



GOV4C



# 2021

## ANNUAL REPORT

# LIST OF CONTENTS

## INTRODUCTION

About the report

### I. MESSAGE OF THE MANAGEMENT

Welcome speech by the Chairman of the Board of Directors  
Welcome speech by the Chairman of the Management Board

### II. PROFILE OF THE STATE CORPORATION

1. History of creation. Mission, vision, development strategy
2. Values and corporate culture
3. Strategy results, events and achievements of this year

### III. ACCOUNT OF ACTIVITIES IN 2021

4. Operating activity
5. Information Technology
6. Risk management
7. Sustainable development
8. Information and branding work
9. Personnel
10. Development prospects

### IV. CORPORATE GOVERNANCE

11. Corporate governance system
12. Sole shareholder. The Board of Directors. Ombudsman of the state corporation. Internal audit and compliance control
13. The Board of the State Corporation

### V. FINANCIAL REPORT

13. Results of financial and operational activities
14. Information about the external auditor for 2017-2021



## ABOUT THE REPORT

The purpose of this Annual Report on the activities of Government for Citizens State Corporation NJSC for 2021 (hereinafter referred to as the State Corporation, the Report, respectively) is to provide comprehensive and reliable information to stakeholders about the development strategy, the results achieved in the provision of public services, the corporate governance system, financial indicators and responsibility in the field of sustainable development of the State Corporation.

The Report was formed on the basis of information provided by the structural divisions of the State Corporation and agreed upon by them. The financial data in the Report are presented in accordance with the audited financial statements of the State Corporation prepared in accordance with International Financial Reporting Standards.

The Report is published on an annual basis in Kazakh, Russian and English languages and is available on the website of the State Corporation [www.gov4c.kz](http://www.gov4c.kz).

This Report was approved by the decision of the Board of Directors of the State Corporation dated June 29, 2022.





# MESSAGE OF THE MANAGEMENT





Chairman of the Board of Directors  
Government for Citizens  
State Corporation NJSC

**Aset Turysov**

## Dear Kazakhstan citizens and colleagues!

Digitalization continues to actively develop in our country and has now affected almost all areas of our activity. And it is great, because this process significantly simplifies life for Kazakhstanis - from the usual payment in a store to buying an apartment on a mortgage.

Therefore, public services have always been and remain an important part of digitalization. And at this stage, we are close to achieving 100% transfer of all public services to an online format. And then we will fulfill one more important goal - people will stop running and collecting various certificates. "To run" should be data.

The key role in this matter is played by the Government for Citizens State Corporation, which, being a single provider of public services, can rightfully be considered the flagship of digitalization.

In 2021, the Ministry of Digital Development, Innovation and Aerospace Industry, together with the State Corporation and partners, implemented a number of significant innovative projects: payment of state duties using a QR code, a biometric system when taking a driving test, a digital mortgage in one day.

The work of the State Corporation and its employees was appreciated at the international level. It won a special award from the UN for innovative approaches in the field of public services in December 2021.

For us, our people have always been the main resource, and we create comfortable conditions for both our employees and Kazakhstanis who apply for public services. We will continue to do so in order to keep our internal and external customers always satisfied.

The digital future is not far off, it is already with us. Many of us a couple of years ago could not have imagined that, having a smartphone with the Internet, it would be possible to get any certificates from home, create an individual entrepreneur, buy and register a car, and much more.

**"I would like to thank all the employees of the Government for Citizens State Corporation for their excellent work, who daily help Kazakhstanis to receive public services quickly and conveniently in all regions of the country."**

## Dear customers, partners, colleagues!

We would like to present to your attention the Annual Report on the results of the activities of the Government for Citizens State Corporation in 2021.

Over the past year, more than 17 million public services were provided through the State Corporation, a number of projects were implemented that made life easier for Kazakhstan citizens

We have developed and launched the PSC mobile application, which is available for download in the AppStore and Play Market. In the application, Kazakhstanis can receive 13 public services by connecting with the PSC operator via video call.

Thanks to cooperation with banks, through the Kaspi and Halyk Bank mobile applications, it was possible to reduce the time for registering vehicles to 15-25 minutes. Thus, the service was used 626 thousand times in 2021.

Last year we launched a service for the delivery of finished documents. To date, this service is available in 16 cities for 135 public services.

Along the line of front offices, we strive for a complete paperless provision of public services with a focus on self-service and carry out all the necessary work to automate processes, improve the quality of public service centers, and introduce new service formats.

In April 2021, the Unified Contact Center 1414 was transferred to the State Corporation. Today, there are offices in 7 cities, a transition to an omnichannel system has been made, and the waiting time for an operator's response has decreased to 16 seconds.



Chairman of the Board of  
Government for Citizens  
State Corporation NJSC

**Suyenish Abdildin**

**1 260**

Public services

**325**

Front of offices

**68**

Mobile public service centers

**19**

Branches

**442**

Back offices

**20 thousand**

Employees

**15-25** minutes  
Time of registration vehicles



In 2021, work began on the transfer to the extraterritorial principle of the provision of public services in the social and labor sphere. And 3 services for the appointment of benefits and payments related to the birth of a child, from 2021, are provided without reference to the place of registration.

A pilot project was also implemented to register bank real estate pledges using blockchain technology in cooperation with Freedom Finance Bank, Halyk Bank, Otbasy Bank. By automating the process of legal analysis, the time from the moment banks filed an application to registration was 3 minutes. In this way, 2,850 applications were submitted in 2021.

As a result of our activities, in December 2021 we won the UN award for contribution to the development of the civil service through digital transformation.

To simplify the process of obtaining land plots as much as possible, a public cadastral map has been developed, which displays all information about land plots, including information about owners

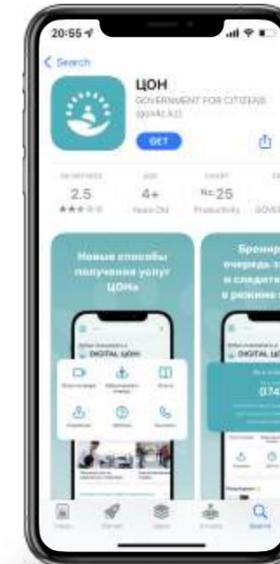
## Developed and implemented system eOtinish



**1,1** million Requests

Within the framework of the Unified State Real Estate Cadastre, a pilot project is being implemented to provide land plots through auctions on the eGov.kz portal.

Today, to open a business for an entrepreneur on the eGov.kz portal, it is enough to fill out an application and registration will be carried out immediately. Also, the eGov.kz portal implemented a notification procedure service for changing the head of a legal entity in automatic mode, without the participation of employees of the State Corporation.



*“I would like to thank our customers, employees and partners for fruitful cooperation..”*

**Suyenish Abdildin Chairman of the Board of Government for Citizens State Corporation NJSC**





# PROFILE OF THE STATE CORPORATION

1. History of creation. Mission, vision, development strategy
2. Values and corporate culture
3. Strategy results, events and achievements of this year



# 1. HISTORY OF CREATION. MISSION, VISION, DEVELOPMENT STRATEGY

The history of the State Corporation begins on April 7, 2016. It's the date of its state registration with the justice authorities on the basis of the Decree of the Government of the Republic of Kazakhstan No. 39 dated January 29, 2016.

The State Corporation was created by merging 4 republican state enterprises on the right of economic management: the Public Service Center, the Real Estate Center, the Research and Production Center for the Land Cadaster and the State Center for the Payment of Pensions.

At the initial stage, the structure of the State Corporation included the Board of Directors, the Office of the Management Board (19 structural divisions), 70 branches, including 4 Directorates: the provision of public services, the land cadaster, the technical survey of real estate, the interdepartmental settlement center for social payments and 1 representative office. As of December 2021, the State Corporation had 19 branches.

## History of creation



On April 8, 2016, branches of the State Corporation in the regional centers and cities of Astana (now Nur-Sultan) and Almaty were already registered with the justice authorities.



On June 23, 2016, by the decision of the Board of Directors, the Development Strategy of the State Corporation for 2016-2020 was approved, which set the course for improving the quality, transparency and accessibility of public services provided to individuals and legal entities by a single provider.



On April 6, 2018, the Board of Directors approved the updated Development Strategy for 2018-2022 with strategic directions for the further development of the State Corporation as a single provider of public services, the transition to a digital format for servicing citizens and businesses, and the development of the human capital of the State Corporation.



As a result of the ongoing work to optimize activities in May 2017, the Directorates were liquidated, the Central Branch for Coordinating the Activities of Social and Pension Security (hereinafter referred to as the Central Branch) was created, and a single territorial branch was created in the regions by merging branches accountable to the Directorates.



In July 2018, the functions of the Ministry of Justice of the Republic of Kazakhstan for registration of rights to real estate were transferred to the State Corporation.



In **December 2018**, the State Corporation successfully passed the audit and received an international quality certificate of the ISO 9001:2015 series.



In **July 2019**, the functions of the Ministry of Justice of the Republic of Kazakhstan for state registration of legal entities and record registration of branches and representative offices of commercial organizations were transferred to the State Corporation.



By Decree of the Government of the Republic of Kazakhstan dated **July 12, 2019** No. 501, the State Corporation was transferred to the jurisdiction of the Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan (hereinafter - MDDIAI).



By Decree of the Government of the Republic of Kazakhstan dated **October 15, 2019** No. 765, the State Corporation was transferred to the jurisdiction of the Committee for Public Services of the MDDIAI (hereinafter referred to as the CPS).



From **April 1, 2021**, based on the Decree of the Government of the Republic of Kazakhstan dated February 1, 2021 No. 27, the State Corporation has been designated as the Unified Contact Center (hereinafter referred to as the UCC).

## The mission

is to introduce a proactive principle for the provision of public services, their provision by a single provider through convenient modern channels using technological solutions and ensuring a high level of service.

## Vision

The State Corporation is a single platform for receiving services and services that meet the needs of service recipients using proactive, client-oriented and innovative approaches.

## The development strategy for 2018-2022

### 1) Development of the State Corporation as a single provider of public services.

**Purpose:** the provision of services by the State Corporation for citizens and businesses from a single source, improving the activities of a single provider.

**Tasks:** formation of the State Corporation as a single platform for receiving services; implementation of a quality management system.

### 2) The transition to a digital format for servicing citizens and businesses.

**Purpose:** to provide the population and business with services in electronic format, in the conditions of modern infrastructure and the use of the latest technologies.

**Tasks:** optimization and automation of public services; introduction of innovative technologies in the process of rendering public services; creation of the information system "Unified State Cadaster of Real Estate" (USCRE).

### 3) Development of the human capital of the State Corporation.

**Purpose:** introduction of the principles of meritocracy, efficiency of personnel management, development of corporate culture and social stability.

**Task:** Improving the efficiency of HR functions.

Thus, the main goal of the State Corporation in accordance with the Development Strategy for 2018-2022 was to ensure high quality, convenience and ease of obtaining public services for citizens.

By the decision of the Board of Directors dated November 26, 2021, a new Development Strategy of the State Corporation for 2022-2026 was approved (information in Unit 10 of this Report).



## 2. VALUES AND CORPORATE CULTURE

On November 26, 2019, the Board of the State Corporation approved the SANA Code, which defined the system of corporate values, the basic norms and rules of behavior for employees, corporate interaction processes, and formed the foundations of the culture of the State Corporation.

SANA values mean:

In order to implement the SANA Code, maintain and develop a corporate, service and innovation culture, the State Corporation holds corporate events, Town-Hall, sports days, team buildings, the Youth Council and the Veterans Council operate, the Expert Council operates to review initiatives, and diagnostics of the service culture (NPS) and corporate culture (the level of staff involvement), personnel assessment, the SANA Competence School is functioning.

**S** **SENIM**  
(trust):

- 1) we are always with you, we provide quality public services throughout the life of the citizens of our country;
- 2) we are a close-knit team, we think differently, but we are moving towards the same goal;
- 3) We sincerely strive to help anyone who needs our help.

**A** **ASHYQTYQ**  
(openness):

- 1) we increase the involvement of citizens and businesses in digitalization
- 2) we are open to everyone, we solve problems without hiding or silencing them;
- 3)we develop innovation and leadership through digital technologies.

**N** **NÁTIJE**  
(result):

- 1) our clients get a high-quality result;
- 2) we encourage employees to achieve results and develop;
- 3) we are constantly improving our skills.

**A** **ABYROI**  
(dignity):

- 1) it is an honor for us to serve our people conscientiously, responsibly and honestly;
- 2) we tell the truth, keep our word and take responsibility for our actions;
- 3) we declare zero tolerance for corruption, violations of rights and laws.

## 3. STRATEGY RESULTS, EVENTS AND ACHIEVEMENTS OF THIS YEAR

The Development Strategy of the State Corporation for 2018-2022 provides for 5 key performance indicators (hereinafter referred to as KPI).

№	KPI	UoM	2021	
			Plan	In fact
<b>Strategic direction 1.</b>				
<b>Development of the State Corporation as a single provider of public services</b>				
Goal 1: Provision by the State Corporation of services for citizens and businesses from a single source, improving the activities of a single provider				
1	The level of satisfaction of the population with the quality of services provided by the State Corporation	%	87	98,22
2	Annual increase in income from commercial activities (compared to the fact of the previous year)	%	+1	+16,6
<b>Strategic direction 2.</b>				
<b>Transition to a digital format for serving citizens and businesses</b>				
Goal 1: Provision of services to the population and business in electronic format in the conditions of modern infrastructure and the use of the latest technologies				
3	Opening of Digital PSC (transformation of front offices)	PCs	3	6
<b>Strategic direction 3.</b>				
<b>Development of human capital of the State Corporation</b>				
Goal 1: Implementation of the principles of meritocracy, efficiency of personnel management, development of corporate culture and social stability				
4	The share of personnel turnover through the introduction of material, non-material incentives for employees (percentage of the total number of employees)	%	10	12,7
5	Percentage of employees who completed advanced training through the development of professional and personal-business competencies	%	18	19,53

The main results of the implementation of the Development Strategy for the reporting year include the following projects:

- 1) Creation of a Talent Pool (internal reserve) of the State Corporation. This is the country's fourth project to create a talent pool in Kazakhstan (May).
- 2) Transfer to electronic format of 26 types of registration actions on real estate (November).
- 3) Implementation of a proactive way to provide 3 public services in the field of social security (April, July).
- 4) Implementation of the extraterritorial principle of rendering 3 state services for assigning benefits and payments related to the birth of a child (July).
- 5) Payment of targeted social assistance through the State Corporation as part of a pilot project (November).
- 6) Development of "PSC" own mobile application (November).
- 7) An increase in the list of services using Blockchain technologies for registering a pledge on real estate (November).
- 8) Implementation of biometric identification of citizens when receiving a state service for issuing driver's licenses (November).
- 9) Launch of 6 Digital offices of the population taking into account the new brand book in the cities of Nur-Sultan (Yesil district), Shymkent, Kyzdorda, Kokshetau, Petropavlovsk and in the Ordabasy district of the Turkestan region.
- 10) Development of a grading system (December).



# ACCOUNT OF ACTIVITIES IN 2021

- 4. Operating activities
- 5. Information Technology
- 6. Risk management
- 7. Sustainable development
- 8. Information and image work
- 9. Staff
- 10. Development prospects

## 4. OPERATING ACTIVITY

The State Corporation operates in the following areas:

-  organization of work on the document reception and issuance for the provision of public services on the principle of "one window";
-  state technical inspection of buildings, structures and (or) their components;
-  state registration of legal entities that are commercial organizations and record registration of their branches and representative offices;
-  registration of a pledge of movable property not subject to mandatory state registration;
-  state registration of rights to real estate;
-  social and pension provision;
-  maintenance of the state land cadaster.





# Operations Front Offices



**331**

front offices

- 299 – departments;
- 32 – public service sectors;
- including 29 specialized departments for registering vehicles and issuing driver's licenses with motordrome (hereinafter referred to as the Special PSC) and 72 sectors of the Special PSC (within the department for public services).



**17 521 401**

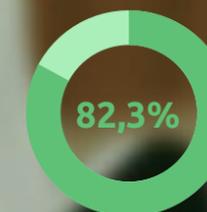
public services

- in paper form through the operating room - 17,426,303 services or 99.5% (2020 - 16,168,809 or 98.6%);
- in electronic form - 95,098 services or 0.5% (2020 - 218,538 or 1.3%).

Compared to 2020, there is an increase in the total number of services rendered by 1,134,054 units, or 6.9%.

## The most requested public services in 2021 were:

- issuance and revocation of the registration certificate of the National Certification Center of the Republic of Kazakhstan;
- issuance and revocation of the registration certificate of the National Certification Center of the Republic of Kazakhstan;
- services through the Ministry of Internal Affairs of the Republic of Kazakhstan (state registration of vehicles, issuance of a driver's license, issuance of passports and identity cards to citizens of the Republic of Kazakhstan, registration of citizens of the Republic of Kazakhstan at the place of residence, issuance and renewal of permits for labor immigrants);
- state registration of rights to real estate;
- preparation and issuance of acts on the land plot;
- issuance of a technical passport for the property;
- issuance of repeated certificates or certificates of registration of acts of civil status.



- All services
- Services in demand



# Operations

## Provision of public services in front offices



**99,98%**  
quality public services rendered

**0,02%**  
total number of services provided

Violations of the time of registration due to the fault of an employee of the State Corporation amounted to 3,462

By the end of 2021

For the operational coordination of the activities of the front offices, monitoring the processes of their work in real time and providing feedback from the population during the provision of public services, the Situation Center operates.

- The activities of the Situation Center involve 11 operators - specialists of the 13 Management Board and 1 specialist each in the branches.
- The Situation Center is equipped with 316 video recorders and 1,873 video cameras (490 digital and 1,383 analog cameras) installed in 311 front offices.
- In July 2021, due to the insufficiency and weak technical equipment capabilities of the Situation Center, the Concept for the Development of the Situation Center was developed and approved, the implementation of which will increase the performance indicators of the front offices

### Product Experience

In order to improve the quality of the provision of public services, in the reporting period, the State Corporation introduced a feedback system with service recipients - Product Experience, launched in July 2021.

### The program is designed to

- collect feedback
- group the received feedback
- manage problems, conduct analysis in the context of front offices (public service departments), regions and the entire republic for a certain period.
- Feedback is collected via SMS after receiving the service.
- The program also allows you to track NPS (Net Promoter Score - customer loyalty index) in real time. At the end of 2021, the NPS level was 87%.

