



GOV4C

ANNUAL REPORT

2022

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About the report

The purpose of this Annual Report on the activities of Government for Citizens State Corporation NJSC for 2022 (further – State corporation, the Report) isto provide comprehensive and credible information to stakeholders on 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 prepared in accordance with the legislative requirements of the Republic of Kazakhstan (hereinafter - RK) in the field of disclosure of information, the Corporate Governance Code of the State Corporation and internal documents defining the order of disclosure of information and preparation of the Report.

The report includes indicators for the period from 1 January to 31 December 2022, as well as the previous year to reflect changes in indicators. The report allows to assess the effectiveness of the work of the State Corporation during the reporting period.

The financial data in the Report are presented according to the audited financial statements of the State Corporation prepared in accordance with the International Financial Reporting Standards.

The report is published annually in the state, Russian and English languages and is available on the website of the State Corporation www.gov4c.kz.

This report is approved by the decision of the Board of Directors of the State Corporation dated July 21, 2023.

About the state corporation

The Law of Kazakhstan of April 15, 2013 «On Public Services» defined the status of the State Corporation as a single provider, carrying out activities in the field of rendering public services to individuals and (or) legal entities on the principle of «one window», registration of the pledge of movable property, not subject to mandatory state registration, individuals and legal entities, technical inspection of buildings, structures and (or) their components, state registration of rights to immovable property maintaining the state land cadastre, pension and social security, state registration of legal entities that are commercial organizations, and registration of their branches and representative offices (Article 11-1).

The State Corporation was established on the basis of the Resolution №39 of the Government of the Republic of Kazakhstan dated by January 29, 2016 by the merger of 4 republican state enterprises on the right of economic management: Center of Public Services, Center for Real Estate, The Land Cadastre Research and Production Centre and the State Centre for Pensions.

On April 7, 2016, the state registration of the State Corporation as a legal entity was carried out in the justice agencies and on April 8 - branches of the State Corporation in the regional centers and cities of Astana, Almaty.

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

Initially, the structure of the State Corporation included the Board of Directors, the Office of the Board, 70 branches, including 4 Directorates: public services, land cadastre, technical survey of real estate, an inter-agency clearing house for social transfers and one representative office.

As a result of the optimization of activities in May 2017, the Directorate was liquidated, the Central Branch for Coordinating the Activities of Social and Pension Security (hereinafter referred to as the Central Branch) was created, a single territorial branch was established in the regions by merging branches accountable to the Directorates. As of December 2021, the State Corporation had 19 branches.

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 of service for citizens and business and the development of the human capital of the State Corporation.

In July 2018, the functions of the Ministry of Justice of Kazakhstan on the 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 ISO9001:2015 series.

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

About 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).

Since April 1, 2021, on the basis of the resolution №27 of the Government of the Republic of Kazakhstan of February 1, 2021, State Corporation was defined by the Unified Call Center (hereinafter - the UCC).

On November 26, 2021, the Board of Directors of the State Corporation approved a new Development Strategy of the State Corporation for 2022-2026, with the early implementation of almost all the objectives of the previous Development Strategy.

On December 13, 2021, the State Corporation was awarded the United Nations Prize for contribution to the development of the public service of the 1st category «Promoting innovation to provide inclusive and equitable services for all, including through digital transformation».

On the order of Minister of Digital Development, Innovation and Aerospace Industry of Kazakhstan (hereinafter – Minister of DDIAI) on 18 August 2022, №286/KN, the State Corporation became the working body of the Interdepartmental Commission for the Provision of Public Services (hereinafter referred to as IDC)

In accordance with the Charter of the State Corporation, its main subjects of activity are:

organization of work on reception and issuance of documents on the principle of «one window»;

social welfare and pensions;

State registration of immovable property;

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

State registration of legal entities that are commercial organizations and registration of their branches and representative offices;

Registration of pledge of movable property not subject to mandatory state registration;

Maintaining the state land cadastre.

Article 19 of the Charter of the State Corporation defines 91 activities in the above-mentioned areas.

At the end of 2022, the State Corporation, as a provider of public services, provided 1,315 types of services defined in the Register of Public Services, of which 42 were service providers.

APPEAL OF THE LEADERSHIP

Welcome speech by the chairman of the board of directors

Welcome speech by the chairman of the board of directors

«Government for Citizens State Corporation» NJSC



Dear Kazakhstanis and colleagues!

Increasing the level of digitalization in the country is a key factor in the development of the nation. We face a global task to improve the lives of citizens.

In 2022, the Ministry of Digital Development, Innovation and Aerospace Industry implemented an alternative mechanism for signing electronic declarations - through eGovQR mobile applications eGov mobile and eGov Business. Many citizens have already appreciated the innovation. The advantages of QR-signing is the elimination of the need to download EDS keys on removable flash media and install additional app NCAlayer.

Today, the Ministry of Digital Development, Innovation and Aerospace Industry together with the State Corporation «Government for Citizens» is moving towards digital development together with authorized bodies, transferring more and more public services in electronic format. At the same time, the front offices are being transformed.

In 2022, the modernization of CSCs on the principle of Kaizen Standard was actively carried out. Within a year, 14 new digital offices were opened in the country, their number will reach 115 by the end of 2024.

In addition, a number of innovative projects were implemented, new services were introduced and processes were simplified. In particular, we have placed 24-hour posts in Astana, where customers can get ready documents at any time without waiting in line. In the spring of 2022, the service on Yandex delivery of ready documents to the door appeared, about 3000 citizens have already used it.

The country's leadership pays great attention to the development of digitalization, so that our citizens receive public services quickly and comfortably. Today almost all services available to Kazakhstanis online.

However, at the same time, I would like to point out that we are not going to stop, there are still many plans ahead to realize the ambitious goals.

Aset Turysov

Chairman of the board of directors

NJSC «State Corporation «Government for Citizens»

WELCOME ADDRESS BY THE CHAIRMAN OF THE BOARD

«Government for Citizens State Corporation» NJ SC



Dear customers, partners, colleagues!

The state corporation has evolved from the principle of «one window» to the principles of «one statement» and «life situations». This year the company celebrated 6 years, during which time the State Corporation provided more than 267 million services, in 2022 - more than 16 million services.

In 2022, we did a lot of work to improve the conditions for employees of the State Corporation. Thus, we have twice increased the salaries of employees: 25% in January and 25% in July. The total increase was 50%.

