



About the Company



Development Strategy for 2018–2028



Electricity and coal market overview



Financial and economic report



Investment activity



Procurement management



CORPORATE GOVERNANCE STRUCTURE



Sustainable development



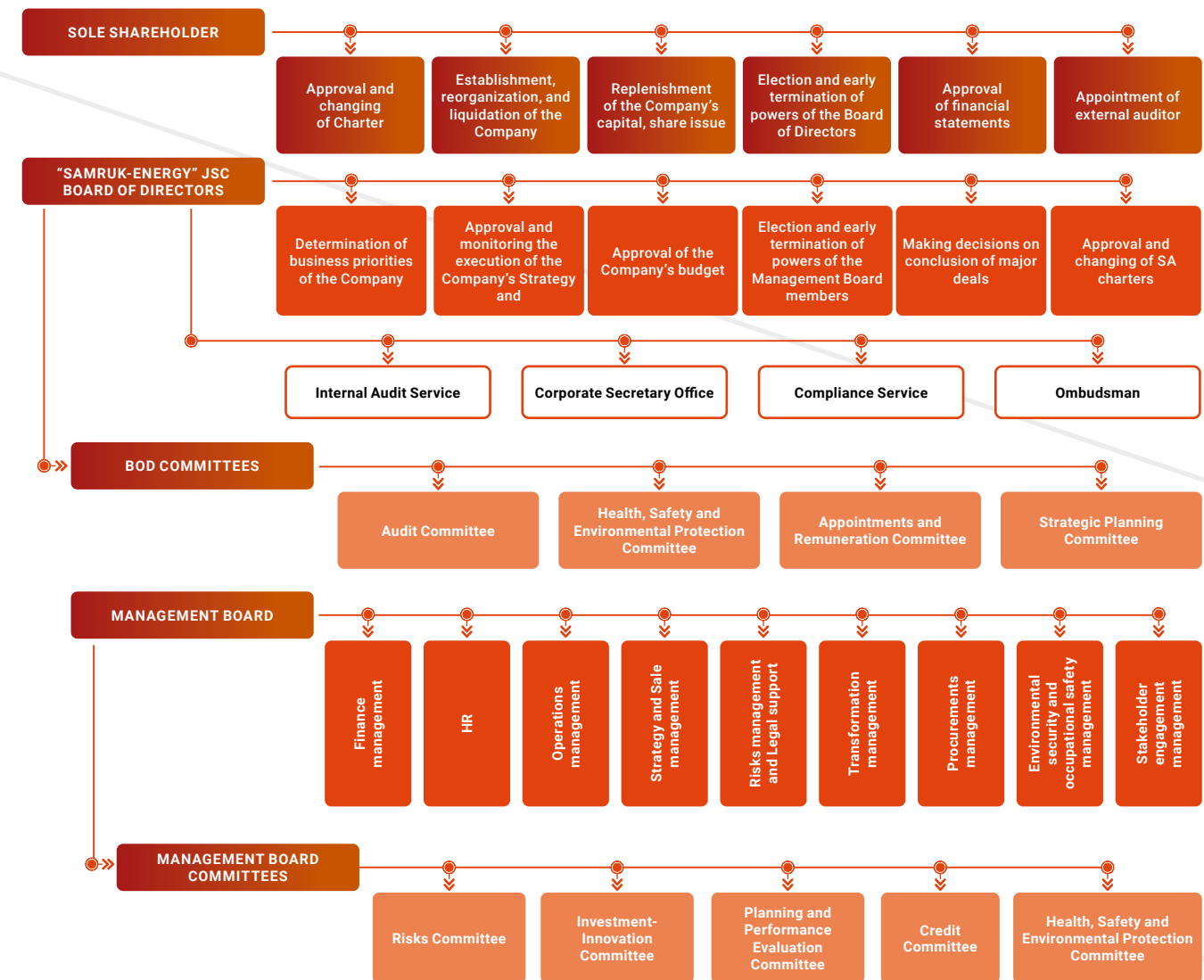
Attachments



CORPORATE GOVERNANCE

RELIABILITY FOR ALL TIMES

CORPORATE GOVERNANCE STRUCTURE



The Company fully recognizes the importance of effective corporate governance, therefore, an appropriate corporate governance is one of strategic objectives of "Samruk-Energy" JSC.

The corporate governance system of the Company is built on the basis of requirements of the Republic of Kazakhstan law, the principles and provisions of the Corporate Governance Code of "Samruk-Kazyna" JSC, internal regulatory documents of the Company, considering developing corporate governance practice in Kazakhstan and across the globe. The current corporate governance system of the Company ensures a clear delineation of powers and responsibilities between management bodies, officials and employees of the Company, adherence to the hierarchy of the procedure for considering issues and making decisions, as well as compliance with legislation and internal documents of the Company.

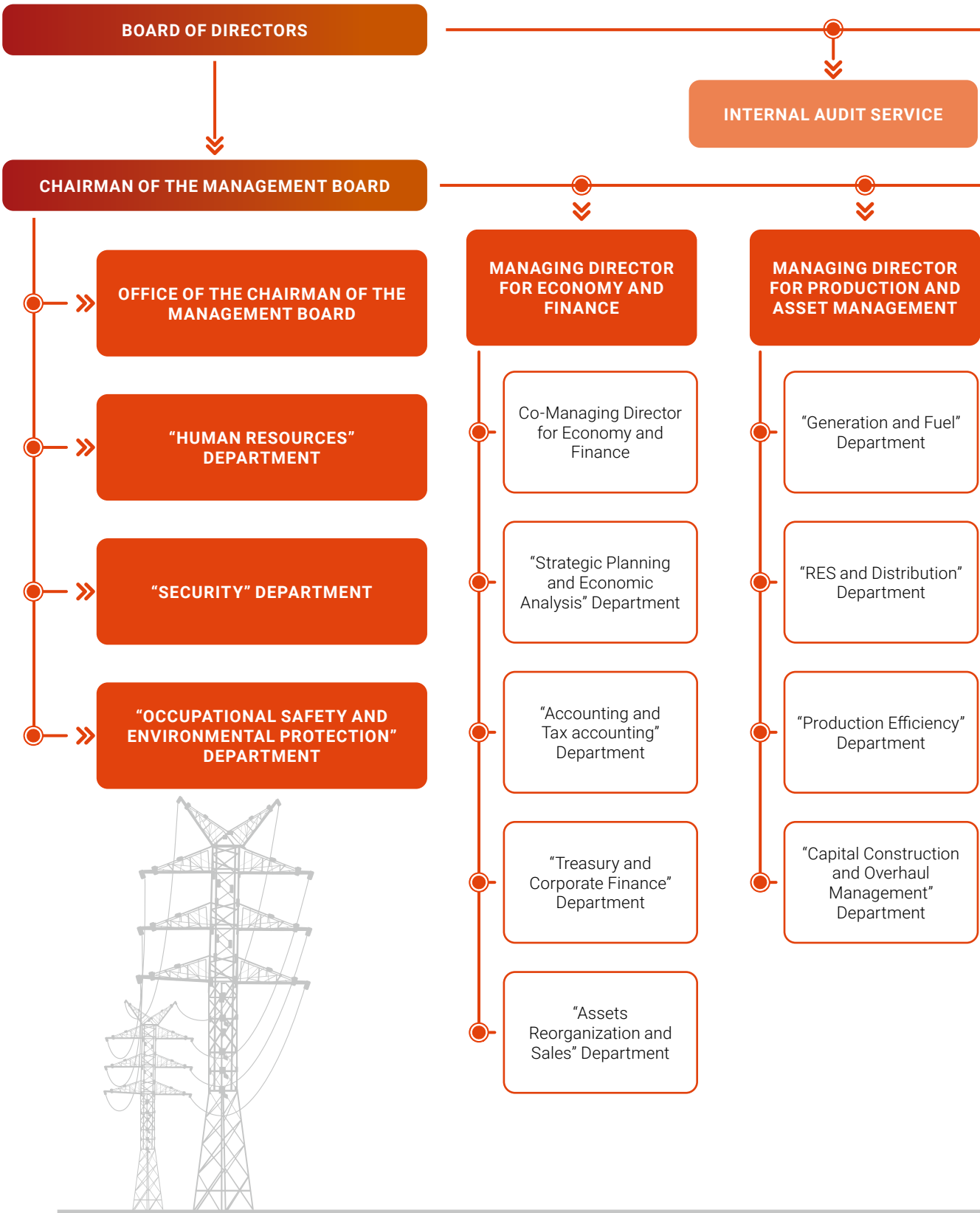
"Samruk-Energy" JSC operations are effective because of properly structured corporate governance processes at each of the levels, which ensure increased transparency, control and delineation of powers, and allow avoiding various risks by timely response.

To improve corporate governance, the Company has an Action Plan for improvement of corporate governance of the Company for 2019–2021 (hereinafter – CGI Plan), which was created using the recommendations of an external independent evaluation.

