</b>
Total equity, thousand tenge	156 623	217 390	<b>376 166</b>
Net profit, thousand tenge	38 467	88 261	<b>219 343</b>

## PRIVATE COMPANY BGLOBAL VENTURES LTD.



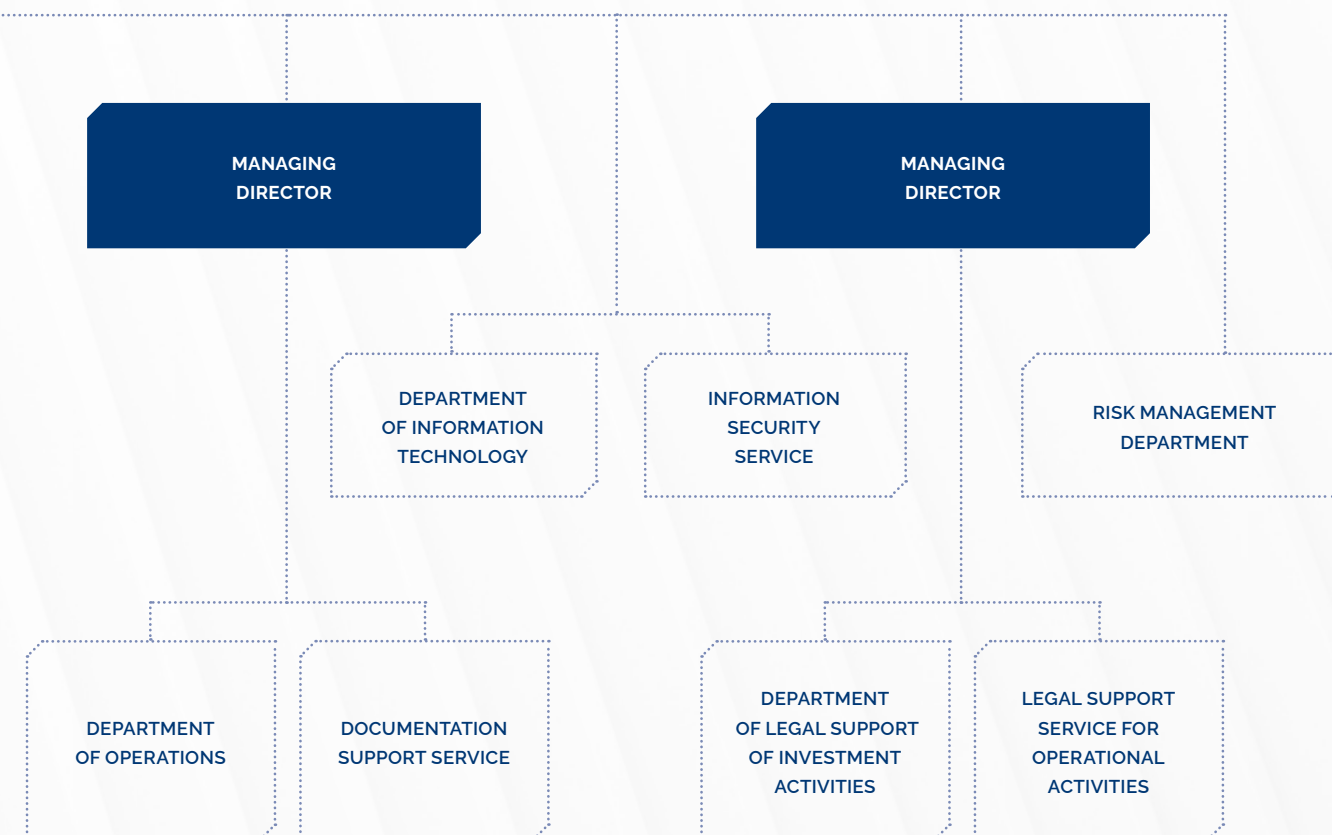
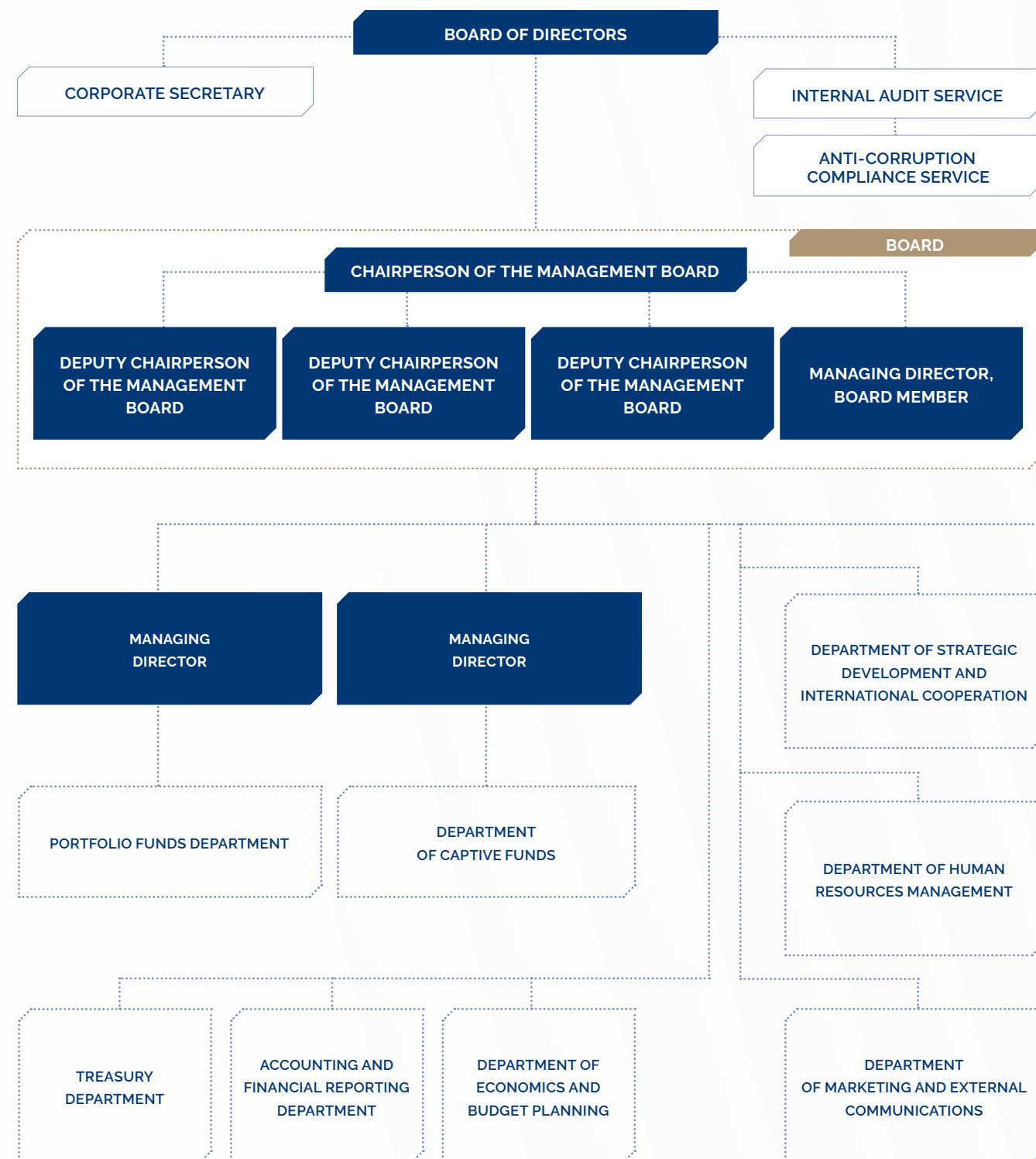
On December 15, 2022, the decision of the Board of Directors of QIC approved the creation of a subsidiary of BGlobal Ventures Ltd. on the territory of the Astana International Financial Centre (hereinafter – AIFC). On December 22, 2022, the company was registered under the jurisdiction of the AIFC.

The company implements various training and acceleration programs for technological startup projects, as well as other key participants in the venture ecosystem in Kazakhstan, including private venture investors (business angels).



# Organizational structure

On December 20, 2023 (minutes No. 02/23), the organizational structure and staffing of "Qazaqstan Investment Corporation" joint stock company were approved in new editions.



# Key events of 2023



**On January 10**, "Kazyna Capital Management" joint stock company was re-registered to "Qazaqstan Investment Corporation" joint stock company. Full and abbreviated name of the Corporation:

- in the official language: «Qazaqstan Investment Corporation» акционерлік қоғамы, «QIC» АҚ;
- in Russian: акционерное общество «Qazaqstan Investment Corporation», АО «QIC»; – in English: Qazaqstan Investment Corporation joint stock company, QIC JSC.

**On April 3**, QIC joined the UN Global Compact. Joining the UN Global Compact will contribute to the further implementation of the principles of corporate social responsibility, the implementation of joint educational and acceleration programs and the promotion of the ten universal principles and values of the United Nations among the Corporation's stakeholders.

**In October**, Kazakhstan's first apex fund "APEX FUND I" Limited Partnership was established, investing in credit partnerships (CP) and microfinance organizations (MFOs), which, in turn, with the help of the funds received, will be able to finance domestic micro, small and medium-sized enterprises, including, but not limited to projects in the field of agro-industrial complex, mainly in rural areas and single-industry towns. The key partners of "Qazaqstan Investment Corporation" JSC in the creation of the apex fund were "Credit Partnership "Tsentrallye" LLP (CCT) together with the professional investment team of Apex Management GP.

**On November 9**, the QIC Board of Directors approved a new Corporate Development Strategy for 2024–2033, which is based on the key strategic directions of QIC's activities necessary to realize its role as a driver of the development of the direct investment market in Kazakhstan.

## FINANCING OF INVESTMENT PROJECTS

The volume of new investments amounted to 34.5 billion tenge, including **captive funds financed 12 projects worth 32.9 billion tenge**.

Due to the withdrawal from projects and the end of life, private equity funds Aureos Central Asia Fund L.L.C.

and Macquarie Renaissance Infrastructure Fund L.P. are **in the process of liquidation**.

In 2023, **22 projects** were funded by **portfolio funds** in which QIC has a stake (of which 21 projects were funded by venture funds).

## AGREEMENTS

**On February 23**, the main conditions (parameters) of the Corporation's direct participation in the **Creative Capital Fund** private equity fund were approved.

**On March 14**, the main conditions (parameters) of the Corporation's direct participation in the **TVM Healthcare SEA Fund** direct investment fund were approved.

**On May 22**, during the Kazakh-Singapore Business Forum with the participation of Singapore President Halima Jacob and Prime Minister of Kazakhstan Alikhan Smailov, an agreement on the basic terms of participation (Therm sheet) of the Corporation in the **TVM Healthcare SEA Fund direct investment fund** with the international management company TVM Capital Healthcare Partners was signed.

**On October 17**, within the framework of the official visit of the President of the Republic of Kazakhstan to the People's Republic of China "Qazaqstan Investment Corporation" JSC and BGI Group reached an agreement on the establishment of a joint investment fund Forebright Life Science Technology Fund. It is planned that the created fund will focus on financing innovative projects in the field of multi-omics technologies and synthetic biology in biomedical science (excluding human genetic engineering technologies) in the regions of

the Middle East, Europe and Asia, including Kazakhstan. Special attention will be paid to public health, including the development of reproductive technologies, prenatal research for the prevention of birth defects, and comprehensive newborn screening.

**Also**, within the framework of the mentioned visit, QIC signed a **framework agreement** on investment cooperation in the energy sector with **China Huadian Overseas Investment Ltd.** The agreement is aimed at solving the tasks set by the Head of State in the framework of the Address to the People of Kazakhstan dated September 01, 2023. Among them, ensuring the country's energy security by introducing new capacities (including renewable energy stations), as well as increasing the investment attractiveness of the Republic of Kazakhstan for foreign capital, including in the energy sector.

**In December**, QIC and the Abu Dhabi-based investment holding company ADQ created a joint investment platform. The platform is focused on fast-growing non-resource sectors in the field of manufacturing, renewable energy, agro-industrial complex, healthcare, financial services technologies and education, etc.



## INTERACTION WITH ORGANIZATIONS

In 2023, **BGlobal Ventures**, together with Astana Ventures Club, organized a round table with business angels in the format of a strategic session on the topic of regional development of the venture market. The round table was attended by players of the regional venture ecosystem. The main purpose of the round table is to create an effective dialogue to identify current barriers to the development of the private capital market and to form joint solutions to overcome them.

At the initiative and with the support of QIC, a **study was conducted on the review of the private equity market in Kazakhstan by Baker Tilly**. The purpose of the study was to analyze the current situation in the direct investment market of Kazakhstan, identify key market participants, factors influencing market development, as well as review the experience of foreign markets and successful cases.

## SUSTAINABLE DEVELOPMENT

**On April 28**, the Corporation held a Strategic ESG session with the participation of Independent Director Nicholas Page (as part of the Corporation's transition to a "responsible" investment model).

**On September 14**, the Sustainable Development Policy was updated, including the inclusion of a section on conducting preliminary ESG due diligence for new portfolio companies and annual ESG monitoring of portfolio companies.

**On September 14**, the Corporation's Board of Directors approved the Sustainable Development Report for 2022.

**On October 26**, the Corporation received certificates of compliance with the requirements of the "Environmental Management System. Requirements and guidelines for the application of " and "Occupational safety and health management systems. Requirements and guidelines for use".

## RATING, ASSESSMENT

**In September**, the international agency **Fitch Ratings** upgraded the Corporation's **long-term issuer default ratings ("IDRs") in foreign and national currency from "BB+" to "BBB-"**. The forecast is "Stable".

**On December 14**, the Sustainable division of the international agency **Fitch Ratings** for the first time **awarded** the Corporation **an ESG rating of "3" with a total score of 59**.

According to annual research by PwC Kazakhstan, **in the overall ranking of the top 50 companies** in terms of disclosure of ESG information in annual reports/reports on sustainable development (according to reports for 2022), **QIC is ranked 34th**.

**QIC received** an award in the nomination **"The best annual report in the financial sector for 2022"** in a competition organized by the Kazakhstan Stock Exchange (KASE).





## 02. OPERATIONAL ACTIVITIES

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### The global private equity market

According to the report of the United Nations Conference on Trade and Development (UNCTAD), global flows of foreign direct investment did not meet the expectations of experts, slightly increasing from \$1.33 trillion to \$1.37 trillion compared to 2022.

According to an analysis of the global private equity market provided by Bain & For example, the amount of private capital raised in 2023 was actually the lowest that the industry has received annually since 2018 – 20% less than in 2022 and almost 30% less than in 2021.

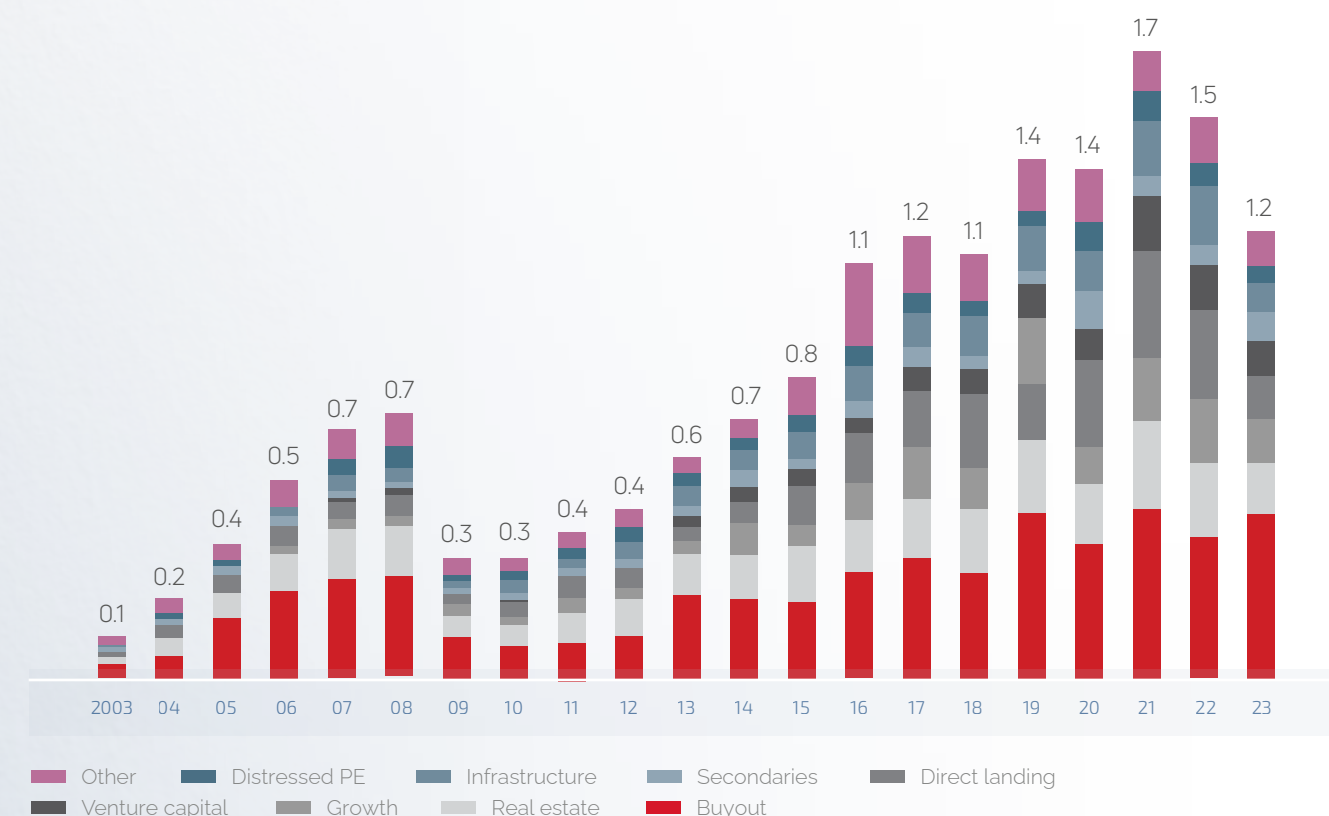
Share buyback funds, which raised 18% more capital year-on-year, were the only major category to show gains as investors (LP) focused their funds on the funds they most trusted. The leaders of 2021 in terms

of indicators – “growth capital”, “venture capital” and “infrastructure funds” – have declined sharply.

Experts cite global economic uncertainty as the reasons for such a slow growth in global investment. Global economic growth has slowed sharply in the face of high inflation, simultaneous tightening of policies to contain it, deteriorating financial conditions, disruptions caused by Russia's invasion of Ukraine, and weak confidence among market participants.

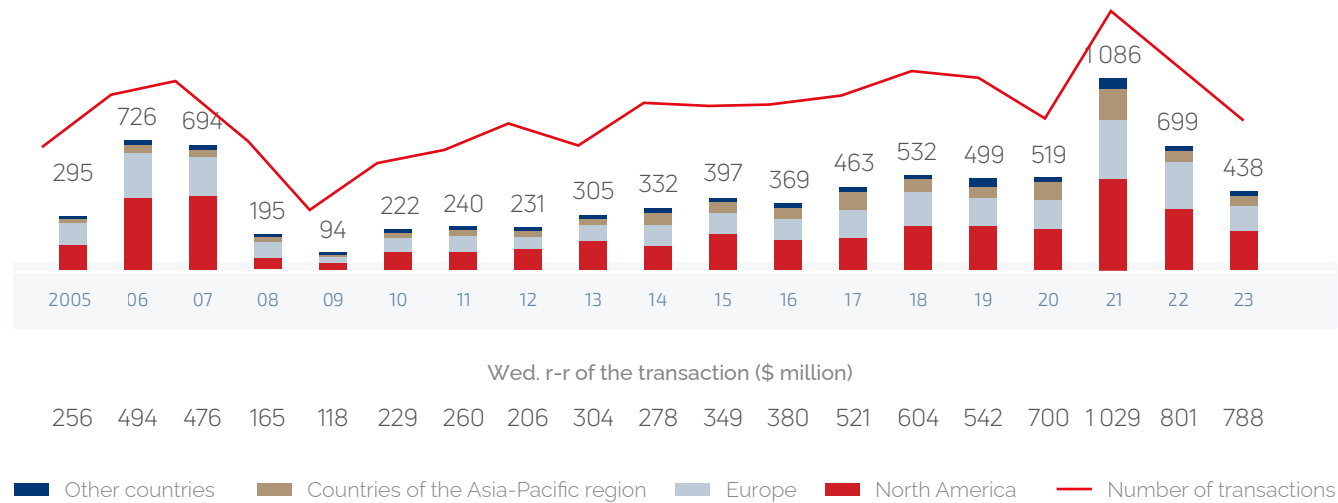
Excluding additional costs, the volume of investments in share buybacks decreased to \$438 billion, which is 37% less than in 2022, and is the worst indicator since 2016 (Chart 2). The industry has not experienced such a sharp decline since the global financial crisis.

**CHART 1. GLOBAL VOLUME OF PRIVATE CAPITAL RAISED, BY TYPE OF FUNDS (GLOBAL PRIVATE CAPITAL RAISED, BY FUND TYPE), \$ trillion**



Source: Bain & Company Global private equity report 2024

CHART 2. GLOBAL BUYOUT DEAL VALUE, \$ billion

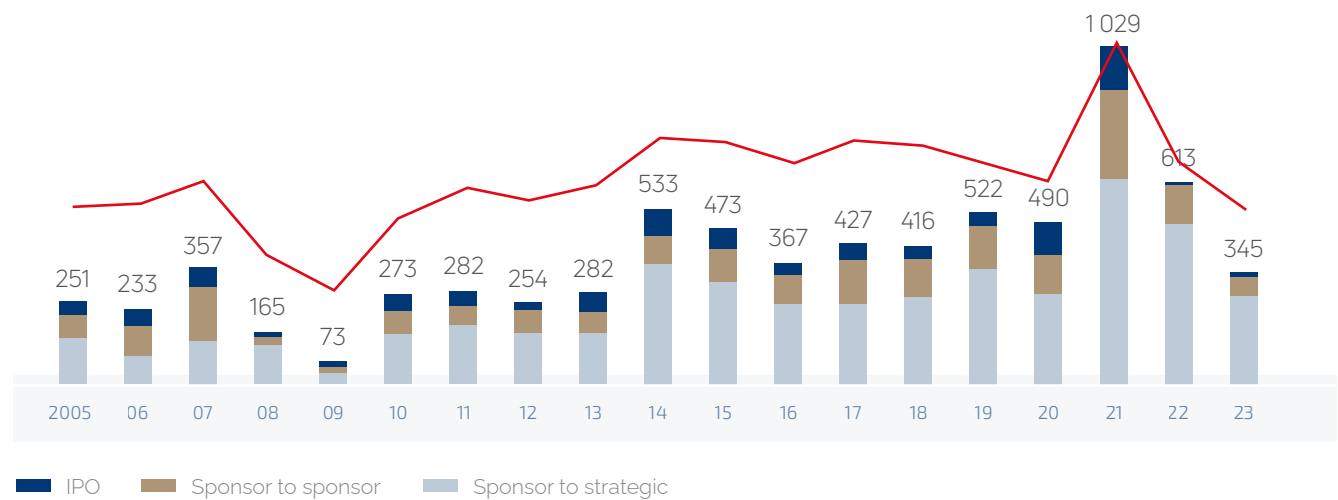


Source: Bain & Company Global private equity report 2024

In 2023, project exit activity was even worse than deal-making, as rising interest rates and macroeconomic uncertainty led to disagreements between buyers and sellers over valuation. The volume of buyout transactions amounted to \$345 billion worldwide, which is 44% less than in 2022. The total number of exit transactions decreased by 24% to 1,067 (Chart 3). Activity was low in all regions.

While corporate buyers remained the largest sales channel – they accounted for almost 80% of the total volume of transactions in 2023 – the value of these strategic transactions decreased by 45% compared to 2022 and amounted to \$ 271 billion. This was part of a massive reduction in corporate mergers and acquisitions in 2023, as exhausted executives tried to make sense of rising rates and an uncertain macroeconomic environment.

CHART 3. GLOBAL BUYOUT-BACKED EXIT VALUE, BY CHANNEL



Source: Bain & Company Global private equity report 2024

## KAZAKHSTAN'S PRIVATE EQUITY MARKET

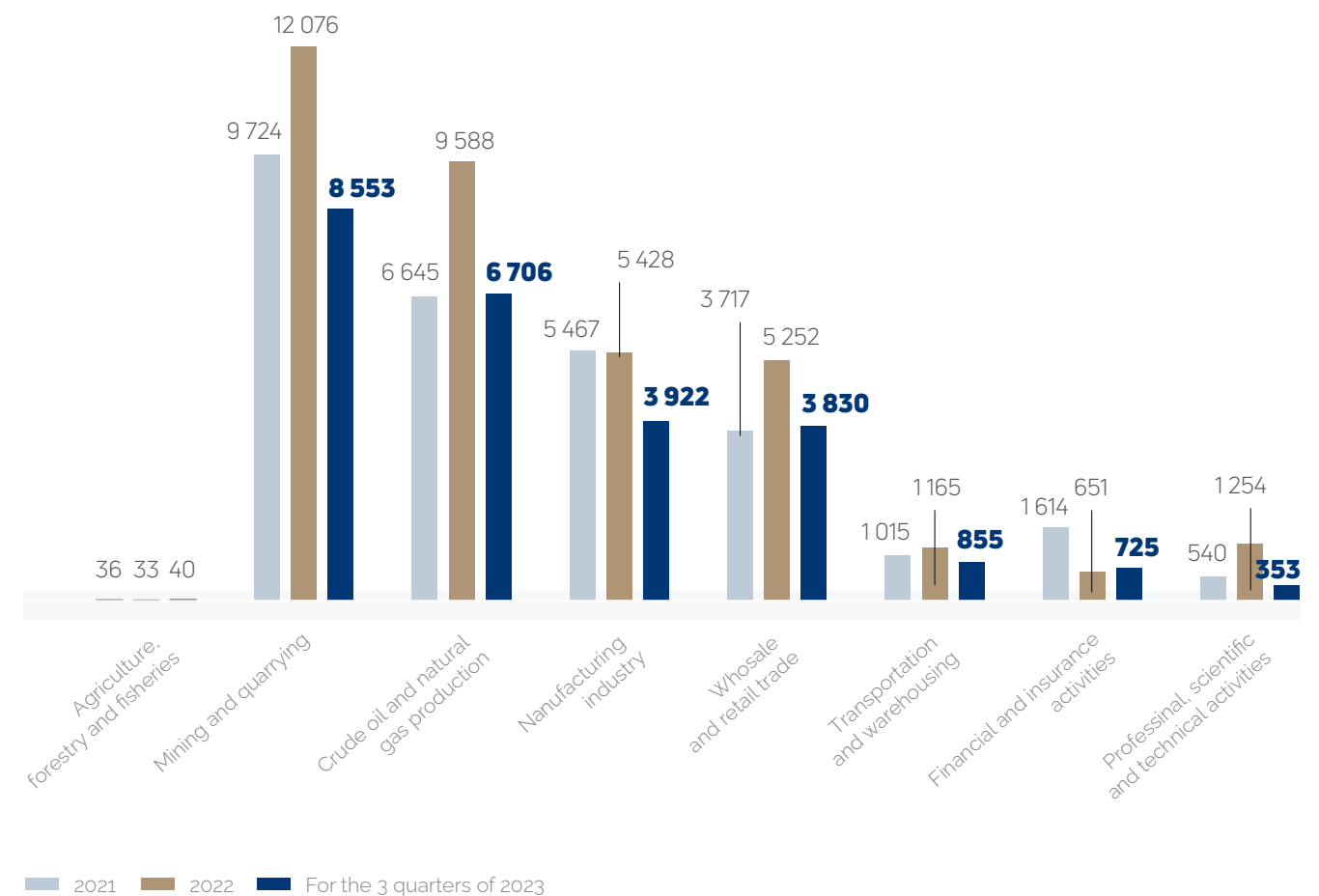
The private equity market of Kazakhstan is at the initial stages of development. In these conditions, the role of international development institutions and institutional investors associated with the state is great. For the foreign community, Kazakhstan belongs to high-risk markets, nevertheless it is attractive to investors in various fields, including healthcare,

By the end of 2023, Kazakhstan took the sixth place in the list of leaders in foreign direct investment (Standout Watchlist 2024). In the three quarters of 2023, the inflow of foreign private equity (FPE) to Kazakhstan amounted to \$19.7 billion.

However, in world practice, it is customary to take more account of the net inflow of foreign direct investment (hereinafter – FDI).

When calculating this indicator, outgoing flows are taken into account along with incoming flows. According to the National Bank of the Republic of Kazakhstan, in 2022, the record value of the gross inflow of FDI to Kazakhstan amounted to \$28 billion, of which 56% (\$15.8 billion) accounted for debt obligations of Kazakhstani enterprises to their foreign owners (credits, loans). Accordingly, these obligations are subject to repayment, moreover, interest is accrued on them. The second component, which forms the gross inflow of FDI in 2022, amounted to 35% (\$9.9 billion), and fell on reinvestment. That is, the volumes for this factor can be withdrawn by a foreign investor in the form of dividends at any time. And only 8% (\$2.3 billion) of the gross inflow of FDI is accounted for by "equity participation"<sup>3</sup>.

CHART 4. GROSS INFLOW OF FOREIGN DIRECT INVESTMENT (USD MILLION), (USD million)

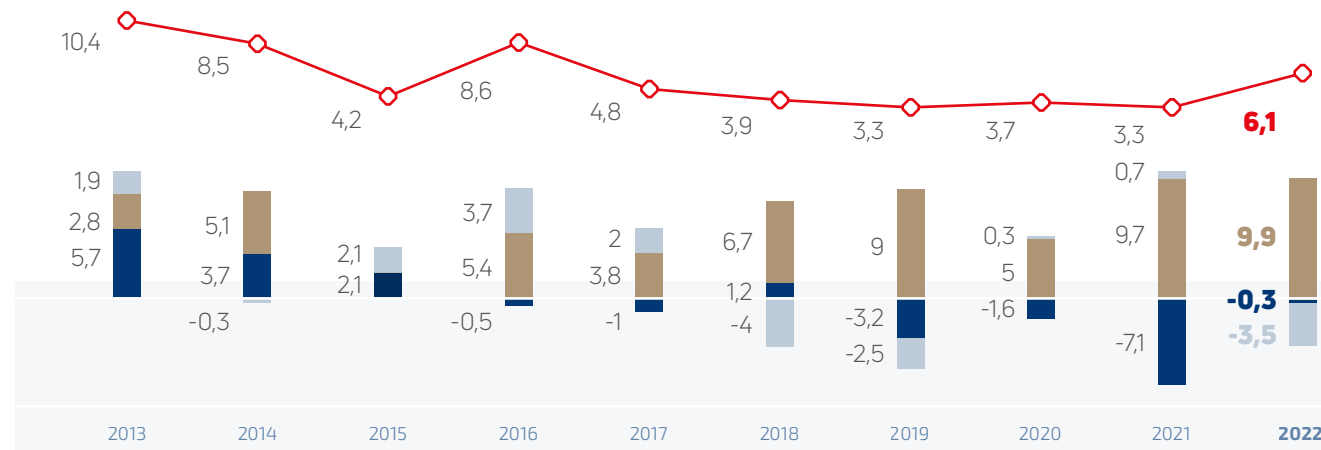


Source: National Bank of the Republic of Kazakhstan

<sup>3</sup> <https://www.nationalbank.kz/file/download/92277>



CHART 5. NET INFLOW OF FDI (IN THE DIRECTION OF INVESTMENT), \$ billions



Equity instruments without reinvested income Reinvested income  
Debt instruments FDI net inflow

Source: National Bank of the Republic of Kazakhstan

According to the data shown in Figure 5, the net inflow of FDI is recorded with a negative value in the period from 2018 to 2022, respectively, there is a stable outflow of foreign direct investment.

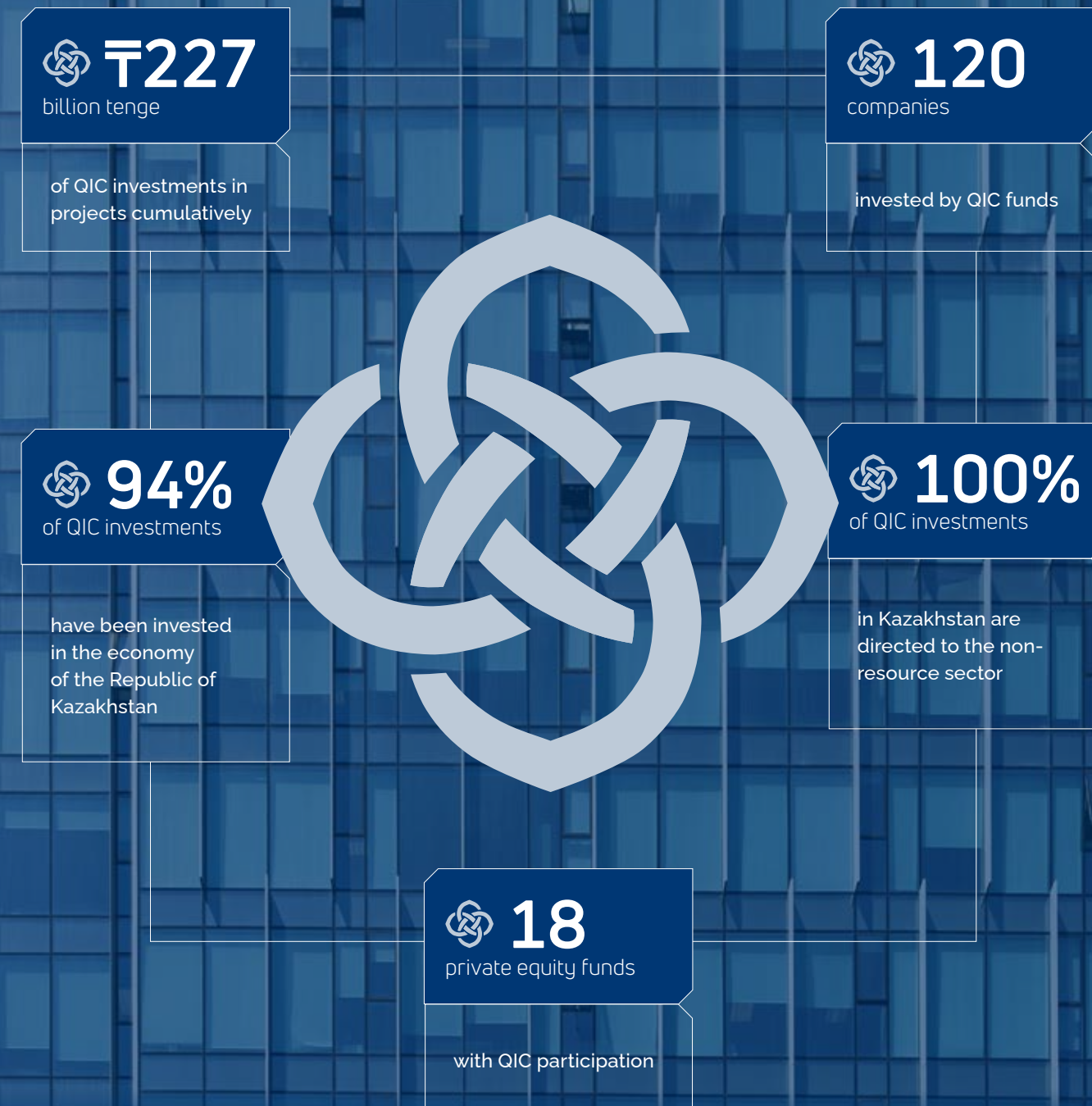
The dynamics of global and, consequently, Kazakhstani investments were influenced by the general economic uncertainty in the world and the increase in interest rates in many countries. Foreign direct investment flows decreased in Asia by 12% in 2023<sup>4</sup>.

## Results of investment activity



<sup>4</sup> <https://news.un.org/ru/story/2024/01/1448682>

## KEY QIC RESULTS AS OF THE END OF 2023



At the end of 2023, the QIC portfolio consisted of 18 PEFs, the number of cumulative investments by funds in projects with QIC participation is 227 billion tenge.

In 2023, 22 projects were financed by portfolio funds (including 21 projects by venture funds) in which QIC has a stake, and 12 projects funded by captive funds of QIC.

Ser. No.	Name of the PEF	Year of creation	Size (millions USD)	The amount of QIC's obligations under the fund (millions USD)
CAPTIVE PEFs				
1	Baiterek Venture Fund	2014	249,4*	118,5*
2	DBK Equity Fund C.V. (DBK EF)	2017	73,7*	2,2*
3	KCM Sustainable Development Fund I C.V. (KCM SDF)	2019	127,2*	127,2*
PORTFOLIO PEFs				
4	Apex Fund I Limited Partnership	2023	44*	up to 6.6*
5	Kazakhstan Infrastructure Fund C.V. (KIF)	2014	105	100
6	Kazakhstan Hungarian Investment Private Equity Fund C.V. (KAGF)	2015	40,4	20
7	Kazakhstan Growth Fund L.P. (KGF)	2009	80,8	40
8	Kazakhstan Capital Restructuring Fund C.V. (KCRF)	2010	100	49,5
9	CITIC Kazyna Investment Fund I L.P. (CKIF)	2010	200,4	100
10	VTB Capital I2 BF Innovation Fund, L. P.	2011	51	25
11	Falah Growth Fund L.P. (FGF)	2008	500	50
12	Da Vinci Emerging Technologies Fund III L.P. (Da Vinci)	2021	66,6	10
13	Quest Ventures Asia Fund II, L.P. (Quest)	2020	32,5	10
14	500 STARTUPS V, L.P. (500 Startups)	2019	140	10
15	Wellington Partners III Technology Fund (Wellington)	2004	150	7,7
16	Flagship Ventures Fund (Flagship)	2005	151,5	10
17	Aureos Central Asia Fund L.L.C. (ACAF)	2007	37	5,3
18	Macquarie Renaissance Infrastructure Fund L.P.	2009	630	30
Total			2 779,5	722

\* PEFs with capitalization in tenge. Conversion at the KASE exchange rate as of 31.12.2023 454.56 tenge per \$1.