In addition, we have worked out the terms and conditions for obtaining a soft mortgage from Halyk bank. This gives our employees the opportunity to get a loan at a reduced rate of remuneration. In addition, we are actively working on improving services for clients of the State Corporation. In order to achieve our goals, we constantly take steps to optimize processes, reduce bureaucracy, increase efficiency and effectiveness of public services to the public with the use of advanced technologies.

Thus, thanks to cooperation with second-tier banks on the project «Digital Mortgage» more than 8 thousand transactions were registered through the platform of BI Group, about 33 thousand pledges, more than 2 thousand rental property, about 1,500 extinctions of pledge - in JSC «Otbasy bank», over 4,000 pledges - at «National Bank of Kazakhstan» JSC, about 15 thousand pledges - in JSC «Bank Freedom Finance Kazakhstan». The project has shown high efficiency, we plan to further develop it.

This year we have worked to integrate various systems that make our everyday life more comfortable. The owners of the apartments now have the opportunity to automatically conclude a contract with utility providers on the site i-Qala. In September, a pilot project started in Astana, more than 8,000 residents used the service and agreed to form an electronic application for concluding a contract with utility providers. Thus, citizens can save considerable time bypassing authorities. In the future, the project will be scaled up throughout the country.

In addition, this year there has been an increase in applications for targeted social assistance. Since the beginning of the year, more than 50 billion tenge of benefits have been paid. Also in 2022, 14 popular public services were transferred to extraterritorial principle. Applications are now accepted regardless of the place of residence.

Within the framework of the concept «Listening State» we have carried out works on introduction and maintenance of the information system «e-Otinish», with the help of which Kazakhstan is send appeals to the state bodies. About 3 million citizens applied through «E-Otinish». The service is popular among the population.

In addition, we are actively working on improving the services of the application «Mobile CSC». So, in 2022 we realized the possibility of receiving services via video call through the app. Over 35,000 public services were provided to citizens during the year. Over 100,000 video calls to operators were also made by clients during this period.

Similarly, citizens enjoy the usual service 1414. Every day, every operator is talking to dozens of customers waiting for instant responses and solutions. During the reporting year, the Unified Contact Center received and processed more than 23.1 million appeals. The percentage of satisfaction of citizens increased.

In 2022, we began a global effort to modernize CSC. Within a year, there were 14 digital offices for the population. They are built to the best world standards. Citizens have already appreciated the changes. We plan in the future, so that residents of all regions can receive services in comfortable conditions and with excellent service.

I want to note that we will not stop on the achieved - next year we plan to implement several more services that will greatly facilitate the lives of citizens.

Abdildin Suyenish

Chairman of the Board

Of N J SC «State Corporation «Government for Citizens»

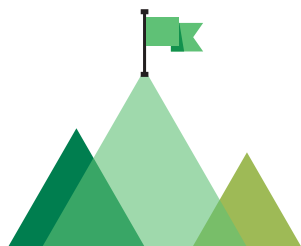
ACCOUNT OF ACTIVITIES

1. Mission, vision, development strategy
2. Operating activities
 - 2.1. Provision of state services
 - 2.2. Improvement of state services
3. Information technology



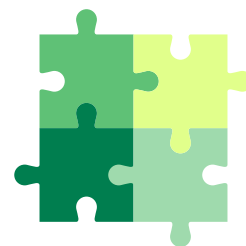
Mission, Vision, Development strategy

Strategy of development of the State Corporation for 2022-2026 approved by the decision of the Board of Directors of 26 November 2021 (protocol 01-01-02/09)



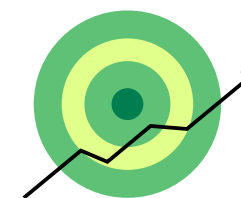
Mission

The state corporation is a driver of changes in the sphere of public services and the main tool in the implementation of the concept of «Listening State».



Vision

In 2026, the State Corporation is an efficient, technological and client-oriented company, constantly improving the quality of public services and the process of interaction between citizens and the state, based on their requests and expectations.



Development strategy

1. Public Service Platform
2. Coordinator of Government Feedback.
3. Efficient Organisation.

Development strategy

The development strategy includes 3 directions and 5 goals:

1. Platform for the provision of public services.

Purpose 1: Digitizing Public Service delivery.

Purpose 2: Enhancing the role of the State Corporation in public services.

2. Coordinator of Government Feedback.

Purpose 3: Building an effective communication mechanism with clients.

3. Efficient Organisation.

Purpose 4: Reducing resource consumption of production and operational processes.

Purpose 5: Further development of corporate, innovational, service and risk culture to increase the level of employee engagement.

Thus, for the next five years the State Corporation sees its development in providing feedback to the population in the provision of public services and consideration of appeals of citizens, participation in the creation of a public service platform with access to the business community, continuous improvement of the quality of public service delivery from quantity to quality, efficiency of its internal processes and resources.

The development strategy includes 11 key performance indicators (further - KPI).

	KPI	UoM	Plan 2022	In fact 2022
1. Strategic direction 1. Public Service Platform 1-Purpose: Digitizing Public Service Delivery.				
1	Development of the chain of front offices (franchise) (100 outlets)	U	5	0
2	Level of efficiency of information systems (on the side of the State Corporation)	%	99,6	99,9
3	Share of transactions provided by back offices of the State Corporation without human participation (except for informational reports)	%	5	4,3
4	Percentage of public services provided through video-PSC	%	5	0,21
2-Purpose: Enhancing the role of the State Corporation in the system of public services				
5	Drafting of the bill on the status of the State Corporation	U	1	1
2. Strategic direction Coordinator of Government Feedback. 3-Purpose: Building an effective communication mechanism with clients				
6	Number of appeals to state bodies (IS «E-Otinish») (reduce of appeals due to the solution in the centers NATIJE and Knowledge Base of IS «E-Otinish»)	%	95	0
7	Level of satisfaction with the quality of public services provided by the State Corporation	%	87	-
8	Number of front upgraded offices (115)	U	14	14
3. Strategic direction Efficient Organisation 4-Purpose: Reducing resource consumption of production and operational processes				
9	Internal processes level of automation	%	30	71
5-Purpose: Further development of corporate, innovational, service and risk culture to increase employee engagement				
10	Level of staff involvement retained in the positive zone	%	60-80	82
11	Implemented grading system	U	1	0

In 2022, KPI achieved five, partially achieved two and four not achieved

In 2022, KPI achieved five, partially achieved two and four not achieved.

The reasons for not achieving KPI are mostly related to the external risks, which the State Corporation could not influence. The main reason remains that the Public Corporation lacks tools to change practices and procedures in the delivery of public services (legal restrictions in expanding activities of noncommercial organization; dependence on decisions of central public authorities that determine the policy of public services; lack of integrity of suppliers in public procurement; underfunding from the budget, etc.).