- Also, in the period from November 15 to December 25, 2021, a mass survey of service recipients was conducted in the front offices using the questionnaire method of 6,689 respondents and by calling 1,409 respondents to measure the level of satisfaction of the population with the quality of public services provided by the State Corporation.
- According to the results of a sociological study, the satisfaction level was determined at 98.22%, calculated using the Customer Satisfaction Index (CSI) method.

## In the reporting period, the following front office projects were implemented:

In order to reorient front offices to online consulting of citizens for independent receipt of services in electronic form, the State Corporation has developed its own PSC mobile application (hereinafter referred to as the Application).

As part of the modernization of automated motordromes, work was carried out to replace the old LFMC system based on magnetic sensors with a new GPS system, where the practical exam is carried out via a satellite signal.

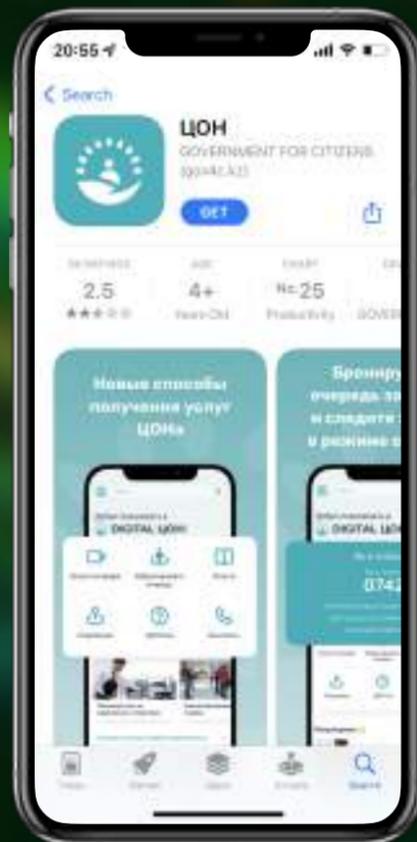
At the motordromes in the cities of Nur-Sultan, Almaty, Aktau, Arkalyk and Zharkent, the transition to a GPS system has been completed, and the construction of an automated motordrome has begun in the city of Zhanaozen.

Together with Ustudy LLP, a pilot project was launched to improve the process of passing a theoretical exam in the Special PSC of the cities of Nur-Sultan, Almaty, Karaganda. The transparency of testing is ensured by modern infrastructure:

the installation of an adapted, secure and optimized operating system,

IP cameras over each workplace of the examinee,

the operation of a situational center for the operator of the examination class, a new testing system based on the biometric identification of test takers.



The Application has been in pilot mode since November 2021.

- ✓ 7 828 users
- ✓ 550 public services
- ✓ 5 189 video calls to operators
- ✓ 24 types of services.

6 Digital offices of the population were launched in the cities of

- Nur-Sultan,
- Shymkent,
- Akmola,
- North Kazakhstan,
- Kyzylorda
- Turkestan regions

In the Digital Offices of the Citizens, it is planned to use new technologies to improve the quality of services:

- updated electronic queue management module with routing of the flow of citizens depending on the workload of each zone,
- analytics of the provided coupons,
- biometric identification of a person in the process of obtaining public services.



## In the reporting period, the following front office projects were implemented:



Together with Kaspi Bank and Halykbank, the QR-Payment project was launched. In the IIS PSC, the functionality for displaying a QR code on a backup monitor has been improved, and the corresponding information has been placed on the desktops of operators in the front offices.



In 2021, more than 590,000 payments worth more than 2.8 billion tenge were made through Kaspi QR, more than 47,000 payments worth more than 37 million tenge were made through Halykbank. At the same time, the share of QR payments in front offices is more than 30%.

Since September 2021, an SMS service has been introduced to notify homeowners about persons registered in housing. This service allows you to solve the problem of registration at the place of residence of third parties. The service also works in the opposite direction – it notifies the person when the owner of the housing removes it from the registration at the place of residence.

In a pilot mode, a service was introduced for the delivery of documents (the results of the provision of public services) in the cities of Nur-Sultan, Almaty, Shymkent, Aktau, Aktobe, Taldykorgan, Petropavlovsk. Since the launch of the project, 3,121 documents have been delivered.

Delivery of documents is carried out for 135 public services. For 2022, it is planned to scale the project for the cities of Atyrau, Karaganda, Kokshetau, Kostanay, Pavlodar, Semey, Taraz, Uralsk, Ust-Kamenogorsk, Ekibastuz.

# Social and pension provision

In the social sphere, the State Corporation provides public services for 44 types of payments: 39 from the republican budget and 5 from the State Social Insurance Fund JSC (hereinafter - SFSS). In 2021, 1,827,506 public services were provided (2020 - 1,676,594). Of these, 1,043,023 services (2020 - 979,700) were provided for the purpose of payments from the republican budget, 784,483 services (2020 - 696,894) for the purpose of payments from the SSIF.

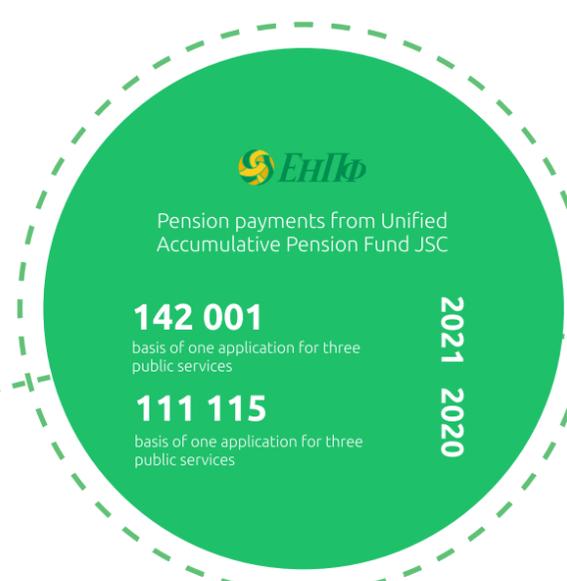
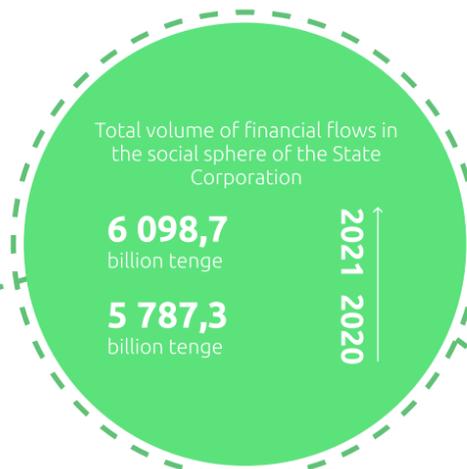
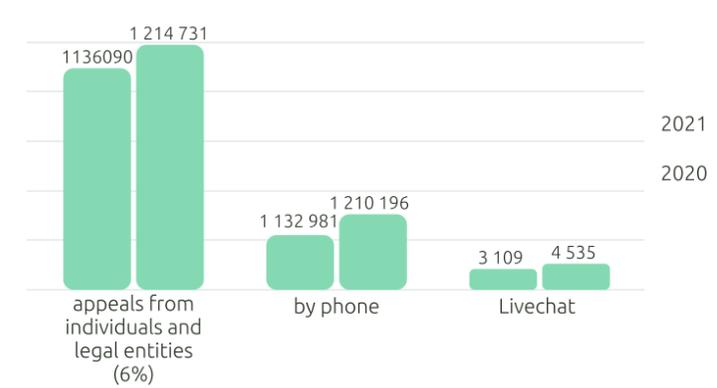
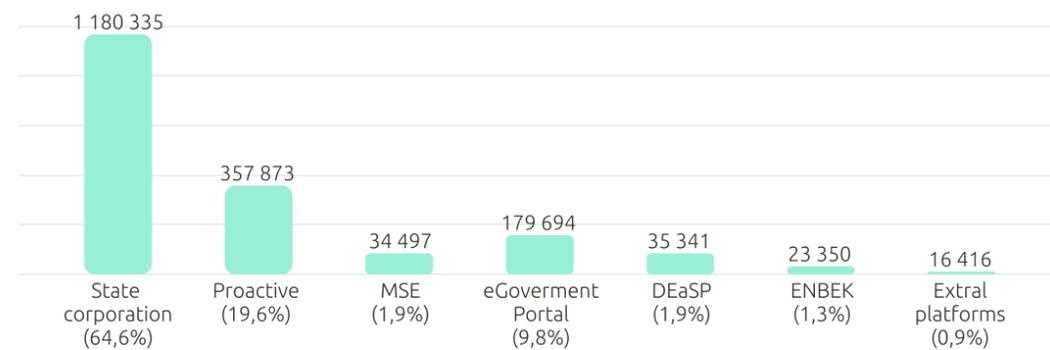
## Information on the services provided by types of payments:

Types of public services	2020	2021
<b>REPUBLICAN BUDGET</b>		
Assignment of pension payments by age	107 804	110 026
Assignment of the state basic pension payment	117 444	119 728
Assignment of state social benefits for disability, in case of loss of a breadwinner	55 929	64 578
Assignment of state special benefits	88	47
Assignment of a special state allowance	15 640	25 472
Payment of benefits to the mother or father, adoptive parent, guardian (custodian) raising a disabled child	2020	2021
Assignment of allowances for the birth of a child and child care	429 193	463 038
Assignment for the care of a disabled person of the 1st group	1 349	1 305
Assignment of a lump sum payment for burial	109 378	130 989
Assignment of social assistance in the form of monthly payments to citizens of the Republic of Kazakhstan after the completion of the period of capitalization of payments for compensation for damage caused to the life and health of employees by legal entities liquidated as a result of bankruptcy	1 349	1 305
Payment of the difference between the amount of actually paid mandatory pension contributions, mandatory occupational pension contributions, taking into account the level of inflation and the amount of pension savings (state guarantee)	35 414	22 420
Assignment of the state allowance to mothers with many children who were awarded the "Altyn alka", "Kumis alka" pendants or who previously received the title of "Mother Heroine", awarded the orders of "Maternal Glory" of the I and II degrees	6 516	9 108
Assignment allowance for a large family	86 325	80722
Registration of citizens affected by nuclear tests at the Semipalatinsk nuclear test site, payment of one-time state monetary compensation, issuance of certificates	3 432	2 268
<b>Total:</b>	<b>979 700</b>	<b>1 043 023</b>

**Information on the services provided by types of payments:**

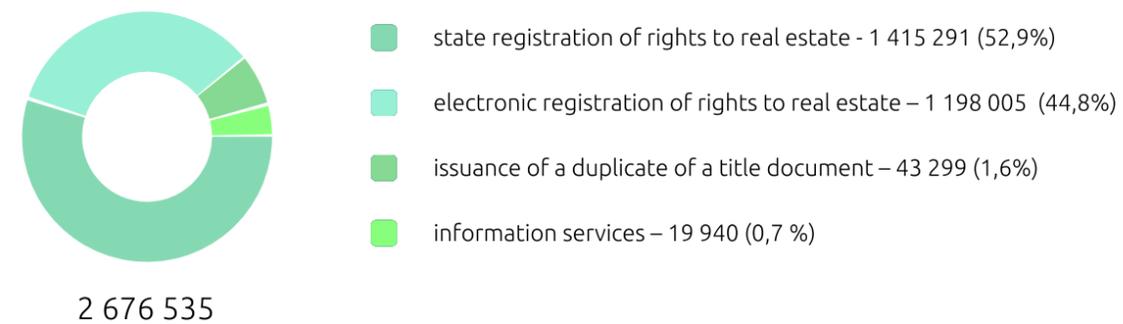
Types of public services	2020	2021
<b>STATE SOCIAL INSURANCE FUND</b>		
Social benefits for cases of social risks: loss of breadwinner, disability, loss of work, due to pregnancy and childbirth, in connection with the care of a child before the age of 1 year	696 894	784 483

Back offices process applications submitted through the front offices of the State Corporation, the departments of Medical and Social Expertise of the Committee of Labor, Social Protection and Migration (hereinafter - MSE), the departments of employment and social programs (hereinafter – DEaSP), the electronic government portal (hereinafter – eGov), the Electronic Labor Exchange (hereinafter – ENBEK) portal, external platforms (Kaspi Bank, Halykbank).

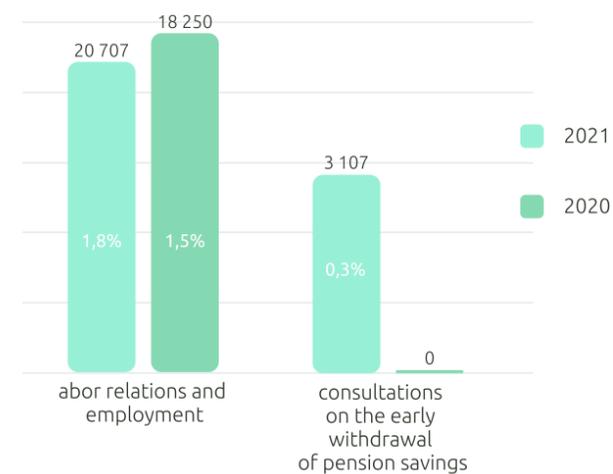
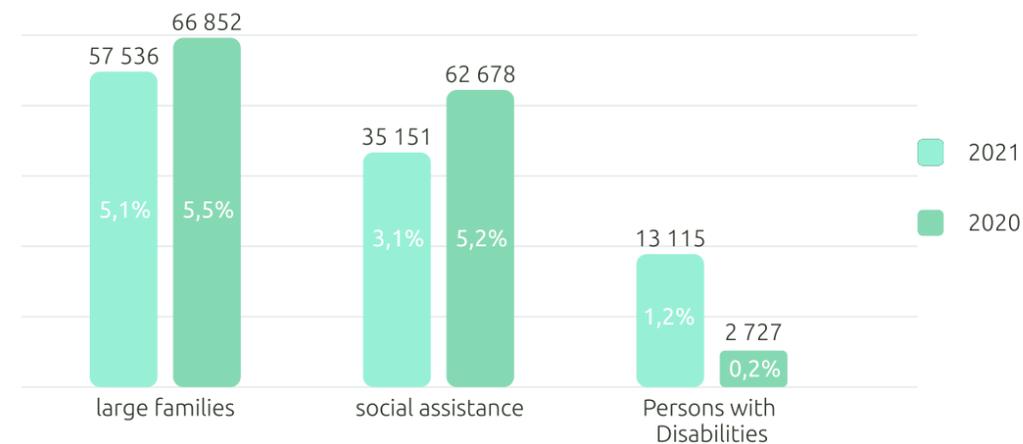

**Information in the context of sources:**


## State Registration of Real Property Rights

In the field of state registration of rights to real estate



On issues of state social benefits received appeals



It should be noted that in 2020, a significant number of requests (408,816 or 34%) were requests for social payments 42,500 for the period of emergency, the issuance of food and household kits and the provision of assistance to the elderly, for which services were not provided in the reporting year, at the same time, the volume of services rendered decreased slightly.

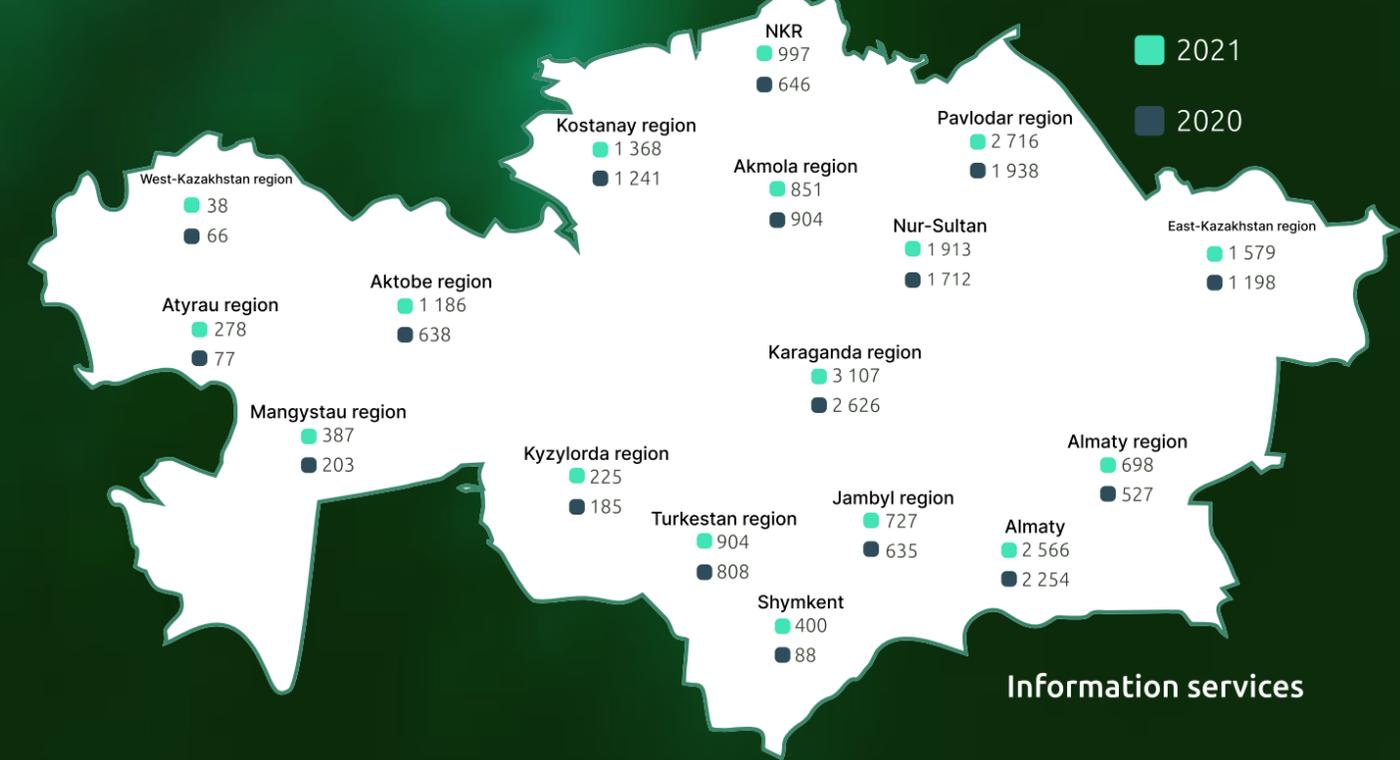
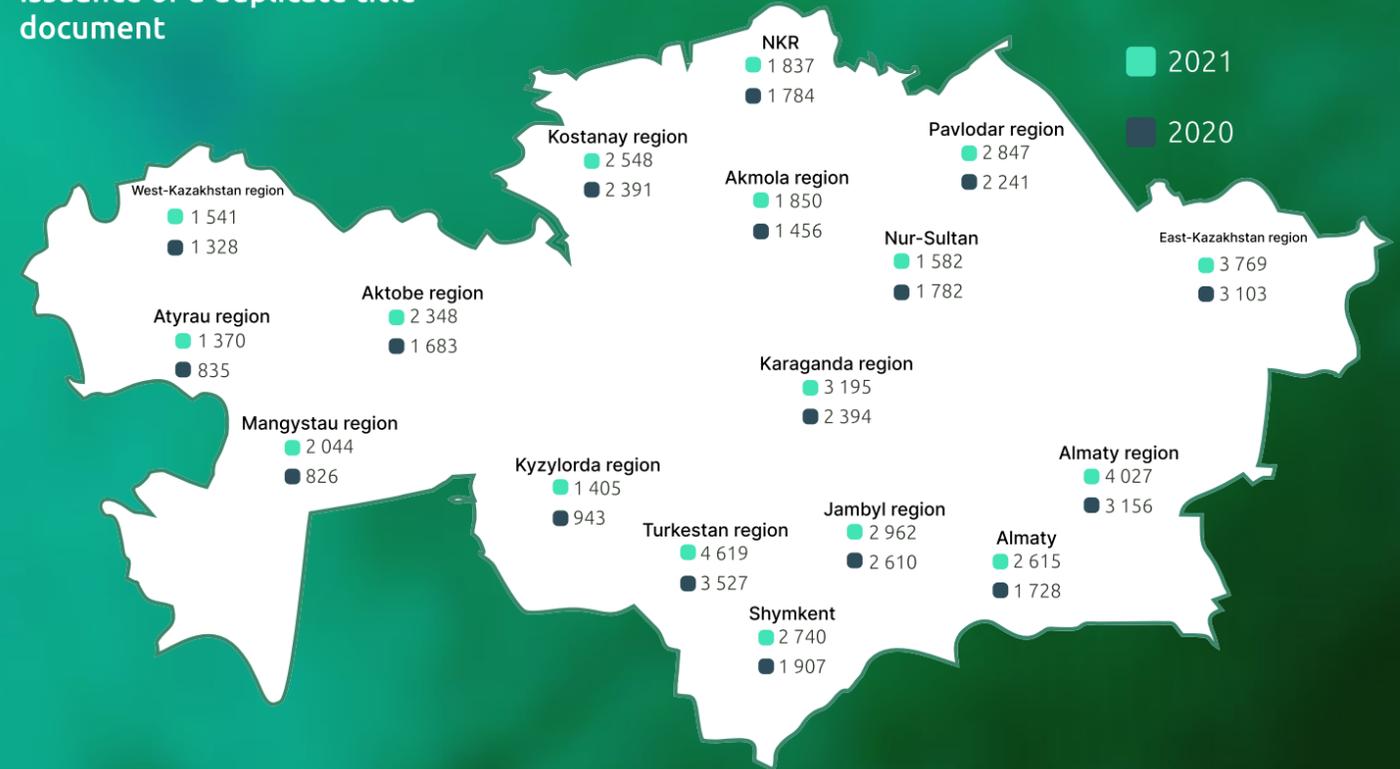


