

# DEVELOPMENT OF THE CORPORATE GOVERNANCE FRAMEWORK

The Company is committed to best corporate governance practices and recognises high corporate governance standards and transparency as key drivers of investment appeal and operational efficiency, boosting confidence among potential investors, counterparties, and other stakeholders, mitigating the risk of inefficient use of corporate resources and increasing KMG’s market value and wealth.

The Company’s Board of Directors oversees the quality of KMG’s corporate governance, and the Corporate Secretary coordinates its continuous improvement.

The KMG Corporate Governance Code<sup>1</sup> (the “Code”) is the core document underpinning KMG’s corporate governance framework and efforts to improve it. The Code was developed in accordance with Kazakhstan’s laws and Samruk-Kazyna’s internal documents to incorporate best national and global corporate governance practices.

The Code sets out the principles underlying the Company’s corporate governance framework. The Board of Directors and the Audit Committee monitor compliance with the Code’s regulations at KMG.

According to the Code, the Corporate Secretary annually reviews KMG’s compliance with the Code’s provisions and principles using a “comply or explain” approach. At present, most of the Code’s provisions have been complied with. Isolated instances of partial non-compliance with certain provisions of the Code have been listed in the 2024 Corporate Governance Code Compliance Report (the “Compliance Report”), along with the reasons for non-compliance. For KMG’s 2024 Corporate Governance Code Compliance Report, see [the Appendix to this Annual Report](#).

Over a course of several years, the Company’s Corporate Secretary Office has carried out consistent and systematic work coordinating KMG’s efforts to improve its corporate governance practices. Since 2016, the Company has used the review methodology for corporate governance in legal entities in which 50% or more of the voting shares are owned directly or indirectly by Samruk-Kazyna (the “Methodology”) to set goals and track the progress of improvements in corporate governance.

The Methodology involves the assignment of a rating to the Company based on the results of its corporate governance review (audit) by an independent party, which is carried out on a regular basis.

As required by the Methodology, the Corporate Secretary Office uses the review findings to develop a Corporate Governance Improvement Plan, with relevant progress against it regularly reported to the Company’s Board of Directors and the Audit Committee.

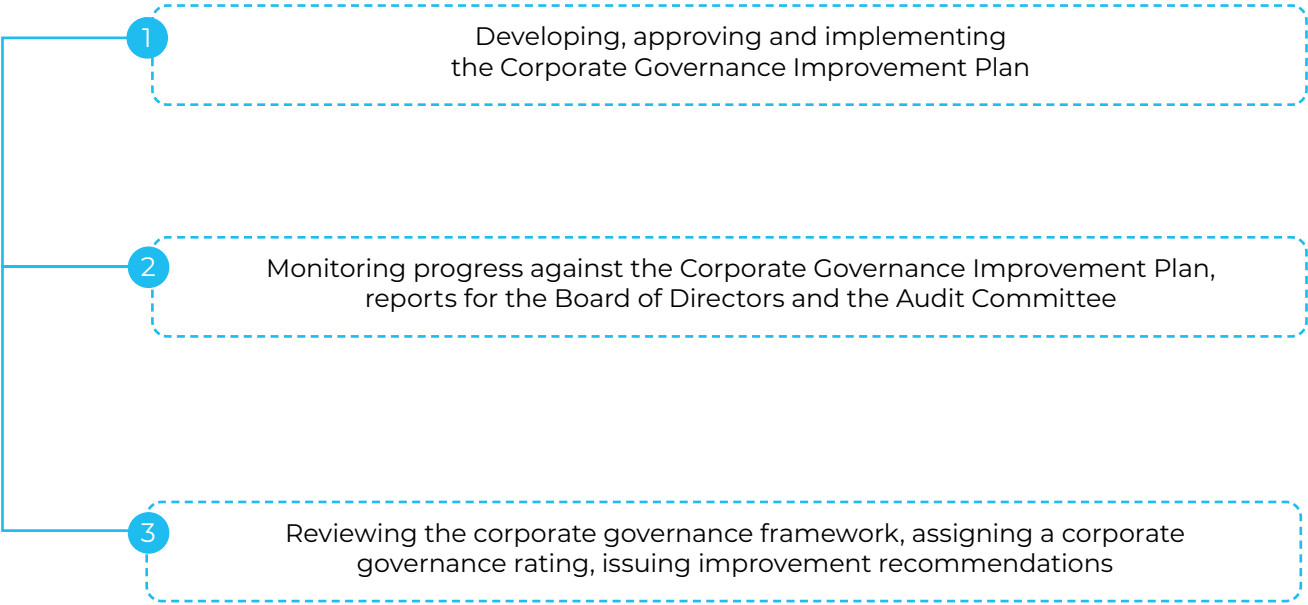
Following the 2021 independent review of the Company’s corporate governance by PricewaterhouseCoopers in line with the Methodology, KMG was assigned a BBB corporate governance rating (upward revision from the BB rating assigned in 2018), which testifies to the Company’s progress in developing its corporate governance framework, ensuring its compliance in all material respects with most established criteria, and providing sufficient evidence to demonstrate its efficiency. KMG’s next regular independent corporate governance review will be held in 2025.