As a result, in 2022 86 per cent of the Development Strategy Plan was implemented..

For 2023, the next KPI's are planned:

- 1) develop the chain of front offices (franchise) - 10 units;
- 2) increase the level of efficiency of information systems (on the State Corporation) - up to 99.7%;
- 3) to reach the share of transactions provided by back offices of the State Corporation without human participation - up to 10%;
- 4) to reach the share of public services provided through the mobile application «PSC» via video communication - up to 10%;
- 5) reduce the number of appeals coming to the state bodies through the IS «e-Otinish» (due to the work of the call centers «NATIJE » with the database) - by 15%; ;
- 6) Increase public satisfaction with the quality of public services - at least 87.5%;
- 7) modernize front-offices - 15 units;
- 8) to achieve a level of automatization of internal processes - up to 50%;
- 9) to keep the level of personnel involvement in the positive zone - at least 60%.

The achievements of the State Corporation during the reporting year and the results of the implementation of key projects for its activities are given in subsection 2.2. «Improvement of State Services» section «Operational Activities» of this Report.

The State corporation front-offices activities

325
In 2022 front-offices through

331
In 2021 front-offices through

Through the Departments of public services, citizens performed public services on the basis of receiving documents

of which

192
PSC

30
PSC sectors

4
Migration Services Centers

27
Special PSC

21
motodrome

72
Special PSC sectors

4
motodrome

16.6 млн
2022 the front offices rendered public services

17.5 млн
2021 the front offices rendered public services

16 560 593
2022 in paper form through the operating room
99,6%

17 426 303
2021 in paper form through the operating room
99,5%

66 533
2022 in electronic form services
0,4%

95 098
2021 in electronic form services
0,5%

Compared to 2021, there was a decrease in the total number of provided services by 894 275 units. or 5.1%.

There is a decrease in the number of public services in all regions, except for branches in the city of Almaty (+16.5% due to services of Special PSC and the Turkestan region (+0.83% issuance of EDS).

73 548
2022 Via Mobile PSC public services
5 274 visit

197 550
2022 Via Mobile PSC public services
7 623 visit

The most requested public services in 2022, provided by front-offices, were:

- issuance and revocation of the registration certificate of the National Certification Center 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 repeat certificates or certificates of registration of acts of civil status.

These public services account for 81.6% of total services provided.

The number of public services received by citizens in self-service zones «Connection Point» in 2022, increased in comparison with 2021 by 9%: in 2022 - 16 406 489 services, 2021 - 15 072 541.

The population receives the most active services in the branches of the city of Almaty, Akmola, Kyzylorda, Mangistau and Pavlodar regions.

206 618 **+0,3%** **205 918**
Refusals and suspensions 2021
2022

The largest number of refusals in the Special PSC line - 112 323 or 53.2% due to restrictions in the database, unpaid penalties, lack of VIN code (car identification number) in the database, match on the database of the Administrative Police Committee, incorrect data entry

43 **-44,2%** **77**
Refusals and suspension 2021
due to the fault of
front-office workers
2022

The main reasons for refusals - acceptance of an incomplete set of documents, inattention when forming applications to IIS PSC

146 063 **+41%** **247 487**
2022 Violations of 2021
deadlines of the provision
of public services

The largest number of violations of deadlines due to technical failure of information systems - 111 674 or 76.4%.At the same time on the side of the State Corporation failures amounted to 0.01%

0 **-100%** **10**
2022 2021
Delays due to
the fault of front
office workers

2 645 **-21,6%** **3 375**
2022 Violation of 2021
registration time due
to the fault of front
office workers

Cause - low-speed scanners, 1 per 2 employees

2 688 **-22,4%** **3 462**
2022 2021
Total violations
by front office employees

Quality of public services was 99.98% at 100- (2 688 / 16 560 593*100)

The NPS level, measured after receiving the public service through the feedback system with the Product Experience, was 93.5% (2021 - 87%).

A unified video surveillance platform of the Operations Department (Situation Center) with IP cameras and server space, forming a universal operator workstation with necessary modules and analytical dashboards is in place to coordinate front-office activities, monitor their real-time operations and provide feedback to the public during the provision of public services. The video surveillance platform includes 326 digital video recorders (2021 - 316 analog video recorders, digital were not available) and 1 899 digital video cameras (2021 - 1,873 video cameras, of which 490 digital and 1,383 analog) installed in 326 front offices across the republic. Video channel transferred from the republican port to the regional in the branches of the State Corporation, a pilot project of switching current video surveillance in the front offices to their own VPN tunnel was launched in the cities of Astana, Almaty and Shymkent. The Operations Department was equipped in accordance with the 2021 Situation Centre Concept. The platform management involves 8 operators - specialists of the Board and 1 specialist in the branches.

The front offices provide 4 types of paid services:

- formation of a package of documents with subsequent issuance of a completed document;
- services for the trial practical examination on the automated electronic platform by category;
- Individual and (or) integrated services for the provision of public services (recording and deregistration of vehicles);
- delivery of the completed document to the destination.

The plan for paid services for 2022 was implemented by 99%: with the plan of 418 246.17 thousand tenge, the execution was 415 034.30 thousand tenge.

Single contact center

The Single Contact Centre (hereinafter referred to as the SCC) began operations in November 2011. On April 1, 2021, in accordance with the Resolution №27 of the Government of the Republic of Kazakhstan of February 1, 2021, the functions of the SCC were transferred to the State Corporation..

The work of the SCC is aimed at advising on the provision of public services, acceptance of complaints and suggestions on the quality of their provision, including service at the PSC's, consulting on services of portal «e-government» (hereinafter - eGov), Information Systems «State Database «E-License» and «E-Otinish». The SCC also receives requests for service at home for persons with special health-related needs.

A consultation line has been set up on the SCC base to provide citizens with information on the legalization of motor vehicles, vaccination, bankruptcy of individuals. Applying to the SCC 1414 line, citizens receive advice on legal issues falling within the competence of the legal information service of the Ministry of Justice. It should be noted that the SCC provided psychological assistance to citizens during the January events, providing legal advice to non-residents in September.

In 2022, SCC departments with a total of 588 people operated in 7 cities - Astana, Kyzylorda, Kostanay, Kokshetau, Petropavlovsk, Taraz, Shymkent. In addition, 157 employees of the front-offices of the State Corporation were involved in consulting on voice and non-voice (online chat, e-mail) communication channels, video calls (virtual assistants), services rendered through the mobile application «PSC».