# Number of services rendered by regions:



# Number of services rendered by regions:

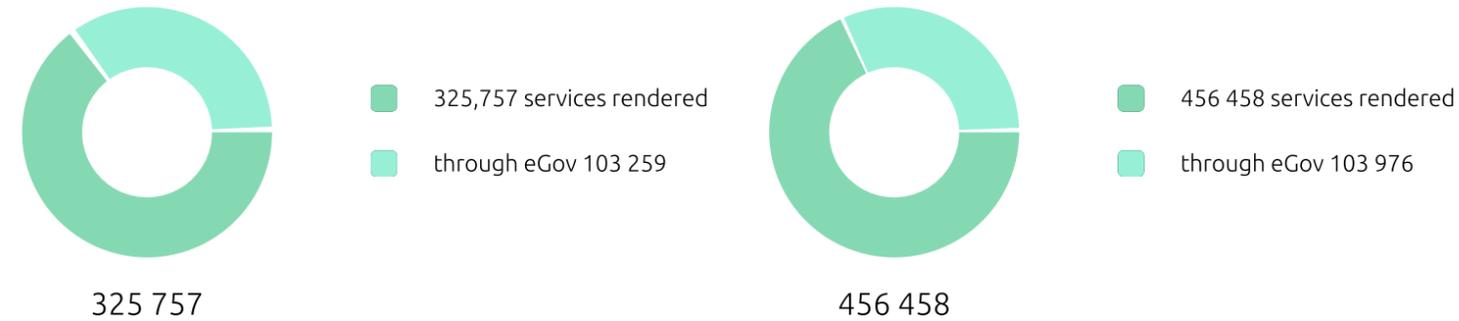
Issuance of a duplicate title document



Information services

## State technical inspection of buildings, structures and (or) their components

Through the state technical inspection of real estate



Name of branches	Total services rendered	Issuance of a technical passport	Including through eGov	Issuance of a duplicate of the technical passport	Including through eGov	Introduction to the legal cadastre	Including through eGov
Nur-Sultan	76510	72958	25677	1589	363	1963	507
Almaty	57139	50172	4232	898	158	6069	2724
Akmola region	16407	13987	4531	336	43	2084	204
Aktobe region	23818	18502	3376	173	5	5143	5143
Almaty region	41920	22449	3156	265	55	19208	3645
Atyrau region	17067	11780	285	280	35	5007	143
East-Kazakhstan region	23389	19886	1703	370	40	2683	125
Jambyl Region	19310	14381	6769	175	15	4754	999
West-Kazakhstan region	18986	15415	2367	237	64	3334	273
Karaganda region	32055	28814	5746	715	119	2526	156
Kostanay region	16195	14024	2998	517	47	4729	437
Kyzylorda Region	14095	8667	2780	383	37	5045	1074
Mangistau region	22296	17297	2993	270	46	1654	1218
Pavlodar region	16698	13331	5114	508	98	2859	17
North-Kazakhstan region	8009	6499	2700	247	36	1263	518
Turkestan region	26912	14661	2820	259	9	11992	1418
Shymkent	25652	18857	6823	233	36	6562	99
<b>Total</b>	<b>456 458</b>	<b>361 680</b>	<b>84 070</b>	<b>7 455</b>	<b>1 206</b>	<b>86 875</b>	<b>18 700</b>

Number of services rendered by region

### By type of services rendered:

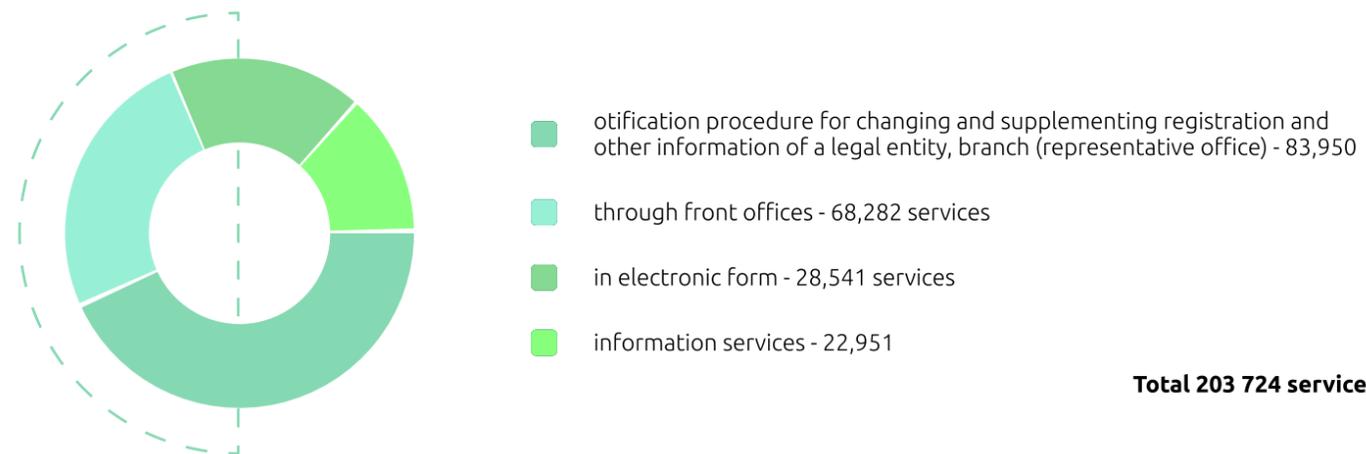
entering into the legal cadaster of identification and technical information of buildings, structures and (or) their components for newly created real estate (act of commissioning) – 86,875, including through eGov -18,700 (2020 – 64,499, including through eGov – 13,079), compared to 2020 an increase of 34.7%, including through eGov - by 42.9%;

technical inspection of real estate (issuance of a conclusion with a technical passport) – 361,680, including through eGov – 84,070 (2020 – 256,976, including through eGov – 89,442), compared to 2020 an increase of 40.7%, including through eGov a decrease of 6%;

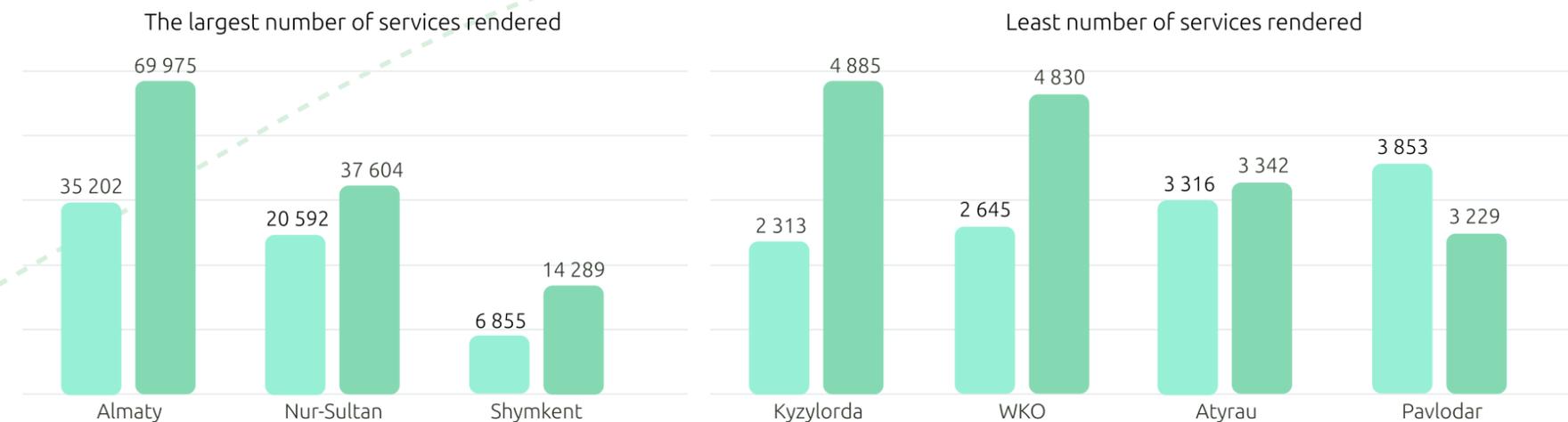
issuance of a duplicate technical passport for real estate 7,455, including through eGov – 1,206 (2020 – 4,282, including through eGov – 738) compared to 2020, an increase of 74.1%, including through eGov by 63.4%.

## State registration of legal entities

Through the state registration of legal entities and record registration of branches and representative offices



**Total 203 724 services (+45,7%)**



Also, through legal entities, a project was implemented to provide a notification service to change the head of a legal entity in automatic mode, without the participation of a back office. From the day the project was launched - October 18, 2021 to December 31, 2021, 2,690 services were received. Thus, the most demanded service for changing the executive body of a legal entity has been simplified and automated by independently obtaining a service by a legal entity through eGov.

## 5. INFORMATION TECHNOLOGY

In the reporting period, large-scale work was carried out to further build a network and a unified infocommunication environment of the State Corporation.

- ✓✓ Work has been carried out to improve and optimize interaction with other mail servers and anti-spam lists.
- ✓✓ The local network of the State Corporation was upgraded. As a result, a local network was built that meets the uniform requirements in the field of ICT and information security, established by Decree of the Government of the Republic of Kazakhstan dated December 20, 2016 No. 832.
- ✓✓ In the Central Branch, work was carried out to optimize the network topology in order to provide such services as Application, Cloud, and a transition to a new VLAN was made.
- ✓✓ Disk spaces have been expanded
- ✓✓ The QRADAR system was introduced to enhance information security and manage information security events to detect attacks, weaknesses and vulnerabilities in the unified infocommunication environment of the State Corporation.
- ✓✓ The Zabbix 4.2.1 monitoring system was installed to monitor active network equipment in the branches of the State Corporation.
- ✓✓ The issue of creating a single point of authentication has been worked out (for example, a new employee comes to the organization, an account is created for him, which is included in the appropriate group; then the employee gets access to all network resources to which he should be allowed access).
- ✓✓ Отработаны взаимодействия с Active Directory (активном каталогах).
- ✓✓ More than 10,000 accounts have been added to the domain of the State Corporation based on the lists of branches for working with corporate mail (<https://ps.gov4c.kz>) and the data exchange system (<https://nc.gov4c.kz>).

### Works on building the network of the State Corporation:

In the Data Processing Center of the State Corporation, network and server equipment was installed and configured, as well as a virtual platform was configured.

A Failover Cluster of the Edge Security Appliance has been configured in the Office of the Board of the State Corporation.

The transition to a new version (8.8.10\_GA\_3801.network) of the corporate mail server was made in order to apply security patches.

Performed work on the configuration of equipment Cisco isr 5530 and Cisco c1111. 364 pieces of equipment configured.

VPN tunnels are configured to access services hosted in the Data Processing Center (hereinafter referred to as the DPC).

Launched IPS module in DPC.

### The State Corporation the following projects were launched:

Identity card terminal; RTA;

Feedback and complaints data collection system;

Delivery of documents;

PSC Mobile application;

The gov4c.kz website has been moved to a virtual platform.





## 6. RISK MANAGEMENT

The State Corporation operates a risk management system aimed at ensuring the stability of activities by limiting the degree of impact of internal and external negative factors on the activities of the State Corporation.

Great importance is given to the development of the risk culture of employees. **Risk culture** is the most important component of the risk management system; it can be characterized as the system of values and behaviors existing in the organization that determines the essence and form of decisions made in the field of risk management. In this regard, training is being conducted on the main elements of the risk management system for all levels of the organizational structure of the State Corporation to ensure a more conscious approach of employees to the implementation of projects and tasks, and the development of culture. The competence of risk managers is increased through professional certification.

**Risk management** is a key component of the corporate governance system to achieve the strategic and operational goals of the State Corporation.

### During the reporting period, the following key events took place in the risk management system:

under the Management Board of the State Corporation, the Risk Committee was created, the Regulations and composition were approved;

18 positions of risk coordinators were opened in the branches;

an assessment of financial risks was carried out on the basis of the Methodology for analyzing the financial condition of second-tier banks by KAMEL when placing temporarily free funds in banks. In the process of monitoring the financial condition of the counterparty bank, the analysis of the financial condition of the second-tier CAMEL banks was carried out for capital adequacy, asset quality, management quality, profitability, liquidity, while monitoring the level of credit risk and liquidity risk.

in 2021, an updated Risk Management Policy and Rules for organizing an internal control system were developed;

criteria for selecting key risks were developed and approved by the Board of Directors;

trainings were held in the structural divisions of the Management Board and for directors of branches, in order to improve the risk culture and the quality of reports;

took part in a pilot project to automate the risk management process;

## 7. SUSTAINABLE DEVELOPMENT

The Development Strategy of the State Corporation defines sustainable development as one of the **strategic objectives**.



### Economic sustainability

Economic sustainability directs the activities of the State Corporation to the growth of long-term value, ensuring the interests of the Sole Shareholder, high-quality provision of public services to citizens and businesses, zero tolerance for corruption, increasing the efficiency of processes, increasing investment in the creation and development of more advanced technologies, and increasing labor productivity.

The State Corporation timely and fully implements budget programs in areas of activity, participates in the implementation of national projects and achieves the goals set to improve public services. In the State Corporation, much attention is paid to the prevention of corruption offenses. Events (seminars, lectures, talks, etc.) are held on an ongoing basis to clarify the requirements of anti-corruption legislation, including in cooperation with law enforcement agencies, the Amanat party, and the Adaldyk Alany public association.

### Environmental component

The environmental component ensures the minimization of the impact on natural systems, the optimal use of limited resources, the use of environmentally friendly, energy and material-saving technologies. As part of minimizing the impact on natural systems, the State Corporation is working to gradually reduce consumables, for example, reducing paper workflow by switching to the provision of electronic services, canceling printouts of certificates, etc.