QIC strategic portfolio can be conditionally divided into several categories:

● **funds engaged in active investment activities:**

BVF, KCM SDF, Da Vinci, Quest, 500 Startups;

● **funds with a completed investment period:**

PEFs that have completed the investment process and focused on managing portfolio companies and looking for successful exit opportunities: DBK EF, KIF, KAGF;

● **end-of-life funds:** KGF, KCRF, CKIF, RKFN, FGF, Wellington, Flagship;

● **funds in the process of liquidation:** MRIF, ACAF;

● **funds in the process of launching:** APEX Fund I Limited Partnership.

Funds engaged in active investment activities:

FUNDS ENGAGED IN ACTIVE INVESTMENT ACTIVITIES:

BAITEREK VENTURE FUND  
General Partner (GP) – Captive Team

Life span (Invest. period)	Total amount, million tenge	Investments, million tenge	QIC Share	Branch	Geography	Investors
2014- no time limit-	112 451	109 034	100%	Priority sectors of the economy	Kazakhstan	QIC

In 2023, the fund invested in 5 projects with a total volume of 12.76 billion tenge. In January 2023, CAPEC JSC withdrew from the project (1.45%). In June 2023, Aitas KZ JSC partially withdrew from the project (3.47%).

Investment portfolio:

1) Aitas KZ JSC – agriculture (poultry farming) (Republic of Kazakhstan);

2) AstanaGaz JSC – transport and logistics (construction of the main gas pipeline) (Republic of Kazakhstan);

3) Baikonur Solar LLP – alternative energy (Republic of Kazakhstan);

4) Alex Astana LLP – production of road signs (Republic of Kazakhstan);

5) Kazmyaso LLP – agriculture (Republic of Kazakhstan);

6) Makinsk Thermal Insulation Plant LLP – production of mineral wool slabs and mats from basalt rocks (Republic of Kazakhstan);

7) "Burundai Mineral Waters" LLP – tourism (Republic of Kazakhstan);

8) KazGreenEnergy LLP – alternative energy (Republic of Kazakhstan);

9) EMC Agro LLP – agriculture (animal husbandry) (Republic of Kazakhstan);

10) Kazpoligraf LLP – production of packaging products (Republic of Kazakhstan);

11) BRBAPK LLP – agriculture (crop production) (Republic of Kazakhstan);

12) TTS Astana-2007 K LLP – tourism (Republic of Kazakhstan);

13) KTK Service JSC – transport and logistics (Republic of Kazakhstan);

14) Arnau-Agro LLP – food and beverage production (Republic of Kazakhstan);

15) KazArmapirom LLP – metallurgical industry (Republic of Kazakhstan);

16) Compass Service LLP – other construction and installation works (Republic of Kazakhstan);

17) Keruen – Medicus LLP – medical services (Republic of Kazakhstan);

18) EPG PROMETHEUS SCHOOL LLP – Prometheus school (by Tamos) education (Republic of Kazakhstan);

19) Bekzat LLP – alternative energy (Republic of Kazakhstan);

20) Central Asian Energy Corporation JSC – Energetics (Republic of Kazakhstan).

21)Talas Investment Company LLP – production of chemical industry products (Republic of Kazakhstan);

22) Alit Holding LLP – construction of other non-metal products (Republic of Kazakhstan).



The exit was carried out from the following companies:

1) Sachiko-Olzha Products LLP – diaper production (Republic of Kazakhstan);

2) ARP Company LLP – production of building materials (Republic of Kazakhstan);

3) Primejet JSC – transport and logistics (Republic of Kazakhstan)

4) Oxy Textile LLP – light industry (Republic of Kazakhstan);

5) Allure Group of Companies JSC – automotive industry (Republic of Kazakhstan);

6) Z-Invest LLP – medicine (Republic of Kazakhstan);

7) CATEC Green Energy LLP – energy (Republic of Kazakhstan);

8) Aitas KZ JSC – agriculture (poultry farming) (Republic of Kazakhstan) – partial withdrawal.

DBK EQUITY FUND

GP – BV Management LLP

Life span (Invest. period)	Total amount, million tenge	Investments, million tenge	QIC Share	Branch	Geography	Investors
2017–2027 (2023)	33 515	36 823	2,99%	DBKEF invests in projects supported by Development Bank of Kazakhstan JSC and Industrial Development Fund JSC	Kazakhstan	DBK, QIC, BV Management

The open investment period of the fund's life expired in 2023.

Investment portfolio:

1) Aitas KZ JSC – agriculture (poultry farming) (Republic of Kazakhstan);

2) Continental Logistics LLP – transport and logistics (transport and logistics center) (Republic of Kazakhstan);

3) Turkestan Tourism City LTD PC – tourism (Republic of Kazakhstan).

The exit was carried out from the following companies:

1) TengizTransGaz LLP – transport and logistics sector (Republic of Kazakhstan);

2) Turgusun-1 LLP – alternative energy (Republic of Kazakhstan);

3) CATEC Green Energy LLP – alternative energy (Republic of Kazakhstan).

KCM SDF I C.V.

GP – BV Management LLP

Life span (Invest. period)	Total amount, million tenge	Investments, million tenge	QIC Share	Branch	Geography	Investors
2019–2032	45 000	54 173	99,9%	Agriculture, manufacturing, technical services and service provision, healthcare, information and communications, energy, etc.	Kazakhstan	QIC, BV Management

In 2023, the fund invested in 7 projects with a total volume of 20.15 billion tenge. A significant event in the Fund's investment activity is an increase in the size of the fund by 20 billion tenge at the expense of the Republican budget. There are also borrowed funds in the amount of KZT 12.8 billion provided by QIC to finance projects of the agro-industrial complex.

Investment portfolio:

1) "Astana Oil" Oil House LLP – modernization of mini-refineries (Republic of Kazakhstan);

2) Temirbeton-1 LLP – production of building materials (Republic of Kazakhstan);

3) Agrimer LLP – processing, storage and sale of grain (Republic of Kazakhstan);

4) Karaganda Kus LLP – agriculture (poultry farming) (Republic of Kazakhstan);

5) OralMunayProm LLP – chemistry and petrochemistry (gas piston power plant) (Republic of Kazakhstan);

6) MerAs NS LLP – cinema construction (Republic of Kazakhstan);

7) Kazrost Engineering Ltd PC – production of agricultural machinery (Republic of Kazakhstan);

8) Unicorn Feed Limited LLP – food and beverage production (Republic of Kazakhstan);

9) IL TOV LLP – meat processing and preservation (Republic of Kazakhstan);

10) KaspiMunaiKapital LLP – production of oil and gas equipment (Republic of Kazakhstan);

11) Kazakhstan Hot Dip Galvanizing Plant LLP – metalworking (Republic of Kazakhstan);

12) Kazakhstan Pipeline Systems LLP – manufacture of devices for measuring mechanical quantities (Republic of Kazakhstan);

13) Vehicles Almaty LLP – mechanical engineering (Republic of Kazakhstan);

14) Altai Mai LLP – food and beverage production (Republic of Kazakhstan);

15) iClinic Atyrau Medical Center LLP – Medical services (Republic of Kazakhstan).

The exit was carried out from the following companies:

1) Altyn Shygys LLP – food and beverage production (Republic of Kazakhstan);

2) Eco Product Company LLP – food and beverage production (Republic of Kazakhstan).

3) Aqua Factoria LLP – food production (fish farm) (Republic of Kazakhstan);

4) Prima Kus LLP – Food and beverage production (Republic of Kazakhstan).

DA VINCI EMERGING TECHNOLOGIES FUND III L.P.  
GP – Da Vinci Capital

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2021–2031 (2026)	2,3 million	2,3 million	14,78%	Software development, IT infrastructure and telecommunications, financial technologies, B2C/B2B technologies and other IT industries	CIS countries, incl. Kazakhstan, excl. Russia, Europe	QIC, Da Vinci Global Technology Growth PCC, DEG-Deutsche Investitions- und Entwicklungsgesellschaft, Samruk-Kazyna Invest LLP, 57 Stars

The first closure of the fund took place in June 2021. The Fund is in an active investment phase. In 2023, the fund invested \$1 million in Kazakhstan's Bilimland online education project to further develop the project and scale it to foreign markets.

QUEST VENTURES ASIA FUND II, L.P.  
GP – Quest Ventures

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2020–2030 (2024)	32,5 million	22,4 million	30,7%	Technology companies in all sectors of the economy	Kazakhstan and other Central Asian countries, Malaysia, Singapore, Vietnam and other Southeast Asian countries	QIC, Pavilion Capital (a subsidiary of Temasek) and other private investors

By the end of 2023, the venture fund financed 3 startup projects totaling 578 thousand dollars. The exit was carried out from Egistic Ltd.

500 STARTUPS V, L.P.  
GP – 500 Startups V, L.L.C.

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2019–2029 (2024)	140 million	128.3 million	7,1%	IT, including the Internet and information technology and/or other technology-related fields	USA and other markets	QIC, Abu Dhabi Financial Group (UAE), SeAH Group (South Korea) and other private investors

By the end of 2023, the Fund invested in 17 different IT projects totaling 3.8 million US dollars.

FUNDS WITH A COMPLETED INVESTMENT PERIOD:

KAZAKHSTAN INFRASTRUCTURE FUND C.V.  
GP – VPE Eurasia GP Ltd.

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2014–2026 (2021)	105 million	95.3 million	95,24%	Infrastructure	Kazakhstan	QIC, VGL Ltd.

The Fund is at the stage of monitoring portfolio companies, while taking into account that the life of the Fund ends in December 2026, it is planned to return the investment in accordance with the exit strategy of the projects.

Investment portfolio:

1) Central Asian Electric Power Corporation JSC – Electric Power Industry (Republic of Kazakhstan);

2) KIF Warehouses LLP – transport and logistics (Republic of Kazakhstan);

3) Almaty International Airport – transport and logistics (Republic of Kazakhstan).

The exit was made from the following company:

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

KAZAKHSTAN HUNGARIAN INVESTMENT PRIVATE EQUITY FUND C.V.  
GP – CEECAT Capital

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2015–2025 (2018)	40.4 million	26 million	49,5%	Projects in the agriculture	Kazakhstan	QIC, Hungarian EximBank

The Fund was created by KazAgro National Management Holding JSC together with the Hungarian Export-Import Bank, further in connection with the accession of KazAgro National Managing Holding JSC to Baiterek National Managing Holding JSC, the fund was transferred to the Corporation in December 2021.

The Fund is at the stage of monitoring portfolio companies.

Investment portfolio:

1) Green Capital Kazakhstan LLP – greenhouse complex in Aktobe region (Republic of Kazakhstan);

2) Sady Vostoka LLP – creation of intensive apple orchards at the first stage of 150 hectares, at the second stage of 150 hectares of orchards and fruit storage in Zhambyl region (Republic of Kazakhstan).



END-OF-LIFE FUNDS:

KAZAKHSTAN GROWTH FUND L.P. GP – CEECAT Capital						
Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2009–2023 (2015)	80,8 million	80.45* million	49,5%	Food industry, production of equipment for the mining industry, metallurgy, woodworking, etc.	Kazakhstan (70% of the total capitalization of the Fund), Russian Federation, Central Asia	QIC, EBRD

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

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

In 2020, a 1-year extension of the fund's life was initiated according to the Limited Partnership Agreement.

On December 15, 2022, by a decision of the QIC Board of Directors, changes were made to the basic conditions of QIC's participation in the fund in terms of the life of the fund (extended until December 31, 2023) and the amount of the management fee.

In 2023, the projects of Karo Film CJSC and Universal Logistics LLP were withdrawn.

Investment portfolio:

1) Best Cinemas LLP – Chaplin multiplex cinema chain (Republic of Kazakhstan);

2) Sunpaper LLP – production of paper and hygiene products (Republic of Kazakhstan);

3) Invivo VDP LLP – a network of modern medical functional diagnostic centers (Republic of Kazakhstan);

A partial exit was made from the following company:

KazGrain LLP is a vertically integrated agricultural company (Republic of Kazakhstan).

The exit was made from the following company:

1) Labnet LLP – network of medical laboratories (Republic of Kazakhstan);

2) Karo Film CJSC – a chain of multiplex cinemas (Russian Federation);

3) Universal Logistics LLP is a provider of services in the field of freight transportation (Republic of Kazakhstan).

KAZAKHSTAN CAPITAL RESTRUCTURING FUND C.V.  
GP – CEECAT Capital

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2010–2018 (2014)	100 million	98.16 million*	49,5%	SMEs (non-primary sectors)	Kazakhstan	QIC, EBRD

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

In 2018, the management company ADM Capital was transformed into CEECAT Capital. The management company is actively working to exit the remaining project of Caspian Development Company Services LLP.

In August 2020, a complete withdrawal from the projects of Arrowhead and Zhambyl Gypsum JSC was carried out. In October 2021 and May 2022, dividends were received from the portfolio company Caspian Development Company Services LLP.

Investment portfolio:

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

The exit was made from the following company:

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



CITIC KAZYNA INVESTMENT FUND I L.P.  
GP – CITIC Kazyna Manager Ltd.

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2010–2022 (2015)	200.4 million	135.64 million	49,9%	Infrastructure, raw materials sectors (except the oil and gas sector of the Republic of Kazakhstan), real estate	Kazakhstan (50% of the total capitalization of the Fund), China (50% of the total capitalization of the Fund)	QIC, CITIC Group, Sun Success International Ltd.

The Fund is at the stage of monitoring portfolio companies. In April 2020, the Central Asian Electric Power Corporation JSC fully withdrew from the project. In June 2021, a partial withdrawal from the Arctic Green Energy project was carried out. In June 2022, Olzha JSC partially withdrew from the project.

A full withdrawal from the Arctic Green Energy project in 2024 is expected in the amount of \$31 million, of which \$15.5 million is accounted for by QIC.

The exit from the projects of Olzha JSC and Genesis Gas Limited is expected in 2025.

The life of the fund is completed on April 16, 2022.

Investment portfolio:

- “Genesis Gas Ltd (ex. LongmenGroup PLC)” – methane production and exploration (People’s Republic of China);
- Olzha JSC – transport and logistics company (Republic of Kazakhstan);
- Arctic Green Energy China (ORKA Energy) – geothermal energy (People’s Republic of China).

The exit was carried out from the following companies:

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

VTB CAPITAL I2 BF INNOVATION FUND, L.P.  
GP – VTB Capital I2BF Innovation Partners

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2011–2021 (2017)	51 million	36,5 million	100%	Projects in the field of nanotechnology	Kazakhstan (50% of the total capitalization of the Fund), the Russian Federation (50% of the total capitalization of the Fund)	QIC, RusNano, VTB Capital, I2BF

The Fund is at the stage of monitoring and implementing portfolio companies. Due to the introduction of anti-Russian sanctions in 2022, the fund's assets are blocked, and therefore it is currently not possible to sell the fund's assets.

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

Investment portfolio:

Current projects:

- Selecta Biosciences – biopharmaceuticals (United States of America).

At the liquidation stage:

- Optical Security Systems – systems for continuous monitoring and control of the condition of extended infrastructure facilities (Russian Federation);
- RoboCV – robotic systems (Russian Federation);
- Primus Power – energy storage systems (Republic of Kazakhstan).

The exit was made from the following company:

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

FALAH GROWTH FUND L.P.  
GP – Al Falah Capital Partners Limited

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2008/2012–2022 (2019)	500 million	103.99 million	10%	Oil and gas, mining, energy, infrastructure, etc.	Kazakhstan, CIS countries	QIC, Aztech Investment Ltd., Ordabasy Shrakat Limited

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

Investment portfolio:

- Alsad Kazakhstan LLP – egg poultry farm (Republic of Kazakhstan);
- Karaganda Kus LLP is an egg poultry farm (Republic of Kazakhstan).

The exit was made from the following company:

- Karaganda Energocenter LLP – energetics (Republic of Kazakhstan).

WELLINGTON PARTNERS III TECHNOLOGY FUND, L.P.  
GP – Wellington Partners Management Limited

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2004–2020 (2009)	150 million	148,2 million	5,13%	Internet technology, software, security, electronics	European countries	QIC, the European Investment Fund and other investors

Two companies remain in the fund's portfolio: Adconion Media Group GmbH, Shipserv, Inc. The management company is working on exit options by selling the stake to other potential investors.



**FLAGSHIP VENTURES FUND 2004, L.P.**  
**GP – Flagship Ventures General Partner LLC**

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2005–2017 (2011)	151,5 million	143 million	6,6%	The fields of life sciences, selective technologies, breakthrough software, etc.	USA and other countries	QIC and other US institutional and private investors

The Fund's portfolio includes two companies, Black Duck and Enchi, which are planned to be sold to potential investors.

After the implementation of these companies, the Management Company will conduct a final liquidation distribution and audit, after which it will liquidate the fund.

FUNDS IN THE PROCESS OF LIQUIDATION:

**AUREOS CENTRAL ASIA FUND L.L.C.**  
**GP – The Abraaj Group**

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2007–2018 (2011)	37 million	35.69 million	14,24%	Financial activities, retail, telecommunications, chemical industry	Kazakhstan (at least 50% of the total capitalization of the Fund), Central Asia	QIC, IFC, CDC Group, FMO, EBRD, DBJ

The life of the fund was completed in November 2018. The exit from all portfolio companies has been carried out. The liquidator carries out the final procedures for the liquidation of the fund.

**The exit was carried out from the following companies:**

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

**MACQUARIE RUSSIA AND CIS INFRASTRUCTURE FUND**  
**GP – Macquarie Infrastructure and Real Assets (Europe) Ltd.**

Life span (Invest. period)	Total size, USD	Investments, USD	QIC Share	Branch	Geography	Investors
2009–2019 (2015)	630 million	433.28 million	9,09%	Transport infrastructure, electric power industry	Russian Federation, Kazakhstan (at least 20% of the total capitalization of the Fund), CIS countries	QIC, IFC, EBRD, Vnesheconombank, Macquarie Group, EDB

The Fund is in the liquidation stage. In September 2020, a deal was signed to sell the fund's stake in Enel Russia. The deal was completed in February 2021. Due to the introduction of anti-Russian sanctions in 2022, the fund's assets are partially blocked. Currently, the GP is working on ways to liquidate the fund.

- The exit was carried out from the following companies:**
- Brunswick Rail (2 projects) – operational leasing of railway freight wagons (Russian Federation);
  - Russian Towers – telecommunications infrastructure (Russian Federation);
  - GSR Energy – production and sale of thermal and electric energy (Russian Federation);
  - Enel Russia – electricity production and distribution (Russian Federation).

THE FUND IS AT THE LAUNCH STAGE\*:

**APEX FUND I LIMITED PARTNERSHIP (APEX FUND OF CREDIT PARTNERSHIPS)**  
**GP – Apex Management LLP**

Life span (Invest. period)	Total size, USD	QIC Share	Branch	Geography	Investors
7 years with the right to extend for 2 years	Up to 20 billion	Up to 15%	The Fund invests (credits) in credit partnerships and/or microfinance organizations for the purpose of their subsequent financing of micro, small and medium-sized businesses, including, but not limited to, the agro-industrial complex, on the territory of the Republic of Kazakhstan.	Kazakhstan	It is planned to attract investments into the Apex Fund by: placing bonds, attracting loans, as well as searching for strategic equity partners represented by international financial institutions

On July 26, 2022, by a decision of the Corporation's Board of Directors, a decision was made on the Corporation's participation in the newly created direct investment fund "APEX FUND I" Limited Partnership" and the basic conditions for the Corporation's direct participation in the direct investment fund "APEX FUND I" Limited Partnership" (hereinafter referred to as the Fund) were approved. On October 27, 2023, the Fund was registered as a legal entity on the territory of the AIFC.

\* - as of 12/31/2023, the Fund's activities have not yet begun.

# Results of investment activity

By the end of 2023, the volume of new investments amounted to 34.54 billion tenge, within which it was invested:



**₸3.91**  
billion

in the healthcare sector



**₸8.10**  
billion

in the field of agriculture



**₸0.20**  
billion

in the field of education



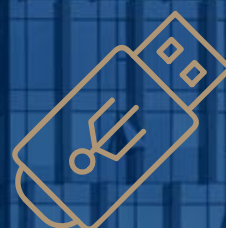
**₸4.80**  
billion

in the field of chemical industry



**₸16.10**  
billion

other areas  
of the manufacturing  
industry



**₸0.2**  
billion

in the IT sector by venture funds



**₸1.265**  
billion

Administrative expenses  
of PEFs



**₸32.9**  
billion

In 2023, captive funds financed 12 projects totaling 32.9 billion tenge.



## THE PROJECT "IMPLEMENTATION OF THE SECOND STAGE OF A VERTICALLY INTEGRATED POULTRY COMPLEX OF A FULL CYCLE FOR THE CULTIVATION, SLAUGHTER AND PROCESSING OF BROILER MEAT WITH BROILER FATTENING SITES, A FEED MILL, A SLAUGHTERING AND MEAT PROCESSING WORKSHOP, AN INCUBATOR"

The captive fund KCM Sustainable Development Fund I.C.V. (BVM management company) financed an investment project of Prima Kus LLP in the amount of 3 billion tenge within the framework of the DKZ AIC Program. The project provided for the implementation of the second stage of a vertically integrated poultry complex of a full cycle for the cultivation, slaughter and processing of broiler meat with broiler fattening sites, a feed mill, a slaughtering and meat processing workshop, and an incubator.

According to the project, early full repayment of the debt was carried out on the basis of the Purchase and Sale Agreement of the share of participation dated July 21, 2023.

## THE PROJECT "EXPANSION AND MODERNIZATION OF THE COMPLEX FOR THE PRODUCTION OF OIL AND GAS EQUIPMENT"

The captive fund KCM Sustainable Development Fund I. C.V. (BVM management company), within the framework of the Concept of development of the manufacturing industry (hereinafter – CDMI), financed the investment project of KaspiMunaiKapital LLP in the amount of 1 billion tenge. KaspiMunaiKapital LLP plans to expand and modernize the complex for the production of oil and gas equipment, including the modernization of existing mechanical production facilities.

The company KaspiMunaiKapital LLP has been manufacturing equipment for the oil and gas and other sectors of the economy since 2019. At the moment, the construction of the production workshop has already begun at its own expense and is in the final stage, having reached 90% readiness.

As a result of the modernization of the existing production with high-tech equipment, KaspiMunaiKapital LLP plans to completely switch to its own production of all products sold during the project implementation period.





### THE PROJECT “EXPANSION OF PRODUCTION OF METERING DEVICES FOR ELECTRIC AND THERMAL ENERGY, WATER, GAS”.

The captive fund KCM Sustainable Development Fund I.C.V. (BVM management company) financed the investment project of Kazakhstan Pipeline Systems LLP in the amount of 1.45 billion tenge.

Kazakhstan Pipeline Systems LLP is an operating manufacturer of metering devices (MD) for heat, water, gas and electricity in the Republic of Kazakhstan. The company also acts as a developer and integrator of energy accounting information systems. A full cycle of production of metering devices for electricity, water, gas and thermal energy has been created on the territory of the Park of Innovative Technologies Special Economic Zone. The production process uses a unique technological process, including casting of housings, soldering of boards, assembly, calibration and verification. The company provides a full-service cycle. The product range includes “smart” PU of electricity, heat and water with its own base station, which allows you to remotely collect data from devices.

During the implementation of the project, it is planned to purchase SMD technology, which includes the manufacture of electronic products on printed circuit boards and the design of printed circuit assemblies. This technology is an important tool for the production of electronics and is used for the installation of printed circuit boards. The minimum speed of the SMD line is 43,000 pcs/month.

The development of our own software (firmware) and intellectual property will allow us to fully localize production. Proprietary software with intellectual property rights will provide flexibility in modifying the firmware to meet market requirements.

### THE PROJECT “CONSTRUCTION OF A PLANT FOR THE PRODUCTION OF CAR SEATS WITH A CAPACITY OF 10,000 UNITS PER YEAR IN ALMATY”.

The captive fund KCM Sustainable Development Fund I C.V. (BVM management company), within the framework of the CDMI, financed an investment project of Vehicles Almaty LLP in the amount of 1.8 billion tenge.

Vehicles Almaty LLP is implementing a project to build a factory for the production of car seats on the territory of the industrial zone of Almaty. The company is a member of the Astana-Motors Motor Company group and provides accessories for Kazakhstani-made cars within the group’s production chain, as well as a potential supplier for both other automotive plants and the retail market. At the first stage, it is planned to produce kits for Hyundai cars and trucks, followed by an expansion of the model range.

Financing in the amount of 1.8 billion tenge was carried out for the capital costs of the plant construction project. The production capacity of the plant under construction will amount to 10,000 pieces (6.3 billion tenge) of kits per year and will meet the needs of domestic car factories.

The successful implementation of the project will meet domestic demand, increase the share of localization of Kazakhstani-made cars and the volume of high-tech non-primary production in the Republic of Kazakhstan. After the commissioning of the new production facility, 27 permanent jobs will be created.



### THE PROJECT “REPLENISHMENT OF WORKING CAPITAL WITHIN THE FRAMEWORK OF THE INVESTMENT PROJECT CONSTRUCTION OF AN OIL EXTRACTION PLANT IN UST-KAMENOGORSK WITH A CAPACITY OF 500 TONS PER DAY”.

The captive fund KCM Sustainable Development Fund I. C.V. (BVM management company), within the framework of the DKZ AIC Program, financed an investment project of Altai Mai LLP in the amount of 4 billion tenge.

Altai Mai LLP plans to organize the processing of sunflower (500 tons) and rapeseed (400 tons), refining and deodorization of oil with a capacity of 100 tons per day, packing with a capacity of 120 tons per day to produce vegetable oil. This capacity of the raw material processing plant will allow producing 221 tons of oil per day, 188.3 tons of sunflower meal, 148 tons of oil and 246.4 tons of rapeseed meal.

The project is export-oriented to the markets of China, India, Azerbaijan and Tajikistan. As part of the program for the development of the agro-industrial complex of the Republic of Kazakhstan, the Company has concluded preliminary agreements for the sale of sunflower oil with the following countries:

- Republic of Tajikistan – 20,000 tons per year, the contract period is until December 31, 2023;
- Republic of Tajikistan – 40,000 tons per year, the contract period is until December 31, 2023;
- Republic of Azerbaijan – 500,000 US dollars, the contract term is until December 31, 2023;
- PRC – 5,964 tons for a total contract amount of 8,750,730 US dollars, the contract term is December 31, 2023, 50% of the advance payment is paid when commissioning silos for storing raw materials.

### THE PROJECT “REFINANCING OF EXISTING OBLIGATIONS OF ICLINIC ATYRAU MEDICAL CENTER LLP, PURCHASE OF EQUIPMENT, RECONSTRUCTION AND CONSTRUCTION OF A MULTIDISCIPLINARY MEDICAL CENTER “ICLINIC ATYRAU”.

The captive fund KCM Sustainable Development Fund I.C.V. (BVM management company), financed the investment project of iClinic Atyrau Medical Center LLP in the amount of 3.914 billion tenge.

The opening of iClinic Atyrau Medical Center LLP in Atyrau provides for a hospital with 100 beds and an outpatient center for 500 visits per shift. The company will carry out activities for the provision of medical services (medical care) – actions of healthcare entities that have a preventive, diagnostic, therapeutic, rehabilitative and palliative orientation towards a specific person and aimed at preserving and restoring the patient’s health.

The main consumers of the medical organization’s services will be individuals in need of medical care. At the same time, the payer of services can be either the patient himself or the Social Health Insurance Fund within the framework of a state order.

The hospital will provide outpatient care to up to 100,000 patients annually, and inpatient care to 4,853 patients (16.7% of the annual hospitalization for selected profiles in the Western Region).

As part of the project, it is planned to create 240 new jobs.







### THE PROJECT “CONSTRUCTION OF THE VERKHNE-TALAPTINSKAYA HYDROELECTRIC POWER STATION ON KOKSU RIVER IN THE ZHETYSU REGION”.

The BVF captive fund financed the second tranche of the investment project of Bekzat LLP in the amount of KZT 860 million. Bekzat LLP plans to carry out the construction of a hydroelectric power plant on the Koksus River, on the territory of the Yeskeldy and Koksus districts of Zhetysu region of the Republic of Kazakhstan, with a capacity of 7 MW, and the purchase of appropriate equipment will also be carried out. The first tranche of 1,712 billion tenge was financed in 2022. It is planned that the third and fourth tranches will be financed in May and September of this year, respectively.

### THE PROJECT “EXPANSION OF THE PRODUCTION LINE OF CARDBOARD PACKAGING FOR LIQUID PRODUCTS “PURE – PAK”.

The BVF captive fund financed the investment project of Kazpoligraf LLP in the amount of 2.7 billion tenge.

Kazpoligraf LLP plans to expand the production of a line for the production of cardboard packaging for liquid products (Pure-pak): cartons, boxes and folding boxes made of corrugated paper or corrugated cardboard. With a production capacity from 10 million pieces per month to 40 million pieces per month. The implementation of the project will help to maintain competitiveness in the market, save jobs and increase production capacity, ensure an increase in output and increase productivity to 31,937 million tenge. The implementation of the project will also increase the country's export potential to Kyrgyzstan and the Russian Federation.



### THE PROJECT “EXPANSION OF EMC AGRO LLP PIG FARM TO 200,000 HEADS FOR SLAUGHTERING A COMMERCIAL HERD PER YEAR”.

The project “Expansion of EMC Agro LLP pig farm to 200,000 heads for slaughtering a commercial herd per year”.

The BVF captive fund financed the investment project EMC Agro LLP in the amount of 11 billion tenge.

EMC Agro LLP is a company located in Tayynshi district of North Kazakhstan region, with vertically integrated production, which includes breeding, rearing and slaughter of animals, as well as meat processing and its own distribution.

The 1st stage of the project, which provides for the expansion of the pig farm for slaughtering commercial cattle from 50,000 heads to 100,000 heads, was commissioned in August 2021. In November 2023, the 2nd stage of the project was put into operation, increasing the capacity of the pig farm from 100,000 heads to 150,000 heads.

The commissioning of the third stage of up to 200,000 heads is planned at the end of 2024.

The Company's activities make a huge contribution to the socio-economic development of the region. So, today the Company's staff is 457 people, for the period 2020–2023 the Company paid 4.8 billion tenge of tax payments to the budget.

As part of the project, it is planned to create 170 new jobs.

The implementation of the project also contributes to the development of the country's economy through import substitution and an increase in local content.

After the project is put into operation, the volume of sales of the Company's products will amount to about 17 thousand tons annually.

### THE PROJECT “CONSTRUCTION OF A HOT-DIP GALVANIZING PLANT WITH A CAPACITY OF 48,000 TONS OF PRODUCTS PER YEAR (WITH THREE SHIFTS OF 8 HOURS EACH)”

The captive fund KCM Sustainable Development Fund I.C.V. (BVM management company) financed an investment project of Kazakhstan Hot Dip Galvanizing Plant LLP in the amount of 4.99 billion tenge within the framework of the CDMI.

Kazakhstan Hot-Dip Galvanizing Plant LLP is a design company established in 2022 to implement a project for the construction of a hot-dip galvanizing plant on the territory of the Saran Industrial Zone (Karaganda region). Hot-dip galvanizing, as a method of applying a zinc coating to the treated surface, is considered one of the most reliable, economical and widespread methods of protecting iron and steel from corrosion.

The plant's equipment assumes a design capacity of 48,000 tons of metal structures per year, including galvanizing pipes, sections of masts, corners, channels, chipping beams and other structures up to 12 meters long, which are the target market segment.

The key consumers of galvanized products are companies engaged in the production of metal structures, including the fields of energy, construction and mechanical engineering.

The implementation of this project will meet up to 80% of the needs of Kazakhstani manufacturers of metal structures in hot-dip galvanizing and create more than 112 jobs.







### THE PROJECT "CONSTRUCTION OF A WORKSHOP FOR THE PRODUCTION OF DRY BUILDING MIXES WITH A CAPACITY OF 150 THOUSAND TONS PER YEAR WITH WAREHOUSES OF RAW MATERIALS AND FINISHED PRODUCTS IN ZHAMBYL REGION" BY ALIT HOLDING LLP.

The BVF captive fund, within the framework of the CDMI, financed an investment project of Alit Holding LLP in the amount of 3.3 billion tenge.

The construction of a new workshop for the production of dry building mixes with a capacity of 150 thousand tons per year with warehouses of raw materials and finished products in Zhambyl region will expand production in the southern regions of the Republic of Kazakhstan.

As part of the project, it is planned to create 90 new jobs.

### THE PROJECT "CONSTRUCTION OF THE SECOND STAGE OF THE SODIUM CYANIDE PRODUCTION PLANT WITH A CAPACITY OF UP TO 30 THOUSAND TONS PER YEAR".

The BVF captive fund, within the framework of the CDMI, financed an investment project of Talas Investment Company LLP in the amount of 4.8 billion tenge.

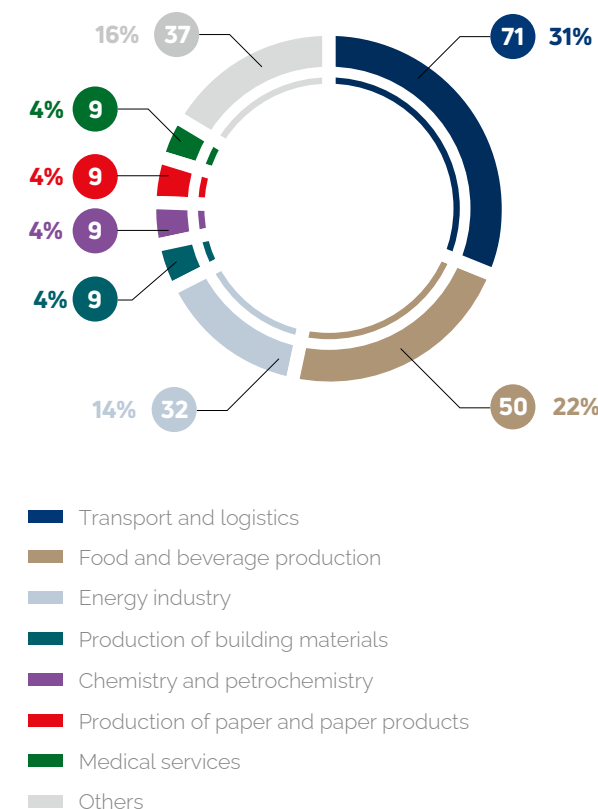
Talas Investment Company LLP is an operating processing enterprise of the chemical industry for the production of sodium cyanide in Karatau, Zhambyl region. The project involves the expansion of the existing sodium cyanide production plant with an increase in capacity to 30 thousand tons in the industrial zone. The current plant was put into operation in 2014 (1st stage). It will also provide the Kazakh market with sodium cyanide, a product of domestic production in the amount of up to 20 thousand tons, which corresponds to the import substitution policy implemented by the state.

The operation and further development of modern sodium cyanide production will make it possible to increase export sales to 10 thousand tons per year to Tajikistan, Mongolia, Uzbekistan, Kyrgyzstan and Russia.

The number of active jobs is 552 people. It is planned to create new jobs within the framework of the project for up to 300 people. A new project for the construction of the 2nd stage of the plant is included in the Industrialization Map of the Republic of Kazakhstan.

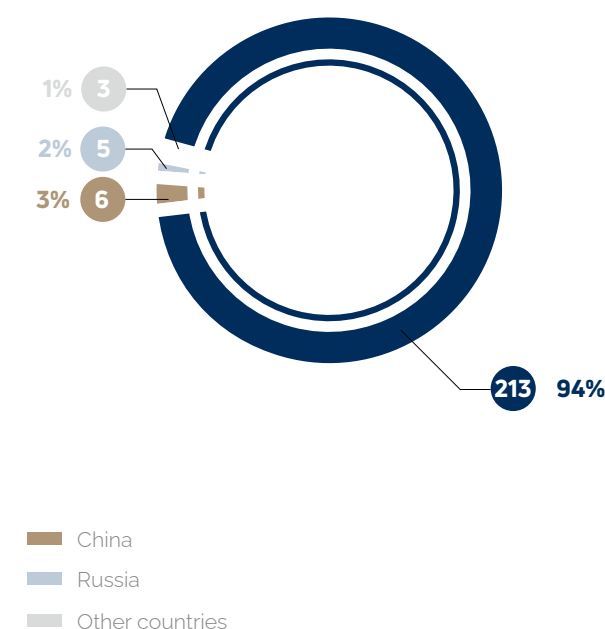


### QIC PORTFOLIO INVESTMENTS BY INDUSTRY, billion tenge



Source: National Bank of the Republic of Kazakhstan

### QIC PORTFOLIO INVESTMENTS BY COUNTRY, billion tenge



Source: National Bank of the Republic of Kazakhstan

*By the end of 2023, the largest share in QIC portfolio is occupied by the transport and logistics sector – 31 %, food production – 22 % and energy – 14 %.*

By the end of 2023, QIC portfolio consists of 54 projects (excluding startups), of which the share of projects in Kazakhstan is 94%.