Thus, 745 employees, including virtual assistants - 80, mobile application operators «PSC» - 41, are involved in the work of the ETC. All operators are required on a mandatory basis: communication skills, competent speech, clear diction, correct pronunciation, the ability to work constructively with people. The training of SCC employees, aimed at improving the quality of service, is carried out by public officials. On a permanent basis, internal control of the quality of appeals (listening to recordings of conversations, checking chats in the service «chat-consultant») was carried out.

23,1 million

2022 received and processed calls

20 mil

2021

20 seconds

2022 The average waiting time on the line

30 sec

2021

2,8%

2022 the percentage of lost calls after the menu

4%

2021

4,84 балл

2022 the average rating from the user

4,82 p

2021

85%

2022 The share of solved issues

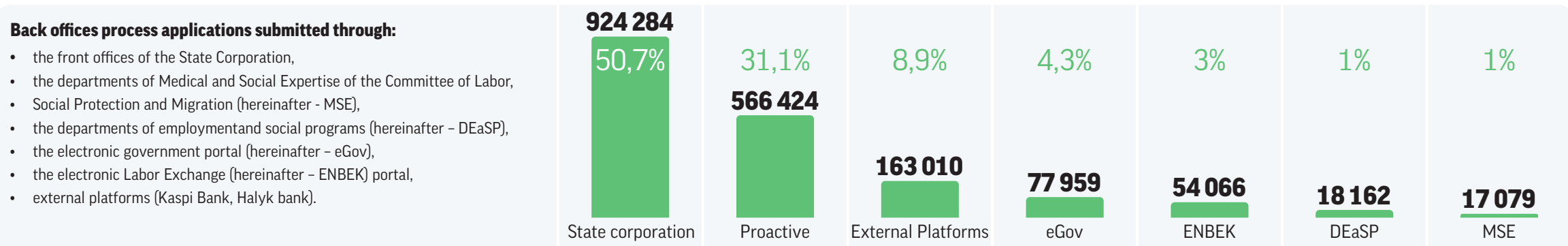
60%

2021

Social and pension provisions

In the social sphere, the State Corporation provides public services in 44 types of payments:

- 39 from the republican budget
- 5 from the State Social Insurance Fund JSC (hereinafter - SFSS)



124 754 2022 Number of registered electronic applications

Pension payment services during the reporting period were rendered from Unified Accumulative Pension Fund JSC (hereinafter - UAPF) on the basis of one application for three state services (age pension, basic pension and pension payments from UAPF)

566 424 2022 services in a proactive manner

providing services on the initiative of the service provider without the request of the service recipient

142 001 2021

357 873 2021

7 419,3 billion tenge 2022

the total volume of financial flows in the social sphere of the State Corporation amounted

6 098,7 billion tenge 2021

The income plan for 2022 was implemented in the following order:

- MLSPP RK – 95% (plan – 20 150 817,51 thousand tenge / fact – 19 194 347,14 thousand tenge)
- MH RK – 100% (plan – 570 333,30 thousand tenge / fact - 570 388,61 thousand tenge)
- services to second-tier banks – 117% (plan – 1 083 417,63 thousand tenge / fact - 1 271 008,07 thousand tenge)
- UAPF – 104% (plan – 505 189,65 thousand tenge / fact – 526 544,40 thousand tenge)

The Social Unit has improved its rejection and return rates compared to 2021. While in 2021 there were 126 rejections (0.007%) and 604 returns (0.033%), in 2022 there were 42 rejections (0.002%) and 418 returns (0.023%), i.e. a decrease in rejections of 71.4% (100 - 0.002/0.007) and a decrease in returns of 0.023(100).

The following results have been obtained from the work of the Contact Centre for Social and Labour Issues.

A total of 994,292 applications were received from individuals and legal entities, down to 12% from the same period last year (2021 год - 1 136 090). Received applications: by phone - 937 587 (2021 - 1 132 981); by Livechat and ChatBot in the messenger TelegramEgovKzBot2.0 on social and labor issues - 56 705 (2021 - 3 109).

The largest number of consultations was on pension and social security 762,474, or 81.3% of all consultations (857 026 or 75.6% in 2021).

21,188 applications, or 2.3%, were for State social benefits for large families (57,536 or 5.1% in 2021), 23,005 or 2.5% for targeted social assistance (35,151 or 3.1 per cent in 2021), 55 recipients and service providers approached the Social Services Portal for Persons with Disabilities, this represented 0.01 per cent of all applications (2021 - 13,115 or 1.2 per cent). This is due to the provision of informational services by operators JSC "Center for the Development of Labor Resources".

There were 24,858 labour and employment applications, or 2.7 per cent (20,707 or 1.8% in 2021); consultations on early withdrawal of pension savings amounted to 405 appeals, or 0.04 per cent (2021 - 3 107 or 0.3 per cent).

For services rendered by types of payments information

116 904
Service in 2022

110 026
Service in 2021

Assignment of pension payments by age

127 764
Service in 2022

119 728
Service in 2021

Assignment of the state basic pension payment

81 153
Service in 2022

64 578
Service in 2021

Assignment of state social benefits for disability, in case of loss of a breadwinner

30
Service in 2022

47
Service in 2021

Assignment of state special benefits

32 986
Service in 2022

25 472
Service in 2021

Assignment of a special state allowance

14 674
Service in 2022

13 270
Service in 2021

Payment of benefits to the mother or father, adoptive parent, guardian (custodian) raising a disabled child

435 529
Service in 2022

463 038
Service in 2021

Assignment of allowances for the birth of a child and child care

1 072 952
Service in 2022

1 043 023
Service in 2021

Republican budget

-
Service in 2022

1 035
Service in 2021

Assignment for the care of a disabled person of the 1st group

95 367
Service in 2022

130 989
Service in 2021

Assignment of a lump sum payment for burial

40
Service in 2022

52
Service in 2021

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

81 861
Service in 2022

22 420
Service in 2021

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)

11 976
Service in 2022

9 108
Service in 2021

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

69 597
Service in 2022

80 722
Service in 2021

Assignment allowance for a large family

5 071
Service in 2022

2 268
Service in 2021

Registration of citizens affected by nuclear tests at the Semipalatinsk nuclear test site, payment of one-time state monetary compensation, issuance of certificates

