

REPORT ON COMPLIANCE WITH THE PRINCIPLES AND PROVISIONS OF THE CORPORATE GOVERNANCE CODE OF KAZAKHTELECOM JSC FOR 2024

This Report has been prepared in accordance with paragraph 15, chapter 5 of the Corporate Governance Code of Kazakhtelecom JSC “Effectiveness of the Board of Directors and the Executive Body”.

The activities of Kazakhtelecom JSC and its corporate practices demonstrate full compliance with the principles and provisions of the Corporate Governance Code.

CORPORATE GOVERNANCE PRINCIPLES OF THE JOINT-STOCK COMPANY “SOVEREIGN WEALTH FUND SAMRUK-KAZYNA”

CHAPTER 1. GOVERNMENT AS A SHAREHOLDER OF THE FUND

Although this chapter is titled as such, it contains provisions that the Company is expected to follow in its operations. In particular, it is stated that the main strategic objective of the Fund’s organizations is the growth of long-term value and sustainable development. All decisions and actions must be aligned with the development strategy.

The Company’s governing bodies are fully independent and autonomous in making decisions and performing actions within their competence. Relations between shareholders and the Company are managed through the Board of Directors in accordance with the principles of sound corporate governance.

Disclosure of information on the Company’s activities is carried out in accordance with the Law “On Joint-Stock Companies” and the Company’s Charter via placement of required information in the mass media (including the financial reporting depository and stock exchange websites). Upon request, certain information is also provided to shareholders directly.

The Company has an Internal Audit Service, a Compliance Service, and the roles of Corporate Secretary and Ombudsperson, all of which operate in accordance with applicable legislation and the internal regulations of the Company. These functions are elaborated in detail below in this Report.

CHAPTER 2. INTERACTION BETWEEN THE FUND AND ORGANIZATIONS. ROLE OF THE FUND AS A NATIONAL MANAGING HOLDING

The corporate governance system is a set of processes that ensure the management and oversight of the Company’s activities, as well as the relationships between the Management Board, Board of Directors, shareholders, and stakeholders. These matters are clearly regulated in the Charter, and the provisions on the General Meeting of Shareholders, Board of Directors, Management Board, and other internal documents.

Samruk-Kazyna JSC (hereinafter – the Fund) participates in company management through its role as a major shareholder and through the Board of Directors.

The Board of Directors of the Company is fully autonomous in making decisions within its competence. The Fund’s position on certain issues is communicated through its representatives on the Board of Directors.

The Company is managed by its governing bodies in accordance with the law and its Charter.

CHAPTER 3. SUSTAINABLE DEVELOPMENT

The Corporate Governance and Sustainable Development Department coordinates sustainability activities. Improving the sustainable development management system is an integral part of Kazakhtelecom JSC’s Strategy through 2032.

In 2024, the Company developed and approved an ESG Strategy (Minutes No. 15 dated 19.09.2024), which is part of the broader JRun business strategy and considers the Company’s role in implementing government programs in the areas of IT, education, infrastructure, and low-carbon development. It contributes to the effective achievement of financial stability and competitiveness.

Under the ESG Strategy, the Company plans to enhance its corporate climate risk management system. In 2024, the Company identified climate-related risks and opportunities in accordance with the TCFD Recommendations and developed a methodological approach for their identification; conducted climate scenario analysis in line with TCFD recommendations; and developed an adaptation plan to address identified physical climate risks.

Kazakhtelecom JSC places great emphasis on ESG development. In February 2023, the Board of Directors

approved the ESG Practices Development Roadmap of Kazakhtelecom JSC, comprising 108 actions in the areas of environment, social balance, and corporate governance. In 2024, the Company implemented the following measures under this Roadmap:

- › disclosure of climate-related information;
- › obtained an independent ESG rating from S&P Global;
- › assessed the current level of biodiversity in its operational areas.

In 2024, the Company continued implementing measures to reduce greenhouse gas emissions in line with its Low-Carbon Development Program for 2022–2032, approved by the Board of Directors.

CHAPTER 4. SHAREHOLDER RIGHTS AND FAIR TREATMENT

The protection of shareholder rights is a key commitment of the Company. Kazakhtelecom JSC strictly adheres to the shareholder rights stipulated in legislation and internal regulations and ensures fair treatment of shareholders. Shareholders are promptly informed about relevant events such as general meetings, decisions taken, and other matters. The Company also promptly provides requested information to shareholders.

CHAPTER 5. EFFECTIVENESS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BODY

The Board of Directors, accountable to the General Meeting of Shareholders, provides strategic leadership and oversight of the Management Board’s activities.