In 2023, QIC funds carried out 6 full exits from projects and one partial exit from the project:

- **KGF** has implemented a complete withdrawal from the following projects: Universal Logistics LLP, Karo Film CJSC;
- **Quest Ventures** has withdrawn from the Egistic Ltd project.
- **KCM SDF** has carried out an early exit from the following projects: Prima Kus LLP, Aquafaktoria LLP;
- **BVF** carried out the withdrawal from the project of CATEC Green Energy LLP, partial withdrawal of Aitas Lux s.a.r.l. (in June 2023, a repurchase was carried out on the first option in the amount of KZT 3 549 million, partial withdrawal from the project (3.47%).

In 2023, QIC private equity funds finances the following projects in the amount of 1.44 billion tenge:

- Information technologies of BilimLand LLP in the amount of KZT 151.5 million, within the framework of the Da Vinci Emerging Technologies Fund. BilimLand is an innovative company that is forming a new e-learning market for Kazakhstan. The company develops, localizes and distributes educational content, as well as related technologies and services. Among the clients there are government organizations, the largest IT companies, media structures and leading educational institutions of the country. The educational ecosystem includes various online learning platforms for children of all ages within the framework of preschool, school and additional education. The basis of this ecosystem is a library of digital lessons in the format of fascinating videos and summaries, simulators and simulators, as well as interactive tasks of varying complexity;
- On creation of intensive apple orchards and fruit storages of "Sady Vostoka" LLP within the framework of Kazakhstan Hungarian Investment Private Equity Fund C.V. in the amount of 22 million tenge;
- Projects within the framework of venture funds Quest Ventures Asia Fund II and 500 Startups in the amount of 165 million tenge;
- Administrative expenses of direct investment funds amounted to KZT 1.104 billion.

In order to achieve high investment attractiveness of Kazakhstan through cooperation with regional and international partners, in 2023 QIC actively worked to expand the network of business contacts, establish cooperation with potential international and regional management companies in order to create new opportunities to attract partners (investors) in current and planned FIRS, as well as joint investments or creation of joint ventures, improvement of interaction with financial development institutions and international financial organizations to organize mutually beneficial cooperation, including the exchange of experience and building internal competencies of QIC team.

Thus, in October 2023, within the framework of the official visit of the President of the Republic of Kazakhstan to the People's Republic of China, QIC and BGI Group reached an agreement to create a joint investment fund Forebright Life Science Technology Fund. It is planned that the fund will focus on financing innovative projects in the field of multi-omics technologies and synthetic biology in life science (excluding human genetic engineering technologies)

in the regions of the Middle East, Europe and Asia, including Kazakhstan.

Special attention will be paid to public health, including the development of reproductive technologies, prenatal research for the prevention of birth defects, and comprehensive newborn screening.

Negotiations and meetings were also held on the creation of the Creative Capital Fund L.P., in order to finance projects of the creative industry of Almaty by attracting an international management company in order to promote talented Kazakh youth in the world market, as well as strengthen competitiveness and diversify the national economy.

In addition, in October 2023, QIC signed a preliminary participation agreement (Term sheet) with MOST Investment Limited on the terms of participation in the Most Ventures Fund II.

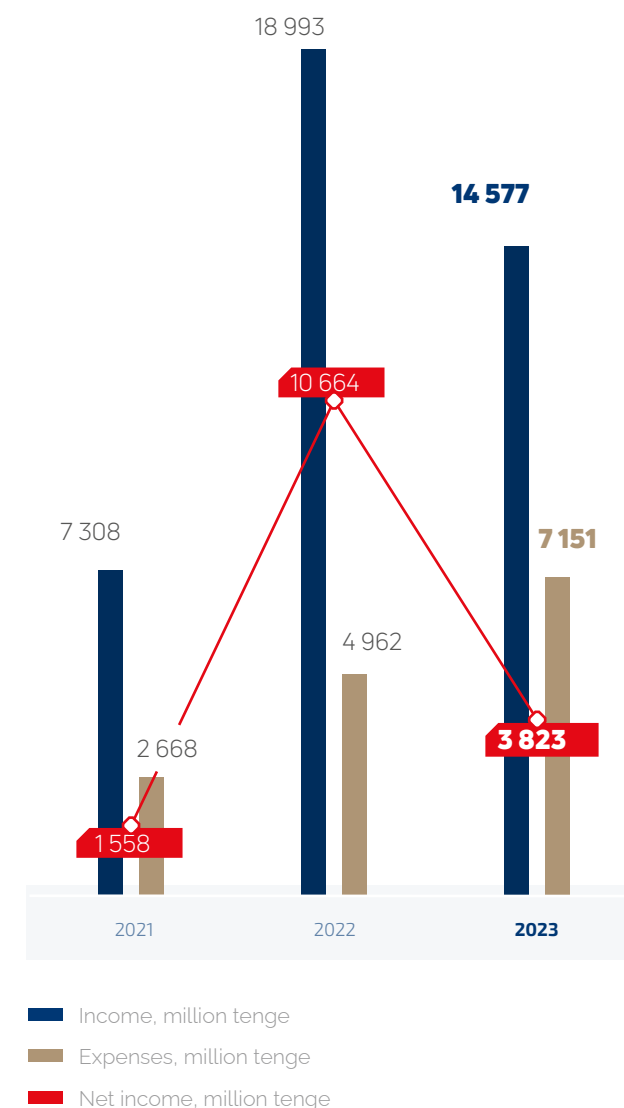


## Financial and economic indicators

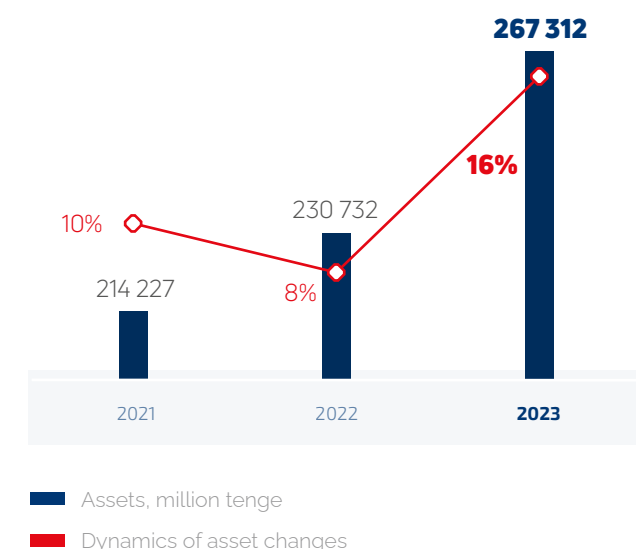
The analysis of the financial condition and performance of QIC for the period 2021-2023 was carried out on the basis of the audited financial statements of QIC.

Income is received from the strategic portfolio based on the results of the activities of portfolio and captive funds related to the payment of dividends, interest and changes in the fair value of IF, as well as from the treasury portfolio in the form of remuneration for deposits, securities, repos.

### QIC FINANCIAL PERFORMANCE



### QIC ASSETS



The largest weight in the income structure is interest income (84%), which increased by 140% in the reporting year to KZT 12 287 million, while general and administrative expenses account for the largest share in the expenditure part of 44%.

At the same time, the fair value of financial instruments has been reduced, which is typical for the specifics of the company's line of business.

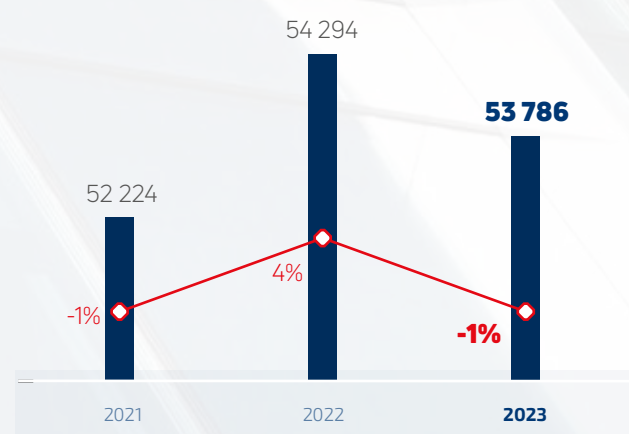
By the end of 2023, the financial result of QIC is 3 823 million tenge. Corporate income tax expenses are KZT 3 604 million.

As of December 31, 2023, assets amount to KZT 267 312 million, which is 16% higher than in 2022, or KZT 36 580 million. The increase is due to the receipt of funds from the republican budget, as well as income from projects and treasury operations. At the same time, the ROA indicator reflecting the amount of profit per unit of asset value was 1.54%.





## QIC OBLIGATIONS



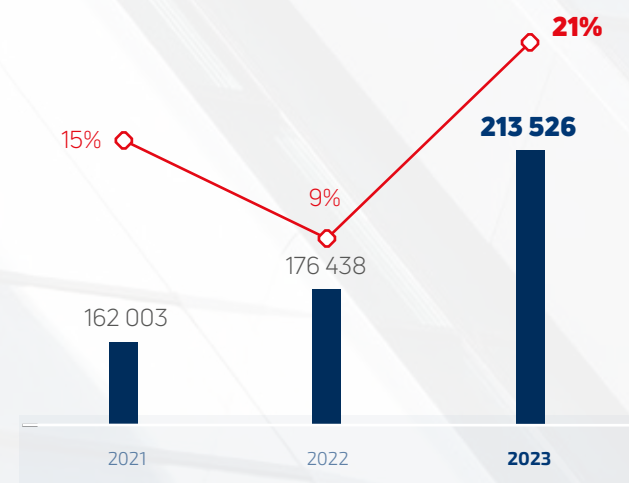
■ Liabilities, million tenge  
 ■ Dynamics of changes of liabilities

By the end of 2023, the share of the investment portfolio from total assets amounted to 71% or 189 million tenge.

Liabilities at the end of 2023 amounted to 53 786 million tenge, of which: 50 156 million tenge – debt securities issued, government subsidies 1 889 million tenge, deferred tax liabilities 588 thousand tenge, other liabilities 1 154 thousand tenge.

As of December 31, 2023, the capital amounted to KZT 213 526 million, for the same period in 2022 – KZT 176 438 million. The increase is due to capitalization of 35 billion tenge at the expense of the republican budget, as part of the implementation of the Concept of development of the manufacturing industry of the Republic of Kazakhstan for 2023–2029 and the retained earnings received. In the reporting period, dividends were paid to the Sole Shareholder in the amount of KZT 1 776 million.

## QIC CAPITAL



■ Capital, million tenge  
 ■ Dynamics of capital changes

# Goals and Plans for future periods

In the future, QIC will continue to implement strategic initiatives in investment activities, including:

- Increasing the availability of financing in the agricultural sector.

Active functioning of the Apex Fund I L.P. Fund within the framework of the protocol instruction of the Deputy Head of the Presidential Administration of the Republic of Kazakhstan. The purpose is to invest (lend) in credit partnerships and/or microfinance organizations for their subsequent financing of MSME entities, including, but not limited to, the agro-industrial complex, on the territory of the Republic of Kazakhstan. The total capitalization of the Fund is 20 billion tenge. At the first stage, the share of QIC in the Fund will amount to 1 billion tenge at the expense of the Corporation's own funds. Subsequently, additional capitalization of the fund by the Corporation in the amount of 2 billion tenge is planned. The management company provides for attracting additional capital from institutional investors in the amount of 17 billion tenge to the fund's capital.

- Collaboration with players in the financial market.

Partnership with the financial sector of the Republic of Kazakhstan, including joint financing of projects with second-tier banks.

- Development of energy infrastructure.

Improving the energy security of Kazakhstan and the implementation of "green projects",

and the development of renewable energy sources, including financing the construction of hydro, wind and solar power plants.

- Creation of a joint investment fund with BGI Group, the Forebight Life Science Technology Fund, with a focus on financing innovative projects in the field of multi-genetic technologies and synthetic biology in the regions of the Middle East and Asia, including Kazakhstan.
- Conducting training programs for venture market participants on the basis of a subsidiary of BGlobal Ventures Ltd. to develop and bring commercially attractive technology companies to global markets.
- Participation in the creation of three venture funds: MOST Ventures Fund II, Sturgeon Emerging Opportunities II, BGV Fund I L.P.
  - MOST Ventures Fund II – industry mandate: various IT sectors at Seed/A, B stages and with a geographical focus on Central Asian countries and other projects where the founders of the project are from the Republic of Kazakhstan;
  - Sturgeon Emerging Opportunities II LP with a geographical focus on the countries of Central Asia, South Asia, etc., together with the international management company Sturgeon Capital Ltd;
  - BGV Fund I.L.P will invest in Kazakhstani startups at early stages (pre-seed/seed) of development, ready to scale to global markets.
- Search and selection of an independent management company of the Creative Capital Fund L.P. to finance projects in the creative industry.





## Risk management system

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

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

### The main objectives of the risk management system are:

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

### Basic principles of QIC risk Management:

- **INTEGRITY** – consideration of the elements of the total risk of QIC in the context of a corporate risk management system;
- **OPENNESS** – a ban on considering a corporate risk management system as autonomous or separate;
- **STRUCTURALITY** – a comprehensive risk management system has a clear structure;
- **AWARENESS** – risk management is accompanied by the availability of objective, reliable and up-to-date information;
- **CONTINUITY** – the risk management process is carried out on an ongoing basis;
- **RELEVANCE** – continuous improvement of risk management procedures and mechanisms;
- **TIMELINESS** and immediate transmission of information by all structural divisions on the “bottom-up” principle, including the Management Board and the Board of Directors of QIC, on changes, the status and scale of relevant risks, on all non-standard operations and situations;
- **ENGAGEMENT** – involvement of QIC senior management, i.e., the Management Board and the Board of Directors, in the process of risk management and creation of a control environment;
- **SEPARATION OF POWERS** – a clear separation of powers of employees and the exclusion of situations where the employee’s area of responsibility allows for a conflict of interest;
- **INDEPENDENCE** – risk management in all areas of the Corporation’s activities should be carried out by the relevant QIC structural units independent of operational activities;
- **CYCLICITY** – the risk management process is a constantly recurring structured cycle of its main components.

## 03. RISK MANAGEMENT

Risk management system.....	55	Main risks.....	62
Internal control system.....	58	Realized risks.....	63



THE RISK MANAGEMENT SYSTEM INCLUDES THE FOLLOWING MAIN ELEMENTS:

DEFINING GOALS

QIC is exposed to risks from external and internal sources, and the main condition for the effectiveness of identification, assessment and development of risk management methods is the setting of goals. QIC goals and objectives are aligned with risk appetite;

RISK IDENTIFICATION

Risk identification is the identification of internal and external risks to which QIC is or may be exposed, the occurrence of which may negatively affect the ability to achieve planned goals and achieve set goals;

RISK MEASUREMENT

Risk measurement is the development and use of a system and tools that allow you to objectively determine the size and probability of QIC risks;

RISK MINIMIZATION

Risk minimization involves the implementation of a set of measures aimed at reducing the likelihood of events or circumstances leading to losses and (or) reducing (limiting) the size of potential losses;

RISK CONTROL

The functioning of the internal control system and the establishment of maximum permissible limits (restrictions) on risks;

RISK MONITORING

Risk monitoring is a continuous assessment of the level of the main QIC risks and compliance with the maximum permissible limits.

The Risk Management Department monitors the key risks of QIC on a quarterly basis and submits them to the Management Board and the Board of Directors of QIC. Taking into account the unstable financial condition of second-tier banks, a monthly analysis of the financial condition of second-tier banks and issuers of securities is carried out. The Risk Management Department includes information

on changes in their ratings, banks' compliance with prudential standards of the National Bank of the Republic of Kazakhstan, etc., on the basis of which a report is submitted to the QIC Board for consideration and appropriate measures are taken to reduce the credit risks of the treasury portfolio.

By the decision of the QIC Board of Directors dated March 14, 2024 (Protocol No. 02/24), the risk report for the 4th quarter of 2023 and the QIC risk register for 2023 were approved, which includes 29 types of risks. To classify risks, QIC uses grouping of risks into the following categories:

QIC RISKS



As part of the work on improving the risk management system in 2023, comprehensive work was carried out on:

- updating the Corporation's Risk Management Policy, approved by the decision of the Board of Directors of KCM dated June 29, 2021, in terms

of supplementing the function of risk owners according to the Corporation's methodology for evaluating the effectiveness of the corporate risk management system;

- updating the Rules of Risk Management in the Corporation, approved by the decision of the Board of Directors dated June 29, 2021, in terms of expanding the concept of Key Risk Indicators (hereinafter – KRI), defining the functions of risk owners and owners of KRI, establishing the responsibility of all structural divisions of the Corporation for the untimely development of KRI;
- approval of the Rules for the organization of an early warning system for the risk factors of SUB activities, approved by the decision of the Board of Baiterek Venture Fund JSC dated September 29, 2023 and the resolution of the Directorate of BV Management LLP dated December 7, 2023.

Based on the results of the assessment of the effectiveness of risk management in the Corporation on the basis of the IAS Annual Audit Plan for 2023, approved by the decision of the Board of Directors of QIC dated November 10, 2022, the assessment of compliance of the Corporation's management with the requirements of best international practice amounted to 91%, by component:

100%



organization of risk management processes

88%



risk management

91%



risk identification

88%



monitoring

89%



risk assessment

# Internal control system

Internal Control System (hereinafter referred to as ICS) of the Corporation is an integral part of risk management systems, corporate governance, and covers all levels of management, all internal processes and operations of the Corporation. It consists of three lines of defense.

01

## THE FIRST LINE OF PROTECTION

The first line of protection of internal control is provided by the structural divisions of the Corporation themselves. Controls are developed by structural divisions and are an integral part of business processes. The organization, control, and monitoring of internal control is carried out by the heads of the structural divisions of the Corporation.

02

## THE SECOND LINE OF PROTECTION

The second line of protection is provided by various structural units, including, but not limited to such structural units as the risk management unit, the structural unit responsible for legal support of the Corporation's activities, the structural unit responsible for working with personnel, structural units responsible for security (including IT, information, physical) and others structural divisions of the Corporation performing control functions.

03



## THE THIRD LINE OF DEFENSE

The third line of defense is the function of independent confirmation of the effectiveness of the internal control environment within the framework of the audit plan, which covers both the first and second lines of defense, providing an assessment of the effectiveness of the overall internal control system in the Corporation.

*The ICS organization provides for the Corporation to build a management system capable of quickly responding to risks, exercising control over the main and auxiliary business processes and daily operations of the Corporation, as well as immediately informing ICS participants of the appropriate level about any significant shortcomings and areas for improvement.*



**THE ICS IN THE CORPORATION IS BASED ON THE FOLLOWING PRINCIPLES:**

**INTEGRITY**

The ICS is an integral component of the Corporation's management system at all its levels

**COMPLEXITY**

The ICS covers all areas of the Corporation's activities; control procedures are performed in all business processes at all levels of the management system

**CONTINUITY OF OPERATION**

Continuous and proper functioning of the ICS, which allows timely prevention and detection of any deviations from the planned data

**RESPONSIBILITY**

All participants of the ICS are responsible for the proper execution of control procedures within the framework of their powers enshrined in the internal documents of the Corporation

**DIVISION OF RESPONSIBILITIES**

The Corporation is guided by the principle of indivisibility of responsibility (responsibility for the execution of each individual control procedure is assigned to only one participant of the ICS) and differentiation of control functions (functions are distributed between officials and employees of the Corporation in such a way that the same person does not combine functions related to the approval of transactions with certain assets, taking into account operations, ensuring the safety of assets and carrying out their inventory)

**REPORTING OF THE PARTICIPANTS OF THE ICS**

The quality and timeliness of the tasks and responsibilities of each involved person of the ICS is controlled by a higher participant of the ICS

**UNITY OF THE METHODOLOGICAL BASE**

A unified approach to the application of standards in the field of internal control for all subsidiaries of the Corporation

**PROPER APPROVAL AND APPROVAL OF TRANSACTIONS**

The Corporation strives to establish the procedure for approval of all financial and business transactions by authorized bodies and persons within their respective powers

**TIMELY TRANSMISSION OF REPORTS ON ANY SIGNIFICANT DEFICIENCIES AND WEAKNESSES OF CONTROL**

The Corporation should establish the shortest possible time for the transmission of relevant information to bodies and/or persons authorized to make decisions on the elimination of any significant deficiencies and weaknesses of control

**CONTINUOUS DEVELOPMENT AND IMPROVEMENT**

Internal control procedures are aimed at constantly identifying shortcomings and areas for improvement in the existing ICS, taking into account its adaptation to changes in the internal and external conditions of the Corporation's functioning and emerging new tasks, as well as the application of appropriate corrective measures and monitoring their implementation.

The Corporation strives to create a control environment that allows it to provide the necessary prerequisites for the effective operation of the ICS through a set of internal policies and procedures that necessarily provide for the separation of incompatible functions, allowing the participants of the ICS of the Corporation at all levels to make complex management decisions concerning, first of all, the use of its assets, including through a system of sight/approval of documents. The control environment includes:

- ⦿ the organizational structure of the Corporation;
- ⦿ honesty and ethical standards;
- ⦿ philosophy and leadership style;
- ⦿ the personnel policy of the Corporation;
- ⦿ internal regulatory documentation.



The last assessment of the ICS was carried out in October 2022 (conducted every three years) by the Internal Audit Service, during which the final assessment of the effectiveness of the ICS was 96%. Based on the results of the assessment, the efficiency level is defined as "Optimized" – the main elements of the ICS correspond to "best practice".

# Main risks

During its activities, QIC may face the following main risks:



**The risk of non-development and repayment of investments in PEF, as well as the non-withdrawal of PEF from projects**

**Risk investment loss**

**The risk of high concentration on large projects**

**Credit risk/risk of deterioration of investment indicators of implemented projects**

**Credit risk in terms of deterioration of the financial condition of issuers, counterparty banks (deposits, Central Bank, etc. requirements for STB and legal entities).**

In order to mitigate the above risks, the Corporation takes the following actions:

- Quarterly monitoring of PEF project companies based on reports from the General Partners of the Funds;
- Site visits, meetings with management, employees and local communities to identify problems early;
- High-quality pre-screening and screening of portfolio companies (including pre-ESG due diligence);
- Ensuring high-quality development of pre-project documentation;
- Annual extended monitoring provided to the Risk Management Department within the framework of projects;
- The use of risk minimization tools (collateral/ collateral, insurance, guarantee, etc.) and monitoring of the market value/solvency of these instruments;
- Professional development of employees through education and training;
- Diversification of the project portfolio by sectors, regions, currencies, etc.;
- Monitoring of limits and assessment of the impact on the Corporation's activities;
- Monitoring the financial condition of Borrowers, assessing future cash flows.
- Placement of funds exclusively in STB that comply with the requirements of the Regulations on the Management of Financial Assets and Liabilities of "Baiterek" NMH" JSC. Monitoring and control of placed funds (guarantees, placed deposits, etc.) within the framework of contractual relations with STB, IC, DRM;
- Monitoring of limits and the process of distributing temporarily free liquidity.
- Monthly, quarterly monitoring of the financial condition of QIC counterparty banks, followed by submission to the Board of the Corporation.

# Realized risks

The realized risks of the Corporation by the end of 2023 were identified on the basis of the database of realized

risks (DRR), filled in by responsible joint ventures on an ongoing basis:

## THE RISK OF A MALFUNCTION OF THE CORPORATION'S IS.

**Reasons:** Incompetence of the service provider, which led to the temporary unavailability of internal resources necessary for the operation of the Corporation, as well as due to legislative restrictions on procurement procedures (restriction when choosing a supplier).

- Additional backup mechanisms have been implemented to ensure the continuity of the Corporation's main IS systems, configuration settings and redistribution of virtual capacities on the server have been carried out, taking into account monitoring.

### ACTIVITIES CARRIED OUT:

- According to the terms of the contract, an official claim has been made to the supplier, and funds have been withheld for the downtime of the IS;

Based on the results of the assessment of the fair value of investments in the Corporation's PEFs as of December 31, 2024, the following realized risks were identified:

## THE RISK OF ASSET IMPAIRMENT

The risk of asset impairment due to a possible decrease in the market value of portfolio companies of portfolio

PEF, volatility of foreign exchange rates and geopolitical and foreign economic factors.

### REASONS:

62%

Decrease in the market value of FPI portfolio companies, in particular for the Central Asian Electric Power Corporation JSC project by 62%, including due to physical damage to PC facilities as a result of emergencies, lawsuits, fines, etc.

### ACTIVITIES CARRIED OUT:

- At the meetings of the Advisory Committee, issues related to the current situation of portfolio companies and further plans for exiting projects were considered;
- Questions were considered about the possible change of the current administrators of the fund and regarding the sale of the fund's assets;

- The Rules for the organization of an early warning system (EWS) were approved in order to systematize processes, control actions and measures taken by an employee to ensure timely response to changes in the risk profile of financing instruments;
- Stress testing was carried out for changes in the market value of portfolio investments and an assessment of the impact on the financial performance of the Corporation.





## 04. SUSTAINABLE DEVELOPMENT

Social aspects of sustainable development.....	68	Climate change.....	83
Environmental aspects of sustainable development.....	79		

Over the past year, the Corporation, being the main player in the private equity (PE) market in Kazakhstan, continued to contribute to the achievement of the UN Sustainable Development Goals in accordance with the best international practices. This strategic role of the Corporation imposes a certain responsibility in doing business and, being the main driver of the PE market, the Corporation is gradually introducing the concept of “responsible” investment.

One of the significant achievements of the Corporation in this direction is the accession to the UN Association “Principles of Responsible Investment” (UN Principles for Responsible Investment). QIC became the first quasi-public financial institution in the CIS to join this leading international network of institutional investors. As a member of the UN PRI Association, we have committed ourselves to following 6 principles of “responsible” investment, the main purpose of which is to promote the development of sustainable business in the region.

In order to improve the effectiveness of the sustainable development system, an independent assessment was conducted for the first time in the reporting year, following which, in December, the Sustainable division of the international agency Fitch Ratings assigned the Corporation an ESG rating of “3” with a total score of 59 (out of a possible 100 points). We note that the Corporation’s efforts and achievements in the field of sustainable development have been adequately evaluated by the international rating agency.

The Board of Directors supports initiatives to promote sustainable development, social responsibility and corporate governance, which allow forming a solid foundation for the development of the Corporation’s investment and operational activities.

In the reporting year, a new Corporate Development Strategy for 2024–2033 was developed and approved, which defined the directions and tasks for the development of the Corporation for the next strategic period. One of the strategic objectives of the new Development Strategy is the further integration of the concept of “responsible” investment in Corporation. In this regard, the strategic task is formulated taking into account the balance between the economy, society and the environment.

QIC, as the main driver of the development of the private equity market in Kazakhstan, continues to improve the corporate practice of sustainable development management and actively supports the initiatives of international global partners. In April, QIC joined the UN Global Compact. The UN Global Compact (hereinafter referred to as the UNGC) is based on ten principles in the field of human rights, labor relations, environmental protection and the fight against corruption – important and relevant topics for the Corporation. Joining the UNGC will contribute to building trust on the part of the investment community, further implementing the principles of corporate social responsibility and promoting the ten universal principles and values of the UN among the corporation’s stakeholders. Every year, the participants of the UNGC publish a Progress Report. In 2024, the Corporation will release its first Progress Report. In addition, the Corporation’s employees have access to the academic platform of the UNGC, where seminars and training programs covering most of the significant topics of the global ESG agenda are held monthly.

To further develop the concept of “responsible” investment, QIC updated the Sustainable Development Policy in terms of introducing ESG factor assessment into all stages of the investment process – from searching for project proposals, making investment decisions, monitoring the life cycle of funded projects, to exiting the project.

Thus, based on the guidance of the European Investors Association (Invest Europe), the Corporation has developed a questionnaire that covers a wide range of issues in the field of ESG for use in conducting preliminary ESG due diligence and annual ESG monitoring of portfolio companies.

The Corporation, within the framework of the preliminary ESG due diligence, checks the project for compliance with the legislation of the Republic of Kazakhstan in the field of health, labor protection and safety and the availability of all official permits, approvals, licenses, certificates required in accordance with relevant legislative and regulatory legal acts in these areas.

This measure will reduce the risks posed by portfolio companies to the environment and society, as well as increase the sustainability of companies' business processes to develop their competitiveness.

In December 2022, the Board approved an Action Plan in the field of sustainable development for 2023–2024, which includes a number of measures to implement the principles of sustainable development.

As part of the implementation of this Plan in 2023, an assessment of the commitment of ESG Corporation's portfolio companies to standards was carried out, a roadmap for the development and implementation of an ESG risk assessment and management system was formed, a review of the main ESG risks by industry was conducted, proposals for the formation of a low-carbon development policy of the Corporation were developed, a number of internal regulatory documents were updated (Code of Business Ethics, Rules of personnel management), taking into account the inclusion of social aspects of sustainable development.

In addition, in 2023, training in the field of sustainable development was organized for employees of the Corporation and its subsidiaries on the following topics:

- On April 28, as part of QIC's transition to a "responsible" investment model, a strategic

ESG session was held for the Corporation's employees. The session included a presentation of the main aspects of the concept of sustainable development and a number of practical tasks based on case studies;

- On November 24, an information session was held for QIC employees on the main changes and additions to the Corporation's Sustainable Development Policy, as well as the practical application of the Policy provisions in the Corporation's investment activities.

The Corporation, following the principles of social responsibility, actively participates in charity events and socially significant events. Thus, assistance was provided to families in need in preparing children for school, children with disabilities and private funds for the protection of stray animals affected by fires in Abai region.

In 2023, in order to systematize the approaches of activities in the field of sustainable development, a Report on the Sustainable development of the Corporation for 2022 was prepared and published, revealing the main aspects of the Corporation's activities in the field of environmental, social responsibility and corporate governance.

## ON THE CONTRIBUTION OF QIC TO THE ACHIEVEMENT OF THE UN SDGS

As part of our strategic activities in 2023, our organization actively implemented and supported initiatives aimed at achieving the Sustainable Development Goals (SDGs). QIC actively supports

the SDGs, approved by the United Nations General Assembly in 2015, regularly assessing its progress in achieving them and looking for opportunities for the most effective contribution.



### ENSURING FOOD SECURITY AND PROMOTING SUSTAINABLE AGRICULTURAL DEVELOPMENT

QIC supports business and entrepreneurship development by providing financing that contributes to the socio-economic development of regions

and ensures food security. This includes support for the agriculture and food industry sectors.



### TO ENSURE A HEALTHY LIFESTYLE AND PROMOTE WELL-BEING AT ANY AGE

QIC ensures safe working conditions through annual employee training on safety, occupational safety and fire safety. Employees are provided with various social

benefits, including financial assistance for rehabilitation and medical insurance, providing access to high-quality medical services.



### ENSURE UNIVERSAL ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY SOURCES FOR ALL

The Corporation supports renewable energy projects, contributing to environmental sustainability and reducing dependence on traditional energy sources. By the end of 2023, QIC's investment portfolio

includes a number of "green" projects worth 17.4 billion tenge, with a total capacity of 82 MW. The share of "green" projects in the QIC investment portfolio is 9.2%.



### PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK

The Corporation develops entrepreneurship and the economy through the provision of financial instruments and support for projects in various sectors

such as food production, transport, chemical industry and others, creating new jobs with decent working conditions.



### ENSURING THE TRANSITION TO RATIONAL CONSUMPTION AND PRODUCTION MODELS

The Corporation encourages responsible use of natural resources and the introduction of resource-saving technologies, improving the environmental efficiency of our activities. The Concept of a "green" office has been approved, which provides for a set of technical

and motivational measures aimed at saving natural resources and office resources. These activities are aimed at reducing the consumption of water and paper, electricity, as well as increasing employee awareness of the importance of resource conservation.



### STRENGTHENING THE MEANS OF IMPLEMENTATION AND REVITALIZATION OF THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

QIC actively cooperates with international institutions and financial organizations, supporting national and global initiatives in the field of sustainable development. As part of the transition to the "responsible investment" model, in October 2022, the Corporation joined the UN Principles of Responsible Investments Association. In 2023, the Corporation

also joined the United Nations Global Compact, which in turn will contribute to the further implementation of the principles of corporate social responsibility, the implementation of joint educational, acceleration programs and the promotion of the ten universal principles and values of the United Nations among the Corporation's stakeholders.



# SOCIAL ASPECTS OF SUSTAINABLE DEVELOPMENT

The Corporation, as before, continues to follow its values: efficiency, safety, unity, responsibility and development. Employees of the Corporation are people who are passionate about their work, who strive to work for results and, at the same time, take care of resources. In turn, the Corporation provides safe working conditions for all employees, creates conditions and opportunities for their professional and career

development, provides a guaranteed social package, fulfills its obligations to employees and is constantly improving in this direction.

The location of the main office is the city of Astana, the Corporation does not have branches and representative offices in other regions.

## EMPLOYMENT

### PERSONNEL MANAGEMENT POLICY

The Corporation regularly works to improve approaches in personnel management, introducing the best tools, maintaining the best practices that have proven their effectiveness.

#### THE PERSONNEL POLICY OF THE CORPORATION IS IMPLEMENTED THROUGH THE MAIN DIRECTIONS:

1. Strategic HR planning
2. Organizational development and job design
3. Recruitment and adaptation of staff
4. HR marketing and the employer's brand
5. Performance management
6. Staff remuneration
7. Staff training and development
8. Talent pool and talent management
9. Development and maintenance of card culture
10. HR process administration

The system of labor organization is built in accordance with internal regulatory documents applicable in each area of personnel management and based on the norms of the Labor Code of the Republic of Kazakhstan.

The Corporation provides equal opportunities in the field of labor and employment to employees and candidates for employees of the Corporation, supports and adheres to the principles and norms of international law and the legislation of the Republic of Kazakhstan.

The team of employees of the Corporation is based solely on the professional competencies, personal qualities, experience and motivation of candidates, without discrimination based on origin, social, official and property status, gender, race, nationality, language, attitude to religion, beliefs, place of residence, or any other circumstances.

The Corporation does not restrict the rights of employees to create or join public organizations representing their interests. Employees of the Corporation may engage in any political, educational, charitable or public activity, as long as it does not affect the performance of official duties, and also does not harm society.

In case of changes in the working conditions of employees, in terms of remuneration, labor rationing, performance of work duties, working hours and rest time, the procedure for combining positions, performing the duties of a temporarily absent employee, safety and labor protection, the Corporation notifies employees in writing of possible changes in accordance with the employment contract, the Labor Code

of the Republic of Kazakhstan and makes appropriate changes changes to employment contracts.

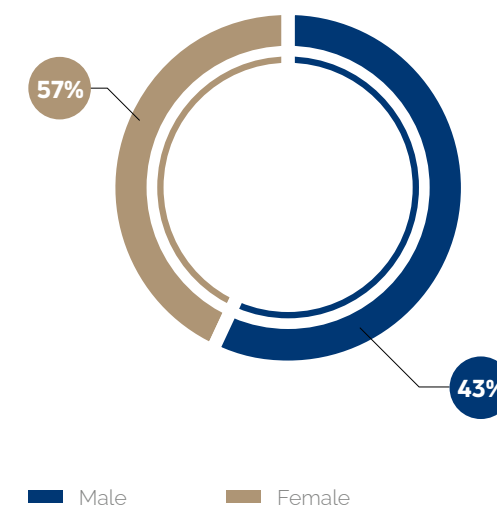
### NUMBER OF STAFF

At the end of 2023, the Corporation's structure included 17 structural divisions.

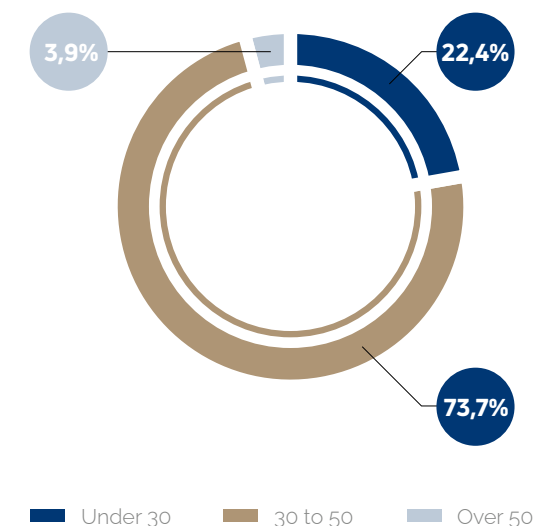
The total average number of QIC employees in 2023 is 72 people, for the group – 84 people.

As of December 31, the average number of QIC employees was 76 people. The ratio of the number of employees by gender was: the proportion of women 57%, men 43%. In the age distribution, the structure of employees is as follows: workers aged 30 to 50 years old – 73.7%, the share of young people under 30 years old is 22.4%, workers over 50 years old – 3.9%. The average age of employees at the Corporation at the end of 2023 was 36 years.