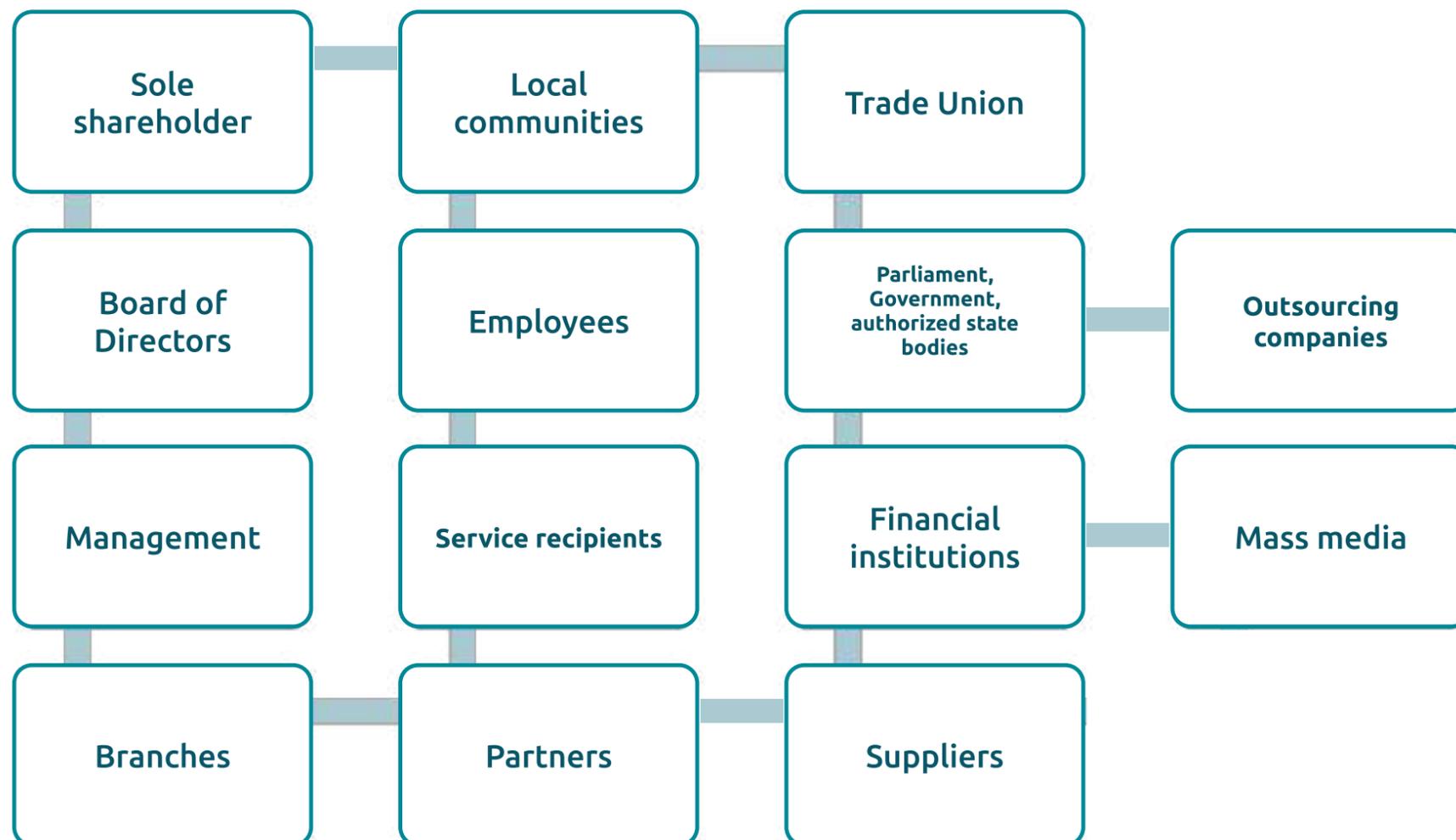
Works were carried out on the improvement and landscaping of the adjacent territory for the SPSC in the city of Shymkent in the amount of more than 800 thousand tenge and the territory of department No. 1 of the city of Kyzylorda in the amount of more than 400 thousand tenge.

### Social component

The social component of the State Corporation is focused on the principles of social responsibility, which, among other things, include ensuring labor safety and maintaining the health of employees, fair remuneration and respect for the rights of employees, individual development of personnel, the implementation of social programs for personnel, and the creation of new jobs

To ensure occupational safety and health (OSaH) and preserve the health of employees, mandatory briefings are held with employees of the State Corporation on an ongoing basis in accordance with the Instructions and Action Plans for occupational health and safety, fire safety (FS). Workplaces of employees are equipped with collective and individual protection equipment (first aid kits, masks, gloves, antiseptics, etc.).

## 7. SUSTAINABLE DEVELOPMENT



To conduct successful and efficient activities in the field of sustainable development, the State Corporation pays due attention to interaction with stakeholders.

The list of stakeholders, the degree of their influence on the State Corporation and management of relations with stakeholders are defined in the Stakeholder Map of the State Corporation.

According to the analysis, in 2021 there were no changes in the list of stakeholders of the State Corporation.

Stakeholder Group	Subdivision, body which is responsible for interaction	Interaction mechanism	Engagement in 2021
Sole shareholder	Corporate Secretary; department responsible for strategic planning; the subdivision responsible for organizing the activities of the Management Board; unit responsible for the implementation of the Development Plan	Execution of requests and instructions of the Sole Shareholder on corporate governance issues; Implementation of KPI - Expectations of the Sole Shareholder; Formation of the Development Plan of the State Corporation and annual financial statements; Conducting events in person and in absentia; Information disclosure	Providing information on the implementation of KPI - Expectations of the Sole Shareholder for the first half of 2021 and 2021; Approval of the annual financial statements for 2020; Disclosure of information in the form of the Annual Report for 2020, Report on the implementation of corporate governance principles
Board of Directors	Corporate Secretary; internal audit division; compliance control unit	Planning the work of the Board of Directors and its Committees, organizing meetings to consider issues on the agenda; Conducting events in person and in absentia; Information disclosure	Organization of 10 meetings of the Board of Directors and 35 meetings of the Committees, including those on internal audit, strategic planning, implementation of the Development Plan, formation of the organizational structure
Management	The unit responsible for organizing the activities of the Board; subdivisions of the Management Board apparatus; branches	Operations management; Implementation of plans, roadmaps; Conducting events in person and in absentia	55 meetings of the Management Board, 29 of them in person and 26 in absentia, at which 172 issues were considered (issues of organizational structure, remuneration, reporting information, etc.); 18 protocols of executive meetings
Branches	Divisions of the Management Board	Coordination and control of activities; Feedback; Implementation of projects and roadmaps; Providing reporting	5 collegiums and 6 videoconferencing meetings with branches were organized; during the year, members of the Management Board made business trips to branches on operational issues. Day-to-day operational interaction
Local communities	The unit responsible for organizing the activities of the Board; department responsible for working with the media; subdivisions of branches	Internal communications system; Top management speeches to Satisfaction Organization assessment, training and advanced training	The competition for selection to the Talent Pool (internal reserve), according to the results, 353 reservists passed. 6,229 employees of 17 branches took part in the survey on methodology Score 360 (assessment of branch managers by competencies). 1225 employees participated in the survey on the study of the level of staff satisfaction. 3564 employees improved their professional competencies
Employees	Departments responsible for personnel development and personnel management	Provision of services; Feedback, work appeals; Information explanatory work; Satisfaction survey; public with and	Over 17.5 million public services rendered; Conducted 2 focus groups; A sociological survey was conducted on the level of satisfaction with the quality of public services; 5 177 appeals considered

Stakeholder Group	Subdivision, body which is responsible for interaction	Interaction mechanism	Engagement in 2021
Service recipients	Public service divisions (front subdivisions processing (back offices); administrative and managerial apparatus of branches offices); for applications	Provision of services; Feedback, work appeals; Information explanatory work; Satisfaction survey;	Over 17.5 million public services rendered; Conducted 2 focus groups; A sociological survey was conducted on the level of satisfaction with the quality of public services; 5 177 appeals considered
Partners	Profile subdivisions of the Management Board apparatus	Contractual relations, agreements, business meetings, exchange of experience	During 2021, presentations and meetings were held with representatives of organizations in the field of social and pension provision of the countries of Azerbaijan, Uzbekistan, Kyrgyzstan, 31 Georgia, a seminar was taken with representatives of associations of entrepreneurs and non-governmental organizations, government bodies of the Republic of Kyrgyzstan. In cooperation with second-tier banks, many projects were implemented in the field of public services, for example, registration of pledges using blockchain technology, re-registration of vehicles through the bank's application. In cooperation with car dealerships, SPSC sectors were opened in 11 car dealerships
Trade Union	Primary union organizations	Collective bargaining; Obligations under the Collective Agreement	9245 employees are covered by the Collective Agreement
Parliament, Government, authorized state bodies	Board (management); the subdivision responsible for organizing the activities of the Management Board; divisions of the administration of the Board	Participation in the implementation National projects assigned to the authorized body and the State Corporation; Implementation of plans and roadmaps; Participation in the development of draft laws or making proposals on bills submitted for consideration; Making proposals for improving public services; Participation in the meetings of the Interregional Commission on the issues of optimization and automation of public services	Participation in the development of a draft law in the field of land relations and its support in the Senate and Majilis of the Parliament of the Republic of Kazakhstan. The State Corporation was involved in the drafting of a bill regarding the amendment to transfer the functions of civil registration to the State Corporation. Participation in 8 meetings of the Interregional Commission. The State Corporation for the Improvement of Public Services interacts with 26 central government agencies and the Public Services Committee. Regularly contributed proposals for amendments and additions to the NLA, the bills received are considered. Participation in the implementation of joint projects with central government agencies in the areas of activity of the State Corporation (MDIAI, he Ministry of Labor and Protection Population, the Ministry of Justice).
Financial institutions	Treasury division	Contractual relations on banking services and placement of temporarily free funds. Participation in the auction for the procurement of securities - short-term notes of the National Bank of the Republic of Kazakhstan	SB Sberbank JSC, Altyn Bank JSC, SB Bank of China in Kazakhstan JSC, SB Alfa-Bank JSC, Citibank Kazakhstan JSC, Halyk Bank of Kazakhstan JSC

Stakeholder Group	Subdivision, body which is responsible for interaction	Interaction mechanism	Engagement in 2021
Suppliers (contractors)	The unit responsible for the organization of public procurement; Subdivisions that initiated public procurement	Compliance with public procurement procedures, conclusion and execution of contracts	Interaction with suppliers is carried out within the framework of public procurement procedures. For the most part, obligations under public procurement contracts are properly executed. A lawsuit was filed against 1,642 suppliers, of which 1,131 were fully satisfied. And 2,215 suppliers filed claims against the State Corporation, of which 237 were granted by the court
Outsourcing companies	Branch divisions	Compliance with contractual relations	In cooperation with the courier service of Mykhat LLP, a project was launched to deliver ready-made documents (the result of the provision of services) to the client's home in the cities of public Nur-Sultan, Almaty, Shymkent, Aktobe, Aktau, Taldykorgan, Petropavlovsk
Mass media	Department responsible for working with the media	Information disclosure; Conducting events in person and in absentia; Work with requests in social networks, on the blog of the Chairman of the Board; Development of official websites and other means of communication; Top meetings media management with representatives; Cooperation with representatives of the blogging community; Information and explanatory work on the activities of the State Corporation	25,270 materials of the information and branding direction were published in the media, including: 5422 TV spots and programs; 2942 materials in print media; 16,503 news networks on websites and portals; 403 news on radio stations; 345 information and educational materials on Facebook, Instagram and Twitter; 142,498 - the total number of followers on Facebook, Instagram and Twitter; 5,529 responses to citizens' questions on social networks; 368 considered appeals on the blog of the Chairman of the Board; 6,464 posts by bloggers, members of the public, show business, sports and public publications about the activities of the State Corporation.



## 8. INFORMATION AND BRANDING WORK

The State Corporation pays great attention to the formation of a positive image, strengthening positive public opinion, establishing public relations and providing comprehensive information support for its activities.

PR-company

Social networks

Official Internet  
resource

## PR-company

In 2021, the republican and regional media published

**25 270**

materials in media

**5 422**

TV stories and programs

**2 942**

materials were published in print

**16 503**

on websites and portals

**403**

news on radio stations

The materials of the image direction were regularly broadcast on TV channels: "Khabar", "Khabar24", "Kazakhstan", "Channel 31", "Channel One Eurasia", Atameken Business Channel, etc., as well as on information portals: Nur.KZ, Tengrinews, Informburo, Zakon.kz, Kapital.kz, Baq.kz, Kolesa.kz, "Kazakhstanskaya Pravda", etc.

## Social networks

On the official pages of the State Corporation Facebook, Instagram, Twitter, Telegram, and YouTube, a total of

**345**

informative materials

**5 529**

appeals and questions were received

**142 498**

total number of subscribers

Contests for subscribers are held on a regular basis on social networks every quarter, in which participants share their experience of receiving public services online and encourage their audience to do the same.

## Official Internet resource

Active work continues on the implementation of the "Hearing State" concept. On the official Internet resource of the State Corporation [www.gov4c.kz](http://www.gov4c.kz) posted a link to the "Open Dialogue" platform. The main purpose of the Internet resource of the State Corporation is to increase the level of accessibility of the necessary information to citizens. The information content of the News section was updated daily in Kazakh and Russian. 65 materials were posted in the reporting year (80 in 2020).

## 9. PERSONNEL

One of the key assets for the State Corporation is qualified personnel, on whose efficiency the production results and further development of the State Corporation depend.

# 20 068,7

total headcount for 2021

# 18 466,5

the staff number

# 827

The number of women in leadership positions

Personnel development is one of the objectives of the Development Strategy of the State Corporation. Activities for the development of employees' competencies in professional (Hard skills) and personal-business (Soft skills) competencies in the areas of activity, training of managers, employees and internal trainers (mentors) of the SANA School are carried out on an ongoing basis in accordance with the Calendar Plan for the development of employees' competencies and the schedule of seminar meetings in branches.

In 2021, more than 48 million tenge was invested in employee training.

During the reporting period, the training centers organized 34 trainings and seminars in online and offline format with coverage of 3,244 employees (2020 - 51 trainings with coverage of 3,257 employees). The SANA School of Internal Trainers (825 internal trainers) conducts classes in front and back offices on the study of regulatory legal acts in the field of public services, internal regulatory documents of the State Corporation.

In order to implement the principles of meritocracy, taking into account the experience of the Presidential Youth Personnel Reserve, a competitive selection for the Talent Pool of the State Corporation was held in March 2021. According to the results of the competition, 353 reservists were enrolled in the Talent Pool. Of these, 117 reservists (33.1%) were appointed to higher positions in 2021. In accordance with the schedule for working with reservists of the Talent Pool, 318 reservists were trained, increasing their competencies.

## 9. PERSONNEL

The State Corporation has built a system for evaluating the effectiveness and efficiency of personnel. In accordance with the expectations of the Sole Shareholder (KPI), the Development Strategy of the State Corporation, the Board of Directors approved the Efficiency Maps of the Chairman and members of the Management Board for 2021. Based on the efficiency of the members of the Management Board, corporate and functional efficiency of managers are calculated. Goal registers, Goal Maps and individual employee development plans have been approved. The assessment of employees' performance to achieve efficiency was carried out quarterly.

The key direction of the personnel policy of the State Corporation is the personnel motivation system, which provides for a material and non-material component. In 2021, the remuneration of employees of the State Corporation based on the results of the performance assessment was from 0.25 to 1 official salary. Bonuses were awarded to full-time and freelance workers on festive dates in honor of International Women's Day and Nauryz Meiramy, the Day of the First President and Independence Day of the Republic of Kazakhstan. Employees of the branches who were involved in the implementation of the instructions of the Head of State and the Government of the Republic of Kazakhstan on social security issues were paid additional payments of up to 40% of the official salary.

As part of the non-material motivation for the achievements in the work, employees are awarded with letters of thanks and certificates of honor from the Minister of DDIAl and the Chairman of the Management Board. In 2021, 770 congratulatory recipients were issued for significant dates (birth of a child, marriage, graduation, anniversary, reaching retirement age), 1,858 recipients by work experience (5, 10, 15, 20, 25 years) and 2,349 letters of thanks for public holidays (2020 - 650 congratulatory recipients and 1,464 thank letters). 144 employees of the State Corporation were awarded the jubilee medal in honor of the 30th anniversary of independence of the Republic of Kazakhstan.

4 corporate magazines "The Best Employee" were published with coverage of 720 employees of the State Corporation (2020 – 12 magazines with coverage of 634 employees).

In order to provide social support to the staff, there is a Local trade Union, which consists of 16 primary trade union organizations and unites 9,245 trade union members (2020 - 9,247).



## 10. DEVELOPMENT PROSPECTS

In accordance with the new Development Strategy, the main strategic goal of the State Corporation for the next 5 years is to assist state bodies in digitalizing public services and implementing the Hearing State concept of.

In order to ensure the achievement of strategic goals, objectives and efficiency, on December 29, 2021, the State Corporation approved an Action Plan for the implementation of the Development Strategy, which consists of 50 points.

The following KPIs are planned for 2022:

- 01

to increase the level of satisfaction of the population with the quality of public services – at least 87%;

02

to increase the level of efficiency of information systems (on the side of the State corporation) – up to 99.6%;

03

to achieve the share of transactions provided by the back offices of the State corporation without human participation - up to 5%

04

develop a network of front offices (franchise) - 5 points;

05

to achieve the share of public services provided through the PSC mobile application via video communication - up to 5%;

06

develop a draft law on the status of the State corporation;

07

reduce the number of appeals received by state agencies (e-Appeal IS) - by 5%;

08

to modernize the front offices in the amount of 14 units;

09

achieve the level of automation of internal processes – up to 30%;

10

to keep the level of staff involvement in the positive zone – at least 60%;

11

implement a grading system – 100%.

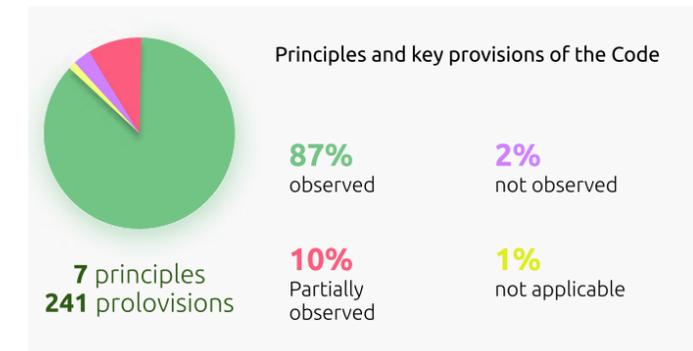


# IV. CORPORATE GOVERNANCE IN 2021

- 11. CORPORATE GOVERNANCE SYSTEM
- 12. SOLE SHAREHOLDER OF THE STATE CORPORATION
- 13. Governing body

# 11. CORPORATE GOVERNANCE SYSTEM

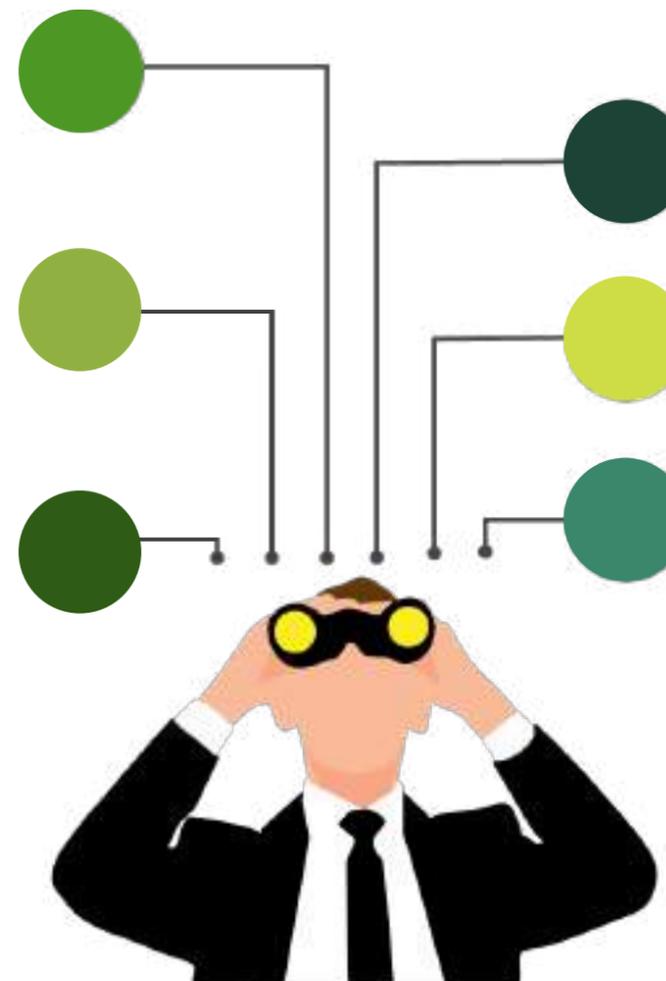
The State Corporation has built a **corporate governance system** in accordance with the requirements of the legislation of the Republic of Kazakhstan, as well as taking into account domestic and international practices. The State Corporation is constantly improving management approaches and principles so that they not only support the current functioning of the organization, but also take into account the changing needs of the population as they develop, as well as ensure compliance with the rights of the shareholder and all interested parties.