748 332
Service in 2022

784 483
Service in 2021

SSIF
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

State Registration of Real Property Rights

2 430 304

Real estate in 2022
property rights state
registration

2 676 535

2021

1 248 014

Registration in 2022

1 415 291

2021

1 122 155

In 2022 electronic
registration

1 198 005

2021

41 437

Law in 2022 the
document issuing a
duplicate

43 299

2021

18 698

In 2022
information services

19 940

2021

Number of services rendered by regions:

Branches	State registration of rights to real estate		Electronic registration of real estate rights		Issuance of a duplicate title document		Information services	
	2021	2022	2021	2022	2021	2022	2021	2022
1 Astana	116 597	104 671	163 351	150 715	1 582	1 272	1 913	1 735
2 Almaty	127 746	97 852	163 748	161 715	2 615	2 323	2 566	2 291
3 Shymkent	72 786	66 486	54 048	50 433	2 740	3 157	400	125
4 Abay region	-	15 526	-	10 218	-	555	-	135
5 Akmola region	68 373	64 355	47 636	47 954	1 850	1 750	851	551
6 Aktoobe region	82 566	71 134	53 720	48 365	2 348	2 074	1 186	823
7 Almaty region	149 657	115 467	120 879	111 623	4 027	3 906	698	984
8 Atyrau region	55 735	44 886	46 197	33 047	1 370	872	278	273
9 East-Kazakhstan region	112 969	83 595	82 819	67 390	3 769	2 970	1 579	1 257
10 Jambyl region	52 277	57 189	38 129	35 995	2 962	2 759	727	581
11 Jetysu region	-	16 894	-	10 005	-	504	-	27
12 West-Kazakhstan region	58 602	51 089	37 765	36 189	1 541	1 491	38	37
13 Karaganda region	100 499	78 622	109 223	97 248	3 195	2 871	3 107	3 836
14 Kostanay region	67 627	68 289	45 541	42 264	2 548	2 301	1 368	1 546
15 Kyzylorda region	50 315	41 308	31 785	23 739	1 405	1 249	225	165
16 Mangystau region	63 214	48 156	84 444	70 487	2 044	1 547	387	143
17 Pavlodar region	64 856	54 106	42 440	38 160	2 847	2 606	2 716	2 757
18 NKR	58 149	55 647	24 264	24 915	1 837	2 077	997	935
19 Turkestan region	108 323	107 018	52 016	56 487	4 619	4 974	904	71
20 Ulytau region	-	5 724	-	5 206	-	179	-	71
Total	1 415 291	1 248 014	1 198 005	1 122 155	43 299	41 437	19 940	18 698

The number of refusals of public services decreased by 18.75% compared to 2021 ($100 - (0.39/0.48 \times 100)$). In 2022, out of 2,430,304 services rejected / refunded 9,489 requests for services, which was 0.39% (2021 - out of 2,676,535 services rejected 12,864 or 0.48%).

The income plan for 2022 from the registration of rights to real estate was executed by 88%: at the plan of 5 634 766.29 thousand tenge the actual execution was 4 958 822.23 thousand tenge.

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

471 248

Service in 2022 specified

456 458

2021

including :

80 843

2022 including through eGov

103 976

2021

87 138

Legal in 2022 inclusion in the cadastre

86 875

2021

375 789

Real estate in 2022 technical inspection of property

361 680

2021

9 080

Technical in 2022 duplicate passport give

7 455

2021

Number of services rendered by regions

Name of branches	Total services rendered	Issuance of a technical passport	including through eGov	issuance of a duplicate technical passport	including through eGov	Introd uction to the legal cadastre	including through eGov
1 Astana	64 099	59 244	5 528	1 875	330	2 980	1 489
2 Almaty	79 013	73 465	1 518	767	84	4 781	2 004
3 Shymkent	28 217	21 881	4 823	328	40	6 008	10
4 Abay region	4 011	3 393	70	73	4	545	2
5 Akmola region	19 175	16 588	4 177	289	26	2 298	230
6 Aktobe region	23 818	18 502	3 376	173	5	5 143	5 143
7 Almaty region	31 780	14 764	3 346	1 470	439	15 546	3 730
8 Atyrau region	20 784	14 778	785	288	13	5 718	246
9 East-Kazakhstan region	16 509	13 981	934	383	43	2 174	86
10 Jambyl region	19 019	14 655	6 465	218	29	4 146	1 124
11 Jetysu region	3 971	3 425	292	46	1	1 202	23
12 West-Kazakhstan region	18 446	15 158	2 290	169	43	3 119	225
13 Karaganda region	32 653	29 531	9 000	663	112	2 459	382
14 Kostanay region	16 613	14 347	2 283	472	36	1 794	305
15 Kyzylorda region	19 200	11 136	3 871	517	85	7 547	2 148
16 Mangystau region	19 316	15 317	2 784	262	27	3 737	1 155
17 Pavlodar region	15 867	10 528	4 648	497	74	4 842	15
18 NKR	7 112	5 811	1 557	227	18	1 074	472
19 Turkestan region	29 542	17 566	2 049	335	5	11 641	782
20 Ulytau region	2 103	1 719	62	28	-	384	-
Total	471 248	375 789	59 858	9 080	1 414	87 138	19 571

In 2022, the number of rejections was 9,978 out of 471,248 services rendered, or 2.1%, of which 2,988 were service applications, received through eGov (2021 - 12 864 rejections out of 456 458 or 2.8%).

There is a 25% reduce in rejections (100 - (2,1/2,8*100)).

The income plan for 2022 was implemented by 99% (the plan - 7 021 039.61 thousand tenge/fact - 6 926 351.95 thousand tenge).

State registration of legal entities

211 549

Service in 2022

203 724

2021

including:

48 275

2022 via eGov

28 541

2021

46 041

In 2022 front offices through

68 282

2021

45 912

The state registration of legal entities and record registration of branches and representative offices

25 140

2021

36 790

Legal entities in 2022 State Re-Registration, accounting re-registration of branches and representative offices

32 312

2021

10 450

Activity of a legal entity in 2022 state registration of termination, deregistration of a branch and representative office

9 540

2021

Reference: State registration of amendments to the constituent documents of a legal entity not belonging to private business entities - 1 162 (2021 - 652); issuance of a duplicate of the charter of a legal entity not belonging to the subject of private enterprise, as well as a joint-stock company, their branches and representative offices - 2 (2021 - 4).

61 236

2022 notification order

83 950

2021

40 782

2022 informational services

22 951

2021

15 215

2022 forced liquidation

12 794

2021

Income plan for 2022 amounted to 290 450.57 thousand tenge, executed on 272 250.28 thousand tenge or 94%.