#### DIVERSITY OF EMPLOYEES BY GENDER IN 2023



#### DIVERSITY OF WORKERS BY AGE IN 2023



**THE CORPORATION DOES NOT USE CHILD LABOR AND DOES NOT PRACTICE FORCED LABOR.**

#### DYNAMICS OF THE AVERAGE NUMBER OF <sup>1</sup> EMPLOYEES OVER THE PAST 3 YEARS:

Name of the organization	2021	2022	2023
QIC	41	68	72
BVF	11	12	12
QTV	11	0	0
KPPF	18	0	0
Total for the group of companies	81	80	84

<sup>1</sup> The average number of employees represents the average number of employees of the company for a certain period..

40



In 2023, 40 new employees were hired.

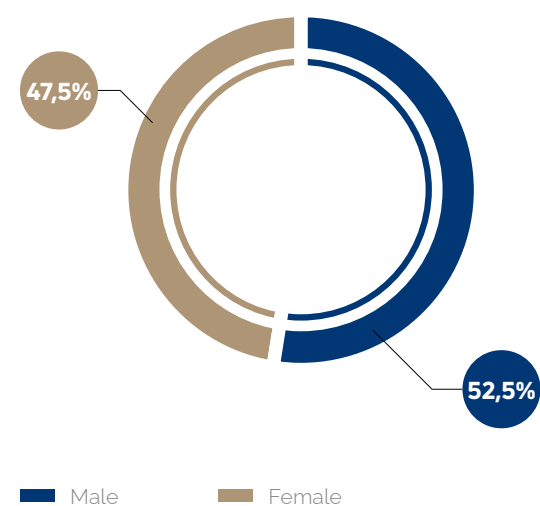
1.75



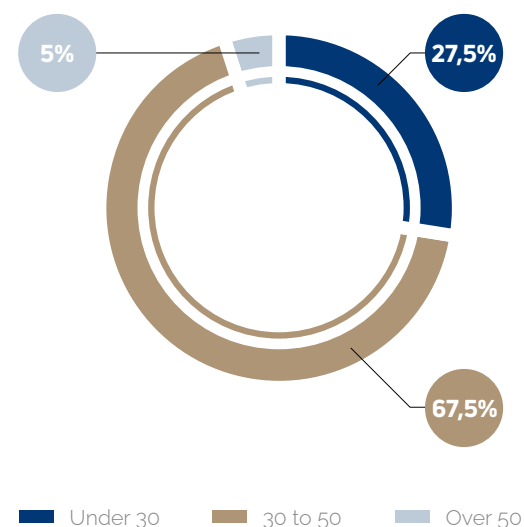
The ratio of newly hired workers in 2023 was 1.75. Compared to 2022, the share of newly hired workers increased by 18.6%.

Employees hired in 2023 at QIC, by age and gender:

#### DIVERSITY OF EMPLOYED WORKERS BY GENDER IN 2023

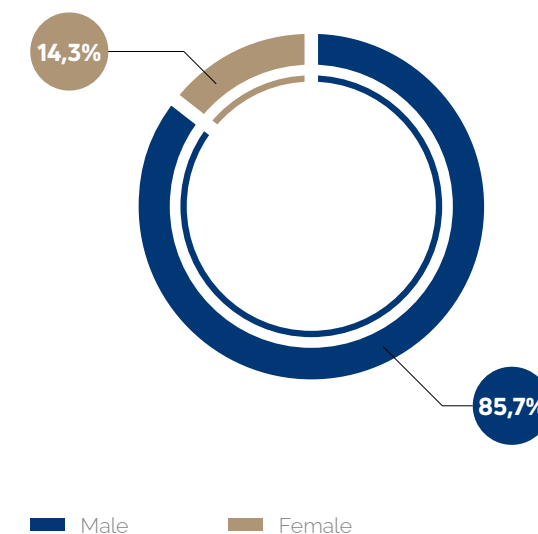


#### DIVERSITY OF EMPLOYED WORKERS BY AGE IN 2023

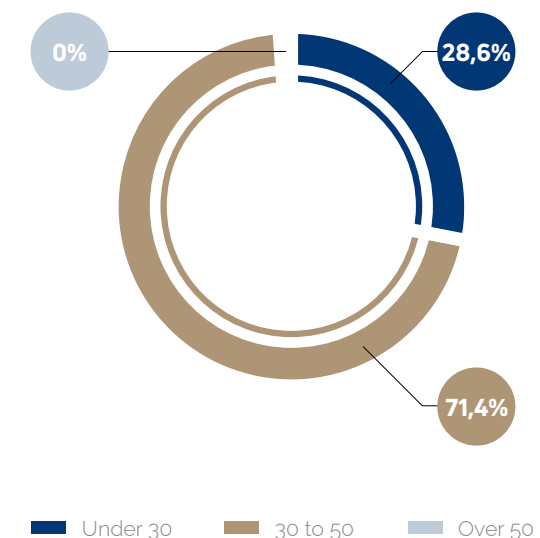


Staff turnover by age and gender in 2023:

#### GENDER STRUCTURE OF THOSE WHO VOLUNTARILY LEFT IN 2023



#### THE AGE STRUCTURE OF THOSE WHO VOLUNTARILY LEFT IN 2023



#### RECRUITMENT OF STAFF

Staff is seen as an important resource, and the role of employee professionalism plays an important role in the effective operation of the Corporation.

Various search sources are used in the selection and hiring of QIC staff:

- database of internal candidates working for the Corporation and its subsidiaries;
- database of candidates included in the Presidential Personnel Reserve and the Unified

Personnel Reserve of "Baiterek" National Managing Holding" JSC;

- online recruiting resources;
- social networks (Facebook and LinkedIn), a career page on the Corporation's website;
- electronic labor exchanges (enbek.kz, QSamruk).

Recruitment is carried out on a competitive basis. Before making a decision on employment, candidates go through the following selection stages:

7



The employment relationship was terminated on their own initiative with 7 employees.

9.7%



Voluntary staff turnover for the Corporation was 9.7%, for BVF it was 0%, for the QIC group it was 8.3%, with a planned turnover of no more than 13%.

#### I STAGE

Is an interview with the head of the Human Resources Management Department, the head of the structural unit, the supervising member of the Management Board, if necessary.

#### II STAGE

Testing, which includes blocks:

- test of knowledge of the law on joint-stock companies;
- logic test;
- a profile test (depending on the department) and/or a business case solution.

#### III STAGE

Review of recommendations and track record.

#### IV STAGE

Decision-making.



In 2023, the number of open vacancies in the Corporation amounted to 40, of which 33 vacancies for administrative positions and 7 vacancies for managerial and managerial positions. 21% of vacancies were closed by internal candidates, 73% of vacancies were closed by external candidates, 6% of vacancies were closed by candidates whose last place of work was the organization of the Holding group of companies.

**MOTIVATION AND REMUNERATION**

The principles of equal rights and opportunities of employees are the basis for remuneration and motivation of employees. The fairness of remuneration and equal working conditions is ensured by the current grading system.

In addition to fixed remuneration, the Corporation provides a system of key performance indicators (hereinafter referred to as KPI) aimed at effective planning and organization of the Corporation's activities, achieving its strategic goals and stimulating employees depending on the achieved results of its activities.

The efficiency system in the Corporation consists in setting clear, measurable goals and objectives for the appropriate period for the employee, on the fulfillment of which the remuneration received depends. The main condition for the payment of bonuses to employees based on the results of work for the reporting period is the availability of consolidated final profit calculated taking into account the planned amount for the payment of bonuses.

An individual development plan system (hereinafter referred to as the IDP) has also been introduced, thanks to which each employee gets the opportunity to focus on developing their knowledge and skills, increase personal efficiency and effectiveness. Performance assessment makes it possible to determine the requirements for work results, skills, knowledge and competencies of employees in order to achieve the strategic goals of the Corporation.

An annual assessment of strategic, managerial and functional competencies is conducted, aimed at improving the recruitment processes and determining the degree to which candidates' competencies meet the requirements for their positions, as well as identifying the potential of the Corporation's employees, determining training, development and career advancement needs.

The current remuneration system provides for the establishment of official salaries taking into account qualifications and business qualities,

additional payments and allowances for combining positions, remuneration based on the results of work for the company's management for the year and a one-time bonus for the development and implementation of measures aimed at saving costs, increasing profitability, as well as introducing innovative solutions and rationalization proposals.

**SOCIAL POLICY**

The Corporation's social policy includes programs and activities aimed at solving the most urgent tasks of social development of employees, improving working conditions, ensuring social protection of employees, organizing their recreation and medical care. The Corporation considers its main task in the field of social policy to be the creation of conditions for effective work of employees, their professional growth, providing opportunities for decent earnings and the development of a culture of production.

The main purpose of the social programs conducted by the Corporation is to increase employee motivation, stimulate proactive and conscientious work.

The Corporation has established a feedback mechanism for employees with the Chairman of the Management Board. So, there is a window on the corporate portal for sending questions and receiving feedback.

Moreover, in case of social and labor issues/ disputes and conflicts, the Corporation has a conciliation commission body that examines employee appeals and complaints.

The corporation makes every effort to take care of employees, creating a sense of security for each employee.

The Corporation provides a guaranteed social package, which includes the following types of social support:

- Voluntary medical insurance.

It allows employees to receive better and more diverse medical services. Health insurance is provided to employees and their family members in accordance with the voluntary health insurance program. Funds for medical insurance are spent in case of an employee's illness. At the same time, the cost of medical insurance per employee should not exceed 100 MCI for the corresponding financial year.

- Financial assistance for recovery within the framework of annual leave, paid leave for significant events (marriage, death of a family member).
- Insurance of employees against accidents during working hours and the acquisition of occupational diseases.
- Financial assistance in connection with the birth of a child/adoption of children.

- Financial assistance in connection with maternity leave, vacation, adopted (adopted) a newborn child (newborn children).
- Quarterly bonuses to employees, annual remuneration to members of the Management Board<sup>1</sup> upon achievement of key performance indicators. At the same time, as in the best world practices, managers are approved indicators related to economic, environmental and social objectives.

Also, maternity leave is paid with the preservation of the average salary minus the amount of social benefits in case of loss of income due to pregnancy and childbirth. After the birth of a child, a parental leave of up to three years may be granted at will. The same leave is provided to parents who have adopted or adopted children in accordance with the current legislation of the Republic of Kazakhstan.

Information on maternity leave and child care as of the end of 2023 is provided below:

Indicator	total, people.		
		Men	including Women
The number of employees who took maternity leave and parental leave in 2023	4	0	4
The number of employees who returned from maternity leave and parental leave in 2023	1	0	1

The Corporation strives to maintain a highly competitive wage level in the labor market in order to ensure fair pay for its employees.

**EMPLOYEE EVALUATION**

In order to ensure uniform principles of employee performance management and transparency of criteria for employee incentives and bonuses, the effectiveness of all personnel is evaluated on a periodic basis, with the exception of probation workers and employees on maternity leave or child care.

In order to ensure uniform principles of employee performance management, as well as transparent criteria for employee incentives and bonuses, a comprehensive assessment of employee performance is carried out on a periodic basis.

As part of a comprehensive assessment of the effectiveness of employees, the overall performance of an employee for the reporting year and the level of his personal and business competencies are considered. No bonus is paid based on the evaluation results, but the evaluation results influence decisions on further motivation and stimulation of the employee (training, promotion, etc.).

As of December 31, 2023, the number of employees, with the exception of employees accountable to the Board of Directors of the Corporation, amounted to 58 people, of whom 1 employee took maternity leave, 6 employees stopped their work at the Corporation, 7 employees were hired in the fourth quarter of 2023.

In total, 44 employees of the Corporation (75.8%) are subject to evaluation of the effectiveness of the Corporation's employees during the reporting calendar year.

<sup>1</sup> The remuneration system of the supreme management body and the management team is focused on efficiency, motivation and improvement of labor productivity and efficiency of activities using elements of short-term remuneration based on the results of achieving key performance indicators (KPIs).

**INFORMATION ABOUT EMPLOYEES WHO HAVE PASSED THE PERFORMANCE ASSESSMENT BY THE END OF 2023:**

Category of employees	2023	
	male	female
Managing Directors	2	0
Directors	5	6
Chief Managers	9	22

**WORKPLACE HEALTH AND SAFETY**

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

The Corporation strives to comply with the best international practices, strictly comply with national and international requirements and constantly improve the work of the Occupational Health and Safety and Fire Safety Management (OHS&FSM).

The Corporation building has all the necessary fire extinguishing equipment. On each floor there are

fire cabinets that contain fire hoses and powder extinguishers. Also, the building is equipped with an automatic fire system.

Comprehensive measures are held annually for employees to familiarize themselves and provide explanations in accordance with the instruction "On Fire safety measures for employees of Qazaqstan Investment Corporation joint stock company.

Thus, in the reporting year, employee training on occupational health and safety was conducted on February 9 and May 12.

Thanks to the coordinated work of all structural divisions, injuries and accidents were absent in 2023.

**THE ABSENCE RATE AT THE WORKPLACE<sup>2</sup> IN THE CORPORATION:**

Company name	2023
QIC	1.2

**IN THE GROUP OF COMPANIES OF THE CORPORATION, THERE WERE NO CASES OF EMPLOYEE INJURIES, INCIDENTS AND ACCIDENTS IN 2021, 2022 AND 2023.**

**TRAINING AND EDUCATION**

The need for staff training and development at QIC depends on a number of internal and external factors, such as changes in the company's strategic and operational plans, changes in legislation and in the market as a whole, the introduction of new programs, and individual needs for staff development.

On November 16, 2022, the QIC approved the training and professional development plan for the Corporation's employees for 2023.

The number of training events in the training and advanced training system in 2023, in accordance with the approved training plan at the Corporation, amounted to 26, of which seminars, trainings, courses – 14, conferences – 3, professional certification – 3, language courses – 2.

A total of 845 astronomical hours were spent on educational activities in 2023. The total number

of participants in the training is 65 people. On average, there were 13 hours of training per participant.

The gender ratio of participants in educational events is 47% men and 53% women.

Among the participants of the events were 5 senior managers (including 3 women) and 18 middle managers (including 7 women).

**DIVERSITY AND EQUAL OPPORTUNITIES**

The Corporation creates all the necessary conditions to ensure equal rights and opportunities, providing employees with an equal comfortable, inclusive, respectful working environment. Maintaining diversity and inclusivity among employees is the key to Corporate's success.

The diversity of different points of view, experience, skills of employees of different ages and genders, cultural or ethnic background, political beliefs and other characteristics creates a richer professional experience in the company and improves the company's ability to develop innovative ideas and concepts, as well as make more informed investment decisions.

The Corporation does not allow employees to restrict their labor rights and freedoms or receive any benefits depending on gender, race, language, religious, political and other beliefs, citizenship, national or social origin, limited opportunities, property, family, social and official status, or other circumstances unrelated to business qualities employees. During the reporting period, there were no cases of discrimination on any grounds in QIC.

QIC's activities are guided by the principle of providing equal opportunities for all employees in hiring, remuneration, evaluation, development, access to training, promotion, and dismissal.

Thus, the ratio of the base rate of remuneration for women to the base rate of remuneration for men for each category of QIC employees as of December 31, 2023:

Category of employees	2022	2023
	female:male	female:male
Board members	1,90:1,00	–
Managing Directors	1,00:1,32	–
Directors	1,00:1,88	1,00:1,04
Chief Managers	1,00:1,07	1,00:1,04

As of December 31, there are no female representatives among the members of the Management Board and managing directors in the Corporation, in this regard, calculation is not possible.

Achieving a balance in remuneration between female and male directors in 2023 is associated with

an increase in the official salaries of administrative employees based on the results of an assessment of the effectiveness of the Corporation's employees in 2022.

<sup>2</sup> When calculating absenteeism, the absence of employees is provided in connection with going on sick leave



Remuneration of management compared to remuneration of employees as of December 31 of the reporting year:

Name of the indicator	2022	2023
	Ratio	Ratio
Salary of the highest paid QIC employee/Salary of the median QIC employee	4,7:1,0	<b>4,12:1,0</b>

The decrease in the ratio of the second indicator in comparison with 2022 was influenced by an increase in the official salaries of administrative

workers in 2023 (based on the results of an assessment of the effectiveness of the Corporation's employees in 2022).

**THE PRACTICE OF LABOR RELATIONS**

A highly professional team is an important competitive advantage of the Corporation. The Corporation strives to develop staff motivation and continuing education systems, as well as a well-thought-out social policy.

Guided by the legislation of the Republic of Kazakhstan in the field of labor and labor relations, conventions of the International Labor Organization, the Corporation adheres to the principles relating to fundamental rights that are the subject of the Convention, namely:

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

The Corporation complies with international standards on wages, working hours and working conditions, remuneration of workers for work, social insurance, paid leave, labor protection and others.

As part of the social component, QIC's activities are aimed at:

- guiding the principle of equal opportunities and non-discrimination of its employees in hiring, paying,

providing access to training, promotion, dismissal on grounds such as gender, race, language, religious, political and other beliefs, citizenship, national or social origin, limited opportunities;

- continuous training and development of personnel using modern technologies and information management systems;
- using advanced forms of training, meetings with experts in the Friday-talk format, coaching, case studies, brainstorming sessions.

At the same time, the legal unit and the human resources management unit have deep academic knowledge in terms of human rights, which reduces the risks of labor relations violations in the team.

In the reporting period, there were no complaints filed against the Corporation for violations of labor relations practices. There are no suppliers who have a significant risk of using child and forced labor, and performing dangerous work by young workers. At the same time, in the case of such complaints, internal tools (Ombudsman and Compliance) have been introduced for preliminary discussion and mediation of disputes.



**SPONSORSHIP AND CHARITY**

QIC maintains a high level of social responsibility and during the reporting period took an active part in the following charity and sponsorship events:

**In November 2023, the Corporation provided charitable assistance to 1 poor family at the expense of employees, 4 pairs of children's winter shoes were purchased;**

**Assistance in the form of cash was provided to support the victims of the Forest fire in the Abai region;**

**On August 19, 2023, the Corporation took part in a charity project dedicated to the Day of Protection of Homeless Animals. Assistance was provided with feed and financial support to the private foundation for the protection of homeless animals "StopOtlov".**

**Participation on September 22, 2023 in the event "Donor Day" organized by JSC "NMH "Baiterek" together with the RSE "Scientific and Production Center of Transfusiology" (9 employees donated 3600 ml of blood and its components);**

**On December 15, 2023, at the Charity Fair "Baiterek – Open Hearts", where the proceeds from this event were used to organize a New Year's tree and buy gifts for children with disabilities.**

At the same time, the Corporation's employees actively participate in the implementation of the Sustainable Development Goals. Plastic bottles and batteries are recycled on a regular basis, and if possible, they share clothes, shoes and bedding for the Likekomek charity shop.

Also, fairs and festive events for employees of the Corporation and its subsidiaries were organized for the national holiday of Nauryz Meiramy and the Financiers' Day.

## ANTI-CORRUPTION

Since January 1, 2022, the QIC has established an Anti-Corruption Compliance Service accountable to the Board of Directors of the Corporation, which is responsible for the functioning of the anti-corruption system in the Corporation.

By the decision of the Board of Directors of “Qazaqstan Investment Corporation” joint stock company, an Anti-Corruption Compliance Program for 2023 was approved, within the framework of which extensive work was carried out aimed at preventing and early warning of corruption risks, as well as improving anti-corruption tools.

*So, in 2023, the Board of Directors of the Corporation approved the Rules for organizing the work of the anti-corruption system in “Qazaqstan Investment Corporation” joint stock company (in accordance with the decision of the Board of Directors of QIC dated February 21, 2023, minutes No. 01/23). In addition, the Corporation has an Anti-Corruption Policy, which is posted on the official Internet resource of the Corporation – <https://www.qic.kz> / in order to inform clients, contractors, partners and the public about the anti-corruption standards and requirements adopted by the Corporation.*

The Corporation continuously conducts anti-corruption monitoring using a wide range of information: media materials, reports from the Internal Audit Service and other auditing bodies, appeals from individuals and legal entities, including those received by the Anti-Corruption Compliance Service hotline.

In 2023, in accordance with the requirements of the legislation of the Republic of Kazakhstan and the Anti-Corruption Policy, the Corporation conducted an internal analysis of corruption risks. The results and recommendations based on the results of the internal analysis of corruption risks have been communicated to authorized officials of the Corporation.

*In order to identify, resolve and prevent conflicts of interest in the Company, a register of affiliated persons of Qazaqstan Investment Corporation JSC and its officials is maintained on an ongoing basis, which reduces the possibility of close relatives working together, as well as reduces the risks of conflict of interest in the framework of the Company's core activities and procurement of goods, works and services;*

QIC also has a “Know your customer” policy and an institute for checking counterparties for reliability, within which counterparties, potential partners and suppliers are constantly checked in order to exclude the possibility of interaction with dishonest and unscrupulous counterparties, minimize sanctions risks and conflicts of interest.

Special attention is paid to the formation of an anti-corruption culture, informing and raising awareness of employees of the Corporation and subsidiaries. Newly hired employees are required to familiarize themselves with the Corporation's Anti-Corruption Policy and Anti-Corruption Standards. Comprehensive training is conducted on a regular basis for employees of the Corporation and subsidiaries on anti-corruption issues and compliance with the requirements corresponding to the legislation of the Republic of Kazakhstan.

In the reporting period, there were no confirmed cases of corruption, public investigations, criminal prosecutions and measures taken against the Corporation and its employees due to corruption-related violations.

# ENVIRONMENTAL ASPECTS OF SUSTAINABLE DEVELOPMENT

## INVESTMENT ACTIVITIES WITHIN THE FRAMEWORK OF THE ENVIRONMENTAL COMPONENT

As part of the environmental component of sustainable development, QIC's activities are aimed at:



### DEVELOPMENT OF PRIVATE EQUITY INFRASTRUCTURE IN KAZAKHSTAN

in order to promote the sustainable development of Kazakhstan



### PARTICIPATION IN THE IMPLEMENTATION OF GOVERNMENT PROGRAMS

in support of large industrial projects



### IMPLEMENTATION OF ESG FACTORS IN ALL STAGES OF THE INVESTMENT PROCESS

from the search for project proposals to monitoring the environmental and social impact of funded projects



### ATTRACTING INVESTMENTS AND POPULARIZING FINANCIAL INSTRUMENTS IN BOTH DOMESTIC AND FOREIGN MARKETS

realizing the importance of disclosing non-financial information for investors

QIC pays special attention to the implementation of “green” projects aimed at reducing the amount of carbon dioxide emissions into the environment, improving the well-being and quality of life of the country's population while minimizing the environmental burden and degradation of natural resources.

Investing in “green” projects directly affects the achievement of Kazakhstan's strategic goals to mitigate the effects of climate change in the region, as well as contributes to the influx of foreign investment.





17.4  
billion tenge

By the end of 2023, QIC’s investment portfolio includes a number of “green” projects worth 17.4 billion tenge, with a total capacity vof 82 MW:



**CONSTRUCTION OF THE KENGIR SOLAR POWER PLANT WITH A CAPACITY OF 10 MW IN THE KARAGANDA REGION, ZHEKAZGAN**

“Kaz Green Energy” LLP has implemented a project for the construction of the Kengir solar power plant, which was commissioned in January 2020. Since the beginning of operation, more than 62 million kWh of “green” electricity has been generated. The generated “green” energy makes it possible to reduce emissions of harmful substances into the atmosphere, as well as reduce greenhouse gas emissions.



**THE “BAIKONUR” SOLAR POWER PLANT WITH A CAPACITY OF 50 MW IN THE SHIELI DISTRICT OF THE KYZYLORDA REGION**

The project for the construction and operation of the “Baikonyr” power plant is being implemented by “Baikonyr Solar” LLP, a joint venture of “Baiterek Venture Fund” JSC (49%), and UG Energy Ltd. (51%, United Kingdom), the EBRD, ADB and CTF acted as partners in the project. 151 thousand solar panels and 14 inverter stations are installed on an area of 150 hectares. More than 20 people are engaged in their maintenance. Since the beginning of operation (commissioned in March 2020), more than 280 million kWh of “green” electricity has been generated. The amount of energy produced is sufficient to cover the energy shortage in the regional center and in neighboring areas.



**CONSTRUCTION OF A HYDROELECTRIC POWER PLANT ON THE KOKSU RIVER, WITH A CAPACITY OF 7 MW IN ZHETYSU REGION**

Commissioning is expected in December 2024. The project will cover the existing shortage of electricity supply in Zhetysu region. In this regard, the use of hydropower resources of Koksui, Karatal, Tentek rivers and other rivers of the northern and southern slopes of Zhetysu Alatau mountains to generate electricity through the construction of hydroelectric power plants and for the supply of regulating power is very relevant. Currently, Zhetysu region is deficient in electricity supply: about 30% of annual consumption is covered by its own sources, and the remaining 70% come from remote external sources. Small hydroelectric power plants can not only maintain the country's energy security, but also become one of the resources for sustainable economic development.



**ARCTIC GREEN ENERGY CHINA, GEOTHERMAL RESOURCE EXPLORATION AND GEOTHERMAL ENERGY PRODUCTION PROJECT**

The company specializes in the exploration of geothermal resources and the production of geothermal energy.

The Corporation strives to consistently increase the share of the “green” portfolio in the total volume of funded projects. By the end of 2023, the share of “green” projects in the Corporation’s investment portfolio is 9.2%.

In 2023, there was no placement of green, social or other bonds in order to finance sustainable development projects and a funded project on the environment and/or social environment.

**RATIONAL USE OF RESOURCES**

Environmental care and protection are one of the key aspects of the Corporation’s activities in the field of corporate social responsibility.

The Corporation strives to contribute to reducing energy consumption and improving energy efficiency, rational use of natural resources by increasing environmental awareness among employees.

In 2023, the Corporation, without having its own building, places employees on a rental basis in a large Business center, the building of which meets modern standards.

The business center is built with modern technologies in mind and provides for effective layouts, panoramic windows that provide rooms with plenty of natural light and climate control systems that help save heat and electricity. The electricity used in the building is generated from non-renewable energy sources. Work, emergency and repair lighting systems are provided. Fluorescent lighting sources are used. Stained glass glazing of the facade, taking into account the insolation, allows you to save on electricity. Motion sensors are also installed in places of temporary residence to save electricity.

The premises are equipped with various types of containers for selective garbage collection. At the same time, it should be noted that the collection and disposal of waste is carried out by the landlord.

The use of environmentally friendly transport among employees is encouraged. Parking spaces for bicycles and electric scooters are available next to the Business Center building. This event, mainly in the summer, helps to reduce the number of employees using personal transport for trips.

Paper consumption is one of the most significant environmental impacts of the Corporation. In order to optimize paper document management, the Corporation switched to electronic document management. Today, the materials for consideration by the QIC Board are sent to the Secretary of the Board through the electronic document management system. Moreover, QIC’s document flow with the Sole Shareholder is carried out in paperless mode. As part of the transition to paperless operations, personnel records management has also been automated.

**THE VOLUME OF CONSUMPTION OF THE CORPORATION’S RESOURCES**

Name	UoM	2021	2022	2023
Water consumption (Cold water)	cubic meters.	776,25	1033,2	1 190,63
Thermal energy and hot water	Gcal	228,34	214,27	225,47
Electric power	kW/h	248 299,04	268 620,46	297 294,9
Paper consumption	tons	1,03	1,03	0,89
Waste (garbage)	tons	–	–	0,73



According to the results of 2023, there is an increase in consumption of water, thermal energy and hot water, electricity compared to the indicators of 2022. At the same time, paper consumption in the reporting period in the Corporation decreased significantly compared to 2022.

**WASTE COLLECTION AND DISPOSAL IN THE RENTED BUILDING IS CARRIED OUT BY THE LANDLORD, THERE IS NO INFORMATION ON WASTE FOR 2021–2022.**

INFORMATION ON THE CONSUMPTION OF CORPORATION'S RESOURCES PER EMPLOYEE

Name	2021	2022	2023
Intensity of use fresh water, m³/person (ratio of water consumption volume the number of the average number of employees)	16,5	15,1	<b>16,5</b>
Heat capacity, g. cal/person (ratio of consumption volume heat energy per the number of the average number of employees)	4,8	3,1	<b>3,1</b>
Energy consumption, kW/person (ratio of consumption volume electricity consumption per the number of the average number of employees)	5 282,9	3 950,3	<b>4 129,0</b>
Intensity of use paper, kg/person (the ratio of the mass used papers on the number of the average number of employees)	21,9	15,1	<b>12,3</b>

PRINCIPLES OF THE GREEN OFFICE

In 2022, the Corporation's Board approved the concept of a "green" office. The "green" office provides a set of technical and motivational measures aimed at saving natural resources and office resources.

The implementation of measures makes it possible to raise workers' awareness of the importance of saving resources and reduce the consumption of water and paper, electricity, thereby contributing to the preservation of nature and the health of workers.

THE PRINCIPLES OF THE "GREEN" OFFICE ARE BASED ON THREE R RULES – REDUCE, REUSE, RECYCLE:



REDUCE

According to this principle, a "green" office should strive to reduce the use of resources: electricity, water, heat, paper through the use of modern technologies and equipment, as well as through employee awareness-raising activities

REUSE

According to this principle, it is necessary to switch to the use of materials made from recycled materials, such as paper, stationery

RECYCLE

According to this principle, it is necessary to properly dispose of processed, used raw materials: sort waste, collect and deliver waste paper, properly dispose of office equipment, equipment and batteries.

CLIMATE CHANGE

QIC recognizes the importance of combating and mitigating climate change. In this regard, in 2023, QIC developed an ESG risk register broken down by industry, including physical climate risks. It is planned to introduce this register into the general risk management system of the Corporation.

As of December 31, the QIC investment portfolio included 4 projects in the field of "green" energy

in the amount of 17.4 billion tenge, with a total capacity of 82 MW. The Corporation plans to increase the share of "green" projects in the near future, which will contribute to combating climate change and mitigating its consequences.

This report contains information on greenhouse gas emissions from 2 within the corporate center of the Corporation.

CALCULATION OF GROSS GREENHOUSE GAS EMISSIONS IN 2022, TONS OF CO<sub>2</sub>

Scope of coverage	Emissions	Source of emissions
<b>2023</b>		
<b>1</b>	–	no data available (from using machines to service employees and management)
<b>2</b>	<b>130</b> tons	from electricity
	<b>115</b> tons	from thermal energy and water heating
<b>3</b>	<b>29.6</b> tons	from air travel
	<b>1.21</b> tons	from railway trips
Gross CO <sub>2</sub> emissions	<b>275.81</b> tons of CO <sub>2</sub>	the set of emissions of coverage areas 2 and 3
<b>2022</b>		
1	33.6 tons	from using machines to service employees and management
2	128 tons	from electricity
	119 tons	from thermal energy and water heating
3	17.2 tons	from air travel
	0.96 tons	from railway trips
Gross CO <sub>2</sub> emissions	298.76 tons of CO <sub>2</sub>	The total emissions of the coverage areas 1,2 and 3
<b>2021</b>		
1	–	no data available (from using machines to service employees and management)
2	118	from electricity
	126	from thermal energy and water heating
3	9,3	from air travel
	0,12	from railway trips
	0,14	from car trips (as part of a business trip)
Gross CO <sub>2</sub> emissions	253.56 tons of CO <sub>2</sub>	the set of emissions of coverage areas 2 and 3



## Corporate governance system

The QIC corporate governance system is a set of processes that ensure the management and control of the Corporation's activities, as well as a system of relationships between the Sole Shareholder, the Board of Directors, the Management Board, other bodies of the Corporation and interested parties in the interests of the Sole Shareholder, as well as the Corporation's interaction with subsidiaries.

The main principles of the QIC Corporate Governance Code are:

THE PRINCIPLE OF SEPARATION OF POWERS

THE PRINCIPLE OF PROTECTING THE RIGHTS AND INTERESTS OF THE SOLE SHAREHOLDER

THE PRINCIPLE OF EFFECTIVE MANAGEMENT OF THE CORPORATION BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

THE PRINCIPLE OF SUSTAINABLE DEVELOPMENT

THE PRINCIPLE OF RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

THE PRINCIPLE OF REGULATING CORPORATE CONFLICTS AND CONFLICTS OF INTEREST

PRINCIPLES OF TRANSPARENCY AND OBJECTIVITY OF DISCLOSURE OF INFORMATION ABOUT THE ACTIVITIES OF THE CORPORATION.

*QIC considers corporate governance as a means to improve the efficiency of the Corporation, ensure transparency and accountability, strengthen its reputation and reduce the cost of raising capital. The Corporation considers an appropriate corporate governance system as its contribution to ensuring the rule of law in the Republic of Kazakhstan and a factor determining the Corporation's place in the modern economy and society as a whole. The corporate governance system provides for a clear separation of powers and responsibilities between the bodies, officials and employees of the Corporation.*

The QIC Corporate Governance Code was approved by the decision of the Board of Baiterek Holding dated January 12, 2018. The Code is a set of rules and recommendations that QIC follows in the course of its activities to ensure a high level of corporate governance in relations within the Corporation and with other market participants.

*The corporate governance of Qazaqstan Investment Corporation JSC is based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence. An effective corporate governance structure implies respect for the rights and interests of all persons interested in the Corporation's activities and contributes to the successful operation of the Corporation.*

## 05. CORPORATE GOVERNANCE

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In 2022, the consulting company PricewaterhouseCoopers LLP (hereinafter – PwC) was engaged to conduct an independent assessment of the corporate governance system of the Corporation.

The corporate governance assessment was carried out in accordance with the Methodology for Diagnosing Corporate Governance in Qazaqstan Investment Corporation joint stock company, which is Annex 15 to the Rules for Organizing Internal Audit in Qazaqstan Investment Corporation joint stock company, approved by the decision of the Board of Directors of QIC dated September 26, 2019 (Minutes No. 9/19), as well as applying the provisions and principles of the recommendations of the Organization for Economic Cooperation and Development on corporate governance for organizations with state participation and best international practices in the field of corporate governance.

Earlier, in 2021, based on the results of the corporate governance diagnostics conducted by the Internal Audit Service (for the period 2020 – 2021), the assessment of the level of compliance with corporate governance amounted to 88.6%. According to the results of the diagnosis by the independent consulting company PwC (for the period from June 1, 2021

to September 15, 2022), the assessment of compliance of the Corporation's management with the requirements of world best practice amounted to 93.81%. The corporate governance assessment was carried out according to three main components: structure, processes, transparency.

In the "Structure" component, there has been an increase since 2021 from 83.6% to 95.83%, in the "Processes" component – from 89.1% to 91.67%, in the "Transparency" component – from 91.9% to 94.51%.

Based on the corporate governance assessment, by the decision of the Board of Directors dated February 21, 2023 (Protocol No. 01/23), an Action Plan was approved to improve the corporate governance system of Qazaqstan Investment Corporation JSC for 2023–2025. The action plan provides for 25 events for 2023–2025.

The action plan provides for 25 events for 2023–2025. By the end of 2023, 18 events were completed with a deadline in 2023.

At the same time, 7 events are under execution, the deadline for which has not come.



# Corporate governance structure

The corporate governance structure of the Corporation complies with the legislation of the Republic of Kazakhstan and clearly defines the division of powers of the Corporation's bodies.

The structure of the corporate governance bodies of the Corporation includes:

- The supreme body is the Sole shareholder;
- The governing body is the Board of Directors;
- The executive body is the Management Board;
- The body exercising control over the financial and economic activities of the Corporation is the Internal Audit Service.







## THE COMPOSITION OF THE BOARD OF DIRECTORS OF THE CORPORATION



**Son  
Vyacheslav  
Vladimirovich**

**Member of the Board of Directors of QIC re-elected on April 22, 2022, Deputy Chairman of the Board of "Baiterek" National Managing Holding" JSC, member of the Human Resources, Remuneration and Social Affairs Committee, the Audit and Risk Committee and the Strategic Planning and Corporate Development Committee.**

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

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

from 2002 to 2009 – Lawyer, Chief Lawyer, Head of the Legal Department, Director of the Legal Department of the Development Bank of Kazakhstan JSC;

from 2009 to 2011 – Managing Director for Administrative and Legal Work of the National Mining Company Tau-Ken Samruk JSC;

In 2011 – 2012 – Managing Director for Project Development of the National Mining Company Tau-Ken Samruk JSC;

from 2012 to 2013 – Chief of Staff, Deputy General Director of the Republican State Enterprise "Kazspetsexport" of the Ministry of Defense of the Republic of Kazakhstan;

from 2013 to 2016 – Director of the Audit and Control Department of Baiterek National Managing Holding JSC;

from 2017 to November 23, 2023 – Managing Director of Baiterek National Managing Holding JSC;

Since November 23, 2023 – Deputy Chairman of the Board of Baiterek National Managing Holding JSC.

**Part-time work and membership in the Board of Directors:** Member of the Board of Directors (from 02/16/2022) of Kazakhstan Housing Company JSC, Member of the Board of Directors (from 02/23/2022) of Agrarian Credit Corporation JSC.

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the Republic of Kazakhstan.