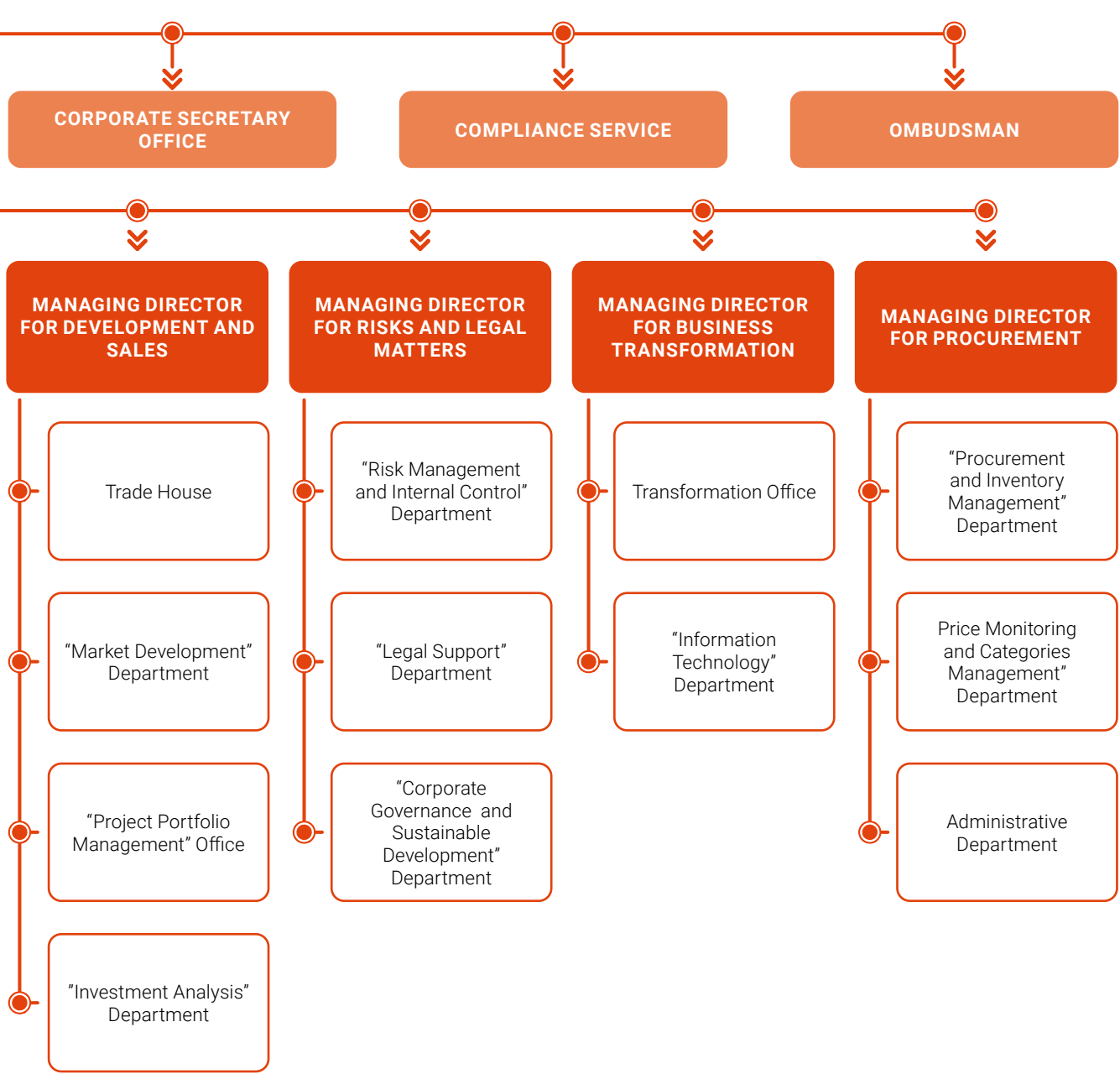
CGI Plan is monitored every quarter, the level of its achievement was included into KPI tree.

According to the 2020 results, the implementation of CGI Plan amounted to 86%.

ORGANIZATIONAL STRUCTURE OF



"SAMRUK-ENERGY" JSC



The following changes were made to the organizational structure of the Company in 2020:
For the purposes of implementation of the Head of State to reduce the number of companies, as well as in pursuance of the order, the Chairman of the Management Board of "Samruk-Kazyna" JSC dated May 15, 2020 No. 39-r on the need to revise the organizational structures of companies, the new organizational structure was approved, with the entry into force from April 1, 2021 by the decision of the Company's Board of Directors dated December 14, 2020 (Minutes No. 12/20):

- The total headcount of the Company reduced by 19 units (from 194 to 175 units);
- The number of structural units reduced by 4 units (from 31 to 27 units);
- The number of CEO-2 level employees (directors, executives, advisers) reduced from 37 to 29;
- The number of CEO-3 level employees (heads of departments) was completely reduced from 13 to 0.

The following changes were made in 2021:
The position of Deputy Chairman of the Management Board was introduced by the decision of the Board of Directors dated May 4, 2021 (Minutes No. 05/21).

Compliance with the principles and provisions of the Corporate Governance Code

In 2020, the Company evaluated and analyzed the actual compliance of the Company’s current operations with principles and provisions of the Code, the results of which show that the Company has ensured compliance with the basic principles and provisions of the Code. At year-end 2020, 59 provisions out of 64 provisions of the Code complied, 5 provisions partially complied. Inconsistencies are presented in the sections “Government as a shareholder of the Fund” and “Effectiveness of the Board of Directors and the Executive Body”:

1. Item 2 of Chapter 1 “Government as the shareholder of the Fund” according to which Companies should seek to simplify the structure of their assets and their legal forms to the maximum. So, the Company’s group includes subsidiaries of various corporate forms: both joint-stock companies and limited liability partnerships.

Due to the implementation of activities on the sale of the Company for the purpose of the execution of the RK Government decree dated December 30, 2015 No. 1141 “On some matters of privatization for 2016–2020,” as well as the decisions made by the State Commission for the Modernization of the Economy of the Republic of Kazakhstan and authorized bodies of the Fund in this connection, on issues relating to the approval of the method and strategy of sale of the Company, including the perimeter of companies included in the group of the Company as part of the privatization of the Company as a whole, at present, changing/simplification of the structure of “Samruk-Energy” JSC group of companies and corporate forms of subsidiaries and affiliates of “Samruk-Energy” JSC is not expected.

2. Item 15 of Chapter 1 “Government as the shareholder of the Fund” according to which, an ombudsman is appointed in order to comply with the principles of business ethics and effective management of social and labor disputes arising at a company, who at least once a year submits a report on the results of the work performed to the Appointment and Remuneration Committee and the Audit Committee of the Board of Directors of a company, which in turn evaluate his performance results. Thus, to comply with the principles of business ethics and effective addressing of social and labor disputes arising at a Company, on August 23, 2019, the Board of Directors of the Company (Minutes No. 07/17) elected and appointed Bekbas O.T. Ombudsman. – Chairman of the Public Association “Samruk-Energy Local Trade Union” with a term of office until August 23, 2020. As of December 31, 2020, the term of office of the Ombudsman of the Company expired, the decision on the election of a new Ombudsman was not made. Also, the Ombudsman’s reports were not submitted to the Board of Directors, the Appointment and Remuneration Committee and the Audit Committee throughout the 2020.

3. Item 5 of Chapter 5 “Effectiveness of the Board of Directors and the Executive Body”, according to which it is necessary to ensure diversity in the composition of the Board of Directors in terms of experience, personal characteristics, and gender composition. The current composition of the Board of Directors provides diversity in the required skills, knowledge, and competencies, but does not provide diversity in terms of gender.

4. Item 13 of Chapter 5 “Effectiveness of the Board of Directors and the Executive Body”, according to which the Board of Directors, committees and members of the Board of Directors of a company should be assessed on an annual basis through a structured process approved by the Board of Directors of a company. The Company did not evaluate the Board of Directors performance in 2019 due to the planned independent diagnostics of corporate governance by “Samruk-Kazyna” JSC. However, according to “Samruk-Kazyna” JSC letter dated September 17, 2020 (No. 20-07-50.8 / 5050), the diagnostics of corporate governance was postponed to 2021. In this regard, a self-assessment of performance for 2019–2020 will be conducted in 1–2 quarters of 2021.

5. Item 18 of Chapter 5 “Effectiveness of the Board of Directors and Executive Body”, according to which the Board of Directors elects the head and members of the executive body, sets the terms of office, the amount of wages, conditions of their labor remuneration, and terminates the powers of the head and members of the executive body. In accordance with the Charter and internal documents of the Company, the Board of Directors determines the size, term of office of the Management Board, elects members of the Management Board, early terminates their powers (except for the Chairman of the Management Board).