In accordance with the Law «On State Registration of Legal Entities and Registration of Branches and Representations» the registration of commercial organizations is carried out in electronic format on eGov. The registration of legal entities belonging to a small business entity is carried out without the participation of the registering authority, and in 2022 such registrations were made 43,693 (2021 - 23,410), an increase of 46.4%.

The refusal to register commercial legal entities amounted to 10,546 of the total number of services rendered, which is 5 per cent (2021 - 11,855 or 5.8%). Thus, there is a 14% decrease in the number of refusals compared to the same period last year (100 - (5/5.8*100)).

In order to reduce the refusals of public services information systems IIS PSC and automated information system on enforcement proceedings (AIS OEP). Also rules for verification of debtors on an enforcement document, participants of legal entities through an integrated information system of public service centers for receiving documents in the field of registration of legal entities and registration of branches and representations developed and approved by the decision of the Board of the State Corporation of November 22, 2022N^o 01-02-04.

As a result, even at the stage of application for services, the operator can warn the applicant that the legal entity member has debts for enforcement proceedings, which leads to the refusal of registration actions. Thus, the applicant has the option of refusing or paying off the debt and applying again.

Registration of a pledge of movable property that is not subject to mandatory state registration



Thus, during the reporting period, compared to the same period in 2021, there was an increase in public services rendered - by 381 or 0.9%.

The largest number of services was rendered in the branches in the cities of Almaty - 8,380, Astana - 8,257 and Kostanay region - 2,516.

Number of services rendered by regions:

Branches	Registered	Issuance of certificates
1 Astana	4 487	3 770
2 Almaty	4 552	3 828
3 Shymkent	1 315	1 144
4 Abay region	270	225
5 Akmola region	570	458
6 Aktobe region	1 330	1 145
7 Almaty region	382	331
8 Atyrau region	693	612
9 East-Kazakhstan region	743	541
10 Jambyl region	363	332
11 Jetysu region	130	89
12 West-Kazakhstan region	648	523
13 Karaganda region	1 137	926
14 Kostanay region	1 346	1 170
15 Kyzylorda region	357	287
16 Mangystau region	298	249
17 Pavlodar region	1 188	925
18 North-Kazakhstan region	1 104	857
19 Turkestan region	293	236
20 Ulytau region	25	26
Total	21 232	17 674

The state land cadastre management

502 934

Public service in 2022 shown

539 506

2021

35 494

The quality of the land plot in 2022 providing information about the state of affairs

34 040

2021

299

Providing information about quality of the land plot

266

2021

360 884

Earth in 2022 land plots preparation of acts and give

400 666

2021

27 680

in the settlement

6 091

outside the settlement

106 257

In 2022 projected land AIS MV plot graphic data coordination

104 534

2021

78 981

in the settlement

17 925

outside the settlement

According to the result of 2022 the refusal of public services significantly reduced. 844 of the 502,934 services were refused or 0.17% (2021 - 9,664 rejections out of 539,506 or 1.8%). Reduction of refusals was 90,5% (100-(0,17/1,8*100)).

With in the state task of main tainingthestate and cadaster in accord an cewith the treaty №2 of 31 January 2022, concluded by Committee or Land Administration of the Ministry of Agriculture of the Republic of Kazakhstan (hereinafter – CLA), The State Corporation carried out and delivered works in the following volumes:

Name of work	Size unit	Total for 2021 amount	Total for 2022 amount
Exploratory work			
1 Soil survey	Th ha	7 200,00	5 600,00
2 Geobotanical survey	Th ha	7 300,00	6 000,00
3 State land registration	Th ha	272 490,2	272 490,2
4 agricultural land soil fertility	Th ha	6 927,5	4 506,07
5 Certification of the rural households	Th ha	272 490,2	272 490,2
6 Updating of soil materials for land certification	Th ha	-	-
7 Definition of soil fertility for certification purposes	Th ha	600,00	-
8 Land monitoring	Th ha	10 000,00	10 000,00
9 Production of electronic soil maps	Th ha	7 200,00	5 600,00
10 Creation of electronic geobotanical maps	Th ha	7 300,00	6 000,00
By AIS SLC			
11 Creation of electronic land cadastral maps of registered quarters	accounting quarter	150	150
12 updating the database of AIS SLC	acc	-	-
13 The furnishing of information of the state land cadaster	units	-	-
14 Scanning the land cadastral files using AIS SLC «Archive» sub-system	deal	110 000	110 000

The deals were implemented by:

21 branches of the State Corporation;

600 employees of territorial branches;

161 field teams and vehicles;

13 certified laboratories in the republic (except branches in Almaty, Atyrau and Mangystau oblasts, Almaty and Shymkent) for soil analysis.

Income plan for 2022 amounted to 14,684 122 thousand tenge, executed for 14,392 738 thousand tenge or 98%.

Among them: income from monopoly types of services (public services):

the plan - 5,812 477.41 thousand tenge,

the fact - 5,649 613.41 thousand tenge or 97%;

income from non-monopol services: the plan - 8,871 644.85 thousand tenge, the fact - 8,743 124.43 thousand tenge or 99%.

Improvement of public services

The main achievement during the reporting year is the establishment of the State Corporation as an IDC working body. This has increased the opportunities of the Public Corporation on promoting proposals to improve services through digital transformation programs.

8 IDC meetings were held in 2022, where issues on optimization and automation of public services, including business services and problematic issues of local executive bodies in the provision of public services, were considered.

The State Corporation developed the Methodology for Selecting Public Services and Life Situations for Re-engineering Prioritization, which was approved at IDC.

The State Corporation selected the top 50 public services for reengineering, which are submitted for consideration by IDC according to the schedule.

Reengineering of public services is carried out by the state bodies taking into account the proposals of the State Corporation. In 2022, based on the results of the considered life situations, re-engineering of state services was carried out and 9 pilot projects were implemented.

Front office projects

14 front office in 2022 upgraded

p14 front offices of the State Corporation have been modernized in Astana, Shymkent and 10 regions - Akmola, Aktobe, Almaty, Zhambyl, Zhetysay, West Kazakhstan, Karaganda, Kostanay, Turkestan, Ulytau regions. Modernization affected both the infrastructure of PSC, service, and the new interpretation of the PSC - Digital Office of Population.

Modernization of the PSC infrastructure, maintenance service, as well as a new full spelling of the PSC abbreviation –

The same was true for the digital office for the people.

The brand book of new PSC is developed according to the principles of «Kaizen», which include continuous improvement of quality, technologies, processes, corporate culture, labor productivity, reliability, leadership and other components of the company.