**Nicholas  
Robert  
Page**

**Member of the Board of Directors of QIC, an independent director, re-elected on April 22, 2022, Chairman of the Audit and Risk Committee, member of the Strategic Planning and Corporate Development Committee, and a member of the HR, Remuneration and Social Affairs Committee.**

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

Mr. Page has 30 years of professional experience in international finance and mergers and acquisitions. Since 2023 Mr. Page has been a member of the Council of the ICAEW as well as a member of their Sustainability Committee. Between 2022–2023 he was a non-executive director of ESG Book GmbH, between 2020–2022 Mr. Page was the CFO of Arabesque, a company implementing sustainable investing and artificial intelligence practices in asset and data management. In 2016–2019, he was a global partner of PricewaterhouseCoopers LLP in the UK, where he advised financial institutions and private investors on domestic and cross-border mergers and acquisitions, and also held a number of senior positions. Between 1990 and 2016, Mr. Page was a staff member then partner with PricewaterhouseCoopers LLP in the UK, an equity analyst at BNP Paribas, and non-executive director of both EuroChem Group AG and the SUEK Group.

**Part-time work and membership in the Board of Directors:** Member of the Council of the ICAEW, Member of the Sustainability Committee of the ICAEW

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the United Kingdom.



**Fokina  
Anna  
Timurovna**

**Member of the Board of Directors of QIC, an independent director, elected since June 21, 2023, Chairman of the HR, Remuneration and Social Affairs Committee, as well as a member of both the Audit and Risk Committee and the Strategic Planning and Corporate Development Committee.**

Ms. Fokina (born 1985) works as an investment director of the DCVC Bio venture fund based in San Francisco, USA. At DCVC Bio, Anna specializes in biotechnology, agriculture and industrial investments. Anna is actively involved in supporting portfolio companies through business development, temporary positions as Vice President of Finance/CFO or capital raising strategy.

Ms. Fokina began her career at the fast-growing investment bank for mergers and acquisitions, Centerview Partners, in New York, also worked at Monsanto Growth Ventures, where she was involved in investments in agricultural technologies and has experience working on the securities exchange in the hedge funds Moore Capital and SC Fundamental.

Ms. Fokina holds a bachelor's degree in Mathematics and Economics from Columbia University and an MBA from Harvard Business School. She also holds certificates from Harvard Medical School.

**Part-time work and membership in the Board of Directors:** "DCVC Bio" Investment Director, Venture Capital. She is not a member of the Board of Directors of other organizations.

**Ownership of shares of QIC and its subsidiaries:** does not own.

**Citizenship –** the United States of America.



**Marcia  
Elizabeth  
Christian  
Favale**

**Member of the Board of Directors of QIC, an independent director elected on November 17th, 2023, Chairman of the Strategic Planning and Corporate Development Committee, as well as a member of the Audit and Risk Committee and the HR, Remuneration and Social Affairs Committee.**

Ms. Favale (born 1969) holds a Master of Science (MSc) degree in finance and investment. She is the founder of M.Favale-Tarter, LLC and Blingby, LLC (2009 -present) companies, began her career in 1992 in the field of investment banking, working in leading financial institutions: Banker's Trust, Merrill Lynch and UBS. She was Managing Director, Head of Credit Research at the United Bank of Switzerland (UBS) for Latin America, Central and Eastern Europe, the Middle East and Asia (1998-2005) and a senior member of the UBS group for research on fixed income securities in the global credit market, as well as a member of the UBS Credit Committee for Emerging Markets and the UBS Organizing Committee on emerging markets.

Ms. Favale has over 30 years of international experience in finance and investment. She is the founder of M.Favale-Tarter, LLC and Blingby, LLC (2009 -present) companies, began her career in 1992 in the field of investment banking, working in leading financial institutions: Banker's Trust, Merrill Lynch and UBS. She was Managing Director, Head of Credit Research at the United Bank of Switzerland (UBS) for Latin America, Central and Eastern Europe, the Middle East and Asia (1998-2005) and a senior member of the UBS group for research on fixed income securities in the global credit market, as well as a member of the UBS Credit Committee for Emerging Markets and the UBS Organizing Committee on emerging markets.

Ms. Favale also worked in the High-Yield Financial Instruments Department at Merrill Lynch (1993-1998) and began her financial career at Banker's Trust (1992-1993) as an analyst in the Mergers and Acquisitions Division (Japanese securities). She also worked as an Investment Portfolio Manager at Brevan Howard and Advent Capital (2006–2007).

From 2009 to 2013, Ms. Favale worked as a Senior Advisor to the Prime Minister of the Republic of Kazakhstan.

**Part-time work and membership in the Board of Directors:** founder of her own company M. Favale-Tarter, LLC and Blingby, LLC, member of the Board of Directors of Development Bank of Kazakhstan JSC.

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the United States of America.





Zholat  
Yerbolat  
Bauyrzhanuly

**Member of the Board of Directors, Chairman of the Board of QIC since December 4, 2023.**

Yerbolat Zholat has 20 years of experience in the field of law and corporate governance. He started his career in 2002. Since 2010, he has been working in various positions in the corporate sector in groups of companies such as "Halyk Bank of Kazakhstan" JSC, "NC "Kazakhstan Temir Zholy" JSC.

In 2015, he started working in the group of companies of "Baiterek" National Managing Holding" JSC.

Prior to his current position, he held the position of Deputy Chairman of the Board of "Qazaqstan Investment Corporation" JSC.

In 2002, he graduated from S. Toraighyrov Pavlodar State University (Pavlodar) with a degree in Law.

Candidate of Law Sciences.

In 2016, he completed his studies at the Karaganda Economic University of Kazpotreboyz (Karaganda) with a degree in Economics and Business.

In 2020, he was awarded a Master's degree in Business Administration from Almaty Management University (Almaty) and the qualification of Master of Business Administration – Master of Business Administration at St. Petersburg State University.

**Part-time work and membership in the BD/SB:** none.

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the Republic of Kazakhstan.

Kuatova Ainur Sainovna

**Member of the Board of Directors, Chairman of the Board of QIC since January 6th, 2020 up to November 16th, 2023.**

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

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

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

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

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

**Part-time work and membership in the BD/SB:** none.

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the Republic of Kazakhstan.

Elisabetta Capannelli

**Member of the Board of Directors of QIC, an independent director, elected on February 22, 2023, Chairman of the Strategic Planning and Corporate Development Committee, as well as a member of the HR, Remuneration and Social Affairs Committee and the Audit and Risk Committee.**

Ms. Capannelli (1963) graduated from the University of Bologna with a Bachelor's degree and a Master's degree in Philosophy with honors in political science, majoring in Economics, and from the University of Sussex with a Master's degree in Development Economics.

Ms. Capannelli has over 30 years of international experience in the development of banks and international organizations, having worked at the World Bank (in Washington and abroad), the Asian Development Bank (in Manila); and the European Commission (in Brussels).

From 2005 to 2008, she worked at the European Commission in Brussels as a senior member of Joaquin Almunia's cabinet.

**Part-time work and membership in the BD/SB:** Professor at the University of Bologna (Italy), is not on the Board of Directors of other organizations.

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the Republic of Italy.

Kandykbayev Serik Abildashevich

**Member of the Board of Directors of QIC, an independent director since April 22, 2022. Chairman of the HR, Remuneration and Social Affairs Committee. Member of the Audit and Risk Committee and the Strategic Planning and Corporate Development Committee.**

Serik Kandykbayev (born in 1972) Graduated from the Karaganda Metallurgical Institute in 1996 with the qualification of "engineer-economist", in 2012 he took advanced training courses in the field of "Project Management", "Company management: strategy, finance, performance" at the Ernst& Young Business Academy and in 2021 vocational training "Digital transformation" of the University of Virginia, "Private Equity and Venture Capital" of Bocconi University, "Agile and Scrum in work on projects and products" National Research Tomsk State University.

He has more than 9 years of experience in commercial banks and 12 years of experience in private equity funds, investment and financial consulting.

Over the years, she has held senior positions in Alfa-Bank Kazakhstan, the Kazakh Institute of Oil and Gas, Integris Capital, Samruk Kazyna Invest.

**Part-time work and membership in the BD/SB:** Director of the branch of NC KTZ JSC – Business Transformation Center. He is not a member of the Board of Directors of other organizations.

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the Republic of Kazakhstan.

Mukhamedzhanov Adil Bektasovich

**Chairman of the Board of Directors of Qazaqstan Investment Corporation JSC, Deputy Chairman of the Board of Baiterek National Managing Holding JSC.**

Adil Mukhamedzhanov (born in 1981) graduated from the Kazakh Economic University named after T. Ryskulov with the qualification of "economist", University of Nottingham (UK), Business School Cicado Booth under the EMBA program.

He has more than 19 years of experience in the field of corporate governance. He started his career in October 2003 as a specialist in the Project Management Department at KazTransOil CJSC. In the period from March 2004 to March 2016, he worked at Caspian Energy Inc. PLS Canada, Toronto, at Aral Petroleum Capital CJSC as a financial manager, Vice President, and was also a member of the Board of Directors of the said company. From September 2010 to December 2011 – Chairman of the Management Board of Otan Open Funded Pension Fund Joint Stock Company. In the period from May 2008 to May 2016, he was a member of the Board of Directors of AsiaCreditBank Joint–Stock company. From September 2016 to May 2021 – Chairman of the Management Board of Kazakhstan Housing Company JSC. In May 2021, by decision of the Board of Directors, he was appointed Deputy Chairman of the Board of "Baiterek" National Managing Holding" JSC.

**Part-time work and membership in the BD/SB:** Member of the Board of Directors of KazakhExport Export Insurance Company JSC (from 06/16/2021), Member of the Board of Directors of Damu Entrepreneurship Development Fund JSC (from 06/16/2021), Member of the Board of Directors of Otbasys Bank JSC (from 02/21/2022).

**Ownership of QIC shares and its SUBs:** does not own.

**Citizenship –** the Republic of Kazakhstan.

Composition of the Board of Directors of QIC as of the beginning of the reporting period (January 1, 2023):

<b>Mukhamedzhanov Adil Bektasovich</b>	Chairman of the Board of Directors of the Corporation, Deputy Chairman of the Board of the Holding
<b>Son Vyacheslav Vladimirovich</b>	Member of the Board of Directors of the Corporation, Managing Director of the Holding
<b>Nicholas Robert Page</b>	Member of the Board of Directors of the Corporation, Independent Director
<b>Kandykbayev Serik Abildashevich</b>	Member of the Board of Directors of the Corporation, Independent Director
<b>Kuatova Ainur Sainovna</b>	Member of the Board of Directors of the Corporation, Chairman of the Management Board of the Corporation

The composition of the Corporation's Board of Directors as of the end date of the reporting period (December 31, 2023) is shown below:

<b>Son Vyacheslav Vladimirovich</b>	Member of the Board of Directors of the Corporation, Deputy Chairman of the Management Board of Baiterek NMH JSC
<b>Nicholas Robert Page</b>	Member of the Board of Directors of the Corporation, Independent Director
<b>Fokina Anna Timurovna</b>	Member of the Board of Directors of the Corporation, Independent Director
<b>Marcia Elizabeth Christian Favale</b>	Member of the Board of Directors of the Corporation, Independent Director
<b>Zholat Yerbolat Bauyrzhanuly</b>	Member of the Board of Directors of the Corporation, Chairman of the Management Board of the Corporation

On April 15, 2022, the Sole Shareholder of the Corporation decided (minutes of the in-person meeting of the Board of Baiterek National Managing Holding Joint Stock Company No.18/22) to determine the quantitative composition of the Board of Directors of the Corporation – 5 (five) people and the term of office of the Board of Directors of the Corporation – 3 (three) years.

Elect members of the Board of Directors of the Corporation with a term of office until

the expiration of the term of office of the Board of Directors of the Corporation as a whole:

- **Mukhamedzhanov Adil Bektasovich**, as a representative of the Sole Shareholder;
- **Vyacheslav Vladimirovich Son**, as a representative of the Sole Shareholder;
- **Nicholas Robert Page**, as an independent director;
- **Serik Abildashevich Kandykbayev**, as an independent director;
- **Kuatova Ainur Sainovna**, Chairman of the Board of the Corporation.

Along with this, by this resolution, the members of the Board of Directors of the Corporation were recommended to elect Adil B. Mukhamedzhanov Chairman of the Board of Directors of "Kazyna Capital Management" joint stock company. On May 6, 2022, by resolution of the Board of Directors of the Corporation (minutes of the in-person meeting No. 9/22) Adil B. Mukhamedzhanov was elected Chairman of the Board of Directors of "Kazyna Capital Management" joint stock company with a term of office until the expiration of the term of office of the Board of Directors of "Kazyna Capital Management" joint stock company as a whole.

On February 22, 2023, the Sole Shareholder of the Corporation made a decision (minutes of the in-person meeting of the Board of "Baiterek" National Managing Holding" Joint-Stock Company No.07/23) on determining the quantitative composition of the Board of Directors of Qazaqstan Investment Corporation joint stock company in the number of 6 people, and electing Elisabetta Capannelli as a member of the Board of Directors, an Independent Director of the Corporation with a term of office until the expiration the term of office of the Board of Directors of the Corporation as a whole.

On June 21, 2023, the Sole Shareholder of the Corporation decided (minutes of the in-person meeting of the Board of "Baiterek" National Managing Holding" Joint-Stock Company No.24/23) to prematurely terminate the powers of a member of the Board of Directors, independent director of Qazaqstan Investment Corporation Serik A. Kandykbayev from June 1, 2023. By the same decision, Anna Timurovna Fokina was elected a member of the Board of Directors and an Independent Director of the Corporation with a term of office until the expiration of the term of office of the Board of Directors of the Corporation as a whole.

On November 16, 2023, the Sole Shareholder of the Corporation has resolved (minutes of the in-person meeting of the Board of "Baiterek" National

Managing Holding" Joint-Stock Company No. 44/23) to prematurely terminate the powers of a member of the Board of Directors, independent director of the "Qazaqstan Investment Corporation" joint stock company Capannelli Elisabetta and elect Marcia Elizabeth Christian Favale as a member of the Board of Directors, independent director of "Qazaqstan Investment Corporation" joint stock company with a term of office until the expiration of the term of office of the Board of Directors of the Corporation as a whole.

On November 17, 2023, the Sole Shareholder of the Corporation has resolved (minutes of the in-person meeting of the Board of "Baiterek" National Managing Holding" Joint-Stock Company No. 45/23) to prematurely terminate the powers of the Chairman of the Board of the "Qazaqstan Investment Corporation" Ainur S. Kuatova from November 16, 2023, as well as a member of the Board of Directors of "Qazaqstan Investment Corporation" joint stock company inclusive.

On December 4, 2023, the Sole Shareholder of the Corporation has resolved (minutes of the in-person meeting of the Board of "Baiterek" National Managing Holding" Joint-Stock Company No.45/23) to elect Yerbolat B. Zholat as Chairman of the Board of "Qazaqstan Investment Corporation" joint stock company with a term of office until the expiration of the term of office of the Management Board of the Corporation as a whole and a member

of the Board of Directors of the Corporation with a term of office until the expiration the term of office of the Board of Directors of the Company as a whole.

Also, from December 4, 2023, according to the statement of A. B. Mukhamedzhanov, his powers as Chairman of the Board of Directors of "Qazaqstan Investment Corporation" joint stock company have been terminated.

INFORMATION ABOUT INDEPENDENT DIRECTORS

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

During 2023, the following independent directors served on the Board of Directors of the Corporation:

- **Nicholas Robert Page**;
- **Elisabetta Capannelli** (from February 23, 2023 to November 16, 2023);
- **Serik Kandykbayev** (until June 1, 2023);
- **Anna Fokina** (since June 21, 2023);
- **Marcia Elizabeth Christian Favale** (since November 17, 2023).





INFORMATION ABOUT MEETINGS OF THE BOARD OF DIRECTORS

In 2023, 13 in-person meetings of the Board of Directors and 7 absentee meetings of the Board of Directors were held, among the most important decisions taken:

- On making a resolution on the participation of Qazaqstan Investment Corporation joint stock company in the newly created direct investment fund "Almaty Creative Industries Venture Capital Fund" and approving the main conditions (parameters) of the direct participation of Qazaqstan Investment Corporation joint stock company in the direct investment fund "Almaty Creative Industries Venture Capital Fund".
- On making a resolution on the participation of Qazaqstan Investment Corporation joint stock company in the newly created direct investment fund "TVM Healthcare SEA Fund" and approving the main conditions (parameters) of the direct participation of Qazaqstan Investment Corporation joint stock company in the direct investment fund "TVM Healthcare SEA Fund".
- On preliminary consideration of issues on approval of the audited annual consolidated financial statements of Qazaqstan Investment Corporation joint stock company for the year ended December 31, 2022, payment of dividends on common shares based on the results of 2022, appeals of the Sole Shareholder of Qazaqstan Investment Corporation joint stock company to the actions of Qazaqstan Investment Corporation

joint stock company and its officials, as well as the amount and composition of paid and accrued remuneration to members of the Board of Directors and Qazaqstan Investment Corporation joint stock company.

- On the approval of the report on the sustainable development of "Qazaqstan Investment Corporation" joint stock company for 2022.
- On approval of the audit report "Assessment of the corporate governance system in "Qazaqstan Investment Corporation" joint stock company" and the plan of corrective and (or) preventive actions based on the results of the audit "Assessment of the corporate governance system in "Qazaqstan Investment Corporation" joint stock company".
- On approval of the Development Strategy of "Qazaqstan Investment Corporation" joint stock company for 2024–2033.

According to the approved Work Plan of the Board of Directors for 2023 (Minutes No. 19/22 of the in-person meeting of the Board of Directors dated 12/15/2022), 48 issues were scheduled to be considered in 2023.

All issues have been considered from the Work Plan of the Board of Directors of the Corporation for 2023.

EVALUATION OF THE ACTIVITIES OF THE BOARD OF DIRECTORS

On December 15, 2022, the Board of Directors of the Corporation (Minutes No. 19/22) decided to evaluate the activities of the Board of Directors of the Corporation and its committees for 2022 by means of a questionnaire, in accordance with the requirements of internal regulatory documents of the Corporation by June 1, 2023.

The report was reviewed and approved by the decision of the Board of Directors of the Corporation dated May 29, 2023 (Minutes No. 07/23).

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

STRENGTHS OF THE BOARD OF DIRECTORS

- The Board of Directors pays sufficient attention to and is focused on achieving its goals and protecting the interests of the Corporation and its Sole Shareholder when making decisions;
- The Board of Directors has all the necessary tools for proper control over the Corporation's financial and economic activities;
- The Board of Directors conducts regular monitoring and evaluation of the Corporation's strategic objectives, execution and approval of plans, budget and performance;
- The Board of Directors and the executive body pay full attention to the main risks that may have a significant impact on the activities of the Corporation;
- The Board of Directors performs its duties well in evaluating the work of the first head and members of the executive body;
- Members of the Board of Directors shall receive duly prepared materials on the agenda items of the meeting of the Board of Directors;

- The Board of Directors has sufficient time and information to make important decisions in an informed manner regarding future goals, strategy, policies, major investment projects, senior management appointments, etc.;
- The size of the Board of Directors fully meets the needs of the Corporation;
- The leadership of the Chairman of the Board of Directors is effective at a high level of the Board of Directors;
- The composition of the Board of Directors (in terms of the knowledge and experience of its members) enables the latter to fulfill the responsibilities of oversight and strategy formulation of the Corporation;
- The joint work of the members of the Board of Directors is quite effective. The Board of Directors is effective as a collegial body and the expression of dissenting views by directors is encouraged;
- The board represents all the necessary skills and knowledge, as well as a diversity of opinions and approaches;
- Meetings of the Board of Directors are held in accordance with the Work Plan of the Board of Directors;
- Meetings of the Board of Directors are conducted in such a way as to ensure an open exchange of views, active participation of the members of the Board of Directors and timely resolution of issues;
- Reports during Board meetings provide clear enough information to make informed decisions;
- At the meetings of the Board of Directors, sufficient time is given to discuss each issue;
- Board members devote sufficient time to learning about the Corporation's operations and its specifics in order to effectively fulfill their oversight responsibilities;
- The members of the Board of Directors shall disclose their interest in transactions and abstain from voting in such cases;
- The Chairman of the Board of Directors participates in the process of assuming office and adaptation of newly elected members of the Board of Directors.

STATISTICS ON ATTENDANCE BY MEMBERS OF THE BOARD OF DIRECTORS OF IN-PERSON MEETINGS OF THE BOARD OF DIRECTORS OF THE CORPORATION IN 2023:

Full name	Participation	%
A. Mukhamedzhanov	9/9	100 %
V. Son	12/13	91%
A. Kumatova	9/9	100 %
N. Page	13/13	100 %
S. Kandykbayev	5/5	100 %
E. Capannelli	8/8	100 %
A. Fokina	8/8	100 %
M. Favale	4/4	100 %
Ye. B. Zholat	4/4	100 %

- Areas for improving the activities of the Board of Directors in the current year:

  - Provide the members of the Board of Directors of the Corporation with some form of defense in the event of liability of the members of the Board of Directors;
  - Participation of the Chairman of the Board of Directors in the process of taking office and adaptation, newly elected members of the Board of Directors.

- In general, almost all the results of evaluating the activities of the Board of Directors have improved compared to 2022. The Corporation has strengthened the role of the Board of Directors in making key decisions:

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

COMMITTEES OF THE BOARD OF DIRECTORS

Committees are permanent advisory bodies of the Board of Directors of the Corporation, which are formed by decision of the Board of Directors. In their activities, the Committees are fully accountable to the Board of Directors of the Corporation and act within the powers granted to them by the Board of Directors of the Corporation and regulated by the relevant Regulations.

- To consider the most important issues and prepare recommendations to the Board of Directors, the Corporation has established and operates the following committees:

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

Audit and Risk Committee

The main purpose of the Audit and Risk Committee, in accordance with the Regulations on the Audit and Risk Committee, is to create a system of measures to organize internal control over the functioning of all divisions of the Corporation and develop appropriate recommendations for the Board of Directors of the Corporation, assist the Board of Directors in carrying out its regulatory and supervisory functions in the field of control over the availability and functioning of an adequate risk management system, as well as improving and strengthening the risk management and analysis system.

According to the Regulations on the Audit and Risk Committee, the quantitative composition of the Committee is determined in the number of at least 3 people. The Chairman of the Audit Committee is elected from among its members. The Chairman of the Management Board cannot perform the duties of the Chairman of the Audit Committee.

A director who is not independent may be elected to the Committee if the Board of Directors exceptionally decides that the person's membership in the Audit Committee is necessary in the interests of the Sole Shareholder and/or the Corporation.

As a member of the Audit and Risk Committee, at least one of its members must have in-depth knowledge in the field of accounting and reporting and/or finance and/or auditing.

The activities of the Audit and Risk Committee are aimed at assisting the Board of Directors on issues of external and internal audit, financial reporting, internal control and risk management, compliance with legislation, as well as other issues on behalf of the Board of Directors.

COMPOSITION OF THE AUDIT AND RISK COMMITTEE

Audit and Risk Committee	As of 01.01.2023	As of 31.12.2023
Chairman of the Committee	N.R. Page	N.R. Page
Member of the Committee	S.A. Kandykbayev	A.T. Fokina
Member of the Committee	V.V. Son	V.V. Son
Member of the Committee (from February 23 to November 16)	–	E. Capannelli
Member of the Committee (since November 21)	–	M. Favale

- In 2023, 9 meetings of the Committee were held. 33 issues were considered, including:

  - On preliminary consideration of the audit report "Assessment of the internal Control system" and the plan of corrective and (or) preventive actions to assess the internal control system of Qazaqstan Investment Corporation joint stock company.
  - On the preliminary review of the report on the activities of the Ombudsman of Qazaqstan Investment Corporation joint stock company for 2022.
  - On preliminary consideration of issues on approval of the audited annual consolidated financial statements of Qazaqstan Investment Corporation joint stock company for the year ended December 31, 2022, payment of dividends on common shares based on the results of 2022, appeals of the Sole Shareholder of Qazaqstan

- Investment Corporation joint stock company to the actions of Qazaqstan Investment Corporation joint stock company and its officials, as well as the amount and composition of paid and accrued remuneration to members of the Board of Directors and Qazaqstan Investment Corporation joint stock company.

  - On the preliminary review of reports on the activities of the Anti-Corruption Compliance Service of Qazaqstan Investment Corporation joint stock company.
  - On the preliminary review of the matrix of business processes, risks and controls of Qazaqstan Investment Corporation joint stock company for 2024.
  - Preliminary review of QIC risk reports.
  - Review of regular reports on the activities of QIC Internal Audit Service.

PARTICIPATION IN MEETINGS OF MEMBERS OF THE AUDIT AND RISK COMMITTEE IN 2023

Members of the Committee	Nº 1/23	Nº 2/23	Nº 3/23	Nº 4/23	Nº 5/23	Nº 6/23	Nº 7/23	Nº 8/23	Nº 9/23
	21.02	13.03	26.04	25.05	09.08	13.09	19.10	8.11	19.12
N.R. Page	+	+	+	+	+	+	+	+	+
S.A. Kandykbayev	+	+	+	+		+	+	+	+
A.T. Fokina					+	+	+	+	+
E. Capannelli		+	+	+	+	+	+	+	
M. Favale									+
V.V. Son	–	+	+	–	–	+	+	+	+

+ participated in person, - was not present, empty cell – is not a member of the Committee



Nominations, Remunerations and Social Issues Committee

The main purpose of the HR, Remuneration and Social Affairs Committee is to develop objective recommendations for the Board of Directors of the Corporation on the criteria for the selection and compliance of persons on the Board

of the Corporation, evaluation of the work and remuneration of persons on the Board of Directors, the Management Board, persons accountable to the Board of Directors, as well as on the basic principles of the Corporation's policy in the field of human resources, motivation, remuneration and social issues.

COMPOSITION OF THE NOMINATIONS, REMUNERATIONS AND SOCIAL ISSUES COMMITTEE

Nominations, Remunerations and Social Issues Committee	As of 01.01.2023	As of 31.12.2023
Chairman of the Committee	S.A. Kandykbayev	A.T. Fokina
Member of the Committee	N.R. Page	N.R. Page
Member of the Committee	V.V. Son	V.V. Son
Member of the Committee (from February 23 to November 16)	–	E. Capannelli
Member of the Committee (since November 21)	–	M. Favale

In 2023, 10 in-person meetings of the Committee were held, and 28 issues were considered, including:

- On preliminary consideration of the issue of evaluating the activities of the Board of Directors of Qazaqstan Investment Corporation joint stock company and its committees for 2022;
- On considering the regular performance reports of QIC Corporate Secretary;
- On the preliminary review of the report on the activities of the Ombudsman of Qazaqstan Investment Corporation joint stock company for 2022.

- On preliminary consideration of amendments to the Code of Business Ethics of Qazaqstan Investment Corporation joint stock company.
- On preliminary consideration of an addendum to the List of documents regulating the internal activities of Qazaqstan Investment Corporation joint stock company, subject to approval/consideration by the Board of Directors, and amendments and additions to the Rules for Selecting Candidates for Vacant Positions of the Internal Audit Service and Corporate Secretary, accountable and/or subordinate to the Board of Directors of Qazaqstan Investment Corporation joint stock company.

PARTICIPATION IN MEETINGS OF MEMBERS THE HUMAN RESOURCES, REMUNERATION AND SOCIAL AFFAIRS COMMITTEE IN 2023

Members of the Committee	No. 1/23 21.02	No. 2/23 13.03	No. 3/23 26.04	No. 4/23 18.05	No. 5/23 25.05	No. 6/23 09.08	No. 7/23 13.09	No. 8/23 19.10	No. 9/23 8.11	No. 10/23 19.12
N.R. Page	+	+	+	+	+	+	+	+	+	+
S.A. Kandykbayev	+	+	+	+	+					
A.T. Fokina						+	+	+	+	+
E. Capannelli		+	+	+	+	+	+	+	+	
M. Favale										+
V.V. Son	–	+	+	–	–	–	+	+	+	+

+ participated in person, - was not present, empty cell – is not a member of the Committee

Strategic Planning and Corporate Development Committee

The main purpose of the Strategic Planning Committee is to prepare recommendations to the Board

of Directors on the development of strategic goals (development strategy) Corporations, including issues related to the development of measures that contribute to improving the efficiency of the Corporation's activities in the medium and long term.

THE COMPOSITION OF THE STRATEGIC PLANNING AND CORPORATE DEVELOPMENT COMMITTEE

Strategic Planning and Corporate Development Committee	As of 01.01.2023	As of 31.12.2023
Chairman of the Committee	N.R. Page	E. Capannelli. (from February 23 to November 16) M. Favale (from November 21)
Member of the Committee	S.A. Kandykbayev	A.T. Fokina
Member of the Committee	V.V. Son	V.V. Son
Member of the Committee	–	N.R. Page

In 2023, 19 meetings of the Strategic Planning Committee were held and 25 issues were considered, including:

- On preliminary consideration of amendments to the Procedure and Conditions for Direct Financing of Kazyna Capital Management JSC and/or its subsidiaries, a list of documents regulating the internal activities of Baiterek Venture Fund JSC, subject to approval by the Sole Shareholder, and Programs for financing manufacturing industry projects within the framework of the Concept of Industrial and Innovative Development of the Republic of Kazakhstan for 2021–2025 at the expense of the Republican budget.
- On preliminary consideration of issues on amendments to the basic terms of participation of Qazaqstan Investment Corporation joint stock company in the direct investment fund KCM Sustainable Development Fund I. C.V., on increasing the obligations of Qazaqstan Investment Corporation joint stock company by an amount of ten percent or more of its equity and on concluding a transaction, in the commission of which Qazaqstan Investment Corporation joint stock company has an interest in.
- On preliminary consideration of the participation of Qazaqstan Investment Corporation joint stock

- company in the newly created direct investment fund "Almaty Creative Industries Venture Capital Fund" and the main conditions (parameters) of the direct participation of Qazaqstan Investment Corporation joint stock company in the direct investment fund "Almaty Creative Industries Venture Capital Fund".
- On preliminary consideration of the participation of Qazaqstan Investment Corporation joint stock company in the newly created direct investment fund "TVM Healthcare SEA Fund" and the main conditions (parameters) of the direct participation of Qazaqstan Investment Corporation joint stock company in the direct investment fund "TVM Healthcare SEA Fund".
- On the preliminary review of the report on the implementation of the Development Plan of Qazaqstan Investment Corporation joint stock company" for 2019–2023 for 2022.
- On the preliminary review of the report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company for 2022.
- On the preliminary review of the Report on the strategic portfolio of Qazaqstan Investment Corporation joint stock company for the HY1 of 2023.

PARTICIPATION IN MEETINGS OF THE MEMBERS OF STRATEGIC PLANNING AND CORPORATE DEVELOPMENT IN 2023

Members of the Committee	N° 1/23	N° 2/23	N° 3/23	N° 4/23	N° 5/23	N° 6/23	N° 7/23	N° 8/23	N° 9/23
	21.02	13.03	26.04	25.05	09.08	13.09	19.10	8.11	19.12
N.R. Page	+	+	+	+	+	+	+	+	+
S.A. Kandykbayev	+	+		+					
A.T. Fokina					+	+	+	+	+
E. Capannelli		+	+	+	+	+	+	+	
M. Favale									+
V.V. Son	–	+	+	–	–	+	+	+	+

+ participated in person, - was not present, empty cell – is not a member of the Committee

FORMATION OF THE BOARD OF DIRECTORS, THE PROCESS OF SELECTING MEMBERS OF THE BOARD OF DIRECTORS

The personal and quantitative composition of the Board of Directors is determined by the decision of the Sole Shareholder. The formation of the Board of Directors and the selection process for members of the Board of Directors, including independent directors, is carried out in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Charter,

the QIC Corporate Governance Code, the Regulations on the QIC Board of Directors.

As of December 31, 2023, the Board of Directors consisted of 5 members – a representative of the Sole Shareholder, a representative of QIC and 2 independent directors.

EVALUATION OF THE ACTIVITIES OF THE BOARD OF DIRECTORS

On December 15, 2022, the Board of Directors of the Corporation decided (Minutes No. 19/22) to evaluate the activities of the Board of Directors of the Corporation and its committees, as well as the activities of the members of the Board of Directors of the Corporation for 2023 on their own, by means of a questionnaire.

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

**Strengths of the Board of Directors** (based on the questionnaire issues with an average score of more than 3.7 points):

- The Board of Directors pays sufficient attention to and is focused on achieving its goals and protecting the interests of the Corporation and its Sole Shareholder when making decisions;

- The Board of Directors performs its duties well in evaluating the work of the first head and members of the executive body (has the Board of Directors determined the main indicators of profitability of the Corporation in order to assess the effectiveness of the executive body on this basis);
- Members of the Board of Directors shall receive duly prepared materials on the agenda items of the meeting of the Board of Directors;
- The size of the Board of Directors meets the needs of the Corporation;
- effective leadership of the Chairman of the Board of Directors;
- The composition of the Board of Directors (in terms of the knowledge and experience of its members) enables the latter to fulfill the responsibilities of oversight and strategy formulation of the Corporation;

- effective joint work of the members of the Board of Directors. The Board of Directors is effective as a collegial body and the expression of dissenting views by directors is encouraged;
- Meetings of the Board of Directors are held in accordance with the Work Plan of the Board of Directors;
- Board members devote sufficient time to learning about the Corporation's operations and its specifics in order to effectively fulfill their oversight responsibilities;
- The members of the Board of Directors shall disclose their interest in transactions and abstain from voting in such cases;
- The Board of Directors has all the necessary tools for proper control over the Corporation's financial and economic activities;
- The Board of Directors conducts regular monitoring and evaluation of the Corporation's strategic objectives, execution and approval of plans, budget and performance;
- The Board of Directors and the executive body pay full attention to the main risks that may have a significant impact on the activities of the Corporation;
- The Board of Directors has sufficient time and information to make informed important decisions regarding future goals, strategy, policy, major investment projects, appointments to senior management positions, etc.;
- The board represents all the necessary skills and knowledge, as well as a diversity of opinions and approaches;
- Meetings of the Board of Directors are conducted in such a way as to ensure an open exchange of views, active participation of the members of the Board of Directors and timely resolution of issues;
- Reports during Board meetings provide clear enough information to make informed decisions.

**Areas for improving the activities of the Board of Directors** (based on questionnaire issues with an average score of less than 3.5 points):

- Sufficient time is given at the meetings of the Board of Directors to discuss each issue;

- Provide the members of the Board of Directors of the Corporation with some form of defense in the event of liability of the members of the Board of Directors;
- Participation of the Chairman of the Board of Directors in the process of taking office and adaptation, newly elected members of the Board of Directors.
- In general, almost all the results of evaluating the activities of the Board of Directors have improved compared to 2022.
- Special improvements have been made on the following points:
- The Board of Directors pays sufficient attention to and is focused on achieving its goals and protecting the interests of the Corporation and its Sole Shareholder when making decisions;
- Regular monitoring and evaluation by the Board of Directors of the progress of strategic objectives, execution and approval of plans, budget and efficiency of the Corporation's activities;
- The Board of Directors has sufficient time and information to make informed important decisions regarding future goals, strategy, policy, major investment projects, appointments to senior management positions, etc.;
- To a high extent, the Board of Directors and the executive body pay attention to the main risks that can have a significant impact on the activities of the Corporation;
- The size of the Board of Directors meets the needs of the Corporation;
- Meetings of the Board of Directors are conducted in such a way as to ensure an open exchange of views, active participation of the members of the Board of Directors and timely resolution of issues;
- The Board of Directors has all the necessary skills and knowledge, as well as a variety of opinions and approaches.



During the period under review, the Corporation has achieved success in developing its corporate governance system, and work plans for the Board of Directors and committees for the year are drawn up, approved and executed in a timely manner.

The Corporation has strengthened the role of the Board of Directors in making key decisions: determining the Corporation's Strategy, investment and budget planning, establishing a system for motivating

and evaluating management activities, as well as overseeing the Corporation's assets, reliability and effectiveness of risk management systems, internal control, internal audit and corporate governance systems. The norms of internal regulatory documents on the timing of the provision of materials to members of the Board of Directors are observed, the instructions of the Board of Directors are executed, the minutes of the Board of Directors and committees are signed in a timely manner.

MANAGEMENT BOARD

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

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

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

THE COMPOSITION OF THE QIC BOARD (AS OF JANUARY 1, 2023)

Kuatova Ainur Sainovna	Chairman of the Management Board;
Makanalina Gulnara Sabitovna	Deputy Chairman of the Management Board;
Zholat Yerbolat Bauyrzhanuly	Deputy Chairman of the Management Board;
Zhaksymbai Aitugan Akhmetuly	Deputy Chairman of the Management Board;

COMPOSITION OF THE QIC BOARD (AS OF DECEMBER 31, 2023)

Zholat Yerbolat Bauyrzhanuly	Chairman of the Management Board;
Kasenov Arman Bakhytzhanovich	Deputy Chairman of the Management Board;
Beguliyev Timur Yerkinovich	Deputy Chairman of the Management Board;
Baigeldiyev Yelnur Timurovich	Deputy Chairman of the Management Board;
Iskendirov Maksat Baurzhanovich	Managing Director, member of the Management Board.