The corporate governance system of the State Corporation is a set of processes that provide management and control over the activities of the State Corporation, as well as a system of relationships between the executive body, the Board of Directors, the Sole Shareholder and interested parties.

The current corporate governance system of the State Corporation ensures a clear separation of powers and responsibilities between management bodies, officials and employees, compliance with the hierarchy of the order of consideration of issues and decision-making, as well as compliance with legislation and internal documents of the State Corporation.

The competence of the bodies and the decision-making procedure are defined and fixed in the Charter of the State Corporation.



The effectiveness of the activities of the State Corporation is carried out due to properly structured corporate governance processes at each level, ensuring increased transparency, control and separation of powers and avoiding various risks through timely response.

The Board of Directors monitors the effectiveness of corporate governance practices in the State Corporation, and the Corporate Secretary coordinates its continuous improvement.

The main document on which the construction and improvement of corporate governance practices is based is the Corporate Governance Code of the State Corporation (hereinafter referred to as the Code), approved by the Sole Shareholder on December 25, 2020 (Order No. 476/NK). The Code establishes the principles on which the corporate governance system in the State Corporation is based. The Board of Directors and the Internal Audit Committee monitor the implementation of the principles and key provisions of the Code. In accordance with the requirements of the Code, the Corporate Secretary annually analyzes the Code for compliance by the State Corporation with its principles and provisions and submits a report for approval by the Board of Directors.

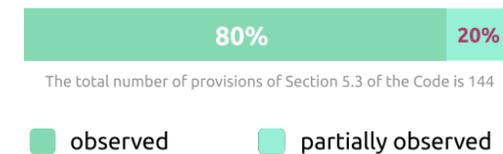
## Areas of non-compliance with the principles and provisions of the Code or the provisions are not applicable:

### 1. The principle of powers' separation



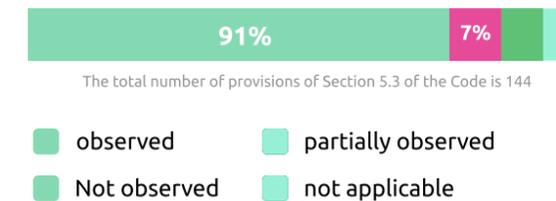
■ observed ■ partially observed

### 2. The principle of protecting the rights and interests of the Sole Shareholder



■ observed ■ partially observed

### 3. The principle of effective management of the State Corporation by the Board of Directors and the Management Board



■ observed ■ partially observed  
■ Not observed ■ not applicable

Content of the provisions of the Code	Explanations
Any term of election to the Board of Directors for a term of more than six consecutive years (for example, two three-year terms) is subject to special consideration, taking into account the need for a qualitative renewal of the Board of Directors.	Not applicable The State Corporation has existed since 2016. There are no cases of a member of the Board of Directors staying for more than six years.
The same person cannot be elected to the Board of Directors for more than nine consecutive years (for example, three three-year terms), there were no issues requiring external professional and independent expertise	Not applicable The State Corporation has existed since 2016. In 2021, there are no cases of a member of the Board of Directors staying for more than nine years.
At least once every three years, the assessment is carried out with the involvement of an independent professional organization.	Not observed. The company has been in existence since 2016, an assessment involving an independent professional organization has not been carried out since its creation. However, the IAS conducted diagnostics of corporate governance on its own in accordance with the approved methodology for diagnosing corporate governance. An independent assessment of corporate governance is planned to be carried out in 2023. Preparatory work will begin in the fall of 2022.
The Sole Shareholder may conduct its own evaluation of the Board of Directors independently or with the involvement of an independent consultant. The evaluation carried out by the Sole Shareholder takes into account the results of the evaluation carried out independently by the Board of Directors, the results of the activities of the State Corporation, the performance of the efficiency.	Not observed The evaluation of the activity was carried out on its own, without the participation of the Sole Shareholder, who did not take the initiative to conduct its own evaluation due to the lack of necessity.

## Areas of non-compliance with the principles and provisions of the Code or the provisions are not applicable:

### 4. The principle of sustainable development



observed      partially observed  
 Not observed      not applicable

### 5. The principle of risk management, internal control and audit



observed      partially observed

### 6. The principle of regulating corporate conflicts and conflicts of interest



observed      partially observed

#### Content of the provisions of the Code

The Board of Directors and the Management Board ensure the formation of an appropriate system in the field of sustainable development and its implementation.

The State Corporation should discuss the inclusion and compliance with the principles and standards of sustainable development in the relevant contracts (agreements, contracts) with partners. It is recommended to take comprehensive measures with partners to implement the principles and standards of sustainable development. If the State Corporation identifies a risk associated with the partners having a negative impact on the economy, the environment and society, then the State Corporation takes measures aimed at stopping or preventing such impact.

#### Explanations

Not observed. The Management Board did not formalize processes and systems in the field of sustainable development during 2021.

Not applicable. The State Corporation is not a manufacturing company and cannot have a negative impact and the negative impact of its partners on the economic, environmental and social spheres.

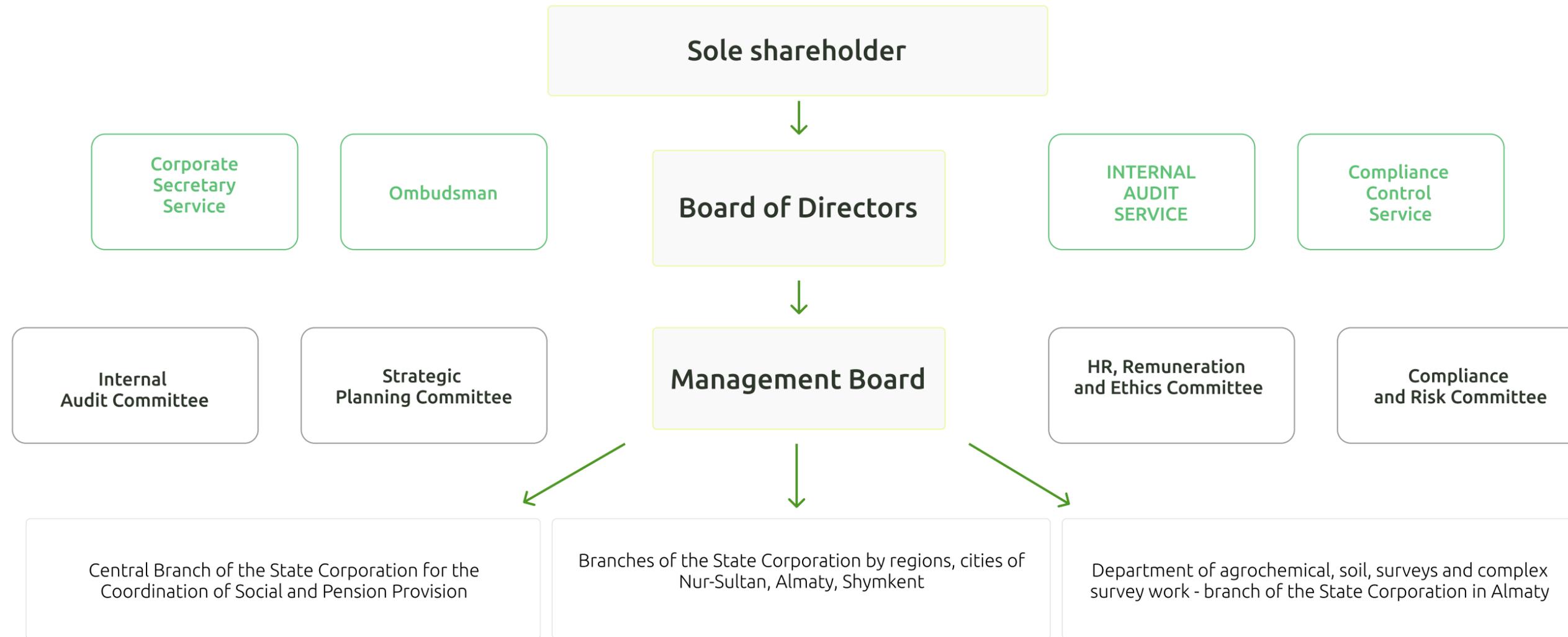
#### Content of the provisions of the Code

The Sole Shareholder, in order to prevent interference by state bodies in the operational activities of the State Corporation, as well as to increase the responsibility of the Boards of Directors for the decisions taken, should avoid electing members of the Board of Directors who are representatives of state bodies.

#### Explanations

Not observed. The Board of Directors carries out its activities in the number of 9 people, 4 of them are representatives of state bodies, including the Sole Shareholder, because the formation and approval of the composition of the Board of Directors is the exclusive competence of the Sole Shareholder.

# CORPORATE GOVERNANCE STRUCTURE



## Ownership structure of the State corporation

**35 467 772** piece  
declared (issued) ordinary shares

**1 000** tenge  
The nominal value of the share

**34 623 109** piece  
outstanding and paid ordinary shares

**39 352 856 thousand tenge**  
equity capital

**34 623 109 thousand tenge**  
authorized capital



## 12. SOLE SHAREHOLDER OF THE STATE CORPORATION

The sole shareholder of the State Corporation is the Government of the Republic of Kazakhstan represented by SPPC. The body exercising the right to own and use the state block of shares of the State Corporation is MDDIAI.

According to paragraph 7 of the Charter of the State Corporation, the MDDIAI considers and makes decisions on issues within the competence of the Sole Shareholder independently, with the exception of issues on which decisions are made in consultation with the SPPC.

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

The exercise of the rights of the Sole Shareholder is carried out in accordance with the Law and the Charter of the State Corporation. The rights of a shareholder include, but are not limited to, timely receipt of information sufficient to make a decision, in accordance with the procedure established by the legislation of the Republic of Kazakhstan, the Charter and internal documents of the State Corporation in the field of information disclosure.

**The decisions of the Sole Shareholder taken within its competence are binding for the Board of Directors of the State Corporation.**

**During the reporting period, the State Corporation submitted 11 issues for consideration by the Sole Shareholder, information on which is presented in the section "Significant corporate events related to corporate governance".**

## BOARD OF DIRECTORS OF THE STATE CORPORATION

The Board of Directors performs general management of the activities of the State Corporation, with the exception of resolving issues referred by Law and the Charter of the State Corporation to the exclusive competence of the Sole Shareholder and the Management Board.

The Board of Directors performs its functions in accordance with the legislation of the Republic of Kazakhstan, the Charter of the State Corporation, the Corporate Governance Code, the Regulations on the Board of Directors and other internal documents of the State Corporation.

In accordance with subparagraph 5 of paragraph 1 of Article 36 of the Law and subparagraph 5) of paragraph 41 of the Charter, the Board of Directors of the State Corporation is elected by a decision of the Sole Shareholder.

As of January 1, 2021, the Board of Directors of the State Corporation consisted of the following 10 members:

### Chairman of the Board of Directors

**Bagdat Mussin**  
Minister of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan

### Members of the Board of Directors

**Yerbol Ospanov**  
Vice-Minister of Labor and Social Protection of the Population of the Republic of Kazakhstan

**Ruslan Manatayev**  
Vice-Minister of the Ministry of Agriculture of the Republic of Kazakhstan

**Azamat Amirgaliyev**  
Vice-Minister of Justice of the Republic of Kazakhstan

**Bakhytbek Tashenev**  
Chairman of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan

**Assemgul Baltasheva**  
Chairman of the Management Board of the State Corporation

### Members of the Board of Directors-independent directors

**Bektas Mukhamedzhanov**  
Independent Director

**Murat Ishmukhamedov**  
Independent Director

**Ivar Tallo**  
Independent Director

**Nurlan Yessembayev**  
Independent Director

# BOARD OF DIRECTORS

DECEMBER 31, 2021



## BAGDAT MUSSIN

CHAIRMAN OF THE BOARD OF DIRECTORS, REPRESENTATIVE OF THE SOLE SHAREHOLDER, MINISTER OF DIGITAL DEVELOPMENT, INNOVATION AND AEROSPACE INDUSTRY OF THE REPUBLIC OF KAZAKHSTAN.

**DATE OF ELECTION TO THE BOARD OF DIRECTORS:**

BY DECISIONS OF THE SOLE SHAREHOLDER DATED 03.08.2020 (ORDER NO. 285/NK) AND DATED 05.10.2020 (ORDER NO. 371/NK).

**DATE OF ELECTION AS CHAIRMAN OF THE BOARD OF DIRECTORS:**

BY THE DECISION OF THE BOARD OF DIRECTORS DATED 21.10.2020. (PROTOCOL NO. 01-01-02/04).

**CITIZENSHIP:** REPUBLIC OF KAZAKHSTAN. **DATE OF BIRTH:** MARCH 3, 1983.

**EDUCATION:**

IN 2004, HE GRADUATED FROM THE UNIVERSITY. SULEIMAN DEMIREL, MAJORING IN COMPUTER HARDWARE AND SOFTWARE, GRADUATED FROM THE KAZAKH INSTITUTE OF LAW AND INTERNATIONAL RELATIONS IN 2006, MAJORING IN LAW.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO



## YERBOL OSPANOV

MEMBER OF THE BOARD OF DIRECTORS, REPRESENTATIVE OF THE SOLE SHAREHOLDER, VICE-MINISTER OF LABOR AND SOCIAL PROTECTION OF THE POPULATION OF THE REPUBLIC OF KAZAKHSTAN.

**DATE OF ELECTION TO THE BOARD OF DIRECTORS:**

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 27.08.2020 (ORDER NO. 309/NK).

**CITIZENSHIP:** REPUBLIC OF KAZAKHSTAN **DATE OF BIRTH:** JANUARY 16, 1977.

**EDUCATION:**

IN 1998 HE GRADUATED FROM THE AL-FARABI KAZAKH STATE NATIONAL UNIVERSITY WITH A DEGREE IN APPLIED MATHEMATICS, IN 2002 FROM THE KAZAKH NATIONAL AGRARIAN UNIVERSITY WITH A DEGREE IN FINANCE AND CREDIT.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO



## AZAMAT AMIRGALIYEV

MEMBER OF THE BOARD OF DIRECTORS, REPRESENTATIVE OF THE SOLE SHAREHOLDER, VICE-MINISTER OF JUSTICE OF THE REPUBLIC OF KAZAKHSTAN.

**DATE OF ELECTION TO THE BOARD OF DIRECTORS:**

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 30.04.2019 (ORDER NO. 63/NK).

**CITIZENSHIP:** REPUBLIC OF KAZAKHSTAN **DATE OF BIRTH:** OCTOBER 24, 1976.

**EDUCATION:**

IN 1998 HE GRADUATED FROM THE KAZAKH INSTITUTE OF LAW AND INTERNATIONAL RELATIONS, WITH HONORS (1998) IN THE SPECIALTY "INTERNATIONAL LAWYER", LATER THE BRITISH BUSINESS SCHOOL, MASTER OF BUSINESS ADMINISTRATION.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO



## BAKHYTEBEK TASHENEV

MEMBER OF THE BOARD OF DIRECTORS, REPRESENTATIVE OF THE AUTHORIZED BODY FOR STATE PROPERTY, CHAIRMAN OF THE STATE PROPERTY AND PRIVATIZATION COMMITTEE OF THE MINISTRY OF FINANCE OF THE REPUBLIC OF KAZAKHSTAN.

**DATE OF ELECTION TO THE BOARD OF DIRECTORS:**

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 25.12.2018 (ORDER NO. 540/NK).

**CITIZENSHIP:** REPUBLIC OF KAZAKHSTAN **DATE OF BIRTH:** OCTOBER 19, 1977.

**EDUCATION:**

IN 1999 HE GRADUATED FROM THE KAZAKH STATE ACADEMY OF ARCHITECTURE AND CONSTRUCTION WITH A DEGREE IN "ENGINEER-ECONOMIST", IN 2002 FROM THE KAZAKH HUMANITARIAN LAW UNIVERSITY WITH A DEGREE IN "LAWYER".

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO

# BOARD OF DIRECTORS

DECEMBER 31, 2021



## BEKTAS MUKHAMEDZHANOV

MEMBER OF THE BOARD OF DIRECTORS, INDEPENDENT DIRECTOR.

### DATE OF ELECTION TO THE BOARD OF DIRECTORS:

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 27.04.2016 (ORDER NO. 400/NK) AND 24.04.2019 (ORDER NO. 63/NK). CHAIRMAN OF THE INTERNAL AUDIT COMMITTEE OF THE BOARD OF DIRECTORS (DECISION OF THE BOARD OF DIRECTORS DATED 03.05.2019 (PROTOCOL NO. 01-01-02/02)).

### CITIZENSHIP:

THE REPUBLIC OF KAZAKHSTAN.

### DATE OF BIRTH:

7 НОЯБРЯ 1957 ГОДА

### EDUCATION:

IN 1979 HE GRADUATED FROM THE KAZAKH STATE UNIVERSITY NAMED AFTER S.M. KIROV WITH A DEGREE IN BIOLOGY, CANDIDATE OF BIOLOGICAL SCIENCES ON THE TOPIC OF HIS DISSERTATION: "PHYSICO-CHEMICAL PROPERTIES OF SOLUBLE AND IMMobilIZED WORMWOOD PEROXIDASE" (1985).

### SCIENTIFIC, LITERARY WORKS, PUBLICATIONS:

AUTHOR OF BOOKS: "ENTREPRENEURSHIP DEVELOPMENT IN TRANSITION ECONOMIES: SUCCESSES AND ACHIEVEMENTS" (1999), "BUSINESS CONSULTING AND INFORMATION SERVICES AS AN AFFECTIVE TOOL FOR SME DEVELOPMENT" (2001), "THE STATE OF THE SECTOR OF SMALL AND MEDIUM-SIZED ENTERPRISES IN KAZAKHSTAN IN 1998-2000." (2001), "SOURCES OF FINANCING" (2002, CO-AUTHORED), MORE THAN 35 PUBLICATIONS, HAS 6 COPYRIGHT CERTIFICATES AND PATENTS.

### OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS:

NO



## ZAGIPA BALIYEVA

MEMBER OF THE BOARD OF DIRECTORS, INDEPENDENT DIRECTOR.

### DATE OF ELECTION TO THE BOARD OF DIRECTORS:

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 15.01.2021 (ORDER NO. 8/NK). CHAIRMAN OF THE COMPLIANCE AND RISK COMMITTEE OF THE BOARD OF DIRECTORS (ELECTED BY THE DECISION OF THE BOARD OF DIRECTORS DATED 06.10.2021 (MINUTES NO. 01-01-02/08)).

### CITIZENSHIP:

THE REPUBLIC OF KAZAKHSTAN.

### DATE OF BIRTH:

OCTOBER 3, 1958.

### EDUCATION:

IN 1981 SHE GRADUATED FROM THE KAZAKH STATE UNIVERSITY NAMED AFTER S.M. KIROV WITH A DEGREE IN LAW. POSTGRADUATE STUDIES OF THE KAZAKH STATE ACADEMY OF MANAGEMENT (1998), DOCTORAL STUDIES OF THE MOSCOW STATE TECHNOLOGICAL ACADEMY (1999). DOCTOR OF ECONOMICS, THESIS TOPIC: "PROBLEMS OF THE FORMATION OF THE INDUSTRY OF THE REPUBLIC OF KAZAKHSTAN AND WAYS TO SOLVE THEM (THEORY AND PRACTICE)" (1999).

### OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS:

NO



## IVAR TALLO

MEMBER OF THE BOARD OF DIRECTORS, INDEPENDENT DIRECTOR.

### DATE OF ELECTION TO THE BOARD OF DIRECTORS:

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 29.09.2017 (ORDER NO. 352/NK) AND 24.04.2019 (ORDER NO. 63/NK). CHAIRMAN OF THE STRATEGIC PLANNING COMMITTEE OF THE BOARD OF DIRECTORS (DECISION OF THE BOARD OF DIRECTORS DATED 03.05.2019 (PROTOCOL NO. 01-01-02/02)).

### CITIZENSHIP:

THE REPUBLIC OF KAZAKHSTAN.

### DATE OF BIRTH:

MAY 5, 1964.

### EDUCATION:

GRADUATED FROM LENINGRAD STATE UNIVERSITY IN 1987 WITH A DEGREE IN PHILOSOPHY, POLITICAL SCIENCE, FOREIGN LANGUAGES, IN 1990 FROM LENINGRAD STATE UNIVERSITY WITH A DEGREE IN MATHEMATICAL FORMAL LOGIC AND PHILOSOPHY, IN 1996 FROM MCGILL UNIVERSITY, PHD PROGRAM IN POLITICAL SCIENCE, POSTGRADUATE STUDENT IN LOGIC, MASTER OF PHILOSOPHY, PHD.

### OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS:

NO



## AKMARAL NAIZABEKOVA

MEMBER OF THE BOARD OF DIRECTORS, INDEPENDENT DIRECTOR.

### DATE OF ELECTION TO THE BOARD OF DIRECTORS:

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 08/19/2021. (ORDER NO. 286/NK). CHAIRMAN OF THE HR, REMUNERATION AND ETHICS COMMITTEE OF THE BOARD OF DIRECTORS (DECISION OF THE BOARD OF DIRECTORS 06.10.2021. (MINUTES NO. 01-01-02/08))

### CITIZENSHIP:

THE REPUBLIC OF KAZAKHSTAN.

### DATE OF BIRTH:

JUNE 3, 1985.

### EDUCATION:

IN 2006 GRADUATED FROM THE KARAGANDA STATE UNIVERSITY NAMED AFTER E.A. BUKETOV, KARAGANDA, FACULTY OF LAW, BACHELOR OF JURISPRUDENCE DEGREE. IN 2014 SHE GRADUATED FROM MOSCOW BUSINESS SCHOOL (MBS), MOSCOW INSTITUTE OF TECHNOLOGY "UNESCO WORLD TECHNOLOGICAL UNIVERSITY", MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE. IN 2014 - KINGSTON UNIVERSITY, LONDON, MSC IN INTERNATIONAL HUMAN RESOURCE MANAGEMENT, MASTER'S DEGREE IN INTERNATIONAL HUMAN RESOURCE MANAGEMENT, RUSSIAN ACADEMY OF NATIONAL ECONOMY AND PUBLIC ADMINISTRATION UNDER THE PRESIDENT OF THE RUSSIAN FEDERATION (RANEPa), DIRECTOR OF PERSONNEL MANAGEMENT DEGREE.

### OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS:

NO



## ADIL KOZHIKHOV

MEMBER OF THE BOARD OF DIRECTORS, CHAIRMAN OF THE MANAGEMENT BOARD OF THE STATE CORPORATION.

### DATE OF ELECTION TO THE BOARD OF DIRECTORS:

BY THE DECISION OF THE SOLE SHAREHOLDER DATED 15.01.2021. (ORDER NO. 8/ NK). CHAIRMAN OF THE MANAGEMENT BOARD OF THE STATE CORPORATION

### CITIZENSHIP:

THE REPUBLIC OF KAZAKHSTAN.

### DATE OF BIRTH:

NOVEMBER 2, 1978.

### EDUCATION:

GRADUATED FROM AL-FARABI KAZAKH NATIONAL UNIVERSITY IN 2000 WITH A DEGREE IN POLITICAL SCIENCE.

### OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS:

NO

Full information about the members of the board of directors is available in the "corporate governance" section of the website of the state corporation [www.gov4c.kz](http://www.gov4c.kz).

The composition of the Board of Directors of the State Corporation is balanced according to

- qualifications,
- experience knowledge,
- business qualities
- variety.

Members of the Board of Directors have

- impeccable business reputation
- knowledge and skills in information technology, finance, internal audit, corporate governance,
- as well as in other areas important for the management of the State Corporation

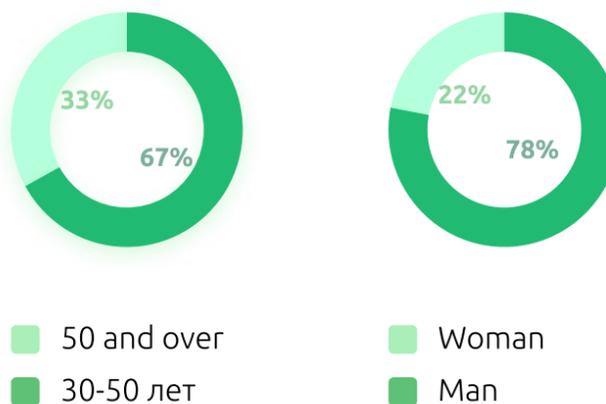
Members of the Board of Directors have

- extensive experience in the role of top managers, partners and members of management bodies of various companies,
- impeccable public reputation.

Particular attention is paid to the diversity of the composition and the proportion of independent directors. The Board of Directors consists of both men and women, as well as a citizen of another state (Estonia), which ensures gender and socio-cultural diversity.

Particular attention is paid to the diversity of the composition and the proportion of independent directors. The Board of Directors consists of both men and women, as well as a citizen of another state (Estonia), which ensures gender and socio-cultural diversity.

As of December 31, 2021, the age and gender composition of the members of the Board of Directors was:



Criteria for determining the independence and selection of independent directors

In accordance with the best corporate governance practices, the requirements of paragraph 5 of Article 54 of the Law and paragraph 53 of the Charter of the State Corporation, independent directors are elected to the Board of Directors, the number of which must be at least thirty percent of the Board of Directors.

**44%** number of independent members of the Board of Directors in the State Corporation

When selecting candidates for independent directors, the criteria established by subparagraph 20 of Article 1 of the Law were taken into account, according to them, an independent director is defined as a member of the Board of Directors who:

- is not an affiliated person of the State Corporation at the time of election and has not been one for three years prior to his election to the Board of Directors (except in the case of his tenure as an independent director of the State Corporation);
- is not an affiliated person in relation to affiliated persons of the State corporation;
- is not subordinated to officials of the State Corporation or affiliated organizations of the State Corporation and was not subordinated to these persons during the three years preceding his election to the Board of Directors;
- is not a civil servant;
- is not an auditor of the State Corporation and has not been one for three years prior to his election to the Board of Directors
- does not participate in the audit of the State Corporation as an auditor working as part of an audit organization, and did not participate in such an audit during the three years preceding his election to the Board of Directors.

#### **The Director may be recognized as independent if he:**

- has not been an employee of the State corporation or its subsidiary and dependent organization for the past five years;
- has not received or does not receive additional remuneration from the Company, except for remuneration of a member of the Board of Directors;
- does not hold a similar position in other organizations or bodies, does not have significant connections with other members of the Board of Directors through such participation in other organizations or bodies;
- does not represent shareholders or state management bodies;
- has not been a member of the Board of Directors of the State Corporation for more than nine years in a row.

The relationship between the members of the Board of Directors-independent directors and the State Corporation is regulated by contracts concluded on behalf of the State Corporation by the Chairman of the Board of Directors: dated November 25, 2019 with B. Mukhamedzhanov and I.Tallo, dated January 15, 2021 with Z. Balieva and dated August 19, 2021 with A. Naizabekova, which apply to legal relations that have arisen since the election of independent directors.

## Remuneration policy for members of the Board of Directors

The State Corporation incurs expenses related to the activities of the Board of Directors, including compensating the members of the Board of Directors for all documented expenses related to the exercise of their functions.

The issues of determining the amount and conditions of remuneration payment to members of the Board of Directors of the State Corporation belong to the exclusive competence of the Sole Shareholder.

The terms and procedure for payment of remuneration and compensation of expenses to members of the Board of Directors are determined by the Rules for Payment of Remuneration and Compensation of Expenses to Members of the Board of Directors approved by the decision of the Sole Shareholder dated 04.10.2019. (Order No. 262/nk) (hereinafter referred to as the Rules).

The provisions of these Rules governing the payment of remuneration do not apply to members of the Board of Directors who are civil servants and employees of the State Corporation (subparagraph 2.2 of paragraph 2 of the Rules).

## Remuneration policy for members of the Board of Directors

Thus, only independent directors receive remuneration. In accordance with the applicable corporate governance practice, the State Corporation uses the following as the main forms of remuneration:

the basic remuneration for participation in one meeting of the Board of Directors is set at 830,000 (eight hundred and thirty thousand) tenge. At the same time, the specified remuneration is paid to an independent director for his participation in full-time and absentee meetings of the Board of Directors;

additional remuneration for participation in one meeting of the Committee of the Board of Directors as Chairman of the Committee is set at 58,000 (fifty-eight thousand) tenge.

**The total amount of the basic remuneration to independent directors for participation in meetings of the Board of Directors should not exceed 5,000,000 (five million) tenge and the total amount of additional remuneration for participation in a meeting of the Board of Directors Committee as Chairman of the Committee should not exceed 350,000 (three hundred and fifty thousand) tenge provided for in the Development Plan of the State Corporation for the corresponding year.**

In addition, the State Corporation compensates for expenses related to the performance of their functions in accordance with the limits approved by the legislation of the Republic of Kazakhstan, namely: expenses related to participation in in-person and absentee meetings of Committees and the Board of Directors, including travel expenses to the place of residence or preferential stay, housing costs and per diem

### Remuneration to independent directors is paid if they meet the following conditions:

conscientious performance of the duties of a member of the Board of Directors provided for by the legislation of the Republic of Kazakhstan, the Charter, other internal documents of the State Corporation and the contract concluded with the Director;

compliance with the legislation of the Republic of Kazakhstan, the Charter and other internal documents of the State Corporation, as well as decisions of the Sole Shareholder, when making decisions;

participation in meetings of the Board of Directors and its Committees, full and timely expression of their opinions on issues on the agenda in accordance with the established procedure.

**26 243 006, 50** tenge

the total amount of the main and additional remuneration paid in 2021 to independent directors of the State Corporation, including all taxes and payments, of which:

**191 147** tenge

The compensation of expenses paid to independent directors for the reporting period

**26 434 153, 50** tenge

total expenses related to the activities of the members of the Board of Directors-independent directors of the State Corporation for 2021, including all taxes and payments

## Training and development of competencies of members of the Board of Directors

The State Corporation has Rules on the development of competencies of members of the Board of Directors and their involvement of external experts. The Rules have been developed taking into account the best corporate governance practices in order to improve the efficiency of the Board of Directors by introducing a system of skills development and advanced training of members of the Board of Directors and exercising their right to attract external experts if the issues considered by the Board of Directors require external professional and independent expertise. In 2021, due to the lack of necessity, external experts were not involved.

However, for the first time, the Program (Plan) for the development of competencies of members of the Board of Directors of the State Corporation for 2021, approved by the decision of the Board of Directors of 21.10.2020, has been implemented. (Protocol No. 01-01-02/04). Members of the Board of Directors passed a seminar and received certificates on the topic: "Cash Flow Management in a crisis", organized and conducted by KPMG in Nur-Sultan in April 2021, as well as by the Chairman and members of the Internal Audit Committee B. Mukhamedzhanov, Z. Balieva and N. Essembayev completed the course and received certificates on the topic: "Risk Management" (August 3-4, 2021, Almaty, INTERNATIONAL BUSINESS ACADEMY IBA company).



## Evaluation of the activities of the Board of Directors and its Committees

By the decision of the Board of Directors of the State Corporation dated 27.11.2019. (Protocol No. 01-01-02/05) approved the Regulation on the Evaluation of the activities of the Board of Directors of the State Corporation and its Committees (hereinafter – the Regulation).

The Code and the Regulation provide for an annual assessment within the framework of a structured process approved by the Board of Directors. At the same time, at least once every three years, the assessment is carried out with the involvement of independent consultants.

On February 16, 2022, the Board of Directors (Minutes No. 01-01-02/01) decided to evaluate the activities of the Board of Directors and its Committees for 2021 by self-assessment by questioning all members of the Board of Directors, with the coordination of work by the Corporate Secretary.

**The evaluation of the activities of the Board of Directors and its Committees (hereinafter referred to as the Evaluation) covered the following criteria:**

- powers and competencies,
- implementation of key functions of the Board of Directors
- structure and composition of the Board of Directors
- working procedure and information support of its activities,
- duties and responsibilities.

The evaluation in accordance with the recommendations of best practices pursued the main goal to activate the work of the Board of Directors, its Committees and the personal participation of its members, to increase the effectiveness of the Board of Directors in ensuring the successful operation of the State Corporation.

Based on the results of the work carried out to summarize the questionnaire data of the Evaluation, the effectiveness of the working activities of the Board of Directors revealed a rating above 4.71 (practice in this area meets the best standards, but there are some recommendations and suggestions),

and the evaluation of the Committee's activities – 4.95 (practice in this area meets the best standards, does not require improvements and such practice should be continued), what is acceptable for the chosen organizational model and structure.

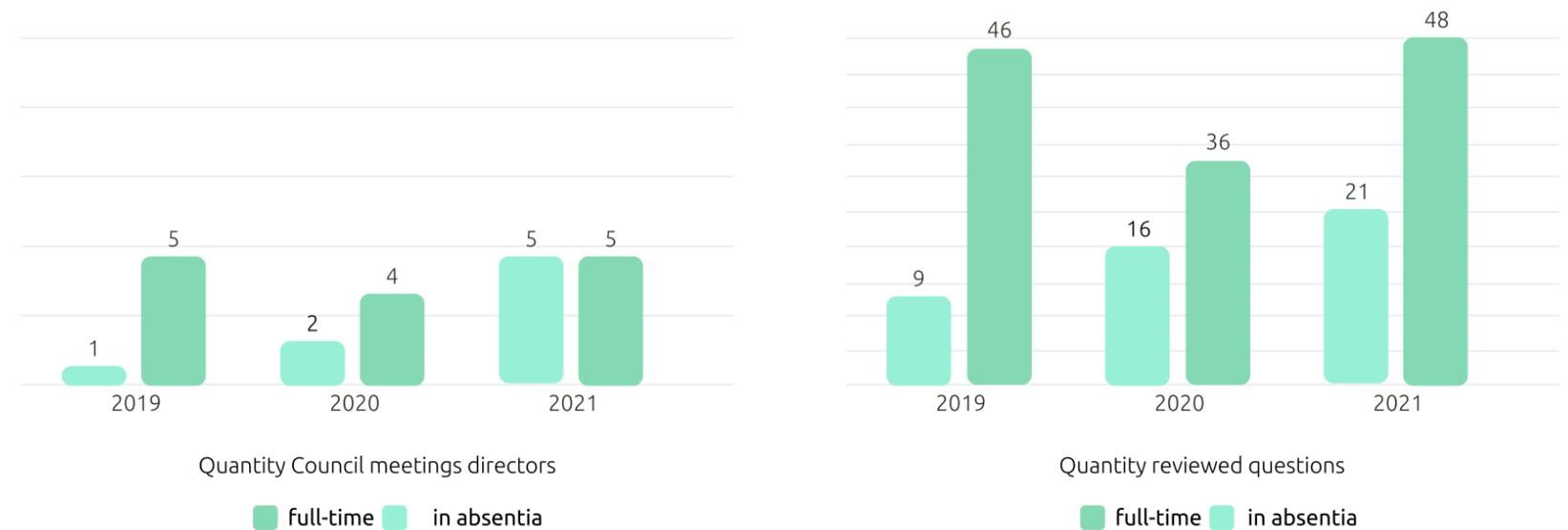
The results of the survey revealed trust in the management of the Board of Directors and mutual respect for each other. Despite the existence of proposals and recommendations to be discussed and improved, it should be emphasized that no significant shortcomings have been found in the working activities of the Board of Directors and its Committees. The policy of holding meetings of the Board of Directors and its Committees in most cases can be described as constructive, and the activities of the Board of Directors and its Committees as a whole can be considered satisfactory. The assessment showed that most aspects of the activities of the Board of Directors and its Committees based on the results of work for 2021 comply with the recommendations of corporate development practice.

## Results of the work of the Board of Directors

In 2021, the Board of Directors held 10 meetings, including 5 in-person meetings and 5 meetings held by absentee voting. In total, 71 issues were submitted to the Board of Directors, including 2 issues removed from the agenda (On approval of the Rules for the Sale of Assets of the State Corporation in a new edition due to the need to finalize it and on setting the salaries of employees of the Internal Audit Service of the State Corporation in accordance with the approved remuneration scheme due to its prematurity).