The matter of appointment (election) and early termination of powers of the Company’s Chairman of the Management Board pertains to the competence of the Sole Shareholder. The Corporate Governance Code was approved by the decision of “Samruk-Kazyna” JSC Management Board, and accordingly it is regulated by the Sole Shareholder.

The company, recognizing the importance of adhering to national and international corporate governance standards, plans to continue to develop the corporate governance system on a regular basis to maintain a high level of trust of all stakeholders and ensure sustainable business development.

Please follow the link <https://www.samruk-energy.kz/en/shareholder/other-statements> to learn more about the report on compliance of corporate governance practices with principles and provisions of the Corporate Governance Code.

SHAREHOLDER

The Sole shareholder “Samruk-Kazyna” JSC holds 100% of “Samruk-Energy” JSC shares (www.sk.kz).

The relationship with the Sole Shareholder involves ensuring protection and respect for its rights and legitimate interests and is based on honesty, accountability, responsibility and transparency.

The Sole Shareholder ensures the management of the Company by setting priorities and strategic directions of business.

The rights of the Sole Shareholder are exercised in accordance with the Law of the Republic of Kazakhstan “On joint-stock company” and “Samruk-Energy” JSC Charter. The rights of shareholders include, but are not limited to timely receipt of information sufficient for making a decision, in the manner prescribed by the legislation of the Republic of Kazakhstan, the charter and internal documents of the Company in the field of information disclosure; voting on issues of their competence; participation in determining the number of members, the term of office of the Board of Directors, election of its members and termination of their powers, as well as determining the amount and terms of payment of remuneration; receiving dividends based on a clear and transparent dividend policy. The Sole Shareholder ensures the management of the Company by setting priorities and strategic directions of business.

Equity holding structure

Pursuant to the decision of the Board of Directors of “Samruk-Energy” JSC dated 09.06.2020, in 2020 “Samruk-Energy” JSC placed 125 shares by exercising the right of pre-emptive purchase by the Sole Shareholder of “Samruk-Energy” JSC in the prescribed manner.

The amount of dividends paid in line with Resolutions of the Sole Shareholder

Period	Amount
2020 (according to the 2019 results)	3,066,231,000
2019 (according to the 2018 results)	2,041,000,000
2018 (according to the 2017 results)	2,041,000,000

As of December 31, 2020, the number of authorized securities reached 8,602,187 pieces. The number of placed securities is 5,601,812 pieces. The nominal value of one ordinary share as of December 31, 2020 amounted to 10,000 tenge.

The carrying value of one ordinary share as at December 31, 2020 amounted to 86,397 tenge.

Earnings per share was 1,429 tenge.

Dividend policy

The Company has the Dividend Policy of “Samruk-Kazyna” JSC in relation to subsidiaries, approved by the resolution of “Samruk-Kazyna” JSC Management Board dated October 2, 2012 (Minutes No. 39/12).

Dividend policy is based on the following principles:

- 1) meeting interests of the Sole Shareholder;
- 2) increase in the long-term value of the Company;
- 3) ensuring the financial stability of the Company;
- 4) providing financing of the Company’s activities, including financing of investment projects implemented by using the Company’s funds;
- 5) transparency of the mechanism for determining the amount of dividends;
- 6) the balance of short-term (income generation) and long-term (development of the Company) interests of the Sole Shareholder.

Dividends are calculated based on the amount of a company’s net income reported in the annual audited financial statements of the Company, compiled in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international financial reporting standards.



THE BOARD OF DIRECTORS

The Board of Directors provides strategic management of the Company and controls over the performance of an executive body.

The Board always considers its obligations to the Company in accordance with the Legislation and the Corporate Governance Code, in particular the obligation to contribute to the success of a business when making decisions that, in its opinion, are in the best interests of shareholders and the long-term sustainable development of the Company.

A high-quality Board of Directors is the key to a successful implementation of our Strategy, therefore, balance is an important requirement for the composition of the Board, not only in terms of the number of directors, but also in terms of experience, variety of skills, knowledge and thinking styles.

Diversity in terms of experience and personal characteristics is secured in the composition of the Board of Directors, however, due to the absence of women on the Board of Directors, the gender composition of the Board is not diverse.

In 2020, the number of members of the Board of Directors consisted of 5 people, including 2 independent directors, which will help to ensure the independence of decisions made and fair treatment of all stakeholders and in accordance with the interests of the Company.

The main criterion for the selection of Independent Directors is to have sufficient professionalism and autonomy to make unbiased decisions free from the influence of any parties. Independent directors actively share their experience and knowledge to apply the best international practice standards at the Company. Independent directors chairs the committees of the board of directors and bring in international management experience.

Independent Directors actively participate in the discussion of issues where a conflict of interests is possible (preparation of financial and non-financial statements, conclusion of interested-party transactions, nomination of candidates to the executive body, establishment of remuneration to members of the executive body). "Samruk-Energy" JSC Independent Director monitors the possible loss of independence status.

According to the 2020 results, the Independent Directors of the Company fully met the independence criteria.

COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS



AKCHULAKOV Bolat Uralovich

Chairman of "Samruk-Energy" JSC Board of Directors, representative of the Shareholder's interests

Citizenship:
the Republic of Kazakhstan

Date of birth: April 9, 1971

Date of first election: April 26, 2021

Does not hold the company's as well as suppliers and competitors' shares

Managing Director for Assets Management at "Samruk-Kazyna" JSC

Expert in strategic and corporate governance, economics, finance, law, and audit.

YESSIMKHANOV Sungat Kuatovich

Member of the Board of Directors, Chairman of the Board

Citizenship:
the Republic of Kazakhstan

Date of birth: November 30, 1973

Date of first election: April 12, 2021

Does not hold the company's as well as suppliers and competitors' shares.

Expert in power industry, strategic planning, corporate governance, finance, market development and law.



KRAVCHENKO Andrey Nikolaevich

Member of the Board of Directors

Citizenship:
the Republic of Kazakhstan

Date of birth: July 19, 1966

Date of first election: April 26, 2021

Does not hold the company's as well as suppliers and competitors' shares

Managing Director for Legal Support and Risks – member of the Management Board of "Samruk-Kazyna" JSC.

An expert in strategic planning, corporate governance, finance, market development and law.



Andreas STOERZEL

Senior Independent Director of "Samruk-Energy" JSC Board of Directors

Citizenship:
Federal Republic of Germany

Date of birth: October 12, 1963

Date of election: June 24, 2019

Does not hold the company's, suppliers' or competitors' shares

Chairman of the Strategic Planning Committee, Chairman of the Audit Committee; member of the Appointment and Remuneration Committee, member of the Health, Safety and Environmental Protection Committee.

Expert in corporate management, business development, strategy, finance, investments, merger and acquisition.

Combining jobs and membership in the BOD:

- From 2020 – Executive Director, NEOM, Saudi Arabia
- From 2019 to 2020 – Vice-President Business Development, Grid & Infrastructure, Innogy SE, Germany
- From 2014 to 2018 – Chief Executive Officer, Innogy Middle East & North Africa, Dubai, UAE



Joaquin Galindo VELEZ

Independent Director of "Samruk-Energy" JSC Board of Directors

Citizenship:
Kingdom of Spain

Year of birth: August 27, 1957

Date of election: June 24, 2019

Does not hold the company's as well as suppliers and competitors' shares

Chairman of Health, Safety and Environmental Protection Committee; Chairman of the Appointment and Remuneration Committee; member of the Audit Committee; member of the Strategic Planning Committee.

Expert in Strategy, Business Development, Generation and Engineering & Construction.

You may learn about full resume of each Board member on the website: www.samruk-energy.kz

Yessimkhanov Sungat Kuatovich was elected the member of “Samruk-Energy” JSC Board of Directors by the resolution of “Samruk-Kazyna” JSC Management Board dated April 12, 2021 (Minutes No. 13/21).

Akchulakov Bolat Uralovich was elected the member of “Samruk-Energy” JSC Board of Directors and its Chairman by the resolution of “Samruk-Kazyna” JSC Management Board dated April 26, 2021 (Minutes No. 17/21).

Kravchenko Andrey Nikolayevich was elected the member of “Samruk-Energy” JSC Board of Directors by the resolution of “Samruk-Kazyna” JSC Management Board dated April 26, 2021 (Minutes No. 17/21).

The powers of Zhamiyev Almat Kunzholovich, “Samruk-Energy” JSC Board of Directors member were terminated by the resolution of “Samruk-Kazyna” JSC Management Board dated April 26, 2021 (Minutes No. 17/21).

The powers of Luca Sutera, the member of “Samruk-Energy” JSC Board of Directors were expired in June 2020 by the resolution of “Samruk-Kazyna” JSC Management Board dated June 24, 2019.

In line with the best international corporate governance practice, in 2021, the Company carried out a self-assessment of the Board of Directors performance. Self-assessment was performed by concerned structural units of the Company in reliance on the Methodology for performance appraisal of the Board of Directors and its Committees that was approved by the Board of Directors of the Company, developed on the basis of the Methodology for diagnosing corporate governance, as well as leading practices in corporate governance.