INFORMATION ON THE ACTIVITIES OF THE MANAGEMENT BOARD AND THE COMMITTEES OF THE MANAGEMENT BOARD

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

In accordance with paragraph 3 of the Regulations for the Preparation, Coordination, Holding of Meetings and Execution of Decisions of the Board of Qazaqstan Investment Corporation joint stock

company, approved by the decision of the Board of the Corporation dated October 19, 2020 (Minutes No. 35/20), meetings of the Board of the Corporation may be regular and extraordinary. The next meeting of the Management Board is held on the second working day of each week. If necessary, at the discretion of the Chairman of the Management Board, the date of the next meeting of the Management Board may be postponed to another day.



Zholat Yerbolat Bauyrzhanuly

Chairman of the Management Board, member of the Board of Directors of QIC since December 4, 2023.

Yerbolat Zholat (born in 1981) graduated from S. Toraighyrov Pavlodar State University in 2002 with a degree in Law, in 2016 from Karaganda Economic University of Kazpotrebsoyuz with a degree in Economics and Business. In 2020, he was awarded a Master's degree in Business Administration from Almaty Management University (Almaty) and the qualification of Master of Business Administration – Master of Business Administration at St. Petersburg State University. Candidate of Law Sciences. He has 20 years of experience in the field of law and corporate governance. Since 2010, he has been working in various positions in the corporate sector in groups of companies such as Halyk Bank of Kazakhstan JSC, NC Kazakhstan Temir Zholy JSC. In 2015, he began working in the Baiterek Holding Group of companies, where he worked before joining Qazaqstan Investment Corporation JSC in 2020, namely: from 2019 to 2020 – Director of the Legal Department of QazTech Ventures Joint Stock Company, from 2020 to 2021 – Managing Director of QIC.

Part-time job: no part-time job.

Ownership of shares of the Company and its subsidiaries: does not own.

Participation in the work of the Committee under the Board of Directors: does not participate.

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



Kasenov Arman Bakhytzhanovich

Deputy Chairman of the Management Board since December 25, 2023.

Arman Kasenov (born in 1982) graduated from Al-Farabi Kazakh National University in 2002 with a degree in International Economic Relations, London Business School in 2007 with a degree in Finance, as well as Judge Business School, University of Cambridge under the Eurasia Business Executive & Leadership Program.

Positions held in the last 3 years:

from November 2016 to October 2023 – General Director of "Primeboard Kazakhstan" Limited Liability Partnership;

from 2014 to 2016 – General Director, "DK-Investment" LLP.

from January to December 2023 – co-author of corpfm.report;

from 2018 to December 2023 – Co-founder Auto.kz, Leopart.kz.

Arman Kassenov has more than 19 years of experience in finance, financial analysis, risk management and banking. Work experience in senior positions is 5 (five) years.

A.B. Kassenov has experience in analyzing, structuring and monitoring projects, supervised corporate lending in one of the project directorates.

Part-time job: no part-time job.

Ownership of shares of the Company and its subsidiaries: does not own.

Participation in the work of the Committee under the Board of Directors: does not participate.

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



Beguliyev  
Timur  
Yerkinovich

**Deputy Chairman of the Management Board since December 22, 2023.**

Timur Beguliyev (born in 1984) graduated from KIMEP in 2005 with a degree in Business Administration, as well as from George Washington University in 2007 with a degree in Finance.

Positions held in the last 3 years:

from January 2022 to October 2023 – CEO at Warp Capital Management (Astana);

from March 2011 to August 2020 – Deputy Chairman of the Management Board at Kazyna Capital Management JSC.

T. Beguliyev has more than 18 years of experience in the field of finance, financial analysis of activities and investments. Over the years, he oversaw such areas as treasury, corporate finance, accounting, budgeting and planning, human resource management, information technology and procurement. He has experience in structuring investment projects and risk management. Work experience in senior positions is 12 (twelve) years.

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

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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



Baigeldiyev  
Yelnur  
Timurovich

**Deputy Chairman of the Management Board since December 22, 2023.**

Yelnur Baigeldiyev (born in 1987) graduated from the E.A. Buketov KarSU. in 2012 with a degree in Law, KazNITU named after K.I. Satpayev in 2017 with a degree in Economics and Business, Kazakh University of Humanities and Law with a degree in Finance.

Positions held in the last 3 years:

From February 2017 to July 2020 – Corporate Secretary of the "National Atomic Company "Kazatomprom" Joint Stock Company;

from October 2020 to April 2022 – Director of the limited liability partnership "MerCor Munai";

From April 2022 to April 2023 – Deputy General Director for Finance of the "KazAvtoZhol" Limited Liability Partnership.

Baigeldiyev Yelnur has more than 12 years of experience in finance, strategic planning and project monitoring. He has experience in implementing Lean manufacturing tools. Work experience in senior positions is 10 years.

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

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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



Iskendirov  
Maksat  
Baurzhanovich

**Managing Director, Member of the Management Board since April 3, 2023.**

Maksat Iskendirov (born in 1989) graduated from the Kazakhstan Institute of Management, Economics and Forecasting in 2010 with a degree in Finance, and completed his studies at M.V. Lomonosov Moscow State University in 2012. (Almaty).

From 2017 to March 2023, he worked at the Development Bank of Kazakhstan JSC: from 2017 to 2019 – Chief Risk Manager of the Credit Risk Department; from 2019 to 2021 – Head of the Credit Risk Department, from April 2021 to March 2023 – Director of the Credit Risk Department.

In total, Iskendirov M.B.'s work experience in the field of risk management is more than 13 years.

**Part-time job:** no part-time job.

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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





## Kuatova Ainur Sainovna

**Chairman of the Management Board, member of the Board of Directors of QIC until November 16, 2023.**

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

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

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

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

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

**Part-time job:** no part-time job.

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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

**Citizenship** – the Republic of Kazakhstan.

## Zhaksymbai Aitugan Akhmetuly

**Deputy Chairman of the Board of QIC until May 19, 2023, from November 1 to November 20, 2023.**

Aitugan Zhaksymbai (born in 1989) is a graduate of Nottingham University, where he received a bachelor's degree in Economics and Finance, and is a CFA candidate of the III level. He has more than 9 years of experience in corporate finance, private equity, and M&A transactions in both the private and public sectors.

Prior to joining QIC, A. Zhaksymbai supervised investment activities in Baiterek Venture Fund JSC with assets under management of more than \$ 200 million. He has structured

the financing of investment projects in a number of industries, including energy, utilities, automotive, agriculture, food industry and infrastructure development. From 2019 to 2022 – Deputy Chairman of the Board of Baiterek Venture Fund Joint-Stock Company.

**Part-time job:** no part-time job.

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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

## Ismagambetov Adil Mukhtarovich

**Deputy Chairman of the Board of QIC from June 8 to October 31, 2023.**

Adil Ismagambetov (born 1982) is a graduate of L.N. Gumilev Eurasian National University and T.Ryskulov Kazakh University of Economics.

He has more than 20 years of work experience, including 10 years in senior positions.

In the last three years, Adil Mukhtarovich has held the following positions:

from April 2017 to November 2022 – Managing Director of the Development Bank of Kazakhstan Joint-Stock Company;

from January to March 2023 – Director of the Methodology and New Products Department, Director of the Program Financing Department of the Damu Entrepreneurship Development Fund Joint Stock Company;

from March to June 2023 – Deputy Chairman of the Board of Kazcenter of Public-Private Partnership Joint-Stock Company.

**Part-time job:** no part-time job.

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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

## Makanalina Gulnara Sabitovna

**Deputy Chairman of the Board of QIC until December 11, 2023.**

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

**Part-time job:** no part-time job.

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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

## Zhakanova Moldir Yerlankyzy

**Deputy Chairman of the Management Board since August 10, 2023.**

Moldir Zhakanova (born in 1992) holds a bachelor's degree from Queen Mary University of London in Environmental Protection, as well as a master's degree from University College London in Sustainable Development.

Positions held in the last 3 years: from January 2020 to October 2021 – Director of the Department of International Cooperation and PR of Qazaqstan Investment Corporation joint stock company;

From October 2021 to July 2023 – Managing Director of Qazaqstan Investment Corporation joint stock company.

Part-time job: no part-time job.

**Ownership of shares of the Company and its subsidiaries:** does not own.

**Participation in the work of the Committee under the Board of Directors:** does not participate.

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

By the decision of the Board of Directors of the Corporation dated December 22, 2023 (Minutes No. 18/23), the powers of M.E. Zhakanova were terminated on December 4, 2023.

In 2023, 64 meetings of the Corporation's Management Board were held, 212 issues on the Corporation's activities were considered. In particular, the issues of determining the priority areas of the Corporation's activities, the organization of corporate governance, issues related to the activities of QIC subsidiaries, financial and economic issues, etc. were considered. During the reporting period, the meetings of the Management Board considered both strategic and current issues of activity within its competence in accordance with the QIC charter and the Regulations on the Management Board.

The following permanent committees have been established under the Management Board of the Corporation, which consider issues related to various aspects of operational activities and make recommendations to the Management Board on their effective solution:

- Investment Committee;
- Activity Planning and Evaluation Committee;
- The Strategy and Corporate Development Committee.

## INVESTMENT COMMITTEE

The main purpose of the Investment Committee is the planning and organization of investment activities, consideration of Corporation's risk management and management of the liquid (treasury) portfolio of the Corporation exclusively within the framework of the investment activities of the Corporation, in accordance with the internal regulatory documents of the Corporation.

The main task of the Committee is to develop recommendations on the formation of an effective

investment (strategic) and liquid (treasury) portfolio of the Corporation, ensuring its compliance with the parameters defined by the Investment Policy and other internal regulatory documents of the Corporation, reviewing the results of monitoring the activities of the Corporation in terms of managing the strategic and liquid (treasury) portfolios of the Corporation.

During the reporting period, the Investment Committee held 43 meetings and considered 73 issues.

## ACTIVITY PLANNING AND EVALUATION COMMITTEE

The objectives of the activity of the Planning and Evaluation Committee are to ensure high-quality planning and control of the execution of the budget and the development plan of the Corporation.

The main tasks of the Committee are the development and implementation of the current budget policy of the Corporation, consideration of planned income and expenditure indicators for the planned period, coordination of actions of structural divisions and employees of the Corporation when planning budget indicators and the development plan of the Corporation, monitoring and control of the implementation of approved parameters of the budget and the development plan of the Corporation for the planned period and development of proposals on them.

During the reporting period, the Activity Planning and Evaluation Committee held 22 meetings and considered 36 issues.

## STRATEGY AND CORPORATE DEVELOPMENT COMMITTEE

The main purpose of the Strategy and Corporate Development Committee is to plan and organize activities to improve the effectiveness of the Corporation's development strategy, ensure the improvement of the corporate governance system, and implement sustainable development in the activities of the Corporation and its subsidiaries, in accordance with their internal regulatory documents.

The main task of the Committee is to develop recommendations and monitor the results of the activities of the Corporation and its subsidiaries in terms of implementing the development strategy, introducing sustainable development into activities, and improving the corporate governance system.

In the reporting period, the Strategy and Corporate Development Committee held 28 meetings and considered 49 issues.

## ORGANIZATIONAL STRUCTURE

QIC is constantly working to improve the efficiency of its activities, taking into account the strategic priorities of the Corporation, including through the formation of an optimal and dynamic organizational structure. Corporations and the creation of conditions for the development of human capital.

The resolution of the Board of "Qazaqstan Investment Corporation" joint stock company dated December 20, 2023 (Minutes No. 02/23) approved the organizational structure and staffing of "Qazaqstan Investment Corporation" joint stock company in new editions. The number of employees of the organization is 70 units.





No.	Name of the structural unit	Information about managers (as of December 31, 2023)
1	Department of Legal Support for Investment Activities	Abzhanov Yerdaulet Akhmetuly
2	Risk Management Department	Sadykov Askat Sakypzhanovich
3	Portfolio Funds Department	Malibekov Abylai Bakdauletovich
4	Department of Captive Funds	Ramazanov Duman Dumangazyevich
5	Department of Strategic Development and International Cooperation	Utepov Miras Bolatovich
6	Accounting and Financial Reporting Department	Kuttybayeva Raukhan Aldiyarovna
7	Treasury Department	
8	Department of Human Resources Management	Tsoi Gennady Vitalievich
9	Department of Economics and Budget Planning	Karsembayeva Kuanysh Yerikovna
10	Operations Department	Makashev Serik Dyusenbaevich
11	Department of Information Technology	
12	Information Security Service	
13	Anti-corruption Compliance Service	Dadanbayev Yerbolat Serikovich
14	Department of Legal Support of Operational Activities	Beiseyeva Assel Maratovna
15	Documentation Support Service	Yeskendirova Aida Kairullova
16	Internal Audit Service	Bashirov Sanjar Amantayuly
17	Corporate Secretary	Izzhanova Zhamila Daurenkyzy
18	Marketing and External Communications Department	Kuralova Karima Maratovna

INFORMATION ABOUT REWARDS

The assessment of the activities and remuneration of senior employees of Qazaqstan Investment Corporation joint stock company has been developed in accordance with the legislation of the Republic of Kazakhstan in order to ensure uniform approaches to remuneration and motivation of the Chairman of the Management Board and members of the Management Board of "Qazaqstan Investment Corporation" joint stock company.

The amount of remuneration based on the results of activities for the reporting period is calculated by the Responsible Department in accordance with the methodology.

Remuneration based on the results of activities for the Reporting period, calculated in accordance with these Rules, is paid after deduction of individual income

tax, pension and other contributions in accordance with the legislation of the Republic of Kazakhstan.

The main condition for the payment of remuneration based on the results of activities for the Reporting period is the availability of net consolidated profit for the reporting Calendar year, calculated taking into account the planned amount for the payment of remuneration, and/or the achievement of the planned financial result.

The total annual remuneration of a Senior Employee based on the results of work for the year should not exceed 6 (six) Official salaries.

Executives who have actually worked as members of the executive body of the Corporation for at least 3 (three) months in the reporting year are eligible to receive remuneration.



Independent directors are paid remuneration according to the decisions of the Sole Shareholder of the Corporation.

The total amount of remuneration accrued to independent directors of the Corporation, including taxes and other mandatory payments for 2023, amounted to 45 574 722 tenge.



SHAREHOLDERS

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

- As of December 31, 2023:
- the number of declared shares is 55 000 000 pieces of common shares;
  - the number of outstanding shares is 53 585 003 ordinary shares;
  - The number of shares in free circulation is 53 585 003.
  - During the reporting period, 35,000 (thirty-five thousand) pieces of common shares were

placed at a price of 1 000 000 (one million) tenge. The method of placement (sale) of shares is among shareholders by right of pre-emptive purchase, the method of payment for the placed shares is in cash. In the reporting period, there were no transactions on the initial placement of shares, repurchase of own shares and their subsequent resale.

SUBSIDIARIES AND AFFILIATES

<div><div>"BAITEREK VENTURE FUND" JSC</div><div></div></div>	
<p><b>Full name:</b> Baiterek Venture Fund Joint Stock Company</p> <p><b>Legal address:</b> Republic of Kazakhstan, Astana, Esil district, ZO5T3E2, Mangilik El Avenue, building 55A.</p> <p><b>Actual address:</b> Republic of Kazakhstan, Astana, Esil district, ZO5T3E2, Mangilik El Avenue, building 55A.</p> <p><b>Number (size) of shares (shares of participation in the authorized capital):</b> 100% stake in Qazaqstan Investment Corporation JSC.</p>	<p><b>Type of activity:</b> carries out direct investments in promising companies in the non-resource sector of the economy of Kazakhstan at the stages of launch, growth and maturity.</p> <p><b>Information about the first head:</b> Chairman of the Board Kutbai Zhandar Berikovich.</p> <p>In 2023, the Corporation invested in Baiterek Venture Fund JSC in the amount of 15,000,000 thousand tenge.</p>
<div><div>"BV MANAGEMENT" LLP</div><div></div></div>	
<p><b>Full name:</b> BV Management Limited Liability Company.</p> <p><b>Legal address:</b> Republic of Kazakhstan, Astana, Esil district, ZO5T3E2, Mangilik El Avenue, building 55A.</p> <p><b>Actual address:</b> Republic of Kazakhstan, Astana, Esil district, ZO5T3E2, Mangilik El Avenue, building 55A.</p> <p><b>Number (size) of shares (shares of participation in the authorized capital):</b> 100% of the participation of Qazaqstan Investment Corporation JSC.</p>	<p><b>Type of activity:</b> The company is a private equity management company and acts as a General Partner for the DBK Equity Fund CV. and KCM Sustainable Development Fund I C.V.</p> <p><b>Information about the first head:</b> Director General Aubakirov Duman Bauyrzhanuly.</p> <p>In 2023, QIC made investments in the amount of KZT 20,154,000 thousand in DBKEF and KCM SDF I.C.V.</p>
<div><div>PRIVATE COMPANY BGLOBAL VENTURES LTD.</div><div></div></div>	
<p><b>Full name:</b> Private company BGlobal Ventures Ltd.</p> <p><b>Legal address:</b> Republic of Kazakhstan, Astana, Esil district, Mangilik El Avenue, building 55A, office 1019, zip code ZO5T3E2.</p> <p><b>Actual address:</b> Republic of Kazakhstan, Astana, Esil district, Mangilik El Avenue, building 55A, office 1019, zip code ZO5T3E2.</p> <p><b>Number (size) of shares (shares of participation in the authorized capital):</b> 100%</p>	<p><b>Type of activity:</b> organization and holding of training and other events in the fields of technological entrepreneurship and technology development.</p> <p><b>Information about the first head:</b> General Director of Absamet Abai Sakenovich.</p> <p><b>The amount of investments directed by the issuer in the reporting year:</b> were not directed.</p>

INFORMATION ABOUT DIVIDENDS

<p>The Corporation is guided by the Procedure for Determining the Amount of Dividends paid by subsidiaries of "Baiterek" National Managing Holding" Joint Stock Company, approved by the decision of the Board of the "Baiterek" National Managing Holding" JSC (Protocol No. 14/14 dated May 11, 2014), which establishes uniform approaches and principles for determining the amount of dividends paid by subsidiaries of "Baiterek" National Managing Holding" JSC.</p>	<p>The terms and procedure for payment of dividends to the Sole Shareholder of the Corporation are regulated by the legislation of the Republic of Kazakhstan, the Charter of the Corporation, as well as the relevant decision of the Sole Shareholder of the Corporation.</p> <p>According to the decision of the Board of "Baiterek" National Managing Holding" JSC dated May 22, 2023 (Minutes No. 19/23), by the end of 2023, the Corporation paid dividends in the amount of 1 775 718 thousand tenge.</p>
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INFORMATION ABOUT MAJOR TRANSACTIONS

There were no major deals in the QIC reporting year.

INFORMATION POLICY

<p>The disclosure of information by "Qaqzaqstan Investment Corporation" JSC is carried out in accordance with the legislation of the Republic of Kazakhstan, the QIC Charter, the Information Policy approved by the QIC Board in 2018 and other QIC internal documents.</p> <p>QIC's information policy is based on the principles of regularity, efficiency, accessibility, reliability, objectivity, equality and security of information resources.</p> <p>According to the information policy of QIC, in order to protect the rights and interests of the Sole Shareholder and investors of the Corporation, QIC provides access to information about the Corporation, in accordance with the procedure provided for by the legislation of the Republic of Kazakhstan, Information Policy and other documents of the Corporation.</p> <p>QIC provides information about corporate events of the Corporation to the Sole Shareholder and investors</p>	<p>of the Corporation in accordance with the requirements of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and (or) the Law of the Republic of Kazakhstan "On the Securities Market", other regulatory legal acts and the Charter of the Corporation.</p> <p>As part of the implementation of the Information Policy, an external communications plan is approved on an annual basis, which includes measures aimed at highlighting the activities of QIC, as well as increasing the level of trust of potential customers and partners of the Corporation.</p> <p>In order to inform the public and stakeholders about the company's activities and maintain QIC's business reputation, during 2023 the Corporation provided communication support for key QIC projects and published 13 materials in the media, 30 materials on the corporate website of the Corporation and 70 publications on the official pages of QIC on social networks.</p>
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## INTERNAL CONTROL AND AUDIT

The QIC Internal Audit Service (hereinafter referred to as the IAS) is organizationally subordinate and accountable to the Board of Directors and is supervised by the Audit Committee of the QIC Board of Directors.

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

The mission of the Internal Audit Service is to preserve and increase the value of the organization by conducting objective internal audits based on a risk-based approach, providing recommendations and sharing knowledge.

The Internal Audit Service carries out its activities based on the principles of honesty, objectivity, confidentiality and professional competence.

The main tasks of the Internal Audit Service are to conduct analysis and evaluation within the framework of audits and consultations:

- reliability and efficiency of the internal control system;
- reliability and effectiveness of the risk management system;
- the effectiveness of the corporate governance system and the process of its improvement, compliance with ethical standards and values.
- compliance with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements (compliance control);
- implementation of decisions of the Corporation's bodies and regulations (proposals) of authorized (supervisory) state bodies;
- sufficiency and/or effectiveness of the business processes carried out by the structural divisions of the Corporation, measures to achieve the tasks assigned to them within the framework of the strategic goals of the Corporation;
- rationality and efficiency of the use of resources and the methods (methods) used to ensure the safety of property (assets);

- economic feasibility and efficiency of transactions and transactions;
- reliability, completeness, objectivity of the accounting system and reliability of financial statements and other information of the Corporation.

The Board of Directors of the Corporation annually approves the Annual Audit Plan of the Internal Audit Service based on a risk-based approach. On a quarterly basis, the results of audit engagements, key findings, related recommendations and corrective action plans are presented to the Board of Directors for review. The Internal Audit Service, in carrying out its activities, is guided by:

- The legislation of the Republic of Kazakhstan, the Articles of Association of the Corporation, decisions of the Corporation's bodies, this Regulation on IAS and other internal documents of the Corporation;
- IFPPIA (the Institute of Internal Auditors' International Framework for the Professional Practice of Internal Auditing), whose constituent elements are the definition, mission, core principles of the professional practice of internal auditing, the Code of Ethics for Internal Auditors, the International Standards for the Professional Practice of Internal Auditing, and the practice guidelines and manuals thereto.

In 2023, the Internal Audit Service of the Corporation achieved its goals and fulfilled the tasks assigned to it. Based on the results of its activities in 2023, the Internal Audit Service completed audit assignments, both provided for in the Work Plan for 2023 and unscheduled assignments on behalf of the Board of Directors. We note that according to the results of the year, the objectives and scope of the audit were achieved in accordance with the audit assignment, the audit program and internal regulatory documents of the Internal Audit Service. The recommendations of the Internal Audit Service based on the results of audit assignments for 2023 allow the Corporation and its subsidiaries to improve their activities and minimize inherent risks.



## INTERACTION WITH STAKEHOLDERS

The Corporation strives to build relationships with all stakeholders on a regular, open and dialogical basis.

The organization of the Corporation's interaction with stakeholders is based on the following principles:

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

The Corporation has developed a Stakeholder Map in order to determine the list of key stakeholders, the degree and impact on QIC. The stakeholder map allows you to systematize and visualize information about the QIC environment in order to develop an effective strategy for working with each of the stakeholders. Identifying stakeholders and working with them is one of the tools that allows you to improve the business reputation of the Corporation, establish effective and balanced relationships with all stakeholders.

The main forms of interaction with stakeholders are: joint programs and projects, contracts, agreements, memorandums of cooperation, joint working groups, activity reporting, meetings, forums, publications, corporate Internet resource, interviews.

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

**PRINCIPLES OF IDENTIFICATION AND SELECTION OF STAKEHOLDERS**

The process of organizing QIC's interaction with stakeholders is based on the principle of engagement, which implies taking into account the interests of stakeholders at all stages of the Corporation's

management process and involving stakeholders in discussing significant topics and important issues, potential risks and boundaries of responsibility.

In turn, engagement is achieved by observing three principles:



**MATERIALITY**

QIC clearly identifies its stakeholders and is aware of which stakeholders' interests are essential



**COMPLETENESS**

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



**RESPONSE**

QIC consistently responds to all significant stakeholder issues

**THE MAIN STAKEHOLDER GROUPS AND MECHANISMS OF INTERACTION WITH THEM**

Groups	Mechanisms of interaction	Interests	Ongoing work
Sole shareholder	<ul style="list-style-type: none"><li>holding meetings of the Board of Directors and committees under the Board of Directors;</li><li>execution of orders of the Sole Shareholder;</li><li>participation in the development and updating of regulatory documents affecting the interests of the Corporation;</li><li>preparing responses to incoming requests;</li><li>publication of financial statements and annual report on a corporate Internet resource, as well as disclosure of other information in accordance with legislation and best practices.</li></ul>	<ul style="list-style-type: none"><li>respect for the interests of the Sole Shareholder of the Corporation;</li><li>implementation of the development strategy;</li><li>transparency and disclosure of information.</li></ul>	<ul style="list-style-type: none"><li>ensuring the exercise of the rights of the Sole Shareholder within the framework of corporate governance principles;</li><li>providing reliable information on the results of the financial and economic activities of the Corporation;</li><li>implementation of the Corporation's Development Strategy;</li><li>implementation of government programs and monitoring of results.</li></ul>

Workers	<ul style="list-style-type: none"><li>functioning of internal communication channels;</li><li>creating optimal working conditions, medical insurance;</li><li>employee benefits;</li><li>training and development.</li></ul>	<ul style="list-style-type: none"><li>competitive wages;</li><li>safe working conditions;</li><li>professional growth;</li><li>high-quality social package (medical insurance, annual paid leave);</li><li>professional development;</li><li>a guarantee of respect for human rights and ethical standards.</li></ul>	<ul style="list-style-type: none"><li>maintaining an open, transparent, personnel policy aimed at the formation of qualified and motivated personnel;</li><li>ensuring equal opportunities for all employees to realize their potential in the course of their work, an impartial and fair assessment of their results, the selection and career development of employees solely on the basis of professional abilities, knowledge and skills;</li><li>Introduction of the Ombudsman Institution;</li><li>support in conducting training and/or improving the skills and competencies of employees;</li><li>conducting cultural corporate events for employees;</li><li>informing employees via e-mail about vacant positions.</li></ul>
Subsidiaries	<ul style="list-style-type: none"><li>conducting round tables/competence centers with subsidiaries;</li><li>correspondence and sending requests to subsidiaries.</li></ul>	<ul style="list-style-type: none"><li>respect for the interests of shareholders/participants.</li></ul>	<ul style="list-style-type: none"><li>the Corporation's exercise of its rights as a shareholder/participant in a subsidiary.</li></ul>
Government agencies	<ul style="list-style-type: none"><li>consideration of program documents, draft regulatory documents affecting the interests of the Corporation;</li><li>payment of taxes to the state budget;</li><li>participation in the implementation of government programs and initiatives;</li></ul>	<ul style="list-style-type: none"><li>government regulation.</li></ul>	<ul style="list-style-type: none"><li>participation in working groups, forums, conferences;</li><li>business correspondence and preparation of responses to requests.</li></ul>
Customers	<ul style="list-style-type: none"><li>publications in the media, on the Internet resource of the Corporation.</li></ul>	<ul style="list-style-type: none"><li>commercial interests;</li><li>social interests.</li></ul>	<ul style="list-style-type: none"><li>posting up-to-date public information about the Corporation and its activities on the Corporation's Internet resource;</li><li>business correspondence, meetings with (potential) clients;</li><li>ensuring compliance with the expectations of consumers of financial products and services of the Corporation and its subsidiaries;</li><li>conclusion of contracts, control over execution.</li></ul>



Suppliers	<ul style="list-style-type: none"><li>conducting purchases and concluding contracts for the purchase of goods, works and services.</li></ul>	<ul style="list-style-type: none"><li>transparent procurement system;</li><li>compliance with commercial agreements.</li></ul>	<ul style="list-style-type: none"><li>conclusion of contracts, control over the execution of contractual relations;</li><li>ensuring a transparent and efficient procurement system;</li><li>preventive measures to combat corruption.</li></ul>
Partners and investors	<ul style="list-style-type: none"><li>holding meetings with representatives of foreign organizations;</li><li>participation in forums, conferences, exhibitions, including within the framework of visits of the Head of State of the Republic of Kazakhstan, the Prime Minister and Deputy Prime Ministers of the Republic of Kazakhstan;</li><li>publication of financial statements and annual report on the Internet resource of the Corporation.</li><li>conducting negotiations and meetings with partners.</li><li>conclusion of agreements and memoranda of cooperation.</li><li>publication of the financial statements of the annual report on the Corporation's website.</li></ul>	<ul style="list-style-type: none"><li>strong financial position;</li><li>sustainable development;</li><li>commercial interests.</li></ul>	<ul style="list-style-type: none"><li>implementation of ESG principles in the activities of the Corporation and its subsidiaries;</li><li>effective financial management;</li><li>business correspondence, meetings with (potential) investors;</li><li>attracting investments for the implementation of projects;</li><li>getting credit ratings;</li><li>mutually beneficial cooperation, improvement of business and technological processes and their automation;</li><li>conclusion of contracts, control over the execution of contractual relations.</li></ul>
Financial institutions	<ul style="list-style-type: none"><li>conducting negotiations and meetings with representatives of financial institutions, rating agencies;</li><li>publication of financial statements, annual report on the Internet resource of the Corporation.</li></ul>	<ul style="list-style-type: none"><li>placement of free funds in deposit accounts, maintenance of special accounts.</li></ul>	<ul style="list-style-type: none"><li>conclusion of contracts, control over the execution of contractual relations;</li><li>improving financial performance.</li></ul>
Portfolio companies	<ul style="list-style-type: none"><li>conducting negotiations and meetings, meetings;</li><li>monitoring, field visits, collection of financial and management documentation;</li><li>press releases, mass media, Internet resource of the Corporation.</li></ul>	<ul style="list-style-type: none"><li>mutually beneficial cooperation;</li><li>contracts;</li><li>agreements.</li></ul>	<ul style="list-style-type: none"><li>conclusion of contracts, control over the execution of contractual relations;</li><li>participation in decision-making in the composition of collegial bodies;</li><li>development of investment policy, regulations and procedures for investment activities, financing conditions.</li></ul>

Mass media	<ul style="list-style-type: none"><li>development of annual media plans;</li><li>holding press conferences and meetings with information recipients;</li><li>posting information about the Corporation's activities in the media, on the Corporation's Internet resource <a href="https://qic.kz/about-the-company/">https://qic.kz/about-the-company/</a>.</li></ul>	<ul style="list-style-type: none"><li>publications and information about the activities of the Corporation.</li></ul>	Organization of information activities by: <ul style="list-style-type: none"><li>communicating the strengths and capabilities of the Corporation to the target audience;</li><li>creating a positive public opinion;</li><li>ensuring transparency of the Corporation's activities through reliable, regular, continuous and timely disclosure of information;</li><li>maintaining Corporation's brand awareness;</li><li>presentation to the public of the results of activities in the main areas of the Corporation's activities;</li><li>providing press releases and arranging interviews;</li><li>placement of reports and other publications.</li></ul>
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## 06. FINANCIAL STATEMENTS

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QIC prepares and publishes consolidated financial statements in accordance with International Financial Reporting Standards.

The audit of the annual financial statements of QIC and its subsidiaries for 2022 was carried out by the independent auditing organization KPMG Audit LLP.

In the opinion of KPMG Audit LLP, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022, as well as

its financial results and cash flows in accordance with International Financial Reporting Standards.

The full text of the consolidated financial statements for 2023 with notes and the report of the independent auditor is available on the QIC website at the link: <https://qic.kz/ru/o-nas/raskrytie-informatsii/finansovaya-otchetnost/>



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023, thousand tenge

	2023	2022 <sup>1</sup>
Interest income calculated using the effective rate method	12,287,407	5,110,131
Interest expense	(1,136,482)	(1,117,843)
<b>NET INTEREST INCOME</b>	<b>11,150,925</b>	<b>3,992,288</b>
Net profit from transactions with financial instruments measured at fair value, changes in which are reflected in profit or loss for the period	1,795,262	12,421,574
Dividend income	108,153	516,709
Net (loss)/income from foreign currency transactions	(88,106)	728,839
Expenses on initial recognition of other loans issued at a below-market rate	(1,822,442)	(786,771)
Net income from transactions with investment financial assets	162,728	73,419
Income from the use of government subsidies	223,942	142,348
Other net operating expenses, net	(422,382)	(307,945)
<b>OPERATING INCOME</b>	<b>11,108,080</b>	<b>16,780,461</b>
Impairment losses on financial assets	(548,793)	(160,781)
Staff costs	(1,616,614)	(1,425,524)
General and administrative expenses	(1,515,965)	(1,163,398)
<b>PROFIT BEFORE TAX</b>	<b>7,426,708</b>	<b>14,030,758</b>
Income tax expense	(3,604,081)	(3,366,223)
<b>PROFIT FOR THE YEAR</b>	<b>3,822,627</b>	<b>10,664,535</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
Revaluation reserve for investment financial assets:		
net change in fair value, net of income tax	41,060	(140,226)
net change in fair value transferred to profit or loss for the period		–
<b>Other comprehensive loss for the year, net of income tax</b>	<b>41,060</b>	<b>(140,226)</b>
<b>Total comprehensive income for the year</b>	<b>3,863,687</b>	<b>10,524,309</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023, thousand tenge

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents*	68,953,306	50,809,859
Assets measured at fair value, changes in which are reflected in profit or loss for the period	173,272,063	170,927,679
- Investments in joint ventures	64,545,153	55,362,132
- Investments in associated enterprises	31,907,356	31,046,848
- Other financial assets	76,819,554	84,518,699
Loans issued to customers	15,991,978	5,368,663
Investment financial assets	8,696,596	3,216,557
Current tax asset	121,908	–
Fixed assets and intangible assets	246,278	229,283
Other assets	29,810	180,119
<b>Total assets</b>	<b>267,311,939</b>	<b>230,732,160</b>
<b>OBLIGATIONS</b>		
Debt securities issued	50,155,972	49,932,305
Government subsidies	1,888,569	2,344,860
Current tax liability	–	871,869
Deferred tax liabilities	587,836	309,699
Other obligations	1,153,904	835,738
<b>Total obligations</b>	<b>53,786,281</b>	<b>54,294,471</b>
<b>EQUITY CAPITAL</b>		
Share capital	147,761,730	112,761,730
Revaluation reserve for investment financial assets	(100,089)	(141,149)
Retained earnings	65,864,017	63,817,108
<b>Total equity</b>	<b>213,525,658</b>	<b>176,437,689</b>
<b>Total liabilities and equity</b>	<b>267,311,939</b>	<b>230,732,160</b>

<sup>1</sup> For information on changes in comparative data, see Note 2 (e) in the Consolidated Financial Statements

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023, thousand tenge**

	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Interest income	10,404,858	5,003,025
Interest paid	(961,371)	(912,287)
Dividends received	108,153	439,427
Staff costs paid	(1,471,519)	(1,094,691)
Other general and administrative expenses (payments)	(1,926,090)	(1,471,462)
Other income	295,587	127,078
<b>(Increase)/decrease in operating assets</b>		
Financial instruments measured at fair value through profit or loss for the period	(635,728)	7,023,877
Loans issued	(12,340,449)	13,362
Amounts to be received from credit institutions	–	496,582
Other obligations	52,007	167,577
<b>Net cash from/ (used in) operating activities before income tax</b>	<b>(6,474,552)</b>	<b>9,792,488</b>
Income tax paid	(3,967,979)	(258,466)
<b>Net cash from/ (used in) operating activities</b>	<b>(10,442,531)</b>	<b>9,534,022</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Procurement of investment financial assets	(5,308,546)	(4,000,000)
Repayment of investment financial assets	607,740	14,018,001
Procurement of fixed assets and intangible assets	(39,087)	(139,663)
Proceeds from the sale of investment property	–	223,700
Net cash flow from/ (used in) investing activities	(4,793,893)	10,102,038
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,775,718)	(1,089,814)
Issue of ordinary shares	35,000,000	5,000,000
Proceeds from debt securities issued	–	–
<b>Net cash flow from financing activities</b>	<b>33,224,282</b>	<b>3,910,186</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,041,858</b>	<b>23,546,246</b>
Cash and cash equivalents at the beginning of the year*	50,809,859	26,909,335
Effect of changes in exchange rates on cash and cash equivalents	101,589	354,278
<b>Cash and cash equivalents at the end of the year (Note 11)</b>	<b>68,953,306</b>	<b>50,809,859</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022, thousand tenge**

	Share capital	Revaluation reserve for investment financial assets	Retained earnings	Total
<b>Balance as of January 1, 2023</b>	<b>112,761,730</b>	<b>(141,149)</b>	<b>63,817,108</b>	<b>176,437,689</b>
Total comprehensive income				
Profit for the year	–	–	3,822,627	3,822,627
<b>Other comprehensive loss</b>				
Items that have been or may be subsequently reclassified to profit or loss:				
Net change in fair value, net of income tax	–	41,060	–	41,060
Total other comprehensive income	–	41,060	–	41,060
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>41,060</b>	<b>3,822,627</b>	<b>3,863,687</b>
<b>Transactions with owners reflected directly in equity</b>				
Dividends declared and paid (Note 16 (b))	–		(1,775,718)	(1,775,718)
Issue of shares (Note 16 (a))	35,000,000	–	–	35,000,000
<b>Total transactions with owners</b>	<b>35,000,000</b>	<b>–</b>	<b>(1,775,718)</b>	<b>33,224,282</b>
<b>Balance as of December 31, 2023</b>	<b>147,761,730</b>	<b>(100,089)</b>	<b>65,864,017</b>	<b>213,525,658</b>
<b>Balance as of January 1, 2022</b>	<b>107,761,730</b>	<b>(923)</b>	<b>54,242,387</b>	<b>162,003,194</b>
<b>Total comprehensive income</b>				
Profit for the year	–	–	10,664,535	10,664,535
<b>Other comprehensive loss</b>				
Items that have been or may be subsequently reclassified to profit or loss:				
Net change in fair value, net of income tax	–	(140,226)	–	(140,226)
Total other comprehensive loss	–	(140,226)	–	(140,226)
Total comprehensive income for the year	–	(140,226)	10,664,535	10,524,309
Transactions with owners reflected directly in equity				
Dividends declared and paid (Note 16 (b))	–	–	(1,089,814)	(1,089,814)
Issue of shares (Note 16 (a))	5,000,000	–	–	5,000,000
<b>Total transactions with owners</b>	<b>5,000,000</b>	<b>–</b>	<b>(1,089,814)</b>	<b>3,910,186</b>
<b>Balance as of December 31, 2022</b>	<b>112,761,730</b>	<b>(141,149)</b>	<b>63,817,108</b>	<b>176,437,689</b>



# Glossary

<b>ADB</b>	Asian Development Bank
<b>JSC</b>	Joint Stock Company
<b>AIC</b>	Agro-industrial complex
<b>DBK</b>	Development Bank of Kazakhstan Joint-Stock Company
<b>RES</b>	renewable energy sources
<b>PPP</b>	public-private partnership
<b>SUBs</b>	subsidiaries
<b>IRD</b>	internal regulatory document
<b>EAEU</b>	Eurasian Economic Union
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EU</b>	European Union
<b>CJSC</b>	closed joint stock company
<b>QIC, Corporation</b>	Qazaqstan Investment Corporation Joint-Stock Company
<b>SMEs</b>	small and medium-sized businesses
<b>UN</b>	The United Nations
<b>RK</b>	The Republic of Kazakhstan
<b>BD</b>	Board of Directors
<b>SKPI</b>	strategic key performance indicator
<b>CIS</b>	Commonwealth of Independent States
<b>LLP</b>	Limited Liability Partnership
<b>PEF</b>	private equity funds
<b>BVF</b>	Baiterek Venture Fund Joint Stock Company
<b>BVM</b>	BV Management Limited Liability Partnership
<b>ESG</b>	Environmental, Social and Management Standards
<b>IRR</b>	Internal rate of return
<b>IT</b>	Information technology
<b>QTV</b>	QazTech Ventures Joint Stock Company
<b>KPPF</b>	Kazakhstan Project Preparation Fund Joint Stock Company
<b>ROA</b>	Return on Assets
<b>ROE</b>	Return on Equity
<b>Private equity</b>	direct investments

# Information for investors

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Annex

REPORT ON COMPLIANCE/NON-COMPLIANCE WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE OF QAZAQSTAN INVESTMENT CORPORATION JSC FOR 2023

The Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter referred to as the Company) was approved by the decision of the Board of Baiterek National Managing Holding JSC (hereinafter referred to as the Holding) dated January 12, 2018 (minutes No. 01/18) (hereinafter referred to as the Corporate Governance Code). The Company's Corporate Governance Code is a set of rules and recommendations that the Company follows in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other stakeholders.