PSC upgrade includes several aspects:

- repair works in accordance with the new style (light colors, more lighting, glossy floor covering under marble, hanging ceiling grillato);
- renovation of furniture and office equipment (white glossy furniture without sharp corners, soft waiting area);
- technological improvements (automation of public service delivery processes, receipt of e-queue coupons through applications, video booths, etc.);
- zoning of premises by types of services taking into account the rule «the faster the service, the closer it is to the exit»;
- Contact area for self e-services, which also provides training on how to access services via smartphones;
- Speed zone for services up to 5-10 minutes (for example, issuing of EDS, Vital Records services);
- social services zone; documentation zone, where you can get a service both from the operator and through the documentation terminal (pilot project in Astana);
- comfort zone for receiving paper services.

Each zone has its own colour range, with each zone having its own color waiting area.

For 24-hour issuance of ready-made documents in the capital's PSC on Kerei and Zhanibek Handar installed postmate on 64 cells in pilot mode.

In December 2022, the first PSC for legal entities was opened at Turan 37/9 Avenue in Astana, where a personal manager in comfortable conditions and with additional services provides public services. Within this project, a legal entity is given a choice of 2 types of cooperation with a contract for:

- *receiving services for 6 cases in the field of state registration of legal entities with additional services to them.*
- *For example, registration of a legal entity, obtaining a license for a type of activity, registration of real estate rights, assistance in the production of stamps with further delivery to the specified address, etc.*
- Services of a personal manager for 3 months on rendering of consultations, formation of a package of documents, delivery of the result of service at the specified address (from 20 to 500 services).

In April 2022, in order to eliminate paper turnover in the provision of public services, the project «PSC without papers» was launched. As a result, it excluded:

- paper receipts for 333 types of services, or 85% of the total amount of services provided through the PSC. (14.5 million sheets of paper = 72 million tenge)
- Paper application forms for 97 types of services, or 51% in electronic format (more than 8.7 million sheets of paper = 43.5 million tenge)
- Paper form of the results on 83 services or 13% with the provision of an SMS notification on the provision of public services (more than 2.2 million. sheet of paper = 11 mln. tenge)

As part of the improvement of the service of delivery of ready-made documents to the house (the result of state service) a project with the courier service «Yandex» was launched - from June 2022 in the cities of Astana, Almaty, Shymkent, Petropavlovsk and from August throughout the republics, except for the cities of Konaev, Satpayev, Karazhal (lack of logistics in new regions), Ekibastuz (absence of courier service «Yandex» Delivery of documents is carried out within two hours.

For 2022 delivered 19 012 documents. (2021 - 3 121).

In May 2022, a pilot project of documentation of citizens by employees of the front offices of the State Corporation for the cities of Astana, Almaty, Shymkent, Taraz, Aktau and Zhanaozen by 6 codes of documentation was launched.

As a result of the pilot project, it was possible to reduce the workload of the migration police by 34% and reduce the waiting list (total about 600 thousand services were provided.

Of these, more than 170 thousand by PSC employees). Due to the positive indicators, further replication of the project is planned for other cities in the country.

Biometric matching of candidates for obtaining driving licences has been introduced in all Special PSC's with autodromes. Verification is performed before the examination and selectively (random) during the testing process. The new testing system allows to identify various types of illegal assistance by third parties.

Works on modernization of IS «Integrated Information System of Public Service Centers» have been started (hereinafter - IIS PSC), within the framework of which the work on transition of the subsection Special PSC from 1.0 to 2.0 has been completed.

The new version of IIS SpecCON 2.0 was tested in the specialized sector of the Department of Population Services of Akkol district of Akmola region and piloted in the branches of Astana, Kokshetau, Petropavlovsk, Taraz, Uralsk, Pavlodar, Taldykorgan. One of the main goals of IIS PSC development is construction of fault-tolerant architecture, improvement of data processing processes through the use of modern «stacks» technologies.

As a result of the work carried out, it is expected to improve the quality of IIS PSC.

Also, a pilot project to develop its own mobile application «PSC» (hereinafter - MA PSC), launched in November 2021. Thirty-eight public services (2021-24) are available via video call.

This is the issuance of EDS, the issuance of a certificate of criminal record or absence of a criminal record – these services are the most popular. In addition, services are provided for the registration of citizens by place of residence, the granting or extension of the status of "kandas", several services in the field of real estate registration, a number of social security services and others. Any PSC will help you install this app and teach you how to use it.

At the end of the reporting year, the MA PSC was installed in over 94,000 users (2021 - over 7,000) and is available for download on AppStore and PlayMarket.

In 2022, MA PSC provided 35,630 public services and received 114,218 video calls.

UCC projects

During the reporting year, UCC implemented a project to launch an intelligent voice robot.

The aim of the project is to provide 24/7 uninterrupted support to the population on line 1414.

The UCC robot provides advice on the 50 most popular issues (passport, ID, EDS, childbirth, pension and other), as well as services in demand (booking of the queue at the PSC, checking of documents, issuing of certificates psycho- and narcological dispensary). In addition, the robot can send the list of necessary documents to obtain the requested service via SMS.

The introduction of the robot made it possible to reduce touchtone keys on the number 1414 (previously 5 buttons). With the launch of the robot, 10% of the connecting line of Kazactelkom transferred to intelligent voice robot.



Social security and pension activities

Increase in the number of public services provided on the basis of extraterritoriality:

- 2021 - 3 services
- 2022 - 14, total 17

Provision of targeted social assistance (hereinafter referred to as TSA) through the State Corporation.

In October 2021, a pilot project was launched to pay TSA through the State Corporation for the city of Astana and the Akkol district of Akmola region.

The pilot project showed positive results in ensuring the targeted and timely payment of TSA and since April 2022 the pilot project has spread throughout the republic.

Budget requirements were formed and paid for a total of 51 184 250 270.00 tenge (821 558 payments) for 2022.

Payment of social assistance provided by local executive bodies to certain categories of citizens in need through the State Corporation for the Pavlodar region.

This is 10 types of social assistance, for which in 2022 payments total of 57,697 548 tenge were made for 1,591 recipients.

In 2022, the Joint Order of MLSP RK and MDDIAI RK «Assignment of welfare payment to mothers of many children awarded with "Altyn Alka", "Kumis alka" pendants or who previously received the "Mother Heroine" title , as well as awarded with the orders of "Maternal Glory" of the I and II degrees» was approved.