According to the methodology, the assessment technology included questioning of all members of the Board of Directors and Committees of the Board of Directors.

The result of the Board of Directors’ performance appraisal revealed directions for further development of corporate governance practices. In particular, the main directions were determined as: personnel development, management of subsidiaries, organization of the work of the Board of Directors, training of members of the Board of Directors.

Following the appraisal conducted, the Plan of actions aimed at eliminating weaknesses was presented to improve performance of the Board of Directors and corporate governance of the Company in general.

The overall rating of the assessment was 6 (AA) out of a possible 7 (AAA), which means:

The Board of Directors of the Company meets, in all material respects, almost all of the established criteria, and that there is a confirmation about the effective performance of the Board of Directors.

The result of the Board of Directors’ performance appraisal revealed directions for further development of corporate

governance practices. In particular, the main directions were determined as: personnel development, management of subsidiaries, organization of the work of the Board of Directors, training of members of the Board of Directors.

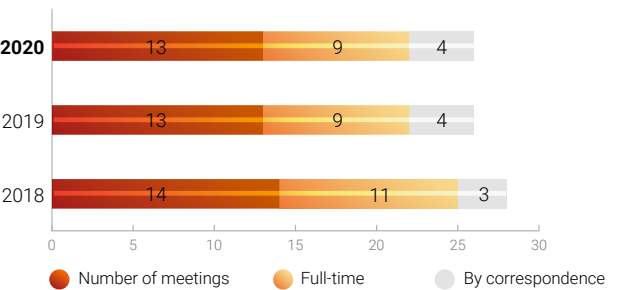
Following the appraisal conducted, the Action plan for development of the Board of Directors for 2021–2022 was approved.

For maintaining business continuity and advanced renewal of the Board of Directors composition, the Company has a Succession Plan of “Samruk-Energy” JSC Board of Directors, which includes, among other things, an Action Plan for its implementation.

The procedure for nomination and selection of candidates for members of the Board of Directors, its committees, as well as criteria used in the nomination and selection, taking into account diversity factors, including but not limited to independence, professional qualifications and experience, is carried out in accordance with the Regulations on the Board of Directors, the RK Law “On joint-stock companies”, the Corporate Governance Code. These documents govern the procedures used by the Board of Directors to prevent and manage conflicts of interest.

The Company approved an induction program for newly elected members of the Board of Directors, which allows a newly elected member of the Board to learn more about his rights and obligations, key aspects of the Company’s operations and documents, including those related to the greatest risks.

Board of Directors meetings



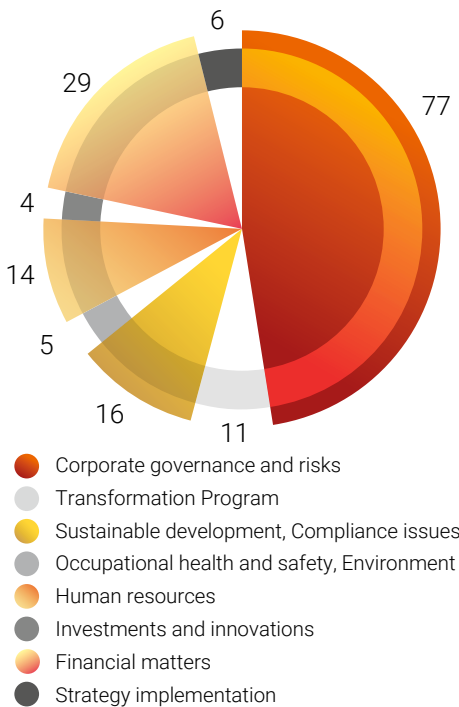
Attendance of Board of Directors members

	2018	2019	2020
General statistics	95%	100%	100%
Karymsakov Beibit Yerkinovich	–	100%	100%
Luca Sutera*	100%	100%	–
Andreas Stoerzel	100%	100%	100%
Joaquin Galindo Velez	100%	100%	100%
Zhamiev Almat Kunzholovich	–	100%	100%
Zhulamanov Bakitzhan Tolevzhanovich	100%	100%	100%

* until June 24, 2020 (authority expiration date)

In 2020, the Company’s Board of Directors considered 162 items. The procedure for informing the Board of Directors about critical financial and non-financial issues is managed in accordance with the current legislation and internal regulations. According to the results of 2020, there were no such cases.

Matters on which the Board of Directors made decisions



Remuneration of the Board of Directors members

Independent directors receive annual fixed remuneration for performing their duties as members of the Company’s Board of Directors.

An independent director is reimbursed for expenses (transport, accommodation and daily allowance) related to departure for meetings of the Board of Directors and committees of “Samruk-Energy” JSC Board of Directors held outside the place of the permanent residency of an independent director.

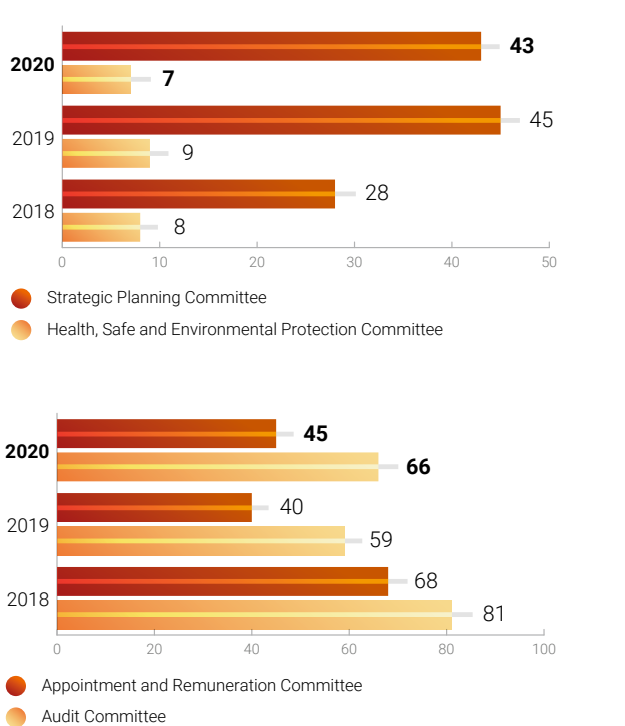
In total, remuneration to independent directors for 2020 amounted to 187,707 US dollars or 76,937,592 tenge.

The Board of Directors Committees

The Board delegates authority to its committees to carry out certain tasks on its behalf, so that it can perform its roles effectively and give an appropriate attention to more in-depth study and quality study of issues and decisions taken.

The Company has Committees under the Board of Directors: the Audit Committee, the Appointment and Remuneration Committee and the Strategic Planning Committee, as well Health, Safety and Environmental Protection Committee. The Report on performance results of the Board of Directors Committees

The number of items considered at the meetings broken down by Committees



The Audit Committee

The purpose of the Committee’s activities is to assist the Board of Directors for in-depth study of issues to establish an effective system of control over the financial and economic activities of the Company, including the completeness and reliability of financial statements, control over the reliability and efficiency of internal control and risk management systems, and the execution of documents in areas of corporate governance, monitoring the independence of external and internal audit, as well as the process

of ensuring compliance with the legislation of the Republic of Kazakhstan.

The Committee’s composition:

- Andreas Stoerzel – Senior Independent Director, Chairman of the Committee;
- Joaquin Galindo – Independent Director, member of the Committee.

Number of the audit committee meetings

	2018	2019	2020
Number of meetings	12	8	8
In presentia	12	8	8
In absentia	0	0	0
Attendance of the Committee members with voting rights	100 %	100 %	100 %
The number of items considered in 2020			66

Main items considered

Meetings with the executive body regarding the preparation of financial statements, meetings with external auditors were held. The issues of the work of the Internal Audit Service, Compliance Service and Risk Management and Internal Control Department were considered.

and remuneration of members of the Board of Directors, the Management Board, the Corporate Secretary, and other employees in accordance with the internal regulatory documents of the Company.

The Committee’s composition:

- Joaquin Galindo – Independent Director, Chairman of the Committee;
- Andreas Stoerzel – Senior Independent Director, member of the Committee.

Number of meetings of the Appointment and Remuneration Committee

	2018	2019	2020
Number of meetings	12	8	9
In presentia	12	8	9
In absentia	0	0	0
Attendance of the Committee members with voting rights	100 %	100 %	100 %
The number of items considered in 2020			45

Main items considered

During the reporting period **the Board of Directors was provided with recommendations on the election** of members of the Supervisory Boards / Boards of Directors across “Samruk-Energy” JSC group. Recommendations on the appointment of the Managing Director for Economy and Finance of the Company, on the approval of the job description and evaluation (Job description) of the Managing Director for Risks and Legal Affairs, and on the approval of the new version of the organizational structure of the Company were given.