The Company considers a proper corporate governance system as its contribution to ensuring the rule of law in the Republic of Kazakhstan and a factor determining the place of the Company in the modern economy and society as a whole. The corporate governance system provides for a clear separation of powers and responsibilities between the Company's bodies, officials and employees.

The Company's corporate governance is based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence. An effective corporate governance structure implies respect for the rights and interests of all persons

interested in the Company's activities and contributes to the successful operation of the Company.

The fundamental principles of the Corporate Governance Code are:

- the principle of separation of powers;
- the principle of protecting the rights and interests of the Sole Shareholder;
- the principle of effective management of the Company by the Board of Directors and the Management Board;
- the principle of sustainable development;
- the principle of risk management, internal control and internal audit;
- the principle of regulating corporate conflicts and conflicts of interest;
- principles of transparency and objectivity of disclosure of information about the Company's activities.

The principles of corporate governance set forth in the Corporate Governance Code are aimed at creating trust in relations arising in connection with the management of the Company, and are the basis of all the rules and recommendations contained in the Corporate Governance Code.

Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
General provisions			
1.1.	<p>The Corporate Governance Code (hereinafter referred to as the Code) of Qazaqstan Investment Corporation joint stock company (hereinafter referred to as the Company) is a set of rules and recommendations that the Company follows in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other interested parties.</p> <p>The Code was developed in order to ensure compliance of the Company's corporate governance with the relevant standards of the Organization for Economic Cooperation and Development.</p> <p>The Company recommends the implementation of this Code in organizations in which, directly or indirectly, the Company owns more than fifty percent of voting shares or participation interests (subsidiaries).</p> <p>Subsidiaries of the Company in the organizational and legal form of a limited liability partnership are recommended to follow the provisions of this Code in a part that does not contradict the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships".</p>	Maintained	<p>The Company follows the Code, which provides for a set of rules and recommendations, in the course of its activities to ensure efficiency, transparency, accountability, and a high level of business ethics in relations within the Company and with other stakeholders.</p> <p>The Company implements the fundamental principles and provisions of the Code in its subsidiaries (JSC, LLP) by adopting appropriate IRD in them, including corporate governance codes.</p>



Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
1.2.	<p>The objectives of this Code are to improve corporate governance in the Company and its subsidiaries, ensure transparency and management efficiency, and confirm the commitment of the Company and its subsidiaries to follow the standards of good corporate governance.</p> <p>In particular:</p> <ul style="list-style-type: none"><li>the management of the Company and its subsidiaries is carried out in compliance with the principle of legality and an appropriate level of responsibility, a clear separation of powers, accountability and efficiency in order to maximize the value of the Company and other benefits for the Sole Shareholder;</li><li>information disclosure and transparency are ensured, including careful assessment, disclosure and periodic review of goals that justify state participation in Society;</li><li>risk management and internal control systems are functioning properly;</li><li>minimizing the risk of a conflict of interest that may lead to decisions other than those based in the best interests of Society and the general public.</li></ul>	Maintained	<p>In order to comply with the Code and improve corporate governance, the Company and its subsidiaries ensure transparency and efficiency of corporate governance, namely:</p> <ul style="list-style-type: none"><li>the management of the Company and its subsidiaries is carried out in compliance with the principle of legality and an appropriate level of responsibility, a clear separation of powers, accountability and efficiency in order to maximize the value of the Company and other benefits for the Sole Shareholder;</li><li>information disclosure and transparency are ensured, including careful assessment, disclosure and periodic review of goals that justify state participation in Society;</li><li>risk management and internal control systems are functioning properly;</li><li>minimizing the risk of a conflict of interest that may lead to decisions other than those based in the best interests of Society and the general public.</li></ul>
1.3.	<p>The Company conducts an independent assessment of corporate governance at least once every three years, the results of which are posted on the Company's Internet resource</p>	Maintained	<p>In 2022, PricewaterhouseCoopers LLP conducted an independent assessment of the Company's corporate governance system in accordance with the QIC Corporate Governance Diagnostic Methodology, as well as using the provisions and principles of the recommendations of the Organization for Economic Cooperation and Development on corporate governance for organizations with state participation and best international practices in the field of corporate governance.</p> <p>According to the results of the diagnosis, the assessment of compliance of the Company's management with the requirements of the best world practice amounted to 93.81% and there has been an increase since 2021 in the "Structure" component from 83.6% to 95.83%, in the "Processes" component – from 89.1% to 91.67%, in the "Transparency" component – from 91.9% to 94.51%.</p> <p>On February 21, 2023, based on the results of an independent assessment of corporate governance, the Board of Directors approved an Action Plan to improve the corporate governance system of Qazaqstan Investment Corporation for 2023–2025.</p>

Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
1.4.	<p>The Company and its subsidiaries are obliged to strictly comply with the provisions of the Code in their activities. In case of non-compliance, provide explanations in the annual report on the reasons for non-compliance with each of the provisions, periodically (at least once every two years) evaluate (if necessary, an independent assessment) corporate governance and post the relevant results on the Internet resource of the Company and its subsidiary.</p>	Maintained	<p>The action plan provides for 25 events for 2023–2025. By the end of 2023, 18 events were completed with a deadline in 2023.</p> <p>At the same time, 7 events are under execution, the deadline for which has not come.</p> <p>The Holding and its subsidiaries are obliged to strictly comply with the provisions of the Code in their activities.</p>
1.5.	<p>The Company's officials and employees assume the obligations provided for by this Code, including on the basis of relevant agreements with the Company, and undertake to comply with its provisions in the Company and in relations with its subsidiaries.</p>	Maintained	<p>The Company's officials and employees assume the obligations provided for by this Code, including on the basis of relevant agreements with the Company, and comply with its provisions in the Company and in relations with its subsidiaries.</p> <p>Thus, in accordance with labor legislation, contracts have been concluded with employees and officials of the Company and there are job descriptions providing for requirements for compliance with internal regulatory documents of the Company as a whole, including the provisions of the Code.</p>
1.6.	<p>Control over the Company's implementation of this Code is assigned to the Board of Directors of the Company. The Corporate Secretary monitors and advises the Board of Directors and the Executive body of the Company on issues of proper compliance with this Code, as well as prepares an annual report on compliance/non-compliance with its principles and provisions. Subsequently, this report is submitted for consideration by the relevant committee of the Board of Directors, approved by the Board of Directors and included in the Company's annual report.</p>		<p>Control over the Company's implementation of this Code is carried out by the Board of Directors of the Company through an annual review of the report on compliance/non-compliance with the principles and provisions of the Code, which is formed by the Corporate Secretary of the Company, ensuring the effective implementation of the functions assigned to him.</p> <p>The Corporate Secretary of the Company, who, in turn, ensures the effective implementation of the functions assigned to him, including in terms of monitoring proper compliance with the Code, carries out constant work aimed at identifying and eliminating facts of non-compliance with the provisions and principles of the Code in the Company. The results of these activities are presented in this report.</p> <p>The Corporate Secretary of the Company provides advice to the Board of Directors and on a regular basis provides recommendations and proposals to the Management Board of the Company on issues of proper compliance with the Code.</p>

Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
1.6.		Maintained	<p>In 2023, the Corporate Secretary of the Company prepared a report on compliance/non-compliance with the principles and provisions of the Corporate Governance Code of the Company for 2022, previously reviewed by the Strategic Planning and Corporate Development Committee of the Board of Directors of the Company dated May 25, 2023 (Minutes No. 04/23) and approved by the decision of the Board of Directors of the Company dated May 29, 2023 (Minutes No. 07/23).</p> <p>This report was reflected in the Company's annual report for 2022, approved by the decision of the Board of Baiterek NMH JSC dated June 14, 2023 (Minutes No. 23/23).</p>
1.7.	Cases of non-compliance with the provisions of this Code are considered at meetings of the relevant committee of the Board of Directors and the Board of Directors with the adoption of appropriate decisions aimed at further improving corporate governance in the Company and its subsidiaries.	Maintained	The report on compliance/non-compliance with the principles and provisions of the Company's Corporate Governance Code is preliminarily reviewed by the Strategic Planning and Corporate Development Committee of the Company's Board of Directors and approved by a decision of the Company's Board of Directors.
<b>2. The principle of separation of powers</b>			
2.1.	The Sole Shareholder of the Company delimits its powers in order to prevent a conflict of interests that does not contribute to both the interests of the Company and the interests of the Sole Shareholder. The functions of the Sole Shareholder of the Company are carried out in order to ensure the profitability of the Company and its subsidiaries and the implementation of state and government programs in which the Company and its subsidiaries participate.	Maintained	<p>The Company carries out its activities as an independent legal entity in accordance with the distribution of competencies between the bodies of the Company. Decisions on issues referred by the legislation of the Republic of Kazakhstan and the Charter of the Company to the competence of the General Meeting of Shareholders are made by the Sole Shareholder in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company and the Charter of the Sole Shareholder.</p> <p>The Sole Shareholder participates in the management of the Company solely through the exercise of the powers of the Sole Shareholder provided for in the legislative acts of the Republic of Kazakhstan, the charter of the Company and representation in the Board of Directors of the Company.</p>

Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
2.2.	The sole shareholder of the Company grants the Company full operational independence and does not interfere in the operational (current) and investment activities of the Company, except in cases provided for by the legislation of the Republic of Kazakhstan, acts and instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.	Maintained	<p>The Company is a commercial organization, is completely independent, self-governing, has an independent balance sheet, has property separate from the property of the Sole Shareholder, has the right to open its own, including correspondent, bank accounts, can acquire and exercise property and personal non-property rights on its own behalf, bear obligations, be a plaintiff and defendant in court.</p> <p>The main activity of the Company is the implementation of investment activities in accordance with the Charter, internal documents of the Company and the current legislation of the Republic of Kazakhstan.</p> <p>Paragraph 5.2 of Article 5 of the Company's Charter the objectives of the Company's activities are:</p> <ul style="list-style-type: none"><li>● promotion of general investment and innovation activity, development of the direct investment market in Kazakhstan by investing in Private equity Funds;</li><li>● improving the efficiency of interaction between private and public capital in various sectors of the economy of Kazakhstan in order to create competitive industries and diversify the economy, as well as in the implementation of infrastructure projects;</li><li>● implementation of the best international experience of direct investment and management of private equity funds;</li><li>● obtaining income through the implementation of any activity not prohibited by the legislation of the Republic of Kazakhstan;</li><li>● diversification of assets through rational structuring of the Company's investment portfolio.</li></ul> <p>In carrying out its activities, the Company is guided by the decisions of the Sole Shareholder and the Board of Directors of the Company.</p> <p>Transactions and relations between the Company and the Sole Shareholder are carried out within the framework of the legislation of the Republic of Kazakhstan.</p>



Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
2.3.	The relationship (interaction) between the Sole Shareholder and the Company is carried out through the Board of Directors and/or the Management Board of the Company in accordance with the principles of good corporate governance. The role and functions of the Chairman of the Board of Directors and the Chairman of the Management Board of the Company are clearly delineated and fixed in the Company's documents.	Maintained	<p>The Company ensures compliance with the hierarchy of the order of consideration of issues and decision-making, a clear separation of powers and responsibilities between bodies, officials and employees, timely and high-quality decision-making by the Company's bodies, the effectiveness of processes in the Company's activities, compliance with legislation, the Corporate Governance Code and internal documents of the Company.</p> <p>The Company has approved the following internal documents: the Regulations on the Board of Directors of Qazaqstan Investment Corporation joint stock company, approved by the decision of the Board of the Holding dated November 28, 2018 (Minutes No. 53/18), the Regulations on the Board of Qazaqstan Investment Corporation joint stock company, approved by the decision of the Board of Directors of the Company dated November 6, 2020 (Minutes No. 14/20). Compliance with the provisions of these documents ensures the consistency and consistency of corporate governance processes.</p>

Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
2.4.	<p>The Company's corporate governance system provides for the relationship between:</p> <ul style="list-style-type: none"><li>☉ Sole shareholder;</li><li>☉ Board of Directors;</li><li>☉ Management Board;</li><li>☉ interested parties;</li><li>☉ other bodies determined in accordance with the Charter.</li></ul> <p>The corporate governance system provides, including:</p> <ul style="list-style-type: none"><li>☉ compliance with the hierarchy of the order of consideration of issues and decision-making;</li><li>☉ clear delineation of powers and responsibilities between bodies, officials and employees;</li><li>☉ timely and high-quality decision-making by the bodies of the Company and its subsidiaries;</li><li>☉ efficiency of processes in the activities of the Company and its subsidiaries;</li><li>☉ compliance with the legislation, this Code and internal documents of the Company and its subsidiaries.</li></ul> <p>The Company and its subsidiaries approve regulations on bodies (if such provisions are not provided for by the Company's charter) and structural divisions, as well as job descriptions for the relevant positions. Compliance with the provisions of these documents ensures the consistency and consistency of corporate governance processes.</p>	Maintained	<p>The corporate governance structure of the Company complies with the legislation of the Republic of Kazakhstan and clearly defines the division of powers between the subsidiaries of the Company.</p> <p>The Charter, the Regulations on the Board of Directors of the Company and the Regulations on the Management Board of the Company, the list of documents regulating the internal activities of the Company, subject to approval by the Board of Directors of the Company, as determined by the decision of the Board of Directors of the Company dated July 26, 2022 (Minutes No. 15/22), provides for the separation of powers of the Board of Directors and the Management Board of the Company, similarly in the subsidiaries of the Company.</p> <p>By the decision of the Board of Directors of the Company dated March 18, 2021 (Minutes No. 5/21), the Stakeholder Card of the Qazaqstan Investment Corporation joint stock company was approved.</p> <p>The Company's stakeholder map makes it possible to increase the effectiveness of the corporate governance system and interaction with stakeholders in order to establish balanced relations.</p> <p>The stakeholder map is drawn up taking into account risks and ranking taking into account dependence (direct or indirect), obligations, situation (paying special attention to high-risk areas), influence and various perspectives and determines the degree of stakeholders and the degree of their influence.</p>
2.5.	The Company and its subsidiaries carry out their activities within the framework of their main (profile) activities.	Maintained	<p>The development strategy of Qazaqstan Investment Corporation joint stock company for 2014–2023 was approved by the decision of the Board of Directors of the Company dated September 4, 2020 (hereinafter referred to as the Development Strategy).</p> <p>In accordance with the Action Plan for the implementation of the Development Strategy of Qazaqstan Investment Corporation joint stock company, 24 events are planned for 2023. By the end of 2023, 22 events have been completed, 2 events have not been completed.</p> <p>Due to the expiration of the previous development strategy of the Company, in 2023 a new Development Strategy of Qazaqstan Investment Corporation joint stock company for 2024–2033 was developed and approved by the decision of the Board of Directors (Minutes No. 14/23) dated November 9, 2023.</p>

Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
			<p>In order to implement the mission and vision of the Strategy, three main directions were identified:</p> <ul style="list-style-type: none"><li>● development of the direct investment ecosystem in Kazakhstan;</li><li>● development of the alternative asset market in Central Asia;</li><li>● global strategic asset allocation.</li></ul> <p>For each of the strategic directions of this Development Strategy, strategic key performance indicators of QIC are provided with the definition of a target value for 2033.</p>

3. The principle of protecting the rights and interests of the Sole Shareholder

3.1.	Compliance with the rights of the Sole Shareholder is a key condition for attracting investments in the Company and its subsidiaries. In this regard, corporate governance in the Company and its subsidiaries is based on ensuring the protection, respect for the rights and legitimate interests of the Sole Shareholder and is aimed at contributing to the effective operation of the Company and achieving profitability.	Maintained	<p>The Company is a fund of private capital funds (private equity), established in 2007 to promote the sustainable development of the national economy, the formation of private equity infrastructure in Kazakhstan, attracting foreign investment in priority sectors of the economy, using leading international experience, transfer of innovative knowledge and technologies to private equity. The Company, together with international institutional investors, effectively manages private equity funds. Private equity funds with the participation of Company (PEF) provide capital to companies in various sectors of the economy in order to further growth and increase competitiveness.</p> <p>The sole shareholder of the Company is the National Managing Holding Baiterek Joint-Stock Company.</p> <p>The Holding was established in accordance with the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571 "On some measures to optimize the management system of development institutions, financial organizations and the development of the national economy" and the Decree of the Government of the Republic of Kazakhstan dated May 25, 2013 No. 516 "On measures to implement the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571".</p> <p>Two out of six members of the Company's Board of Directors are representatives of the Sole Shareholder.</p>
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Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
			<p>The Company ensures the exercise of the rights of the Sole Shareholder and the protection of his interests within the framework of the principles of corporate governance, expressed in participation in the management of the Company, in accordance with the procedure provided by the Law of the Republic of Kazakhstan "On Joint Stock Companies" (hereinafter – the Law on Joint Stock Companies) and the Company's Charter approved by the decision of the Holding's Management Board dated August 16, 2017 (Minutes No. 32/17), making key decisions on the approval of the Charter, the Corporate Governance Code, determining the composition and term of office of the Board of Directors, the election of the Chairman of the Management Board, the approval of an external auditor, annual financial statements, etc.</p> <p>Information about the Company's activities is provided to the Sole Shareholder in full and allows making balanced and fair decisions.</p> <p>Exclusive competence of the Sole shareholder provided for by the Law on JSC, by the Charter of the Company is respected.</p> <p>Annually the Company sends the annual financial report, the procedure for the distribution of net income, and the annual report to the Sole Shareholder for approval.</p> <p>Materials on issues submitted for consideration by the Sole Shareholder of the Company are prepared and sent within the time limits established by the Company's Charter and contain information to the extent necessary for making informed decisions on issues.</p> <p>There are no facts of appeals of the Sole Shareholder to state and judicial bodies to protect their rights and legitimate interests, challenging decisions taken by the Company's bodies during 2023.</p>
3.2.	The Company provides the Sole Shareholder with reliable information about its financial and economic activities and its results in accordance with the requirements of the legislation of the Republic of Kazakhstan. In the case of combining the tasks of implementing state policy in the implementation of the Company's activities with the main commercial activity, these goals are disclosed and brought to the attention of interested parties.	Maintained	<p>The Company ensures timely disclosure of information to the Sole Shareholder:</p> <ul style="list-style-type: none"><li>● on corporate events in accordance with the Law on JSC, the Charter and internal documents of the Company;</li></ul>



Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
	<p>In case of acquisition of shares (participation interests) in subsidiaries by institutional investors, in order to ensure the stability and sustainability of subsidiaries, institutional investors acting as a trustee are recommended to disclose their corporate governance policy and regulations for their investment activities, including the current decision-making procedures in the investor's company.</p> <p>Institutional investors acting as a trustee report on how they resolve significant conflicts of interest that may affect ownership rights in relation to their investments.</p> <p>The Company strives to limit the number of transactions in which there is an interest. In the case of such transactions, the Company discloses information provided for by the legislation, the charter and internal documents of the Company.</p>		<p>☉ on the decisions taken by the Board of Directors on the list of issues provided for by the Information Policy of Qazaqstan Investment Corporation JSC, approved by the decision of the Board of Directors of the Company dated July 31, 2018 (Minutes No. 06/18).</p> <p>At the request of the Sole Shareholder, the Company provides documents and information in accordance with the Law on JSC and internal regulatory documents of the Company.</p> <p>During 2023, management and financial statements were provided to the Sole Shareholder on a periodic basis.</p> <p>The exchange of information between the Company and the Sole Shareholder is carried out through the electronic document management system in accordance with the procedure provided for by the Company's internal documents.</p> <p>In case of transactions in which there is an interest, the Company discloses information provided for by the legislation, the charter and internal documents of the Company on the Company's Internet resource, to the Depository of Financial Statements, etc.</p>

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3.3.	<p>The amount of dividends is calculated based on the amount of the Company's net income reflected in the Company's annual audited financial statements prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards. At the same time, the amount of dividend payment is determined taking into account the legislation of the Republic of Kazakhstan.</p> <p>In the case of payment of dividends on common shares based on the results of the quarter or half-year or distribution of retained earnings of previous years, as well as in some cases, the amount of dividends may be determined by the Sole Shareholder in a special manner when considering the approval of the procedure for distributing profits for the relevant periods.</p> <p>To make a decision on the payment of dividends, the Board of Directors of the Company (Board of Directors / Supervisory Board of its subsidiary) submits for consideration by the Sole Shareholder (Board of Directors / Sole Participant of its subsidiary) proposals on the distribution of net income for the past financial year and the amount of the dividend for the year per common share of the Company (its subsidiary).</p> <p>When considering the issue of paying dividends in accordance with the established procedure, the current state of the Company, its short-, medium- and long-term plans are taken into account.</p>	Maintained	<p>The Company is guided by the Procedure for Determining the Amount of Dividends Paid by Subsidiaries of the National Managing Holding Baiterek Joint Stock Company, approved by the decision of the Holding's Management Board dated May 11, 2014 (Protocol No. 14/14), which establishes uniform approaches and principles for determining the amount of dividends paid by subsidiaries of the Holding.</p> <p>The conditions and procedure for payment of dividends to the Sole Shareholder of the Company are regulated by the legislation of the Republic of Kazakhstan, the Charter of the Company, as well as the relevant decision of the Sole Shareholder of the Company.</p> <p>According to the operational data, the following procedure for the distribution of the consolidated net income of Qazaqstan Investment Corporation joint stock company for 2023 in the amount of 3,822,627,000 (three billion eight hundred twenty-two million six hundred twenty-seven thousand) tenge will be approved:</p> <p>☉ the amount of 2,676,035,050 (two billion six hundred seventy-six million thirty-five thousand fifty) tenge or 70% of net profit should be allocated for the payment of dividends to the Sole Shareholder;</p>

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	<p>If a subsidiary has a shareholder (participant) who owns fifty percent or more of the voting shares (participation interests) or who has the right to determine decisions by virtue of agreements concluded with the subsidiary and/or other shareholders (participants), the redistribution of financial resources in favor of such shareholder (participant) is carried out through dividend payments.</p> <p>If there are other mechanisms for the redistribution of funds of a subsidiary in favor of a shareholder (participant) who owns fifty percent or more of the voting shares (participation interests), they are fixed in the relevant documents of the subsidiary and disclosed to all shareholders.</p> <p>The Company should disclose to the Sole Shareholder and investors information about any forms and conditions of cooperation, agreements and partnerships.</p>		<ul style="list-style-type: none"><li>● leave the remaining part of 1,146,591,950 (one billion one hundred forty-six million five hundred ninety-one thousand nine hundred and fifty) tenge or 30% of net profit at the disposal of the Qazaqstan Investment Corporation joint stock company;</li><li>● to approve the amount of the dividend per common share 49 (forty-nine) tenge 94 (ninety-four) tiyn.</li></ul>

4. The principle of effective management of the Company by the Board of Directors and the Management Board

4.1.	<p>The Board of Directors is a management body that provides strategic management of the Company and control over the activities of the Management Board.</p> <p>The Board of Directors ensures full transparency of its activities to the Sole Shareholder, as well as the implementation of all provisions of this Code.</p>	Maintained	<p>The activities of the Company's Board of Directors are regulated by the Regulations on the Company's Board of Directors approved by the decision of the Holding's Management Board dated November 28, 2018 (Minutes No. 53/18).</p> <p>The activities of the Board of Directors are based on the principles of efficiency and responsibility, maximum observance and realization of the interests of the Sole Shareholder and the Company, as well as protection of the rights of the Sole Shareholder. This principle is observed in practice by the Board of Directors of the Company.</p>
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	<p>The Board of Directors performs its functions in accordance with the legislation of the Republic of Kazakhstan, the Company's charter, this Code, the Regulations on the Board of Directors and other internal documents of the Company.</p>		<p>The Board of Directors exercises general management of the Company's activities, except for resolving issues that fall within the exclusive competence of the Sole Shareholder and the Management Board.</p> <p>The Board of Directors ensures full transparency of its activities to the Sole Shareholder.</p> <p>All members of the Board of Directors comply with their duties stipulated by the Regulations on the Board of Directors of the Company, including the obligation to act in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company on the basis of awareness, transparency, in the interests of the Company and the Sole Shareholder in good faith and reasonably, on the basis of full awareness, honestly, actively, prudently and professionally.</p> <p>Members of the Board of Directors of the Company are officials of the Company and bear responsibility provided for by the legislation of the Republic of Kazakhstan.</p>
4.2.	<p>The composition of the Board of Directors of the Company is formed from among the representatives of the Sole Shareholder, the Chairman of the Management Board of the Company, independent directors and other persons.</p>	Maintained	<p>On February 22, 2023, the Sole Shareholder of the Company made a decision (minutes of the in-person meeting of the Board of Baiterek National Managing Holding Joint-Stock Company No.07/23) on determining the quantitative composition of the Board of Directors of Qazaqstan Investment Corporation joint stock company in the number of 6 people, and electing Elisabetta Capannelli as a member of the Board of Directors, an Independent Director of the Company with a term of office until the expiration the term of office of the Board of Directors of the Company as a whole.</p>



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	<p>The Sole shareholder elects the members of the Board of Directors on the basis of clear and transparent procedures, taking into account the competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of the Board of Directors or its full composition for a new term, their contribution to the effectiveness of the Company's Board of Directors is taken into account.</p>		<p>During 2023, the Company's Board of Directors consisted of 6 members of the Board of Directors, of which 2 members of the Board of Directors are representatives of the Sole Shareholder, 3 members are independent directors and 1 member of the Board of Directors is the Chairman of the Management Board of the Company.</p> <p>The composition of the Company's Board of Directors as of the end date of the reporting period (December 31, 2023) is shown below:</p> <table><tr><td><b>Son Vyacheslav Vladimirovich</b></td><td>Member of the Board of Directors of the Company, Deputy Chairman of the Management Board of Baiterek NMH JSC</td></tr><tr><td><b>Nicholas Robert Page</b></td><td>Member of the Board of Directors of the Company, Independent Director</td></tr><tr><td><b>Fokina Anna Timurovna</b></td><td>Member of the Board of Directors of the Company, Independent Director</td></tr><tr><td><b>Marcia Elizabeth Christian Favale</b></td><td>Member of the Board of Directors of the Company, Independent Director</td></tr><tr><td><b>Zholat Yerbolat Bauyrzhanuly</b></td><td>Member of the Board of Directors of the Company, Chairman of the Management Board of the Company</td></tr></table> <p>Independent Directors are the Chairmen of the Committees of the Board of Directors of the Company.</p> <p>The independence criteria are defined by the legislation of the Republic of Kazakhstan, the Regulations on the Board of Directors of the Company, as well as the best international practices in the field of corporate governance.</p>	<b>Son Vyacheslav Vladimirovich</b>	Member of the Board of Directors of the Company, Deputy Chairman of the Management Board of Baiterek NMH JSC	<b>Nicholas Robert Page</b>	Member of the Board of Directors of the Company, Independent Director	<b>Fokina Anna Timurovna</b>	Member of the Board of Directors of the Company, Independent Director	<b>Marcia Elizabeth Christian Favale</b>	Member of the Board of Directors of the Company, Independent Director	<b>Zholat Yerbolat Bauyrzhanuly</b>	Member of the Board of Directors of the Company, Chairman of the Management Board of the Company
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4.3.	The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation by the Board of Directors of its main functions and building a constructive dialogue between the members of the Board of Directors, the Sole Shareholder and the Management Board of the Company.	Maintained	<p>The Chairman of the Board of Directors of the Company in accordance with the Law on JSC, the Charter, the Regulations on the Board of Directors of the Company is elected from among its members by a majority vote of the total number of members of the Board of Directors by open voting.</p> <p>The Chairman of the Board of Directors adheres to the principle of freedom of expression by the members of the Board of Directors on the issues discussed, promotes the search for an agreed solution, consensus-building by the members of the Board of Directors, decision-making in the interests of the sole shareholder and the Company. Also, the Chairman of the Board of Directors promotes effective leadership in order to create conditions for the work of members of the Board of Directors as a single team.</p>
4.4	<p>The members of the Board of Directors are paid a fixed annual remuneration, as well as additional remuneration for participation and chairmanship in the committees of the Board of Directors. Remuneration of a member of the Board of Directors should not include options or other elements related to the Company's performance.</p> <p>At the same time, members of the Board of Directors of the Company who are civil servants and/or representatives of the shareholder, as well as the Chairman of the Management Board (in case of his membership in the Board of Directors), remuneration for membership in the Board of Directors is not paid.</p> <p>The sole shareholder of the Company determines the amount and conditions of payment of remuneration and compensation of expenses to members of the Board of Directors of the Company. At the same time, the terms of remuneration of directors are reflected in the contracts concluded with them and/or, if necessary, in the internal document of the Company.</p>	Maintained	<p>The amount and conditions of remuneration and compensation of expenses to the members of the Board of Directors of the Company are determined by the Sole Shareholder of the Company. The terms of remuneration of directors are fixed in the contracts. At the same time, members of the Company's Board of Directors who are representatives of the shareholder, as well as the Chairman, are not paid remuneration for membership in the Board of Directors.</p>

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4.5	Committees have been established under the Board of Directors of the Company, whose competence includes consideration of items related to audit and risk management, strategic planning, personnel, remuneration and social items. In order to improve the efficiency of investment decision-making, the Strategic Planning Committee preliminarily reviews strategic investment projects. The concept of a strategic investment project is defined by the Company's internal documents.	Maintained	<p>In order to facilitate the effective performance of the functions of the Company's Board of Directors, 3 (three) committees have been established and operate under the Board of Directors to consider the most important issues and prepare recommendations.:</p> <ul style="list-style-type: none"><li>⦿ Audit and Risk Committee;</li><li>⦿ HR, Remuneration and Social Affairs Committee;</li><li>⦿ Strategic Planning and Corporate Development Committee.</li></ul> <p><b>Composition of the Audit and Risk Committee as of 31.12.2023:</b></p> <table><tr><td>N.R. Page</td><td>Chairman of the Committee</td></tr><tr><td>A.T. Fokina</td><td>Member of the Committee</td></tr><tr><td>Capannelli Ye. (from February 23 to November 16)</td><td>Member of the Committee</td></tr><tr><td>Favale M. (from November 21)</td><td>Member of the Committee</td></tr><tr><td>V.V. Son</td><td>Member of the Committee</td></tr></table> <p><b>Composition of the HR, Remuneration and Social Affairs Committee as of 31.12.2023:</b></p> <table><tr><td>A.T. Fokina</td><td>Chairman of the Committee</td></tr><tr><td>N.R. Page</td><td>Member of the Committee</td></tr><tr><td>E. Capannelli (from February 23 to November 16)</td><td>Member of the Committee</td></tr><tr><td>Favale M. (from November 21)</td><td>Member of the Committee</td></tr><tr><td>V.V. Son</td><td>Member of the Committee</td></tr></table> <p><b>Composition of the Strategic Planning Committee as of 31.12.2023:</b></p> <table><tr><td>E. Capannelli (from February 23 to November 16)</td><td>Chairman of the Committee</td></tr><tr><td>Favale M. (from November 21)</td><td>Chairman of the Committee</td></tr><tr><td>N.R. Page</td><td>Member of the Committee</td></tr><tr><td>A.T. Fokina</td><td>Member of the Committee</td></tr><tr><td>V.V. Son</td><td>Member of the Committee</td></tr></table>	N.R. Page	Chairman of the Committee	A.T. Fokina	Member of the Committee	Capannelli Ye. (from February 23 to November 16)	Member of the Committee	Favale M. (from November 21)	Member of the Committee	V.V. Son	Member of the Committee	A.T. Fokina	Chairman of the Committee	N.R. Page	Member of the Committee	E. Capannelli (from February 23 to November 16)	Member of the Committee	Favale M. (from November 21)	Member of the Committee	V.V. Son	Member of the Committee	E. Capannelli (from February 23 to November 16)	Chairman of the Committee	Favale M. (from November 21)	Chairman of the Committee	N.R. Page	Member of the Committee	A.T. Fokina	Member of the Committee	V.V. Son	Member of the Committee
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4.6	<p>The Chairman of the Strategic Planning Committee is elected from among the independent members of the Board of Directors for the term of office of the Board of Directors at one of the first meetings of the Board of Directors. The decision on election is made by a simple majority vote of the total number of members of the Board of Directors.</p> <p>The main functions of the Strategic Planning Committee are to develop and submit recommendations to the Company's Board of Directors on issues related to the development of priority areas of the Company's activities and its development strategy, including issues related to the development of measures that contribute to improving the efficiency of the Company's activities, its profitable activities and sustainable development. The detailed goals and objectives of the committee are provided for in the regulations on the committee.</p>	Maintained	<p>On March 3, 2023, by decision of the Company's Board of Directors (Minutes No. 03/23), Independent Director Elisabetta Capannelli was elected Chairman of the Strategic Planning and Corporate Development Committee with a term of office until the expiration of the term of office of the Company's Board of Directors.</p> <p>On November 21, 2023, by resolution of the Board of Directors of the Company (Minutes No. 15/23), Marcia Elizabeth Christian Favale, Independent Director, was elected Chairman of the Strategic Planning and Corporate Development Committee with a term of office until the expiration of the term of office of the Board of Directors of the Company.</p> <p>The main purpose of the Strategic Planning and Corporate Development Committee is to prepare recommendations to the Board of Directors on the development of strategic goals (development strategy) The Company, including issues related to the development of measures that contribute to improving the efficiency of the Company's activities in the medium and long term.</p> <p>The detailed goals and objectives of the committee are provided for in the regulations on the committee.</p>
4.7	<p>The Audit and Risk Committee (hereinafter referred to as the Committee) consists of independent directors with the necessary knowledge and practical experience in accounting and auditing, risk management, and internal control. The Committee is chaired by an independent director.</p> <p>The main functions of the Committee include internal and external audit, financial reporting, internal control and risk management, compliance with the laws of the Republic of Kazakhstan, internal documents and other matters as instructed by the Board of Directors.</p>	Maintained	<p>On May 6, 2022, by resolution of the Board of Directors of the Company (Minutes No. 10/22), Nicholas Page, an independent director, was elected Chairman of the Audit and Risk Committee with a term of office until the expiration of the term of office of the Board of Directors of the Company.</p> <p>The main purpose of the Audit and Risk Committee, in accordance with the Regulations on the Audit and Risk Committee, is to create a system of measures to organize internal control over the functioning of all divisions of the Company and develop appropriate recommendations for the Board of Directors of the Company, assist the Board of Directors in carrying out its regulatory and supervisory functions in the field of control over the availability and functioning of an adequate risk management system management, as well as improving and strengthening the risk management and analysis system.</p>

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4.8	The Human Resources, Remuneration and Social Affairs Committee (hereinafter referred to as the Committee) consists of a majority of independent directors in order to develop objective and independent decisions and prevent the influence of interested parties (representatives of the Sole Shareholder, Head of the Management Board, employees and other persons) on the judgments of the Committee members.	Maintained	<p>The Human Resources, Remuneration and Social Affairs Committee consists of three independent directors and one representative of the Sole Shareholder.</p> <p><b>Composition of the HR, Remuneration and Social Affairs Committee as of 31.12.2023:</b></p> <table><tr><td><b>A.T. Fokina</b></td><td>Chairman of the Committee</td></tr><tr><td><b>N.R. Page</b></td><td>Member of the Committee</td></tr><tr><td><b>E. Capannelli</b> (from February 23 to November 16)</td><td>Member of the Committee</td></tr><tr><td><b>Favale M.</b> (from November 21)</td><td>Member of the Committee</td></tr><tr><td><b>V.V. Son</b></td><td>Member of the Committee</td></tr></table>	<b>A.T. Fokina</b>	Chairman of the Committee	<b>N.R. Page</b>	Member of the Committee	<b>E. Capannelli</b> (from February 23 to November 16)	Member of the Committee	<b>Favale M.</b> (from November 21)	Member of the Committee	<b>V.V. Son</b>	Member of the Committee
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4.9	Meetings of the Board of Directors are held in accordance with the work plan approved by the Board of Directors before the beginning of the calendar year, which includes a list of issues under consideration and a schedule of meetings with dates. Meetings of the Board of Directors and its committees are held by means of in-person or absentee voting, while the number of meetings with absentee voting should be minimized. Consideration and decision-making on issues of an important and strategic nature is carried out only at meetings of the Board of Directors with face-to-face voting.	Maintained	<p>The Board of Directors holds regular meetings to effectively perform its functions. Meetings of the Board of Directors shall be held in accordance with the work plan approved by the decision of the Board of Directors of the Company (Minutes No. 19/22 dated 15.12.2022), including the list of issues to be considered and the schedule of meetings with indication of dates. Meetings of the Board of Directors and its committees are held by means of in-person or absentee voting.</p> <p>During 2023, the Company's Board of Directors held 20 meetings (13 in-person and 7 in absentia), reviewed and made resolution 137 items:</p> <p>9 meetings of the Audit and Risk Committee were held, 33 issues were considered; 10 meetings of the Human Resources, Remuneration and Social Affairs Committee, 28 issues were considered; 9 meetings of the Strategic Planning and Corporate Development Committee, 25 issues were considered.</p>										
4.10	The Board of Directors, committees and members of the Company's Board of Directors are evaluated on an annual basis in accordance with the Company's internal regulatory documents. At the same time, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.	Maintained	In accordance with the best international corporate governance practice, the Company annually evaluates the activities of the Board of Directors, which determines the further effective development of the Board of Directors.										