It should be noted that according to the recommendations of the Code, it is required to minimize the number of meetings of the Board of Directors held in absentia every year. However, due to the pandemic and the deterioration of the situation in the country in terms of the number of cases, as well as due to the urgency of decision-making, which is allowed by the Regulations on the Board of Directors with the approval of the Chairman of the Board of Directors, in 2021 decisions were made by absentee voting.

### Comparative data of the work of the Board of Directors for 3 years:



## Information on issues considered by the Board of Directors

The Board of Directors of the State Corporation functioned in accordance with the Work Plan of the Board of Directors for 2021 (hereinafter referred to as the Plan), which was approved by the decision of the Board of Directors dated 12/24/2020. (protocol No. 01-01-02/06). The practice of work planning by the Board of Directors proved to be positive and allowed directors to calculate their work schedule taking into account upcoming meetings, which ultimately influenced the organization of meetings and the validity of decisions taken by the Board of Directors.

The plan provided for consideration of 35 issues. It should be noted that the Board of Directors considered an additional 34 issues outside the Plan. In general, the activities of the Board of Directors on the implementation of the Plan can be considered effective, the Plan has been executed 100% on all points.

**69** during the reporting period, the Board of Directors considered issues and made decisions:

- on financial reporting and planning - 8;
- strategic nature - 7;
- on internal audit, risk management and control - 18;
- on the activities of the Ombudsman and compliance control – 8;
- on corporate governance - 13;
- on personnel and remuneration - 6;
- on approval of internal documents – 9.

## Committees of the Board of Directors of the State Corporation

To assist the Board of Directors by preliminary consideration, analysis and development of recommendations on the agenda issues, 4 Committees of the Board of Directors of the State Corporation were established by the decision of the Board of Directors of the State Corporation dated 04/29/2016 (Protocol No. 01/16):

### Committee on strategic Planning

#### Strategic Planning Committee

#### Human Resources, Remuneration and Ethics Committee

#### Compliance and Risk Committee

**During 2021 , there were two changes in the composition of the Committees:**

- 1) due to personnel changes in the composition of the Board of Directors;
- 2) due to the reorganization of the Committees and the creation of the Compliance and Risk Committee, the rotation of the Committee members took place.

In connection with the reorganization of the Committees by merging the HR and Remuneration Committee and the Ethics Committee, as well as the creation of a new Compliance and Risk Committee by the decision of the Board of Directors dated 06.10.2021. (Protocol No. 01-01-02/08), the members of the Committees were rotated and the Committees were approved in the following new structure:

- 01 Internal Audit Committee:**  
 Bektas Mukhamedzhanov – chairman;  
 Zagipa Baliyeva – Committee member; Ivar Tallo – Committee member;  
 Employee of the State corporation – Secretary of the Committee (without the right to vote).
- 02 Strategic Planning Committee:**  
 Ivar Tallo – chairman;  
 Bektas Mukhamedzhanov – Committee member;  
 Zagipa Baliyeva – Committee member;  
 Employee of the State corporation – Secretary of the Committee (without the right to vote).
- 03 HR, Remuneration and Ethics Committee:**  
 Akmaral Naizabekova – chairman;  
 Zagipa Baliyeva – Committee member;  
 Ivar Tallo – Committee member;  
 Employee of the State corporation – Secretary of the Committee (without the right to vote).
- 04 Compliance and Risk Committee:**  
 Zagipa Baliyeva – chairman;  
 Bektas Mukhamedzhanov – Committee member;  
 Akmaral Naizabekova – Committee member;  
 Employee of the State corporation – Secretary of the Committee (without the right to vote).



## Internal Audit Committee

**B. Mukhamedzhanov, an independent director, was appointed Chairman of the Internal Audit Committee in 2021.**

During the reporting period, the Internal Audit Committee regularly supervised the activities of the Internal Audit Service of the State Corporation, discussed issues of staff turnover and selection of candidates for vacant positions in the specified Service, took measures to enhance the quality and completeness of reports provided by the Service. At the same time, the Committee monitored the effectiveness of the risk management and internal control system, monitored the risk migration report of the State Corporation on a monthly basis, carefully studied the results of the external audit of the annual financial statements of the State Corporation for the reporting period, noting the formal and superficial approach, he applied for the possibility of attracting companies from the "big four" to participate in the competition by working out the technical specification and determining the necessary requirements for conducting an audit in accordance with International Financial Reporting Standards. The issues of improving the corporate governance system, problematic issues of a systemic nature in budgeting, spending of funds and public procurement by the State Corporation have not been ignored,

**The Internal Audit Committee for 2021 fully fulfilled its goals and objectives, performed its functions and duties on all supervised issues on a regular basis, and also fulfilled 100% and, moreover, exceeded its Work Plan for 2021.**

## Strategic Planning Committee

**The Strategic Planning Committee in 2021 was headed by Ivar Tallo.**

As part of its activities, the Committee issued recommendations on strategic, budgetary planning, placement of declared shares, distribution of net income, report on the implementation of the development strategy, development plans, annual report on the activities of the State Corporation for the reporting period. During the reporting period, the Committee focused on the issues of planning and developing new directions for the development of the State Corporation, which resulted in the adoption by the Board of Directors of a new development strategy for 2022-2026.

**In 2021, the Committee fully fulfilled its goals and objectives, performed functions and responsibilities in a timely and systematic manner in accordance with the Regulations and the Work Plan of the Strategic Planning Committee for 2021.**

## HR and Remuneration and Ethics Committee

The activities of the HR, Remuneration and Ethics Committee until October 6, 2021 were carried out by two separate HR and Remuneration Committees, chaired by N. Esembayev, an independent director, and the Ethics Committee headed by Z. Baliyeva. These Committees were approved by the decision of the Board of Directors of the State Corporation dated 26.01.2021. (Protocol No. 01-01-02/01).

Later, due to the reorganization of the Committees by the decision of the Board of Directors of the State Corporation dated 06.10.2021. (Protocol No. 01-01-02/08), the HR and Remuneration Committee and the Ethics Committee were merged into one HR, Remuneration and Ethics Committee. The newly elected 61 independent Director A. Naizabekova was appointed Chairman of the HR, Remuneration and Ethics Committee by the decision of the same meeting of the Board of Directors.

The Committee monitored the implementation of the personnel policy, participated in the discussion of the key performance indicators of the management of the State Corporation and in the evaluation of their performance, approved the key performance indicators of the Management Board, the Corporate Secretary, as well as their final effectiveness, considered the remuneration of the Ombudsman. In addition, he supervised the maintenance of the principles of the Code of Business Ethics by employees in the State Corporation, reacted to conflict situations related to ethical violations.

In accordance with paragraph 6.1. of the Regulations on the Committee, the Committee holds meetings in person or in absentia in accordance with the approved Work Plan, but at least once a quarter.

The work plan of the HR and Remuneration Committee for 2021 was approved by the decision of this Committee dated 17.02.2021. (Protocol No. 01-01-05/HRC-02), which provided for consideration of 13 issues and holding 6 meetings, including 1 reserve, and the Work Plan of the Ethics Committee for 2021 was approved by the decision of the Ethics Committee ethics of 17.02.2021. (Protocol No. 01-01-05/EC-02), which provided for the consideration of 6 issues and the holding of 5 meetings, including 1 reserve.

**14** meetings held in general by committees

**32** issue considered

Under the leadership of this Committee, an assessment of the activities of the Board of Directors and its Committees was carried out, following which areas requiring additional attention were identified, opportunities for professional development of directors were considered, issues of remuneration systems, determination of key performance indicators and the results of remuneration of the Chairman and members of the Management Board received special attention.

In its work, the Committee was strictly guided by the Charter of the State Corporation, the Code and the Regulations on the Committee. At the same time, the Board of Directors fully followed the recommendations developed by the Committee, none of which was rejected by the Board of Directors.

**In 2021, the Committee, through its work, provided maximum assistance to the work of the Board of Directors and fully fulfilled the goals and objectives set for it, as well as fulfilled its Work Plan for 2021.**

## Compliance and Risk Committee

By the decision of the Board of Directors of the State Corporation dated 06.10.2021. (Protocol No. 01-01-02/08), a Compliance and Risk Committee was established. The same decision determined the Chairman of the Compliance and Risk Committee, Z. Baliyeva, an independent director.

At the same time, it should be noted that the supervision of compliance control issues in 2021 from June until the creation of a separate Committee was carried out by the Internal Audit Committee. Since the Compliance and Risk Committee was established in October 2021 and the first meeting was held in December 2021, the Work Plan of this Committee for 2021 was not approved.

During the reporting period, 2 meetings of the Committee were held - 1 joint with the Internal Audit Committee in person and 1 in absentia, 6 issues were considered, taking into account the issue considered at the joint meeting with the Internal Audit Committee.

Based on the results of the consideration of 5 issues, without taking into account the issue considered at the joint meeting and taken into account in the report on the activities of the Internal Audit Committee in order to avoid duplication, 5 recommendations and instructions were adopted and given, which are currently all executed.

Under the leadership of this Committee, preparatory work was carried out on the work plan of the Compliance Control Service for 2022, a detailed analysis of the need for the staffing of the supervised Service to implement the tasks set, questions on determining criteria for the selection of key risks, as well as a number of internal documents on the competence of the Committee.

The Committee was guided in its work by the Charter of the State Corporation, the Code and the Regulations on the Committee. Considering that the work of the Committee began at the end of the year, nevertheless, topical issues and necessary measures requiring close attention and consideration were resolved by the Committee.

## Significant corporate events related to corporate governance

- On January 5, 2021, by the decision of the Sole Shareholder, the powers of the Chairman of the Board of the State Corporation A.S. Baltasheva were prematurely terminated (Order No. 1-P);
- On January 8, 2021, the Chairman of the Board of the State Corporation Adil Kozhikhov was elected by the decision of the Sole Shareholder (Order No. 4-P);
- On January 15, 2021, by the decision of the Sole Shareholder, the powers of members of the Board of Directors A. Baltasheva and M. Ishmukhamedov were prematurely terminated and A. Kozhikhov and Z. Baliyeva were elected a member of the Board of Directors;
- On March 5, 2021, by the decision of the Sole Shareholder, the powers of the Deputy Chairman – a member of the Management Board of the State Corporation M. Sadanov and the chief of Staff – a member of the Management Board of the State Corporation O. Shokparov were prematurely terminated and S. Zhumabekov was appointed to the post of Deputy Chairman – a member of the Management Board of the State Corporation and A. Musan - the head of the staff – a member of the Management Board of the State Corporation (order No. 6-P from 03.03.2021);
- On April 13, 2021, by the decision of the Sole Shareholder, an audit organization was approved to audit the annual financial statements of the State Corporation for 2020 (Order No. 128|NK);
- On April 15, 2021, by the decision of the Sole Shareholder, an amendment to the Charter of the State Corporation was approved (Order No. 130/NK);
- On April 27, 2021, by the decision of the Sole Shareholder, the number of declared shares of the State Corporation was increased (Order No. 150/NK);
- On June 10, 2021, by the decision of the Sole Shareholder, the annual financial statements and the procedure for distributing the net income of the State Corporation for 2020 were approved (Order No. 204/NK);
- On July 3, 2021, by the decision of the Sole Shareholder, an amendment to the Charter of the State Corporation was approved (Order No. 234/NK);
- On August 19, 2021, by the decision of the Sole Shareholder, the powers of an independent member of the Board of Directors of the State Corporation N. Esembayev were prematurely terminated and A. Naizabekova, an independent director, was elected to the Board of Directors of the State Corporation (Order No. 286/NK);
- On November 3, 2021, by the decision of the Sole Shareholder, the powers of a member of the Board of Directors of the State Corporation R.E. Manatayev were prematurely terminated.

## OMBUDSMAN OF THE STATE CORPORATION

The Ombudsman of the State Corporation is appointed by the Board of Directors and reports to him annually on the results of his work. The Ombudsman's activities in 2021 were carried out in accordance with the Ombudsman's Work Plan approved by the decision of the Board of Directors of the State Corporation dated April 29, 2021 (Protocol No. 01-01-02/03). During the reporting period, the Ombudsman carried out the following work.

### On direction of improving corporate culture, business ethics, compliance with the Code of Business Ethics:

At the beginning of the year, an analysis of intra-corporate relationships was carried out based on data from a telephone survey of the management staff of branches, individual front offices, and an anonymous online survey of employees of the State Corporation (8,677 respondents). Based on the results, 7 recommendations were made to the management of the State Corporation to improve the efficiency of corporate culture, protect the rights and interests of employees.

It should be noted that due to the restrictions in the quarantine conditions in the first half of the year, meetings (surveys, consultations, explanations) with regional collectives and employees of the State Corporation were held mainly in an online format.

The analysis of appeals and complaints on compliance with labor legislation, business ethics, solving problematic social and labor issues was carried out. In total, **61 appeals were received in 2021**, including 18 written (one collective) and 43 oral. Of the 18 written appeals, 10 were received from employees of the State Corporation, 8 from citizens and organizations, 2 were withdrawn and 2 are anonymous. The facts were confirmed for all 10 appeals of employees. According to the requests of the service recipients, 2 facts were confirmed.

**Written answers and oral consultations and explanations are given to all written and oral appeals. There were no repeated requests from the applicants.**

Based on the results of the analysis, 2 recommendations were given in terms of improving social and living conditions in front offices and increasing the communication interaction of the center with the regions.

### On direction of settlement of labor disputes, conflicts of interest and assistance in solving problematic social and labor issues:

In order to monitor the social mood in the teams, an anonymous online survey was conducted with coverage of **62.4% of employees**. Based on the results of the general survey, **4 zonal online ZOOM meetings were held on October 5-8, covering 775 people**.

**11 trips to 9 regions** were carried out. During the trips, **97 meetings** were held with front and back office labor collectives covering **1,755 people**, as well as with service recipients, students and students (660 people). At the meetings in the teams, the emerging problematic issues of a social and labor nature were discussed, concrete measures were taken to address some social and household issues within the competence of branch directors, answers were given to all questions of employees, as well as information on ways to solve problems, a new Strategy of the State Corporation for 2022-2026 was discussed.

Issues within the competence of the Board of the State Corporation, central state bodies that require study have been brought to the management of the State Corporation, relevant ministries, individual deputies of the Majilis of the Parliament of the Republic of Kazakhstan.

In the process of traveling to the regions, a challenge was initiated, the purpose of which is to use the potential of young university students to improve the digital literacy of the older generation. Volunteer students of the Kyzylorda State University named after Korkyt Ata, Taraz Regional University named after M.H. Dulati, University in Semey named after A. Bokeikhan, college students in Uralsk participate in the challenge. There is a preliminary agreement to participate in the challenge of students of the Eurasian National University named after L.N.Gumilyov, Kazakh National Technical University named after K.Satpayev and other universities and colleges. This pilot project together with the management of the State Corporation will be worked out with the Ministry of Education and Science in terms of replication to all regions.

### On direction of working with the media:

Participated live in two broadcasts of the **Bugin** program on **Khabar** on the activities of the State Corporation, **live on Kazradio** on the topic of digitalization, live on television broadcasts of four regions on the provision of public services by the State Corporation. Interviews were given to journalists of regional TV and print media about the activities of the State Corporation and its employees, answers to questions from journalists of the Liter newspaper and the Uspek magazine were provided. During the year, social networks were actively used to highlight the activities of employees of the State Corporation, the need for their support.

## INTERNAL AUDIT AND COMPLIANCE CONTROL

**The Internal Audit Service** (hereinafter referred to as the IAS) is a body of the State Corporation that monitors financial and economic activities, evaluates internal control, risk management, execution of documents in the field of corporate governance and consulting in order to improve the activities of the State Corporation. The IAS reports directly to the Board of Directors and reports to it on its work. The supervision of the IAS activities is carried out by the Internal Audit Committee. In carrying out its activities, the IAS is guided by the legislation of the Republic of Kazakhstan, the Charter, decisions of State Corporation bodies, the IAS Regulations, the annual audit plan approved by the Board of Directors, other internal documents of the State Corporation and the basic principles of International Professional Standards of Internal Audit.

In 2021, the IAS completed all **10** planned audit assignments provided for in the Annual Audit Plan for 2021 approved by the decision of the Board of Directors dated December 24, 2020 (protocol No. 01-01-02/06) and **7** **unscheduled** audit **assignments covering 10 audit objects**.

Based on the results of the completed audit tasks, the IAS issued appropriate recommendations and ensured the adoption by the audit objects of Corrective Action Plans, the monitoring of which is carried out on a monthly basis by the IAS and the structural unit of the Management Board responsible for risk management of the State Corporation. The results of the IAS activities are submitted quarterly for consideration by the Board of Directors.

The State Corporation contributes to the fight against corruption and assumes additional obligations in the field of prevention and prevention of corruption and fraud, recommended by international standards.

Compliance with anti-corruption legislation, internal regulatory requirements, and compliance risk assessment in the State Corporation is ensured by the Compliance Control Service (hereinafter referred to as the CCS), established by a decision of the Board of Directors in May 2021. The activities of the CCS are carried out in accordance with the work plan for the corresponding year and are regulated by the Regulations on the CCS.

In order to form effective mechanisms for identifying and analyzing corruption-dangerous areas of activity, ensuring comprehensive protection of the State Corporation from legal, economic, reputational and other threats, in accordance with the best international standards, the Board of Directors approved the Policy of Combating Corruption and Fraud, Proactive Informing of the State Corporation (Protocol No. 01-01-02/08 of 06.10.2021.).

In accordance with this Policy, in addition to internal channels for expressing concern about anti-corruption issues, violations of the legislation of the Republic of Kazakhstan, unethical behavior or discrimination, an external line of proactive information by e-mail has been introduced **compliance.control@gov4c.kz**, administered by the CCS.

## 13. THE BOARD OF THE STATE CORPORATION

The Management Board is a collegial executive body of the State Corporation. The activities of the Management Board are regulated by Law, the Charter of the State Corporation, the Regulations on the Management Board and other internal documents of the State Corporation. The Management Board is accountable to the Board of Directors and manages the current activities of the State Corporation, is responsible for the implementation of the Development Strategy and Development Plan of the State Corporation, decisions of the Sole Shareholder and the Board of Directors.

At the beginning of 2021, the Board of the State Corporation was represented in the following composition:

Name	Position
Adil Kozhikhov	Chairman of the Management Board
Suyenish Abdildin	First Deputy Chairman of the Management Board
Nursultan Abakhanov	Deputy Chairman of the Management Board
Madi Sadanov	Deputy Chairman of the Management Board
Birzhan Zhunussov	Deputy Chairman of the Management Board
Olzhas Shokparov	Chief of Staff

The main tasks of the Management Board are the development of proposals on the strategy of the State Corporation, the implementation of financial and economic policy, the development of solutions on the most important issues of its current economic activity and coordination of its divisions, improving the effectiveness of the control system and risk monitoring system, ensuring the rights and legitimate interests of the Sole Shareholder.