Actual values of key performance indicators of the Management Board members, Head of the Internal Audit Service and Corporate Secretary of “Samruk-Energy” JSC, motivational KPI of members of the Management Board, Head of Internal Audit Service and Corporate Secretary of “Samruk-Energy” JSC **were considered.**

The Strategic Planning Committee

The aim of the Committee is to provide recommendations to the Council on the development of priority areas of activity (development), strategic goals (development strategies) of the Company, the implementation of a sustainable development management system, including labor and environmental issues, the implementation of investment projects, the Company’s master plan and events that

contribute to improving the efficiency of the Company in the long term.

The Committee’s composition:

- Andreas Stoerzel – Senior Independent Director, Chairman of the Committee;
- Joaquin Galindo – Independent Director, member of the Committee.

Number of the Strategic Planning Committee meetings

	2018	2019	2020
Number of meetings	10	8	8
In present	10	8	8
In absentia	0	0	0
Attendance of the Committee members with voting rights	100 %	100 %	100 %
Number of items considered in 2020			43

Main items considered

Consideration of the following Reports every quarter: on the implementation of the Action Plan for improving corporate governance and the introduction of the Corporate Governance Code of “Samruk-Energy” JSC, on the consideration of the Action Plan for the implementation of the Company’s Development Strategy for 2018–2028, on the implementation of the Development Plan of the Company, on the use of investments in the investment projects of the Company, on the progress of the Company’s Digital Transformation Program.

Consideration of the Company’s Materiality Matrix, project on major repair of power unit No.4 of Ekibastuz SDPP-1 worth more than 1 bn tenge, the list of non-strategic assets (divestments) subject to withdrawal at the Company level, stakeholder engagement and feedback mechanism report for 2019.

Health, Safety and Environmental Protection Committee

The aim of the Committee is to ensure the Company’s performance improvement by preparing recommendations, assessment, analysis and effective work on occupational health and safety, and environmental protection issues to the Board of Directors.

The Committee’s composition:

- Joaquin Galindo – Independent Director, Chairman of the Committee;
- Andreas Stoerzel – Senior Independent Director, member of the Committee.

Number of Health, Safety and Environmental Protection Committee meetings

	2018	2019	2020
Number of meetings	4	4	4
In present	4	4	4
In absentia	0	0	0
Attendance of the Committee members with voting rights	100 %	100 %	100 %
The number of items considered in 2020			7

Main items considered

Consideration of the Report on the work performed in the field of occupational health and safety and workplace injuries on a quarterly basis.

Consideration of the Concept of unified automated system for registration of occupation health and safety related incidents and violations.

THE EXECUTIVE BODY

Day-to-day operations of the Company are managed by a joint executive body represented by the Management Board.

The Management Board, by interacting in a collaborative way with the Board of Directors and all stakeholders, ensures compliance with the Company’s performance, development strategy, development plan and decisions made by the Sole Shareholder and the Managing Body.

The chairman and members of the executive body have sufficient knowledge, skills and experience to perform their roles, as well as have spotless business and personal reputation.

Composition of the Management Board

- Yessimkhanov S.K.
- Zhatkanbay R.K.
- Tutebayev S.S.
- Ryskulov A.K.

Powers of Amirkhanov M.A., the member of the Management Board were terminated by the resolution of the Board of Directors dated February 28, 2020 (Minutes No. 02/20).

By the decision of the Board of Directors dated March 27, 2020 (Protocol No. 03/20), Zhatkanbay R. K. was elected a member of the Management Board.

Powers of Zhulamanov B.T., the Chairman of the Management Board were terminated by the resolution of “Samruk-Kazyna” SWF” JSC Management Board dated April 7, 2021 (Minutes No. 12/21).

Powers of Uldanov M.A., the member of the Management Board were terminated by the resolution of “Samruk-Energy” JSC Board of Directors dated May 5, 2021 (Minutes No. 05/21).

Yessimkhanov S.K. was appointed the Chairman of the Management Board by the resolution of “Samruk-Kazyna” JSC company dated April 12, 2021 (Minutes No. 13/21)



YESSIMKHANOV Sungat Kuatovich

Chairman of the Management Board

Born on November 30, 1973

Citizenship:
the Republic of Kazakhstan

He is the chief executive officer of the Company and carries out general management of the executive body of the Company.

ZHATKANBAY Ruslan Kazbekuly

Deputy Chairman
of the Management Board, member
of the Management Board

Was born on April 30, 1978

Citizenship:
the Republic of Kazakhstan

Within the framework of the approved strategic priorities, “Samruk-Energy” JSC is carrying out a work to improve the model of the electricity market in Kazakhstan, control the procurement and marketing processes, administrative and economic support, coordinate legal support in accordance with the legislation of the Republic of Kazakhstan, the Charter and the Development Strategy of the Company in order to ensure effective use of funds and increase the profitability of “Samruk-Energy” JSC.

TUTEBAYEV Serik Suinbekovich

Managing Director for Production
and Asset Management, member
of the Management Board

Born on May 27, 1958

Citizenship:
the Republic of Kazakhstan

Coordinates and supervises activities across “Samruk-Energy” JSC group of companies: production and technical of the group of companies, coordination and control over the targeted use of state budget funds by the company’s group and the quality and timeliness of the performance of scope of work; addresses issues related to the Program for retrofit and technical re-equipment of existing production and capital construction; control over the timely conduct of the tariff campaign at “Samruk-Energy” JSC group of companies, controls the activities in the field of energy conservation and energy efficiency.

RYSKULOV Aidar Kairatovich

Managing Director for Economy
and Finance, member
of the Management Board

Born on September 20, 1981

Citizenship:
the Republic of Kazakhstan

He coordinates the Company’s operations in financial and economic matters, asset and liability management, fund raising, accounting and reporting issues, monitors the implementation of the Development Strategy.

You may learn more about resume on the website:
www.samruk-energy.kz



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THE MANAGEMENT BOARD PERFORMANCE

The number of meetings of “Samruk-Energy” JSC Management Board

	2018	2019	2020
Number of meetings	30	39	35
The share of in-person meetings	100%	100%	100%
Attendance	84%	99.74%	92.3%
The number of items considered	381	418	504

Main items considered

The following was done across “Samruk-Energy” JSC group of companies: internal regulatory documents, the total number of employees, organizational structure, staff list and wages schemes of employees of the group of companies were approved, the issues related to investment projects, changing the amount of the authorized capital and amending the charters of subsidiaries and affiliates were considered, as well as determining the voting position by representatives of “Samruk-Energy” JSC in subsidiaries and affiliates, etc.

Remuneration of the Management Board members

To determine the conditions and procedure for performance evaluation and payment of remuneration to the Company’s

Management Board, the “Rules for performance evaluation and remuneration of executive and management employees of “Samruk-Energy” JSC are in effect.

The rules are based on the following principles:

- interrelation of remuneration with the implementation of tasks that meet the interests of the Company and its shareholders;
- simplicity and transparency of principles of setting the remuneration amount;
- the dependence of the amount of remuneration on the Company and employees performance.

The Board of Directors evaluates the head and members of the executive body. The main evaluation criterion is the achievement of KPI set.

In thousands of Kazakhstani Tenge

	2019	2020
Key management compensation	139,906	210,832

Key management personnel compensation represents the salaries, bonuses and other short-term employee benefits.

Key management personnel as at 31 December 2020 include 5 persons (31 December 2019: 5 persons).

The Management Board Committees

There are advisory bodies under the Management Board, which were established to provide the Management Board members with expert assistance in tackling the most complex issues.

All committees report to the Company’s Management Board and act within the competence provided to them by the Management Board in accordance with the provisions on these bodies.

The Risks Committee

The Committee assists the Board in making decisions in the field of risk management and internal control of the Company, prepares recommendations and proposals for organizing and maintaining an effective risk management system, internal control, ensuring their functioning and development of processes designed to identify, measure, monitor and control risks. The Committee is also preparing proposals for monitoring the coordination of work in these areas.

The composition of the Committee:

- **Chairman of the Committee** – Managing Director for Risks and Legal Affairs;
- **Deputy Chairman of the Committee** – Managing Director for Business Transformation.

- **Members of the Committee** – Managing Director for Development and Sales; Managing Director for Economy and Finance; Managing Director for Production and Asset Management; Managing Director for Procurement; Financial controller; Director of “Risk management and internal control” department; Head of the Internal Audit Service (without voting right); Head of Compliance Service (without voting right).

2020 Report

Number of meeting	4
Number of items considered	10
Key items	<ul style="list-style-type: none">• On preliminary approval of the Risk Management Report with description and analysis of key risks, as well as information on the implementation of plans and programs for mitigating “Samruk-Energy” JSC risks for the 4th quarter of 2019, 1st, 2nd and 3rd quarters of 2020;• On preliminary approval of the consolidated Risk Register, the consolidated Risk Map, Key Risks Management Action Plan with determination of tolerance levels for each key risk, Passports of “Samruk-Energy” JSC Key Risk Indicators for 2021.• On preliminary approval of risk appetite of “Samruk-Energy” JSC for 2021.• On consideration of the Report on execution of the Department’s Work Plan for 2020.• On consideration of the Report on execution of 2020 Work Plan of the Committee for Risks and approval of the Work Plan of the Risk Committee for 2021.• On approval of the Department’s Work Plan for 2021.