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	The assessment makes it possible to determine the contribution of the Board of Directors and each of its members in achieving the strategic objectives of the Company's development, as well as to identify areas and recommend measures for improvement. The results of the evaluation are taken into account when re-electing or early termination of the powers of members of the Board of Directors.		<p>n accordance with the best international corporate governance practice, the Company annually evaluates the activities of the Board of Directors, which determines the further effective development of the Board of Directors.</p> <p>In accordance with the Regulations on the Board of Directors of the Company, in order to obtain a comprehensive analysis of the main areas of activity of the Board of Directors of the Company, an annual assessment of the activities of the Board of Directors has been conducted since 2015. The annual Work Plan of the Company's Board of Directors also provides for an annual assessment of the activities of the Board of Directors.</p> <p>In accordance with the Corporate Governance Code, the Regulations on the Board of Directors of the Company – the Board of Directors, committees and members of the Board of Directors are evaluated on an annual basis until June 1 of the year following the reporting year.</p> <p>The decision to evaluate the activities of the Board of Directors (hereinafter referred to as the Evaluation of the Board of Directors) is made by the Board of Directors.</p> <p>The evaluation of the Board of Directors makes it possible to determine the contribution of the Board of Directors and each of its members in achieving the strategic objectives of the Company's development, as well as to identify areas and recommend measures for improvement. The results of the evaluation of the Board of Directors are taken into account when re-electing or early termination of the powers of members of the Board of Directors.</p> <p>The evaluation of the Board of Directors is carried out in order to obtain a comprehensive analysis of the main areas of activity of the Board of Directors and allows the Board of Directors of the Company:</p> <ul style="list-style-type: none"><li>analyze and identify the strengths and weaknesses (advantages and disadvantages) of the Company's Board of Directors;</li><li>make adjustments to the work and adjust the target areas of activity of the Board of Directors of the Company;</li><li>determine to what extent the structure and composition of the Company's Board of Directors contribute to the solution of the Company's strategic objectives;</li></ul>



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4.11	In order to effectively organize the activities of the Board of Directors and the interaction of the Management Board with the Sole Shareholder, the Board of Directors appoints a Corporate Secretary.	Maintained	<ul style="list-style-type: none"><li>● determine the effectiveness of the work of the Chairman of the Board of Directors and each member of the Board of Directors;</li><li>● determine the effectiveness of the remuneration system for members of the Board of Directors.</li></ul> <p>The ways to assess the BD are self-assessment or the involvement of an independent consultant to improve the quality of the assessment. At the same time, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.</p> <p>By the decision of the Board of Directors of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company) dated December 22, 2023 (Minutes No. 18/23), the Work Plan of the Board of Directors of Qazaqstan Investment Corporation joint stock company for 2024 was approved, it was also decided to conduct an assessment of the activities of the Board of Directors of the Company and its committees, for 2023 by attracting an independent professional organization and the results of the assessment to be submitted for consideration of the Board of Directors of the Company by June 1, 2024.</p> <p>However, by the Decision of the Board of Directors of Qazaqstan Investment Corporation joint stock company dated April 24, 2024 (Minutes No. 03/24), it was decided to conduct an assessment in 2024 by its own forces, and in 2025 to jointly conduct an independent assessment of the activities of the Board of Directors of the Company and its committees for 2024 and the corporate governance system.</p> <p>The assessment is carried out by means of a questionnaire and its results will be included in the Annual Report of the Company.</p> <p>The Resolution of the Board of Directors of the Company dated March 28, 2018 (Minutes No. 2/18) approved the Regulations on the Corporate Secretary of the Company (hereinafter referred to as the Regulations). The Regulations define the status of the corporate secretary in the organizational structure and corporate governance system of the Company, the procedure for appointment and early dismissal of the corporate secretary, his tasks, functions, rights and obligations, powers and responsibilities, organizational and technical support of activities.</p>

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4.12	In order to comply with the principles of business ethics, optimal regulation of social and labor disputes arising in the Company, an Ombudsman may be appointed in the Company from among the employees of the Company, the Sole Shareholder or its subsidiaries.	Maintained	<p>In accordance with the resolution of the Board of Directors dated February 23, 2023 (Minutes No. 02/23), the powers of the Company's Corporate Secretary A. Belyalov were terminated and Z.D. Izzhanova was appointed as the Company's Corporate Secretary.</p> <p>The Corporate Secretary of the Company continuously works to ensure proper preparation and presentation of materials for meetings to members of the Board of Directors of the Company, members of Committees, recording and signing minutes of meetings, providing extracts from decisions of the Board of Directors of the Company, providing operational information to structural units of the Sole Shareholder and the Company.</p> <p>By the resolution of the Board of Directors of Qazaqstan Investment Corporation joint stock company dated June 24, 2022 (Minutes No. 14/22) Dina Viktorovna Akrachkova was appointed Ombudsman of Qazaqstan Investment Corporation joint stock company with the term of office of 2 (two) years.</p> <p>The role of the Ombudsman is to advise employees who have applied to him, participants in labor disputes, conflict and assist them in developing a mutually acceptable, constructive and implementable solution, taking into account compliance with the norms of the legislation of the Republic of Kazakhstan (including confidentiality, if necessary), assisting in solving problematic social and labor issues of both employees and the Company.</p> <p>The Company's Ombudsman initiates consideration of disputes on violation of the provisions of the Company's Code of Business Ethics, including in terms of corporate conflicts and conflicts of interest, and participates in their settlement.</p> <p>There were no complaints about violations to the Ombudsman during 2023.</p>

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4.13	The Internal Audit Service has been established and functions to carry out internal audit as an activity aimed at providing independent and objective guarantees and consultations aimed at improving the Company's operations. Internal audit helps achieve its objectives by using a systematic and consistent approach to evaluate and improve the effectiveness of risk management, control and corporate governance processes.	Maintained	<p>The QIC Internal Audit Service (hereinafter referred to as the IAS) is organizationally subordinate and accountable to the Board of Directors and is supervised by the Audit Committee of the QIC Board of Directors.</p> <p>In carrying out its activities, the IAS is guided by the legislation of the Republic of Kazakhstan, the Charter of the Company, decisions of the Company's bodies, the Regulations on the IAS and other internal documents of the Company, as well as International professional standards of internal audit.</p> <p>The mission of the Internal Audit Service is to preserve and increase the value of the organization by conducting objective internal audits based on a risk-based approach, providing recommendations and sharing knowledge.</p> <p>The Internal Audit Service carries out its activities based on the principles of honesty, objectivity, confidentiality and professional competence.</p> <p>The main tasks of the Internal Audit Service are to conduct analysis and evaluation within the framework of audits and consultations:</p> <ul style="list-style-type: none"><li>reliability and efficiency of the internal control system;</li><li>reliability and effectiveness of the risk management system;</li><li>the effectiveness of the corporate governance system and the process of its improvement, compliance with ethical standards and values.</li><li>compliance with the requirements of the legislation of the Republic of Kazakhstan, internal policies and other documents, as well as the effectiveness of systems and procedures created and applied to ensure compliance with these requirements (compliance control);</li><li>implementation of decisions of the Company's bodies and instructions (proposals) of authorized (supervisory) state bodies;</li></ul>

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			<ul style="list-style-type: none"><li>sufficiency and/or effectiveness of business processes carried out by the Company's structural divisions, measures to achieve the tasks assigned to them within the framework of the Company's strategic goals;</li><li>rationality and efficiency of the use of resources and the methods (methods) used to ensure the safety of property (assets);</li><li>economic feasibility and efficiency of transactions and transactions;</li><li>reliability, completeness, objectivity of the accounting system and reliability of financial statements and other information of the Company.</li></ul> <p>The Company's Board of Directors annually approves the Annual Audit Plan of the Internal Audit Service based on a risk-based approach. On a quarterly basis, the results of audit engagements, key findings, related recommendations and corrective action plans are presented to the Board of Directors for review. The Internal Audit Service, in carrying out its activities, is guided by:</p> <ul style="list-style-type: none"><li>Legislation of the Republic of Kazakhstan, the Charter of the Company, decisions of the Company's bodies, these Regulations on the IAS and other internal documents of the Company;</li><li>IFPPIA (the Institute of Internal Auditors' International Framework for the Professional Practice of Internal Auditing), whose constituent elements are the definition, mission, core principles of the professional practice of internal auditing, the Code of Ethics for Internal Auditors, the International Standards for the Professional Practice of Internal Auditing, and the practice guidelines and manuals thereto.</li></ul> <p>In 2023, the Internal Audit Service of the Company achieved its goals and fulfilled the tasks assigned to it. Based on the results of its activities in 2023, the Internal Audit Service completed audit assignments, both provided for in the Work Plan for 2023 and unscheduled assignments on behalf of the Board of Directors. We note that according to the results of the year, the objectives and scope of the audit were achieved in accordance with the audit assignment, the audit program and internal regulatory documents of the Internal Audit Service. Recommendations of the Internal Audit Service based on the results of audit assignments for 2023 allow the Company and its subsidiaries to improve their activities and minimize inherent risks.</p>

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4.14.	The management of the Company's current activities is carried out by the Management Board. The Chairman and members of the Management Board have high professional and personal characteristics, a good business reputation and adhere to ethical standards. The Chairman of the Management Board has high organizational skills, works in active interaction with the Sole Shareholder and constructively builds a dialogue with the Board of Directors, employees and other interested parties.	Maintained	<p>The management of the Company's current activities is carried out by a collegial body in the form of a Management Board headed by the Chairman of the Management Board.</p> <p>The work of the Management Board is aimed at fulfilling the Company's objectives and implementing the Company's development strategy.</p> <p>The activities of the Management Board are regulated by the Regulation on the Management Board of the Company, which provides for the procedure and timing of meetings of the Management Board, the responsibility of members of the Management Board, and also regulates the main functions of the Secretary of the Management Board.</p> <p>The quantitative composition of the Management Board of the Company as of December 31, 2023 is 5 (five) members, of which 1 Chairman of the Management Board, 3 (three) Deputy Chairmen of the Management Board, 1 Managing Director, member of the Management Board.</p> <p>Members of the Management Board of the Company are officials of the Company and bear responsibility provided for by the legislation of the Republic of Kazakhstan.</p>
4.15.	The Management Board is accountable to the Board of Directors and manages the daily activities of the Company, is responsible for the implementation of the development strategy and/or development plan and decisions taken by the Board of Directors and the Sole Shareholder.	Maintained	In accordance with the Charter of the Company, the Management Board manages the current activities of the Company.

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			<p>The Management Board ensures the implementation and implementation of the strategy, risk management and internal control policies approved by the Board of Directors, including decisions of the Company's Board of Directors on the organization of the risk management and internal control system, transactions with financial instruments, evaluates policies, plans and other internal documents of the Company for their compliance with the strategy, current market and the economic situation, the risk profile of the Company and the requirements of the legislation of the Republic of Kazakhstan.</p> <p>The main principles of the Board's activities are: legality, honesty; integrity; reasonableness; regularity, professionalism, objectivity.</p> <p>The activities of the Management Board are fully accountable to the Board of Directors of the Company.</p> <p>In accordance with the Regulations on the Management Board of the Company the Management Board is obliged to implement the decisions of the Sole Shareholder and the Board of Directors of the Company and to carry out its functions in good faith in the interests of the Company.</p>



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<b>5. The principle of sustainable development</b>			
5.1.	The Company and its subsidiaries are aware of the importance of their influence on the economy, the environment and society to ensure sustainable development in the long term, while maintaining a balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company and its subsidiaries.	Maintained	<p>Realizing the importance of its impact on the economy and society, the Company is working to introduce the principles of sustainable development into its operations.</p> <p>The Company is guided in its activities by the provisions stipulated by the Sustainable Development Policy of the Sole Shareholder (hereinafter – the Policy), which is developed taking into account international standards in the field of sustainable development and approved by the decision of the Board of Directors of Qazaqstan Investment Corporation JSC dated September 9, 2021 (Minutes No. 16/21).</p> <p>The Policy notes that sustainable development is a set of principles and commitments that the Company is guided by when carrying out its activities in terms of: managing relations with stakeholders, assessing and managing the impact on the national economy, social sphere and environment.</p> <p>The Policy stipulates the Company's commitment to the principles in the field of human rights protection, labor relations, environmental protection and anti-corruption, which the Company also takes into account in its interaction with stakeholders.</p> <p>Information on sustainable development is disclosed annually as part of the Company's Annual Report, which is subject to approval by the Company's Sole Shareholder.</p>
5.2.	The Company and its subsidiaries develop action plans in the field of sustainable development.	Maintained	<p>According to paragraph 72 of the Policy, the Board of Directors provides strategic guidance and control over the implementation of sustainable development. In accordance with paragraph 73, the Board shall ensure that an appropriate sustainability management system is established and implemented.</p> <p>By the decision of the Management Board of Kazyna Capital Management JSC dated December 13, 2022 (Minutes No. 53/22), the Sustainable Development Action Plan of Kazyna Capital Management JSC for 2023–2024 was approved, which includes activities involving subsidiaries aimed at implementing the principles of sustainable development.</p> <p>In 2023, in order to systematize the approaches of sustainable development activities, the Company's 2022 Sustainability Report was prepared and published, disclosing the main aspects of the Company's environmental, social responsibility and corporate governance activities.</p>

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5.3.	The Company and its subsidiaries ensure consistency of their economic, environmental and social goals for sustainable development in the long term. Sustainable development in the Company and its subsidiaries consists of three components: economic, environmental and social.	Maintained	<p>According to the Policy, sustainable development in the Society consists of three components: economic, environmental and social.</p> <p>The economic component directs the activities of the Company and its subsidiaries and affiliated organizations to ensure the interests of shareholders and investors and improve the efficiency of processes.</p> <p>The environmental component contributes to minimizing environmental impact, optimal use of limited resources, application of environmentally friendly, energy- and resource-saving technologies. In its activities, the Company follows the principles of the most careful and rational attitude to the environment in accordance with the requirements of the legislation of the Republic of Kazakhstan and generally recognized standards for environmental protection.</p> <p>The Company's social policy includes programs and activities aimed at solving the most urgent tasks of social development of employees, improving working conditions, ensuring social protection of employees, organizing their recreation and medical care. The Company considers its main task in the field of social policy to be the creation of conditions for effective work of employees, their professional growth, providing opportunities for decent earnings and the development of a culture of production.</p> <p>The main purpose of the social programs conducted by the Company is to increase employee motivation, stimulate proactive and conscientious work.</p> <p>The Company has established a feedback mechanism for employees with the Chairman of the Management Board. So, there is a window on the corporate portal for sending questions and receiving feedback.</p> <p>Moreover, when social and labor issues/disputes and conflicts arise, the Company has a conciliation commission body that considers employee appeals and complaints.</p>

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			<p>The Company makes every effort to take care of employees, creating a sense of security for each employee.</p> <p>As part of the environmental component of sustainable development, QIC's activities are aimed at:</p> <ul style="list-style-type: none"><li>development of direct investment infrastructure in Kazakhstan in order to promote the sustainable development of Kazakhstan;</li><li>participation in the implementation of government programs in support of large industrial projects;</li><li>implementation of ESG factors in all stages of the investment process – from the search for project proposals to monitoring the environmental and social impact of funded projects;</li><li>attracting investments and popularizing financial instruments in both domestic and foreign markets, realizing the importance of disclosing non-financial information for investors.</li></ul> <p>QIC pays special attention to the implementation of "green" projects aimed at reducing the amount of carbon dioxide emissions into the environment, improving the well-being and quality of life of the country's population while minimizing the environmental burden and degradation of natural resources.</p> <p>The Company ensures consistency of its economic, environmental and social goals for sustainable development in the long term. Thus, the Company considers the possibility of including the principles of sustainable development into the relevant contracts (agreements) with partners to improve consistency with the sustainable development goals.</p>
5.4.	The Company and its subsidiaries strive for profitability, ensure sustainable development, and maintain a balance of interests of interested parties.	Maintained	To implement the Sustainable Development Policy of the Company, the Map of Stakeholders of Qazaqstan Investment Corporation joint stock company was approved by the decision of the Board of Directors of the Company dated March 18, 2021 (Minutes No. 5/21).

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	<p>The Company and its subsidiaries, in the course of their activities, influence or are influenced by interested parties. Activities in the field of sustainable development comply with the best international standards.</p> <p>Stakeholders can have both positive and negative impact on the activities of the Company and its subsidiaries, namely on achieving profitability, sustainable development, reputation and image, create or reduce risks. The Company and its subsidiaries attach great importance to proper interaction with interested parties</p>		<p>To implement the Sustainable Development Policy of the Company, the Map of Stakeholders of Qazaqstan Investment Corporation joint stock company was approved by the decision of the Board of Directors of the Company dated March 18, 2021 (Minutes No. 5/21).</p> <p>The Company's stakeholder map makes it possible to increase the effectiveness of the corporate governance system and interaction with stakeholders in order to establish balanced relations.</p> <p>The stakeholder map is drawn up taking into account risks and ranking taking into account dependence (direct or indirect), obligations, situation (paying special attention to high-risk areas), influence and various perspectives and determines the degree of stakeholders and the degree of their influence.</p> <p>The Company recognizes the rights of all stakeholders and strives to cooperate with them in order to develop its activities and ensure sustainable development.</p> <p>In case of violation of the rights of the Company's employees, partners and third parties, the Company acts within the framework of the current legislation of the Republic of Kazakhstan.</p> <p>In 2023, violations of the rights of the Company's employees, partners and third parties were not recorded.</p> <p>Qazaqstan Investment Corporation JSC, as a socially responsible company, strives to build a society that is transparent and intolerant of corruption.</p>

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			<p>The Company's Board of Directors approved the Anti-Corruption Compliance Program for 2023, which involved extensive work aimed at prevention and early warning of corruption risks, as well as improvement of anti-corruption tools.</p> <p>Thus, in 2023 the Board of Directors of the Company approved the Rules of organization of work of anti-corruption system in Qazaqstan Investment Corporation joint stock company (in accordance with the decision of the Board of Directors of the Company dated February 21, 2023, Minutes № 01/23). In addition, the Company has an Anti-Corruption Policy, which is posted on the Company's official website – <a href="https://www.qic.kz/">https://www.qic.kz/</a> in order to inform clients, counterparties, partners and the public about the Company's anti-corruption standards and requirements.</p> <p>Company also has a "Know your Customer" policy and an institute for checking counterparties for reliability, within which counterparties, potential partners and suppliers are constantly checked in order to exclude the possibility of interaction with dishonest and unscrupulous counterparties, minimize sanctions risks and conflicts of interest.</p> <p>Special attention is paid to the formation of an anti-corruption culture, informing and raising awareness of employees of the Company and subsidiaries. Newly hired employees are required to familiarize themselves with the Company's Anti-Corruption Policy and Anti-Corruption Standards. On a regular basis, comprehensive training is conducted for employees of the Company and its subsidiaries on anti-corruption issues and compliance with the requirements of the relevant legislation of the Republic of Kazakhstan.</p> <p>In the reporting period, there were no confirmed cases of corruption, public investigations, criminal prosecutions and measures taken against the Company's and its employees due to corruption-related violations.</p>

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<b>6. The principle of risk management, internal control and internal audit;</b>			
<b>6.1.</b>	The Company has an effectively functioning risk management and internal control system aimed at ensuring reasonable confidence in the Company's achievement of its strategic and operational goals, and representing a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Management Board of the Company.	<b>Maintained</b>	<p>QIC has a structure approved by the Board of Directors that clearly defines the participants in the corporate risk management system. The structure provides for a Risk Management Department that is accountable to the Managing Director, a member of QIC Management Board and is an independent unit in its activities.</p> <p>The approved Risk Management Policy is the fundamental internal document of QIC and defines the organizational structure of risk management, the roles and responsibilities of bodies, committees and structural divisions: the Sole Shareholder, the Board of Directors, the Audit and Risk Committee, the Management Board, the Investment Committee, the Risk Management Department, the Internal Audit Service and other structural divisions of the Company.</p> <p>The main objectives of the risk management system are:</p> <ul style="list-style-type: none"><li>building an effective integrated system and creating an integrated risk management process as an element of QIC, as well as continuous improvement of activities based on a unified standardized approach to risk management methods and procedures;</li><li>improving the efficiency and sustainability of QIC development, reducing losses, increasing profitability and making the most efficient use of capital;</li><li>ensuring that QIC accept acceptable risks that are adequate to the scale of their activities;</li><li>ensuring the normal functioning of the QIC in crisis situations.</li></ul>



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			<p>Basic principles of QIC risk Management:</p> <ul style="list-style-type: none"><li>● <b>INTEGRITY</b> – consideration of the elements of the total risk of QIC in the context of a corporate risk management system;</li><li>● <b>OPENNESS</b> – a ban on considering a corporate risk management system as autonomous or separate;</li><li>● <b>STRUCTURALITY</b> – a comprehensive risk management system has a clear structure;</li><li>● <b>AWARENESS</b> – risk management is accompanied by the availability of objective, reliable and up-to-date information;</li><li>● <b>CONTINUITY</b> – the risk management process is carried out on an ongoing basis;</li><li>● <b>RELEVANCE</b> – continuous improvement of risk management procedures and mechanisms;</li><li>● <b>TIMELINESS</b> and immediate transmission of information by all structural divisions on the “bottom-up” principle, including the Management Board and the Board of Directors of QIC, on changes, the status and amount of relevant risks, on all non-standard operations and situations;</li><li>● <b>ENGAGEMENT</b> – involvement of QIC senior management, i.e. the Management Board and the Board of Directors, in the process of risk management and creation of a control environment;</li><li>● <b>SEPARATION OF POWERS</b> – a clear separation of powers of employees and the exclusion of situations where the employee's area of responsibility allows for a conflict of interest;</li><li>● <b>INDEPENDENCE</b> – risk management in all areas of the Company's activities should be carried out by the relevant QIC structural units independent of operational activities;</li><li>● <b>CYCLICITY</b> – the risk management process is a constantly recurring structured cycle of its main components.</li></ul>

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			<p>The risk management system includes the following main elements:</p> <ul style="list-style-type: none"><li>● <b>Defining goals</b> – QIC is exposed to risks from external and internal sources, and the main condition for the effectiveness of identification, assessment and development of risk management methods is the setting of goals. QIC goals and objectives are aligned with risk appetite;</li><li>● <b>Risk identification</b> is the identification of internal and external risks to which QIC is or may be exposed, the occurrence of which may negatively affect the ability to achieve planned goals and achieve set goals;</li><li>● <b>Risk measurement</b> is the development and use of a system and tools that allow you to objectively determine the size and probability of QIC risks;</li><li>● <b>Risk minimization</b> involves the implementation of a set of measures aimed at reducing the likelihood of events or circumstances leading to losses and (or) reducing (limiting) the amount of potential losses;</li><li>● <b>Risk control</b> – the functioning of the internal control system and the establishment of maximum permissible limits (restrictions) on risks;</li><li>● <b>Risk monitoring</b> is a continuous assessment of the level of the main QIC risks and compliance with the maximum permissible limits.</li></ul> <p>The Risk Management Department monitors the key risks of QIC on a quarterly basis and submits them to the Board of Directors and the Board of Directors of QIC. Taking into account the unstable financial condition of second-tier banks, a monthly analysis of the financial condition of second-tier banks and issuers of securities is carried out. The Risk Management Department includes information on changes in their ratings, banks' compliance with prudential standards of the National Bank of the Republic of Kazakhstan, etc., on the basis of which a report is submitted to the QIC Board for consideration and appropriate measures are taken to reduce the credit risks of the treasury portfolio.</p>

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			<p>Internal Control System (hereinafter referred to as ICS) of the Company is an integral part of risk management systems, corporate governance, and covers all levels of management, all internal processes and operations of the Corporation. It consists of three lines of defense.</p> <p>The first line of protection of internal control is provided by the structural divisions of the Company themselves. Controls are developed by structural divisions and are an integral part of business processes. The organization, control, and monitoring of internal control is carried out by the heads of the structural divisions of the Company.</p> <p>The second line of protection is provided by various structural units, including, but not limited to such structural units as the risk management unit, the structural unit responsible for legal support of the Company's activities, the structural unit responsible for working with personnel, structural units responsible for security (including IT, information, physical) and others structural divisions of the Company performing control functions.</p> <p>The third line of defense is the function of independent confirmation of the effectiveness of the internal control environment within the framework of the audit plan, which covers both the first and second lines of defense, providing an assessment of the effectiveness of the overall internal control system in the Company.</p> <p>The ICS organization provides for the Company to build a management system capable of quickly responding to risks, exercising control over the main and auxiliary business processes and daily operations of the Company, as well as immediately informing ICS participants of the appropriate level about any significant shortcomings and areas for improvement.</p> <p>The ICS in the Company is built on the following principles:</p> <ul style="list-style-type: none"><li>● <b>Integrity:</b> ICS is an integral component of the Company's management system at all its levels;</li><li>● <b>Comprehensiveness:</b> ICS covers all areas of the Company's activities, control procedures are performed in all business processes at all levels of the management system;</li><li>● <b>Continuity of operation:</b> continuous and proper functioning of the ICS, which allows timely prevention and detection of any deviations from the planned data;</li></ul>

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			<p>4) responsibility: all participants of the ICS are responsible for the proper execution of control procedures within the framework of their powers enshrined in the internal documents of the Company;</p> <p>5) segregation of duties – the Company is guided by the principle of indivisibility of responsibility (responsibility for the execution of each separate control procedure is assigned to only one ICS participant) and segregation of control functions (functions are distributed between officers and employees of the Company in such a way that one and the same person does not combine functions related to the approval of transactions with certain assets, accounting of transactions, safeguarding of assets and their inventory);</p> <p>6) reporting of the participants of the ICS – the quality and timeliness of the tasks and responsibilities of each involved person of the ICS is controlled by a higher participant of the ICS;</p> <p>7) unity of the methodological base – a unified approach to the application of standards in the field of internal control for all subsidiaries of the Company;</p> <p>8) Proper Approval and Approval of Transactions – the Company shall strive to establish a procedure for approval of all financial and business transactions by authorized bodies and persons within the limits of their respective powers;</p> <p>9) timely transmission of reports on any significant deficiencies and weaknesses of control – the Company should establish the shortest possible time for the transmission of relevant information to bodies and/or persons authorized to make decisions on the elimination of any significant deficiencies and weaknesses of control;</p> <p>10) Continuous development and improvement – internal control procedures are aimed at continuous identification of deficiencies and areas for improvement in the existing ICS taking into account its adaptation to changes in internal and external conditions of the Company's operation and emerging new tasks, as well as application of appropriate corrective measures and monitoring of their implementation.</p> <p>The last ICS assessment was carried out in October 2022 by the Internal Audit Service, during which the final ICS effectiveness score was 96%. Based on the assessment results, the performance level is defined as "Optimized" – the main elements of ICS correspond to the "best practice".</p>

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7. The principle of regulating corporate conflicts and conflicts of interest

7.1.	<p>Members of the Board of Directors and the Management Board of the Company, employees of the Company, perform their professional functions in good faith and reasonably in the interests of shareholders and the Company, avoiding conflicts.</p> <p>In the event of corporate conflicts, the participants seek ways to resolve them through negotiations in order to ensure effective protection of the interests of the Company and interested parties. At the same time, the Company's officials promptly inform the Corporate Secretary and/or the Ombudsman about the presence (occurrence) of a conflict.</p> <p>The effectiveness of work on the prevention and resolution of corporate conflicts presupposes the full and early identification of such conflicts and coordination of actions of all bodies of the Company</p>	Maintained	<p>The Company operates in strict accordance with the legislation of the Republic of Kazakhstan, generally accepted principles of business ethics and internal documents of the Company.</p> <p>Relations between the Sole Shareholder, members of the Board of Directors and the Management Board of the Company are based on mutual trust, respect, accountability and control.</p> <p>The Company carries out its activities recognizing the supremacy of the Constitution, laws and other regulatory legal acts of the Republic of Kazakhstan in relation to the internal documents of the Company and not allowing decisions to be made at the personal discretion of officials and other employees of the Company.</p> <p>The Company has a Code of Business Ethics of the Company, approved by the decision of the Board of Directors of the Company dated October 23, 2018 (Minutes No. 09/18). The objectives of the Code of Business Ethics are to improve, systematize and regulate the Company's relations aimed at improving the efficiency of corporate governance and promoting successful interaction with employees, customers, suppliers, business partners, stakeholders and authorized state bodies through the application of generally accepted standards and norms of business conduct. In accordance with the Code of Business Ethics, the Company's employees undertake to comply with the norms of the Code.</p>
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Ser. No.	Principles and provisions of the Corporate Governance Code of Qazaqstan Investment Corporation joint stock company (hereinafter – the Company)	Observed/ partially observed / not observed	Activities carried out to implement the principles and provisions of the Qazaqstan Investment Corporation Corporate Governance Code (hereinafter referred to as the Code)
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			<p>Compliance with the principles of business ethics and optimal regulation of disputes on violation of the provisions of the Company's Code of Business Ethics are entrusted to the Company's Ombudsman.</p> <p>In order to implement the requirements of the legislation of the Republic of Kazakhstan and the Company's internal regulatory documents on combating corruption, resolving corporate conflicts and conflicts of interest, the Ombudsman institute has been introduced in the Company.</p> <p>The tasks of the Ombudsman include collecting information, complaints and other appeals from individuals and legal entities on the actions (inaction) of officials and employees of the Company, ensuring their consideration, as well as organizing the consideration of disputes arising on the application of business ethics, conflict of interest settlement.</p> <p>All employees of the Company, clients, partners and other interested persons have the right to apply to the Ombudsman.</p> <p>If it is impossible to resolve corporate conflicts in the Company through negotiations or other alternative ways of resolving corporate conflicts, they are subject to resolution in accordance with the legislation of the Republic of Kazakhstan.</p> <p>In 2023, there were no complaints and appeals to the Ombudsman regarding violations of business ethics and labor legislation in the Company.</p>
7.2.	<p>The Board of Directors approves and periodically reviews the policy and rules for resolving corporate conflicts, in which their resolution will best meet the interests of the Company and the Sole Shareholder.</p> <p>The Board of Directors settles corporate conflicts on issues within its competence. In this case, the Corporate Secretary and/or the Ombudsman are responsible for ensuring that the Board of Directors is informed as much as possible about the essence of the corporate conflict and the role of an intermediary in resolving the corporate conflict.</p>	Maintained	<p>In order to prevent and resolve corporate conflicts and conflicts of interest in the Company, as well as coordinate the actions of all bodies and officials, by decision of the Board of Directors of the Company dated December 12, 2015 (Minutes No. 89) The Policy on the Settlement of Corporate Conflicts and Conflicts of Interest has been approved, regulating the procedure and procedures for pre-trial settlement of conflicts, as well as the actions of bodies, officials and employees of the Company in the framework of these issues.</p> <p>Members of the Board of Directors and the Management Board, as well as employees of the Company, perform their duties in good faith and reasonably, with due care and prudence in the interests of the Company and the Sole Shareholder, avoiding conflicts of interest. They ensure full compliance of their activities not only with the requirements of the legislation of the Republic of Kazakhstan, but also with ethical standards and generally accepted norms of business ethics.</p>



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	The Board of Directors considers individual corporate conflicts within the competence of the Management Board (for example, if the subject of the conflict is the actions (inaction) of this body).		<p>Also, in 2023, there were no cases of violations of the Policy on the Settlement of Corporate Conflicts and conflicts of Interest.</p> <p>In order to ensure the regulation of the conflict of interests, the Company maintains a list of affiliated persons. To track potential conflicts of interest in the Company, members of the Board of Directors and the Management Board regularly provide information about their affiliates. An Ombudsman has been appointed in the Company. The functions of the Ombudsman include collecting information on non-compliance with the provisions of the Company's Code of Business Ethics, consulting employees and officials of the Company on the provisions of the Code, initiating dispute resolution on violation of the provisions of the Code and participating in it.</p> <p>Members of the Board of Directors and the Management Board, employees of the Company, perform their professional functions in good faith and reasonably in the interests of the Company and the Sole Shareholder, avoiding conflicts of interest and corporate conflicts.</p> <p>A civil contract is concluded with a member of the Board of Directors – an independent director in the Company, reflecting the conditions for compliance with the requirements provided for by the Company's internal regulatory documents, including on corporate conflicts and conflicts of interest.</p> <p>During 2023, no cases of corporate conflicts and conflicts of interest were recorded in the Company by the Corporate Secretary.</p> <p>The Company's Ombudsman initiates consideration of disputes on violation of the provisions of the Company's Code of Business Ethics, including in terms of corporate conflicts and conflicts of interest, and participates in their settlement.</p> <p>There were no complaints about violations to the Ombudsman during 2023.</p>

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<b>8. Principles of transparency and objectivity of disclosure of information about the Company's activities</b>			
8.1.	In order to comply with the interests of interested parties, the Company promptly and reliably discloses information provided for by the legislation of the Republic of Kazakhstan and internal documents of the Company, as well as information on all important aspects of its activities, including financial condition, results of operations, ownership and management structure.	Maintained	<p>In order to improve the corporate governance system, the Company ensures timely disclosure of reliable information about all material facts related to its activities, including its financial position, results of operations, ownership and management structure of the Company, corporate events and other information, in accordance with the best practices of corporate governance, in accordance with the current legislation of the Republic of Kazakhstan. This information is published on the Company's official website: <a href="http://www.qic.kz">www.qic.kz</a>.</p> <p>All events and significant corporate events of the Company are accompanied by the release of press releases and information messages.</p> <p>Principles, forms and methods, as well as the procedure for disclosure of information about the Company are regulated by the Information Policy of Qazaqstan Investment Corporation joint stock company approved by the decision of the Board of Directors of the Company dated July 31, 2018 (Minutes No. 6/18).</p> <p>In the course of information disclosure, the Company takes into account that information constituting commercial, official and other information protected by the legislation of the Republic of Kazakhstan must be protected. The conditions of access to such information are determined by the Company, taking into account the need to maintain a balance between openness and transparency of the company's activities and a focus on eliminating damage to its interests. All employees and Companies undertake written obligations not to disclose information containing trade secrets and other confidential information.</p> <p>In accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Company informs the Sole Shareholder about corporate events of the Company.</p>



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