KMG followed the recommendations presented by the independent consultant following the 2021 corporate governance review and included them in the Corporate Governance Improvement Plan to further enhance its corporate governance practices in 2024 across such areas as transparency, shareholder rights, risk management, internal control and audit, performance of the Board of Directors and the executive body, and sustainable development. In accordance with the established practice, the Corporate Secretary monitors progress against the Corporate Governance Improvement Plan on a regular basis, with progress reports reviewed by the Audit Committee and the Board of Directors and feedback provided to KMG’s management.

In addition, the Fund’s and KMG’s development strategies until 2031 outline the milestones for the ambitious targets established by the “Corporate Governance Rating” KPI. These efforts demonstrate an increased focus on corporate governance shown by KMG’s major shareholder, Board of Directors, Audit Committee of the Board of Directors, and the management.

In general, the Company’s efforts to enhance its corporate governance are continuous and cyclic, and the key objective of the process is assigning a rating and issuing respective improvement recommendations by an independent party.

## Corporate governance improvement at KMG



# GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the supreme body in the Company’s corporate governance structure. The General Meeting of Shareholders scope of competencies and meeting convocation, holding and summarising procedures are set forth in laws of the Republic of Kazakhstan and the Company’s Charter. General Meetings of Shareholders can be annual and extraordinary. The Annual General Meeting of Shareholders is convened by the Board of Directors or may be convened and held on the basis of a court decision following a claim of any stakeholder, if the Company’s governing bodies violate the procedure established for convening the Annual General Meeting of Shareholders. An Extraordinary General Meeting of Shareholders may be convened by the Board of Directors or a major shareholder of KMG, or alternatively, through a court decision following a claim by a major shareholder of KMG when the Company’s governing bodies fail to fulfil the shareholder’s request to hold an Extraordinary General Meeting of Shareholders.

The meeting’s agenda is set by the Board of Directors and presents a comprehensive list of explicitly stated matters for discussion.

In 2024, KMG held one General Meeting of Shareholders (annual), discussing eight matters, including one matter regarding changes to the Board of Directors’ composition: Board member and former Chairman of the Management Board of KMG, Magzum Myrzagaliev, was removed from the Board of Directors, whilst the newly appointed Chairman of the Management Board of KMG, Askhat Khassenov, was appointed to the Board of Directors.

The Annual General Meeting of Shareholders addressed the approval of KMG’s consolidated and standalone annual financial statements for 2023, discussed KMG’s 2023 net profit distribution procedure and dividend per ordinary share, and reviewed shareholder submissions regarding KMG’s and its officials’ actions during the year.

In 2024, the Annual General Meeting of Shareholders also formally approved amendments and additions to KMG’s Charter.

For more details on interactions with minority shareholders and their rights, see [the Shareholder and Investor Relations section](#)

<sup>1</sup> Approved by resolution of KMG’s Annual General Meeting of Shareholders dated 28 May 2024 (Minutes No. 1/2024, item 4).