The Committee for Planning and Performance Evaluation

The main goal of the Committee is to improve performance of “Samruk-Energy” JSC group of companies, including optimizing the structure of their assets and costs, monitoring of KPI, reviewing development plans and financial statements.

The committee’s composition:

- **Chairman of the Committee** – Managing Director for Economy and Finance
- **Deputy Chairman of the Committee** – Managing Director for Development and Sales
- **Committee members** – Managing Director for Production and Asset Management, Managing Director for Business Transformation, Managing Director for Procurement, Managing Director for Risks and Legal Affairs, Head of “Financial Control” Department, Head of “Price Monitoring and Category management” Department, the auditor of the Internal Audit Service (without voting right).

2020 report

Number of meetings	10
Number of items considered	11
Key items	<ul style="list-style-type: none">• Obtaining the approval for adjustments to the budget of the Head Office and SA within the approved indicators of the Annual budget for the first calendar year.

The Investment and Innovation Council

The Council helps to increase the efficiency of investment and innovation activities at “Samruk-Energy” JSC group of companies.

For these purposes, the Council develops recommendations on issues of investment and innovation activities, the implementation of certain phases of the stages

of the pre-investment and investment project, development of recommendations on the transition to the next stage; acquisition and alienation by the Company of shares (equity stakes) of other legal entities, including within the framework of the implementation of the priority right to acquire the right of subsoil use of an object related to the right of subsoil use, the merger of the “Samruk-Energy” JSC group of companies with third-party legal entities, establishment of legal entities as part of investment projects.

The Committee’s composition:

- **Chairman of the Committee** – Chairman of the Management Board;
 - **Deputy Chairman of the Committee** – Managing Director for Production and Asset Management.
 - **The Committee members** – Managing Director for Development and Sales; Managing Director for Economy and Finance; Managing Director for Business
- Transformation; Managing Director for Procurement; Managing Director for Risk and Legal Affairs; Head of the Project Office; Head of the Company’s Compliance Service – as an expert without the right to vote; Chief auditor of the Internal Audit Service of the Company – as an expert without voting right.

2020 report	
Number of meetings	8
Number of items considered	10
Key items	<ul style="list-style-type: none">● On certain matters regarding implementation of the pre-investment stage of the investment project “Gasification of Almaty Energy Complex. Reconstruction of Almaty CHP-3”.● On approval of adjustment of the feasibility study for the project “Construction of the counter-regulating Kerbulak hydro power plant on the Ili River” and the land management project.

The Credit Committee

The main objectives of the Credit Committee are to ensure timely and high-quality decision-making on issues related to attracting, providing loans, financial assistance and issuing guarantees, minimizing risks, with developing recommendations for the effective management of the structure of assets and liabilities of “Samruk-Energy” JSC.

The Committee’s composition:

- **Chairman of the Committee** – Managing Director for Economy and Finance;
- **Committee members** – Managing Director for Production and Asset Management, Managing Director for Risks and Legal Affairs; Director of Treasury and Corporate Finance Department; Director of Risk Management and Internal Control Department; Head of the Project Office; Financial Controller;
- **Independent expert** – Head of Compliance Service.

2020 report	
Number of meetings	6
Number of items considered	7
Key items	<ul style="list-style-type: none">● Matters related to obtaining/providing loans and financial assistance, placing free funds of “Samruk-Energy” JSC on deposits in second-tier banks were considered.

Health, Safety and Environmental Protection Committee

The aim of the Committee is to ensure effective work in resolving issues related to occupational safety and environmental protection of the Company by providing appropriate recommendations on the assessment of the effectiveness of policies and systems for identifying and managing risks related to occupational safety and environmental protection; analysis of all fatal accidents, as well as serious incidents, and the measures taken as a result of such cases and incidents; studying the results of any independent audits in the field of labor and environmental protection, reviewing any strategies and action plans developed in response to the questions raised and, if possible, providing the Board of Directors with recommendations regarding these issues.

The Committee’s composition:

- **Chairman of the Committee** – Chairman of the Management Board;
- **Deputy Chairman of the Committee** – Director of “Occupational health and safety and environmental protection” department.
- **Committee members** – Director of “Generation and Fuel” Department; Director of “RES and Distribution” department; director of “Corporate governance and sustainable development” department, senior manager of “Occupational health and safety and environmental protection” department;

2020 Report	
Number of meetings	4
Number of items considered	5
Key items	<ul style="list-style-type: none">● Consideration of Reports on the work performed in the area of occupational health and safety, workplace injury and environmental protection.● Consideration of the annual report on the Committee’s performance.

COMPLIANCE

Hot line:
Telephone: 8 800 080 47 47
Website: www.sk-hotline.kz
e-mail: mail@sk-hotline.kz

The Company maintains high standards of business ethics, transparency and legality that are independent of business customs and other business conditions in a particular jurisdiction.

The primary target of compliance direction is to carry out activities on identifying, evaluating, preventing, and monitoring compliance risks arising in the course of business of “Samruk-Energy” JSC group, creating zero tolerance for corruption and bribery, building an anti-corruption culture and preventing compliance risks.

A single “hot line” operates at the Company, whereby a multi-channel call-center, available to employees of all subsidiaries and affiliates across Kazakhstan, operate.

According to the results of the survey, it was found that – 86% of those who were questioned trust the work of “hot line”, and satisfaction with the work amounted to 70%.

Addressing conflicts of interest

To create an effective system for managing conflicts of interest, as well as determining requirements for the behavior of employees, compliance with which allows reducing risks of decision-making under the influence of personal interests and relationships at the Company, several measures are being taken.

The Policy for Settlement of Corporate Conflicts and Conflict of Interest of “Samruk-Energy” JSC has been available at “Samruk-Energy” JSC since 2018, under which executives and employees from heads of departments to those who hold higher positions, complete declaration on absence of conflict of interest.

Preliminarily, in order to eliminate corruption risks and conflicts of interest during the recruitment process, candidates for vacant positions at “Samruk-Energy” JSC and senior positions at subsidiaries and affiliates (according to the list of positions) are checked for affiliation with officials of “Samruk-Kazyna” JSC group of companies.

The Compliance Service regularly monitors situations for conflicts of interest; 1 potential conflict of interest was settled in 2020.

Fighting Corruption

The Company has created its approach based on the following principles:

- Active involvement and support by management in the development of a compliance system. The Company’s Board of Directors regularly reviews reports on the implementation of the compliance program.
- The Company regularly conducts activities aimed at identifying and further updating of corruption risks.
- The Company develops and implements anti-corruption procedures that meet the level and nature of the identified risks, improves and updates internal policies and procedures.
- The Company implements and supports a training program for employees on principles and standards of compliance with anti-corruption legislation.
- The Company monitors the effectiveness of the implemented procedures to prevent corruption.
- To reduce the risk of the Company’s involvement in corruption activities, the Company developed Due Diligence procedures for both counterparties and individuals.

To create an anti-corruption culture and zero tolerance for any forms of bribery and corruption, training events for clarifying the requirements, adopted compliance policies and anti-corruption legislation are held for “Samruk-Energy” JSC group employees regularly.

All employees of “Samruk-Energy” JSC Group of Companies learned about the requirements of the Code of Conduct, the Anti-Fraud and Corruption Policy and employees were tested.

As part of anti-corruption activities, the following activities were carried out in 2020:

On October 6, 2020, the Head of State signed the Law No. 365-VI “On Amendments and Additions to Certain Laws and Regulations of the Republic of Kazakhstan on Anti-Corruption Issues.”

To bring in line with requirements of the law, the Action Plan for implementation of requirements of the RK Law “On Combating Corruption” dated November 18, 2015 No. 410-V 3PK was developed at “Samruk-Energy” JSC and subsidiaries and affiliates and was approved by the resolution of the Board of Directors.

Training

Name	Total	Administrative and management staff	Production staff	Training Actual
“Samruk-Energy” JSC	195	195	0	100%
“AlmatyEnergoSbyt” LLP	565	57	508	100%
“Moynak HPP” JSC	116	19	97	100%
“Shardarinsk HPP” JSC	137	18	119	100%
“Ekibastuz SDPP-2” JSC	1,504	107	1,340	100%
“Alatau Zharyk Company” JSC	3,922	168	3,754	100%
“APP” JSC	3,158	220	2,938	100%
“Ekibastuz SDPP-1” LLP	1,422	142	1,280	100%
“Bogatyr Komir” LLP	6,584	490	5,993	100%
“Samruk-Green Energy” LLP	24	10	14	100%
“Mangyshlak-Munay” LLP	22	11	11	100%
“FWPP” LLP	26	11	15	100%
“Energia Semirechya” LLP	21	21	–	100%
“Bukhtarminsk HPP” JSC	10	10	–	100%
“Tegis Munay” LLP	3	3	–	
“Ereymentau Wind Power” LLP	16	15	–	100%
“Kazhydrotechenergo” LLP	1	1		100%
“Energy Solutions Center” LLP	57	21	36	100%
TOTAL	17,783	1,520	16,105	100%

The Company employees are tested for knowledge of requirements of anti-corruption legislation and internal documents every year.