## Remuneration policy for members of the Management Board

Information on remuneration of members of the Management Board, the conditions and procedure for remuneration of members of the Management Board of the State Corporation are determined by the Regulations on the Management Board, the Rules for Remuneration of Executives, Employees of the Internal Audit Service and the Corporate Secretary of the State Corporation, the Rules for Evaluating the Effectiveness of Activities and Remuneration of Executives of the State Corporation, which are developed in accordance with the Corporate Governance Code of the State Corporation.

The Board of Directors, in agreement with the Sole Shareholder, determines the amount of official salaries, terms of remuneration and remuneration of the Chairman and members of the Management Board. The main condition for the payment of remuneration is the availability of consolidated final profit for the reporting year.

Remuneration is paid based on the results of work for the year, depending on the performance of motivational KPIs, consisting of corporate and functional indicators, which are approved by the Board of Directors. Motivational KPIs are developed in the form of an efficiency map, by cascading the expectations of the Sole Shareholder and the strategic goals of the State Corporation into specific indicators. At the same time, the total annual amount of bonuses at the end of the year should not exceed 6 official salaries for each member of the Management Board within the funds of the Wage Fund. The evaluation results have an impact on the amount of remuneration, encouragement, re-election (appointment) or early termination of powers.

**32 748 645**  
tenge

In accordance with the decision of the Board of Directors dated June 29, 2022 (Protocol No. 01-01-02/05), the total amount of remuneration to the Chairman of the Management Board and members of the Management Board based on the results of performance efficiency for 2021

## DURING 2021, THE MANAGEMENT BOARD OF THE STATE CORPORATION UNDERWENT CHANGES AND AT THE END OF THE YEAR CONSISTED OF MEMBERS OF THE MANAGEMENT BOARD:



**ADIL KOZHIKHOV**

CHAIRMAN OF THE MANAGEMENT BOARD.

**PERIOD OF OPERATION:**

JANUARY 8, 2021 – APRIL 6, 2022

**CITIZENSHIP:**

REPUBLIC OF KAZAKHSTAN

**DATE OF BIRTH:**

NOVEMBER 2, 1978

**EDUCATION:**

GRADUATED FROM AL-FARABI KAZAKH NATIONAL UNIVERSITY IN 2000 WITH A DEGREE IN POLITICAL SCIENCE.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO



**SUYENISH ABDILDIN**

FIRST DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD

**PERIOD OF OPERATION:**

OCTOBER 7, 2020 – APRIL 7, 2022

**LEVEL OF AUTHORITY AND RESPONSIBILITY:**

REPRESENTATION OF INTERESTS AND ENSURING THE PERFORMANCE OF FUNCTIONS ON STRATEGY AND ANALYSIS, OPTIMIZATION AND IMPROVEMENT OF BUSINESS PROCESSES FOR THE PROVISION OF PUBLIC SERVICES, COORDINATION OF FRONT OFFICES, QUALITY AND CONTROL OF THE PROVISION OF PUBLIC SERVICES, A SINGLE CONTACT CENTER, A SITUATION CENTER, E-APPEAL AND NATIZHE PROJECTS, AS WELL AS IT INFRASTRUCTURE AND DIGITALIZATION.

**CITIZENSHIP:**

REPUBLIC OF KAZAKHSTAN

**DATE OF BIRTH:**

JUNE 23, 1990

**EDUCATION:**

GRADUATED FROM THE KAZAKH-BRITISH TECHNICAL UNIVERSITY IN 2011 WITH A DEGREE IN COMPUTER ENGINEERING AND SOFTWARE, IN 2014 – THE UNIVERSITY OF BIRMINGHAM IN THE UK, MASTER OF COMPUTER SCIENCE.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO



**NURSULTAN ABAKHANOV**

DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD

**PERIOD OF OPERATION:**

OCTOBER 7, 2020 – TO THE PRESENT.

**LEVEL OF AUTHORITY AND RESPONSIBILITY:**

ENSURING THE ORGANIZATION OF FINANCIAL AND ECONOMIC ACTIVITIES OF THE STATE CORPORATION.

**CITIZENSHIP:**

REPUBLIC OF KAZAKHSTAN

**DATE OF BIRTH:**

MARCH 26, 1983

**EDUCATION:**

IN 2004 GRADUATED FROM AL-FARABI KAZAKH NATIONAL UNIVERSITY WITH A DEGREE IN WORLD ECONOMY; IN 2009 – FROM THE INTERNATIONAL ACADEMY OF BUSINESS WITH A DEGREE IN CORPORATE MANAGEMENT; IN 2010 – FROM THE ALMATY INSTITUTE OF ECONOMICS AND LAW WITH A DEGREE IN JURISPRUDENCE.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO


**SERZHAN ZHUMABEKOV**

DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD

**PERIOD OF OPERATION:**

MARCH 5, 2021 – MARCH 31, 2022.

**LEVEL OF AUTHORITY AND RESPONSIBILITY:**

REPRESENTATION OF INTERESTS AND ENSURING THE PERFORMANCE OF FUNCTIONS RELATED TO THE FORMATION OF A POLICY FOR THE DEVELOPMENT OF THE WORK OF THE BACK OFFICES OF THE LAND CADASTER, REAL ESTATE, STATE REGISTRATION OF LEGAL ENTITIES THAT ARE COMMERCIAL ORGANIZATIONS.

**CITIZENSHIP:**

REPUBLIC OF KAZAKHSTAN.

**DATE OF BIRTH:**

JUNE 2, 1979

**EDUCATION:**

IN 2001 GRADUATED FROM AL-FARABI KAZAKH NATIONAL UNIVERSITY WITH A DEGREE IN INTERNATIONAL LAW; IN 2009 –KAZAKH ECONOMIC UNIVERSITY NAMED AFTER T.RYSKULOV WITH A DEGREE IN FINANCE.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO


**BIRZHAN ZHUNUSSOV**

DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD.

**PERIOD OF OPERATION:**

APRIL 22, 2019 – TO THE PRESENT.

**LEVEL OF AUTHORITY AND RESPONSIBILITY:**

REPRESENTATION OF INTERESTS AND ENSURING THE PERFORMANCE OF FUNCTIONS ON THE ISSUES OF THE ACCUMULATIVE PENSION SYSTEM, THE SOLIDARITY SYSTEM, THE SYSTEMS OF COMPULSORY SOCIAL INSURANCE AND COMPULSORY SOCIAL HEALTH INSURANCE, THE PROVISION OF INFORMATION AND CONSULTING SERVICES IN THE SOCIAL AND LABOR SPHERE.

**CITIZENSHIP:**

REPUBLIC OF KAZAKHSTAN.

**DATE OF BIRTH:**

JULY 15, 1972.

**EDUCATION:**

GRADUATED FROM ZHEZKAZGAN PEDAGOGICAL INSTITUTE IN 1995 WITH A DEGREE IN KAZAKH LANGUAGE AND LITERATURE; GRADUATED FROM KARAGANDA FINANCIAL INSTITUTE IN 2005 WITH A DEGREE IN ACCOUNTING AND AUDIT.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO


**ASKAR MUSSAN**

DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD

**PERIOD OF OPERATION:**

MARCH 5, 2021 – JANUARY 12, 2022.

**LEVEL OF AUTHORITY AND RESPONSIBILITY:**

MANAGEMENT OF THE MANAGEMENT APPARATUS: ORGANIZATION, COORDINATION AND CONTROL OF STRUCTURAL DIVISIONS OF THE MANAGEMENT BOARD OF THE STATE CORPORATION WITHIN ITS COMPETENCE. ORGANIZATION OF LEGAL, PERSONNEL, ADMINISTRATIVE AND ECONOMIC ACTIVITIES, DOCUMENTATION SUPPORT, GENERAL MANAGEMENT IN THE FIELD OF PUBLIC PROCUREMENT.

**CITIZENSHIP:**

REPUBLIC OF KAZAKHSTAN.

**DATE OF BIRTH:**

SEPTEMBER 17, 1982

**EDUCATION:**

GRADUATED FROM L.N. GUMILYOV EURASIAN NATIONAL UNIVERSITY IN 2004 WITH THE MANAGEMENT IN THE SOCIAL SPHERE AND INDUSTRIES DEGREE IN AND IN 2010 WITH A MASTER'S DEGREE IN BUSINESS ADMINISTRATION; IN 2013 – FROM THE INTERNATIONAL ACADEMY OF BUSINESS WITH A DEGREE IN CORPORATE MANAGEMENT.

**OWNERSHIP OF SHARES OF THE COMPANY, AS WELL AS SUPPLIERS AND COMPETITORS OF THE COMPANY:**

NO



# V. FINANCIAL REPORT

13. RESULTS OF FINANCIAL AND OPERATIONAL ACTIVITIES

14. Information on the external auditor for 2017-2021

## 14. RESULTS OF FINANCIAL AND OPERATING ACTIVITIES

When conducting accounting, the State Corporation is guided by the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting", Accounting Rules No. 241 dated May 31, 2015, Accounting Policy and Tax Accounting Policy of the State Corporation, International Financial Reporting Standards (hereinafter – IFRS).

The financial statements of the State Corporation for the year ended December 31, 2021 have been prepared in accordance with IFRS issued by the International Accounting Standards Board (hereinafter - IASB) and interpretations issued by the International Financial Reporting Standards Clarification Committee (IASB). The financial statements are prepared on the basis of the accounting rules at cost, except for financial instruments carried at estimated or fair value at the date of recognition.

During the reporting period, the Management Board held 55 meetings, of which 29 or 52.7% were held in person, 26 in absentia (2020 – 29 meetings, of which 25 or 86.2% were held in person and 4 in absentia), at which 172 issues were considered (issues of structure, remuneration, approval of internal regulatory documents, reporting information and others) (2020 – 128). Based on the results of the Board's review, 34 documents were approved and 138 were agreed. Thus, compared to 2020, the number of meetings increased almost 2 times, the number of issues considered increased by 25%, face-to-face meetings decreased by 33.5%.

## Report on financial position

\*in thousands of tenge

ASSETS	Note.	2021	2020
<b>Long-term assets</b>			
Fixed assets	4	26,892,815	23,399,447
Intangible assets	5	1,357,769	1,018,629
Assets in the form of a right of use		789	11,090
Investments in bonds	6	2,070,602	1,754,997
Deferred tax assets	22	-	89,482
Other non-current assets		1,857	2,363
		<b>30,323,832</b>	<b>26,276,008</b>

The financial statements include all assets, liabilities, equity, income and expenses that are elements of the financial statements (statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity).

## Equity and obligations

	Note.	2021	2020
Authorized capital	12	34,623,109	31,579,946
Retained earnings		4,729,747	915,212
		<b>39,352,856</b>	<b>32,495,158</b>
<b>Long-term obligations</b>			
Lease obligations		849	11,386
Deferred tax obligations	12	90,650	-
		<b>91,499</b>	<b>11,386</b>
<b>Current obligations</b>			
Employee benefit obligations	13	4,517,016	4,670,164
Trade and other payables	14	2,466,007	2,210,660
Obligations under contracts with buyers	15	5,366,963	3,962,400
Accounts payable of the shareholder	12	844,663	-
VAT payable		2,007,140	862,373
Other current obligations	16	1,319,612	1,095,635
		<b>16,521,401</b>	<b>12,801,252</b>
<b>Total capital and obligations</b>		<b>55,965,756</b>	<b>45,307,796</b>

## Report on comprehensive income

	Note.	2021	2020
Revenue	17	78,618,101	78,715,169
Rental income		409,181	237,782
Cost of services rendered	18	(65,416,096)	(68,824,797)
<b>Gross profit</b>		<b>13,611,186</b>	<b>10,128,154</b>
General and administrative expenses	19	(10,170,393)	(9,556,038)
Other operating income	20	399,779	214,229
Other operating expenses	21	(211,528)	(67,632)
<b>Operating profit</b>		<b>3,629,044</b>	<b>718,713</b>
Recovery/(Accrual) of expected credit losses, net	22	260,805	(73,208)
Financial income	23	806,571	767,387
Financial costs		(1,624)	(3,401)
<b>Profit/(loss) before taxation</b>		<b>4,694,796</b>	<b>1,409,491</b>
Income tax expenses	24	(880,261)	(722,501)
<b>Net profit/(loss) for the reporting year</b>		<b>3,814,535</b>	<b>686,990</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the reporting year</b>		<b>3,814,535</b>	<b>686,990</b>

## Cash flow statement

\*in thousands of tenge

	Note.	2021	2020
<b>Cash flows from operating activities</b>			
Profit before tax		4,694,796	1,409,491
<b>Adjustments:</b>			
Depreciation and amortization		2,531,387	2,946,557
Financial income		(806,571)	(767,387)
Financial expenses		1,624	3,401
Loss on disposal of fixed assets		142,070	42,560
Accrual of expected credit losses		(260,805)	73,208
Accrual of reserves for vacations and bonuses to employees		2,089,235	5,675,484
Income from gratuitously received assets		(170,130)	(1,327)
Other reserves and accrued obligations		12,108	18,511
<b>Operating profit before working capital adjustments</b>		<b>8,233,714</b>	<b>9,400,498</b>
<b>Change in working capital:</b>			
Change in inventory		302,047	(439,611)
Change in trade receivables and other current assets		(280,339)	249,109
Change in employee compensation obligations		(2,242,403)	(3,828,373)
Changes in trade and other payables and other current liabilities		479,324	447,897

\*in thousands of tenge

	Note.	2021	2020
Change in obligations under contracts with buyers		1,404,563	64,756
Change in VAT payable		1,144,767	(1,081,145)
<b>Net cash flows received from operating activities</b>		<b>9,041,673</b>	<b>4,812,931</b>
Income tax paid		(401,592)	(528,237)
Remuneration received		485,316	498,321
Rental fee paid		(1,624)	(3,401)
<b>Net cash flows received from operating activities</b>		<b>9,123,773</b>	<b>4,779,614</b>
<b>Cash flows from investing activities</b>			
(Placement)/withdrawal of bank deposits, net		269,593	(3,253,701)
Acquisition of fixed assets and intangible assets		(2,795,868)	(1,520,020)
Proceeds from the sale of fixed assets and intangible assets		177,729	9,372
Change in other long-term financial assets		506	545
<b>Net cash flows (used in) /received from investing activities</b>		<b>(2,348,040)</b>	<b>1,743,598</b>
Repayment of obligations on the main lease debt		(12,344)	(16,296)
<b>Net cash flows used in financing activities</b>		<b>(12,344)</b>	<b>(16,296)</b>
<b>Net change in cash and cash equivalents</b>		<b>6,763,389</b>	<b>6,506,916</b>
Change in the reserve of expected credit losses	22	(2,491)	(252)
Cash and cash equivalents at the beginning of the year	11	14,947,721	8,441,057
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>21,708,619</b>	<b>14,947,721</b>

The State Corporation is a non-profit organization that does not pursue the receiving income as the main goal of its activities and does not distribute the net income received in favor of the Shareholder.

In accordance with the contract on the procurement of audit of financial report, an external auditor, Crowe Audit Tani LLP, was engaged to review the consolidated financial report for the period from January 1 to December 31 of the financial year and audit the annual financial reports in accordance with IFRS

The annual financial report of the State Corporation for 2021 were preliminarily approved by the decision of the Board of Directors dated 20.05.2022. No. 01-01-02/04, approved by the order of the Minister of the DDIAI No. 195/nk dated 31.05.2022. and posted on the official Internet resource of the State Corporation gov4c.kz in the section "About Corporation. Reporting".

## 15. INFORMATION ABOUT THE EXTERNAL AUDITOR FOR 2017-2021

An audit of financial statements is an independent audit procedure for the purpose of expressing an opinion on whether the financial statements have been prepared in all material aspects in accordance with the established conceptual framework for the presentation of financial statements (IFRS, NSF).

According to paragraph 1 of Article 78 of the Law, an audit of the financial statements of the State Corporation is mandatory.

To verify and confirm the reliability of the annual financial statements and assess the risk management system The State Corporation engages a professional audit organization (external auditor) on the basis of competitive selection in accordance with the Rules of Public Procurement approved by Order No. 648 of the Minister of Finance of the Republic of Kazakhstan dated December 11, 2015.

In accordance with subparagraph 11) of paragraph 2) of Article 53 of the Law and subparagraph 10) of paragraph 48 of the Charter of the State Corporation, determining the amount of payment for the services of an audit organization for the audit of financial statements falls within the exclusive competence of the Board of Directors of the State Corporation.

**Former employees of audit organizations that audited financial statements were not employed by the State Corporation.**

● The audit of financial statements for 2021 was conducted by Crowe Audit Tani LLP. The amount of remuneration paid to Crowe Audit Tani LLP for financial reporting audit services amounted to KZT 20,048 thousand, including VAT. CroweAudit Tani LLP did not provide services not related to the audit of financial statements and other information in 2021.

● The audit of financial statements for 2020 was conducted by Crowe Audit KZ LLP. The amount of remuneration for the audit of financial statements amounted to KZT 21,168 thousand, including VAT. CroweAudit KZ LLP did not provide services not related to the audit of financial statements and other information in 2020.

● The audit of the financial statements for 2019 was conducted by Ernst & Young LLP. The amount of remuneration for the audit of financial statements amounted to 91,840 thousand tenge, including VAT. Ernst & Young LLP also provided services for seminars and trainings in 2019 for a total amount of 9,624. 6 thousand tenge.

● The audit of the financial statements for 2018 was conducted by NAC Tsentraudit-Kazakhstan LLP. The amount of remuneration for the audit of financial statements amounted to KZT 18,500 thousand, including VAT. Services not related to the audit of financial statements and other information were not provided by NAC Centrudit-Kazakhstan LLP in 2018.

● The audit of the financial statements for 2017 was conducted by NAC Tsentraudit-Kazakhstan LLP. The amount of remuneration for the audit of financial statements amounted to 25,000 thousand tenge, including VAT. Services not related to the audit of financial statements and other information were not provided by NAC Centrudit-Kazakhstan LLP in 2017.

### Contact information for interested parties:

Government for Citizens State Corporation Non-profit Joint Stock Company  
 Address: Republic of Kazakhstan, 010000, Nur-Sultan city, Kabanbai Batyr Avenue, 17, n.p. 14  
 Phone: 8 (7172) 95-51-77, 95-51-78  
 Email: kense\_nao@gov4c.kz  
 Online resource: <https://gov4c.kz>