The Management Board, accountable to the Board of Directors, manages the day-to-day operations and ensures alignment with the strategy, development plan, and decisions made by the Board and the General Meeting of Shareholders.

The powers of the Board of Directors and the Management Board are clearly defined and delineated.

The Board of Directors and its committees maintain a balance of skills, experience, and knowledge to ensure independent, objective, and effective decision-making in the Company’s interests, fair shareholder treatment, and sustainable development.

The Board includes experts from various fields (telecommunications, finance, marketing, technology, etc.) with broad, including international, experience. The number of independent directors complies with and exceeds the legal requirement (at least 30%).

The election of the Board of Directors is conducted strictly in accordance with the procedures set by legislation and the Company’s Charter. The election procedure, term of office, and the Board’s activities are governed by internal regulations. An induction program is in place for newly elected Board members.

The Chairperson of the Board of Directors is responsible for overall leadership, ensuring the effective functioning of the Board, and facilitating constructive dialogue among Board members, major shareholders, and the Management Board.

The roles and responsibilities of the Chairperson and CEO are clearly separated and stipulated in the Charter and internal regulations.

The Board committees contribute to in-depth and thorough consideration of issues within the Board’s competence and improve decision quality, particularly in the areas of audit, risk management, strategy, HR, and social matters. In 2024, three committees operated actively and effectively: the Audit and Sustainable Development Committee, the HR, Remuneration and Social Matters Committee, and the Strategic Planning Committee. Their roles are clearly defined in the regulations, they review a broad range of issues, and provide recommendations to the Board. The outcomes of their work are regularly reviewed and positively assessed by the Board.

The preparation and conduct of Board meetings are aimed at maximizing effectiveness. Board members are provided with complete, timely, and up-to-date information for fulfilling their duties.

The Board holds regular meetings to effectively perform its functions. Meetings are held in accordance with the work plan approved at the beginning of the calendar year. Meetings are held in-person or via absentee voting, with the number of absentee meetings kept to a minimum. Important and strategic matters are considered and decided only at in-person meetings.

Board and committee meetings are duly recorded by the Corporate Secretary, including discussion outcomes and adopted decisions.

To ensure effective organization and interaction between the Board, Management Board, and shareholders, the Board has appointed a Corporate Secretary who performs their duties in accordance with legislation, the Charter, and internal regulations.

The Management Board, as the collective executive body, is accountable to the Board and manages the daily operations of the Company, being responsible

for implementing the strategy, development plan, and decisions adopted by the Board and the General Meeting of Shareholders.

The Board elects the CEO and Management Board members, determines their terms, salaries, and compensation. The recommendation to appoint the executive body for up to three years is observed.

KPIs for the CEO and executive team are approved annually by the Board.

In case of corporate conflicts, the parties seek resolution through negotiation to ensure the effective protection of the organization’s and stakeholders’ interests. No corporate conflicts occurred in 2024, as in previous years.

To ensure adherence to business ethics and effective resolution of socio-labour disputes, the Company has appointed an Ombudsperson. The Ombudsperson advises employees and dispute participants, helps develop mutually acceptable, constructive, and actionable solutions in line with Kazakh legislation (including confidentiality when needed), and supports resolution of social and labour issues while promoting ethical conduct.

The Compliance Service operates actively and effectively to ensure adherence to regulatory requirements and best international practices in anti-corruption and internal corporate culture. It supports transparency, integrity, and ethical conduct among employees, and fosters conditions for doing business in accordance with global standards, internal policies, and Kazakh law.

CHAPTER 6. RISK MANAGEMENT, INTERNAL CONTROL, AND AUDIT

The Company has an established risk management and internal control system. The Board of Directors plays an active role in risk management.

Quarterly reports on risk management and internal controls are reviewed by the Audit and Sustainable Development Committee and the Board of Directors. Where necessary, adjustments are made to activities and processes in this area.

The Internal Audit Service operates effectively and reports directly to the Board of Directors. The Internal Audit Service’s reports are also reviewed quarterly by the Audit and Sustainable Development Committee and the Board of Directors, who promptly respond to any

violations identified by the Internal Audit Service and take the necessary decisions.

CHAPTER 7. TRANSPARENCY

In order to protect the interests of stakeholders, the Company ensures timely and accurate disclosure of information on all material aspects of its operations, including financial condition, performance results, ownership structure, and governance.

Relevant information is published through various platforms, including the websites of the financial reporting depository and the stock exchange.

The Company conducts an annual audit of its financial statements through the engagement of an independent and qualified auditor. The audited annual financial statements are approved each year by the General Meeting of Shareholders.

The Company also annually approves an integrated Annual Report, which discloses all aspects of the Company’s activities for the reporting year, including financial results, corporate governance, sustainability activities, and other relevant information.