In 2020, the Company’s Compliance Service of the Company conducted 10 compliance inspections on cases involving calls to the “hotline” and detected violations of internal regulatory documents and legislation requirements at subsidiaries and affiliates.

In order to create a corporate compliance culture, “Samruk-Energy” JSC held a meeting with the management of the Head Office (offline) and subsidiaries and affiliates (online) with representatives of the Anti-Corruption Agency of the Republic of Kazakhstan on November 12, 2020. The meeting clarified the new requirements of the legislation on gifts and the expansion of anti-corruption entities.

As a result of inspections, subsidiaries and affiliates took actions on mitigating risks, as well as measures on taking disciplinary actions against executives and responsible employees.

According to the 2020 results, no corruption offenses in the actions of the head of a subsidiary were reported across the group of companies.

OMBUDSMAN

Email address: o.bekbas@samruk-energy.kz
Telephone: +7 (7172) 69-23-56

Acting as an independent party, the Ombudsman contributes to the establishment and development of corporate values and culture, high standards of professional conduct and business ethics at the Company.

The Ombudsman tasks include:

- 1) assistance in the settlement of labor disputes, conflicts, problematic social and labor issues as well as helping employees in observing the principles of business ethics;
- 2) assistance in increasing the rating and image of the supervised Company, early prevention and settlement of disputes and conflicts;
- 3) ensuring informal communications between officials and employees of the Company, timely identification

of problems and ways for improvement based on such communication, preparation of propositions for improving policies and procedures of the Company;

- 4) the Ombudsman submits problematic issues that are systemic in nature and require taking appropriate decisions (comprehensive actions), effective propositions for their resolution to the Board of Directors/Supervisory Board, and if available, to the Audit Committee under the Board of Directors/Supervisory Board.

According to the 2020 results, the Ombudsman received 20 different verbal appeals. All persons who submitted an appeal received comprehensive answers. Appeals and responses to them do not have a negative impact on the social stability of the Company as a whole. No case of appeal to the Ombudsman regarding discrimination on racial, religious, national, gender, age, political and other grounds was recorded. Respectively, in this regard, there were no written appeals.

THE AUDIT OF OPERATIONS

The Internal Audit Service

The Internal Audit Service helps the Company to achieve strategic goals and tasks by providing independent, objective guarantees and advice aimed at improving risk management, internal control and corporate governance systems at the Company.

The mission of the Service is to provide the Board of Directors and the Executive Board with necessary assistance in performing their responsibilities to achieve strategic goals across “Samruk-Energy” JSC group of companies.

The new head of the IAS was appointed in March 2020 – Kasymbekov Bekzhan Beisenovich. The head of the IAS holds bachelor’s degree from the Almaty University of Energy and Communications. Holds master’s degree from Lancaster University (Great Britain, scholarship from the state program “Bolashak”). He has various international professional certificates, including Dip ICFM (DipCPIA), the International Institute of Financial Managers of Great Britain, EXIN International Institute (ITIL). Over the years, he worked at international audit companies (Ernst & Young, PricewaterhouseCoopers), at the internal audit service of “Baiterek” National Management Holding Company” JSC, etc.

In 2020, 20 scheduled audit assignments were completed across “Samruk-Energy” JSC (the Company) Group in accordance with the Annual Audit Plan:

- Audit of the efficiency of procurement process across the Company’s group;
- Assessment of achievement of digital transformation program goals across the Company’s group;
- Evaluation of achievement of executives KPI across the Company’s group;
- IT audit, assessment of human resource management processes, etc.

All audit engagements were performed in accordance with the International Standards for the Professional Practice of Internal Auditing. Recommendations, which are based on results of audits conducted, were made to improve internal control, risk management and corporate governance systems.

The priority of audit assignments was determined by selecting the processes with the highest available risks, as well as with priority requests for auditing from the Sole Shareholder and the Board of Directors of “Samruk-Energy” JSC.

As part of improvement of the Company’s corporate governance system, in 2020 IAS continued working on the implementation of action plans for:

- The IAS strategic development plan;
- Quality Assurance and Improvement Program;
- A three-year plan for the transition to audits based on testing internal controls.

Moreover, the IAS monitors the implementation of recommendations of external auditors and evaluates the effectiveness of actions aimed at implementing the IAS recommendations on a quarterly basis.

In the 4th quarter of 2020, an external performance appraisal of the IAS was conducted by an independent company “KPMG Tax and Advisory” LLP. Based on the results of the IAS, it meets the requirements of international standards.

At year-end 2020, the Board of Directors evaluated the IAS performance as “EFFECTIVE”.

Quality management system audit

The Company has introduced corporate governance system in line with international standard ISO 9001:2015.

Focusing on the needs and expectations of stakeholders, “Samruk-Energy” JSC ensures effective management of the Company’s operations.

To confirm the compliance of the corporate governance system with ISO 9001:2015 international standard requirements, the Company passes external audit every year. It is conducted in compliance with the TÜV NORD CERT procedures with confirmation of the scope of management system as regards services for corporate management of energy assets.

In 2020, an external recertification audit confirmed compliance with the international standard ISO 9001 at “Samruk-Energy” JSC. The experts from the international independent company “TUV Nord” conducted the procedure.

The external audit of the Company

The Company’s audit organization is selected in line with the Rules for selection of an audit organization for “Samruk-Kazyna” JSC and organizations, more than fifty percent of voting shares (equity stake) of which are directly or indirectly held by “Samruk-Kazyna” JSC under ownership or trust management, approved by the decision of “Samruk-Kazyna” JSC Management Board.

Quality and cost of services are the main criteria determining the choice of an audit organization.

PricewaterhouseCoopers (“PwC”) network of firms has been the external auditor of the Company since 2012.

PwC holds a leading position in the provision of audit and consulting services: the audit clients include almost half of the companies entered into the FTSE 100 and Fortune 500 ratings.

To improve the quality of services delivered to fuel and energy industry enterprises in different countries of the world, the Global Energy Center was established as part of PwC firm, with more than 4,000 professionals.

Visit www.pwc.kz for more information.

According to “Samruk-Energy” JSC Policy in engaging audit organizations services, the Company applies the principle of rotation of a partner bearing the main responsibility for the audit, every five years. Baurzhan Burkhanbekov was the partner who had main responsibility for the audit in 2016–2017. Dana Inkarbekova has been the partner since 2018.

Furthermore, there are special conditions at “Samruk-Energy” JSC group of companies relating to hiring of audit organizations’ employees. Therefore, in the event of expected appointment of an audit organization employee who participated in the compulsory audit of the Company as an employee of an audit organization within two years preceding the date of his/her appointment (election) to the Company as a member of the Management Board, managing director and chief auditor, it is required to obtain a preliminary approval of the Audit Committee in order to avoid conflicts of interest.

PwC conducts audit at the following SA of the Company:

Company	Type of activity	Period
“Samruk-Energy” JSC	Holding company	2008–2010, 2012 – to present
“Ekibastuz SDPP-1” named after “Bulat Nurzhanov” LLP	Production of electricity and heat using coal at the power plant located in Pavlodar region	2013 – to present
“Alatau Zharyk Company” JSC	Services for power distribution, technical distribution of power in Almaty city and Almaty region	2010, 2012 – to present
“Almaty Power Plants” JSC	Electricity and heat production for Almaty and Almaty region	2010, 2012 – to present
“AlmatyEnergoSbyt” LLP	Sale of electricity in Almaty city and Almaty region	2008–2010, 2012 – to present
“Shardarinsk” HPP	Electricity production	2007
“Moynak HPP” JSC	Construction of hydropower plant on Charyn river	2008, 2012 – to present
“Ekibastuz SDPP-2 Plant” JSC	Electricity and heat production on the basis of coal extracted from “Bogatyr” and “Severny” open-pit coal mines	2005–2009
“Bogatyr Komir” LLP	Extraction of coal by open pit mining at Bogatyr and Severny coal mines	2008–2010, 2012 – to present

Fees paid to the audit firm for auditing services for 2020

Services	“Samruk-Energy” JSC	“Samruk-Energy” JSC group of companies
Audit for 2020	32,364,000 tenge	168,200,597 tenge

PWC did not provide services unrelated to financial statements audit during 2020.

RISK MANAGEMENT

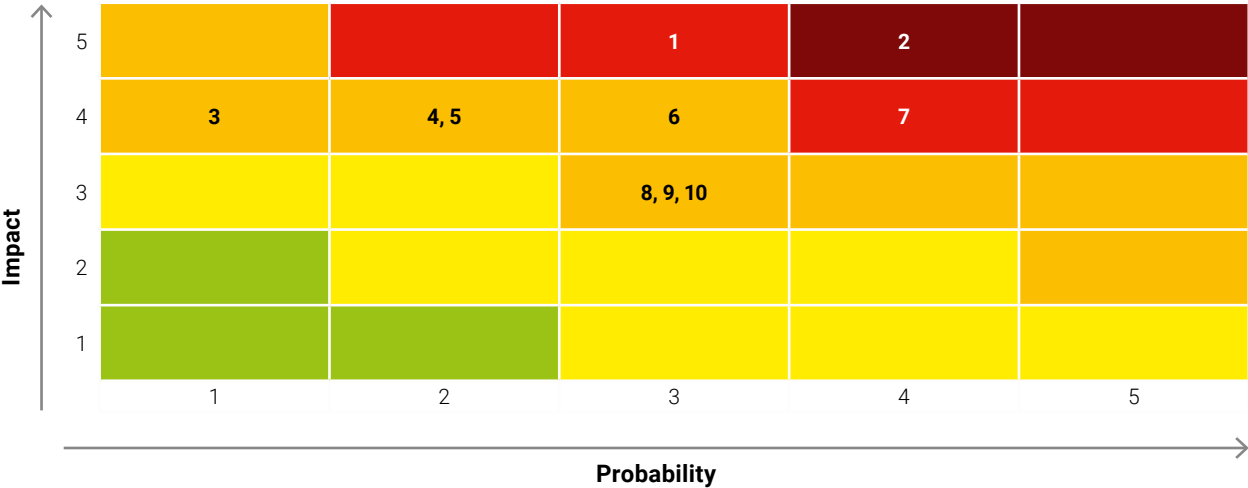
Corporate risk management and internal control system effectively perform its roles and is regularly improved at the Company.

The Board of Directors sets the Company’s risk appetite both in quantity and quality terms every year; the risk appetite includes restrictions on core activities, and compliance with such restrictions is monitored every quarter.

The Risk Register, the Risk Map, KRI (key risk indicators) and the Action Plan for managing key risks are prepared

annually and submitted to the Company’s Board of Directors for approval. After considering the results of performed work on identification of “Samruk-Energy” JSC group’s risks for 2020, 33 risks involved in operations of “Samruk-Energy” JSC group of companies were identified and assessed, KPI thresholds were updated, risk owners updated risk factors and activities aimed at their mitigation. According to the results of revaluation, 10 risks were included into the key zone of the Risk Map for 2020 (in 2019 – 13 key risks):

RISK MAP



Nº	Risk description
1	The risk of accidents at work that have caused damage to the health and life of employees during the process of performing official duties
2	Risks of ongoing/future investment projects and investment programs of "Samruk-Energy" JSC
3	The risk of industrial accidents and disasters
4	The risk of failure to fulfill the electricity sales plan
5	The risk of tariff setting
6	The risk of human resources of the Company's group
7	The risk associated with implementation of Digital Transformation Program
8	Foreign exchange risk
9	Credit risk
10	The risk of violation of covenants of external creditors and listing requirements

As we have seen from the experience, risks, which needs to be assessed and prevented, arise in any types of business.

Today, various solutions that aim to improve risk management systems, are available, one of which was adopted by "Samruk-Energy" JSC.

Works on implementation of the project "Introduction of the new risk management model" have commenced since November 2018; the project is an important part of corporate governance, and consists of 3 integrated subsystems subject to the following changes:

- risk management system (system improvement);
- internal control system (refinement of the system in terms of design assessment and testing of the operational efficiency of control procedures);
- business continuity support system (system implementation).

At year-end 2020, as part of implementation of the project "Introduction of the new risk management model" (the Project), a number of activities have been carried out in stages, such as:

- subsidiaries and affiliates that are key in the implementation of the Project were identified;

- the plan for implementation of the Project was determined, which outlines the activities for "Samruk-Energy" JSC and its key subsidiaries and affiliates;
- the processes that are involved in the implementation of the Project (production and IT processes) have been identified;
- people responsible for ensuring the continuity of operations as part of the Project were appointed at "Samruk-Energy" JSC and its SA selected for 2020 ("Ekibastuz SDPP-1 named after Nurzhanov" LLP, "Almaty Power Plants" JSC, "Moynak Hydropower Plant" JSC, "Shardarinsk hydropower plant" JSC);
- the processes identified at subsidiaries and affiliates chosen for 2020 ("Ekibastuz SDPP-1 named after Nurzhanov" LLP, "Almaty Power Plants" JSC, "Moynak Hydropower Plant" JSC, "Shardarinsk Hydropower Plant" JSC), were allocated into criticality groups;
- internal regulatory documents have been developed (Internal control arrangement and implementation rules, business continuity rules) at subsidiaries and affiliates chosen for 2020 ("Ekibastuz SDPP-1 named after Nurzhanov" LLP, "Almaty Power Plants" JSC, "Moynak Hydropower Plant" JSC, "Shardarinsk Hydropower Plant" JSC);

Key changes in 2020 (key risks mitigation, pandemic)

The risk of non-fulfillment/untimely update of the Company's development strategy (increase by probability-transition to key zone)
<ul style="list-style-type: none">• the impact of the emergency state in Kazakhstan due to a pandemic and other diseases that threaten the life and health of citizens of Kazakhstan.• measures: in accordance with the established quarantine requirements
Risks of ongoing/ future investment projects and investment programs of SA (without changes)
<ul style="list-style-type: none">• The main deviation in the underspending with regard to investment projects occurred at "Bogatyr Komir" LLP because of lengthy tender procedures for rocurement of construction and installation work on the flow complex.• Actions: the contract was concluded, works are underway.
The risk of workplace accidents that caused damage to the health and life of employees in the performance of their duties (increase)
<ul style="list-style-type: none">• 8 work-related accidents have been recorded since the beginning of 2020.• Actions: in accordance with the work plan "Occupational health and safety and environmental protection" department.
Foreign exchange risk (reduction by probability)
<ul style="list-style-type: none">• reduction of currency commitments.• Actions: monitoring changes in foreign exchange quotations, activities on refinancing of current loan.
Credit risk (without chnages)
<ul style="list-style-type: none">• Unstable situation in second tier banks• Actions: monitoring of compliance with limits on counterparty banks, as well as regular evaluation of STB stability
The risk of violation of covenants of external creditors and listing requirements (without changes)
<ul style="list-style-type: none">• Actions: monitoring compliance with covenants, as well as financial sustainability ratios, actions aimed at reducing the level of debt burden and interest payments
The risk of failure to fulfill the electricity sales plan (without changes)
<ul style="list-style-type: none">• Actions: daily participation in preparation of daily schedules of electricity supply to the wholesale market and participation in centralized auctions, attracting consumers of Kazakhstani wholesale market
The risk associated with transformation program implementation (decrease by impact and probability)
<ul style="list-style-type: none">• reformation of projects portfolio• Actions: monitoring the execution of the Roadmap.
The risk of occupational accidents and disasters (without changes)
<ul style="list-style-type: none">• Actions: conducting major and current repairs, periodic inspections of equipment's technical condition, provision of briefings and accident preventing training for operating staff of an enterprise
The risk of tariff setting (without changes)
<ul style="list-style-type: none">• obtaining individual tariffs for electric capacity by subsidiaries• Actions: monitoring the tariff policy of SA, the work on obtaining of necessary tariff levels in the authorized bodies, participation in working groups on legislation amendments.
The risk of human resources of the Company's group (without changes)
<ul style="list-style-type: none">• Actions: Personnel reserve relations, cooperation with educational organizations on training of specialists in priority areas for power and coal sectors, arrange workshops and and trainings for the Company's employees, introducing the principles of meritocracy, motivation system development.

- Business continuity plans and business continuity recovery plans were developed at "Samruk-Energy" JSC and its subsidiaries and affiliates chosen for 2020 ("Ekibastuz SDPP-1 named after Nurzhanov" LLP, "Almaty Power Plants" JSC, "Moynak Hydropower Plant" JSC, "Shardarinsk Hydropower Plant" JSC);
- Draft Methodology for testing the internal control system was developed on the basis of existing Rules for arrangement and implementation of internal control for key subsidiaries and affiliates as part of the Project implementation;

- Draft Methodology for testing the business continuity management system was developed on the basis of existing Business Continuity Rules for key subsidiaries and affiliates as part of the Project implementation;
- trial testing of internal control and business continuity management systems was conducted at "Ekibastuz SDPP-1 named after Nurzhanov" LLP;
- awareness raising activities were held regularly during the reporting period as part of the Project activities;
- inspections of the Project implementation activities were carried out (off-premise).