The goal of the project is to switch to automatic formation of electronic case file (hereinafter - ECF) in AIS E-model of MLSP RK with further transition to full automatic assignment from January 2023. For 2022, the autoformation provided for 2,230 services.

The automatic formation of public services provides the elimination of the need for citizens to apply to the front offices of the State Corporation, reduction of expenditures from the republican budget, transparency in the provision of public services.

Real estate rights registration activities

In October 2022, the project «I-Qala» was launched in Astana. The essence of it is that the owner of the purchased property receives an SMS from the Unified Contact Center 1414 with congratulations and a proposal to conclude contracts with utilities and from the Center of Urban Services with links to questionnaires with mandatory questions.

The final SMS is formed upon completion of the consideration of applications by public utilities, the contracts are concluded and they can be found in the personal account on the Portal of Municipal Services.

This eliminates the need of appeal to the utility services and the provision of original documents. The information necessary for the conclusion of the contract, with the consent of the owner, is taken from the state databases through the integration of information systems. From the day of launch until the end of the year 8,239 online contracts were concluded.

Projects related to the registration of real estate rights (encumbrances) using blockchain technology have continued.

This is the project «Digital Mortgage» with the developer BI Group on the formation of contracts of purchase and sale and transfer of rights to real estate under pledge and the project with second-level banks on mortgage of real estate. Registration actions on block chain technology allows you to receive the service without going to the front offices of the State Corporation.

Since July 2022 it became possible when closing the pledge in JSC «Otbasy Bank» and from October 2022 - in JSC «National Bank of Kazakhstan».

In 2022, 8,696 transactions of BI Group, 32,714 collaterals, 2,558 real estate leases, 1,435 termination of pledges in JSC «Otbasy bank», 4,421 collateral and 520 termination of collateral in JSC «National bank of Kazakhstan», 14,611 collaterals of JSC «Bank Freedom Finance Kazakhstan» were registered this way.

Projects in state registration of legal entities

The State Corporation initiated proposals to amend the existing legislation in part to exclude the document confirming the location of the legal entity, as well as attached documents when transferring the share of the authorised capital to trust management, increase in the authorised capital of business partnerships previously attached in paper form.

In 2022, work on the development of these eGov services began.

The service on state registration of legal entities and change of the head of the legal entity is realized on the platform of banks of the second level.

Also during the year, the State Corporation made preparations for the admission of the functions of local executive bodies for civil registration. The project was executed by the registration services structural unit.



Land cadastre projects

Sending SMS-messages with notification of the lessee about expiration of the term of the right to lease a land plot, according to the provisions of Article 37 of the Land Code, has been implemented.

From December 29, 2022, this functionality was put into operation.

Technically implemented functionality for automation of business process of rendering of commercial services on the line of land cadastre

(including business process of commercial service «Establishment (restoration) of boundaries of land plots on the ground»)

The technical part of development of IS «Unified State Cadastre of Real Estate» has been completed. (here in after IS USCRE).

On December 5, 2022, IS USCRE was certified to meet information security requirements.

The system will be put into industrial operation after the entry into force of the Law of the Republic of Kazakhstan «On the introduction of changes and additions to some legislative acts of the Republic of Kazakhstan on the digitalization of public services within the unified state cadastre of real estate»

On May 31, 2021, on the basis of the joint order of MDDIAI RK and the Ministry of Agriculture of the Republic of Kazakhstan, a pilot project, on the provision of land from the state property through the organization and conduct of tenders (auctions) on the sale of land or the right to lease land in electronic form was implemented.

The business process of this public service is provided through the integration of several information systems - IIS USCRE, Regional Geographic Information System, eGov, Electronic Trading Platform (JSC «Information and Accounting Center» RK).

In the period 2022 by electronic tender, 9 land properties were sold: in the cities of Kyzylorda - 3, Aktobe - 2, Uralsk - 1, Kostanay - 1, Taldykorgan - 2.

In March 2022, an electronic queue for land property was launched.

As part of the development of the subsystem Public cadastral map IIS USCRE developed a downloading tool, updating and publication of the register of waiting lists for obtaining land for individual housing construction and, together with interested State bodies, work on the introduction of public services "Viewing or queuing for a land plot for individual housing construction".

The electronic queue allows citizens to apply for a waiting list for the land property online, as well as to view, update their data on previously submitted applications or withdraw their application.

The last two projects were implemented within the framework of the creation of the IIS USCRE.

It should be noted that the development of IIS USCRE is financed from the State Corporation own funds.

Information technology

During the reporting period, extensive work was carried out on the further construction and administration of the network and the single infocommunication environment of the State Corporation.

The following has been carried out:

Administration of active network equipment in the State Corporation:

- a separate communication channel has been established with the allocation of a separate VLAN for all Specialized Departments of the State Corporation;
- necessary changes have been made in the developed address plan, the general network design, as well as the developed device configurations

The transition to the equipment of the State Corporation, as part of the modernization of the video channel:

- created separate VLAN for video cameras, provided IP addresses for cameras in cities of national importance;
- added route for Vlan video cameras for the segment of the data center network (hereinafter - data center);
- configured Dahua switch for each department in the cities of Astana, Almaty and Shymkent;
- to provide direct access to the video channel network, Cisco ISR4331 in the Operations Department (Situational Center) of the State Corporation is configured and installed.

For SIP telephony modernisation:

- the SIP trunk was configured in the management office of all branches of the State Corporation between the FreePBX server;
- separate VLAN IP phones were created, routes to the Vlan IP-phone were added for the data center network segment;
- SIP channel address plan developed.

Zabbix monitoring system was installed to monitor active network equipment in the branches of the State Corporation:

- access to the Zabbix monitoring server was provided to employees of the Information Technology Support Department of the branches of the State Corporation;
- connected to Zabbix monitoring server Wi-Fi, Internet;
- together with JSC «Kazakhtelecom» the transition of the video channel from the republican port (1 MB/s - 47,520 tenge) to the regional 1 MB/s - 24,883 tenge) in the branches of the State Corporation, which gave the opportunity to increase the network capacity in the front offices.

Within the scope of Data-centre virtual infrastructure administration:

- modernised the network segment between Kravtsova Street and Jeltoksan Street, which is used for network traffic of two separated Data-Centre networks, through a secure IPSec VPN channel;
- configurations are backed up and configurations of active network hardware are tracked via Tacacs Authentication, Authorization and Accounting Server GUI (10.51.203.145);
- the Board has a virtual server for the DLP system;
- installed and configured Cisco AnyConnect license on DPC of the State Corporation hardware;
- as part of the work on the development of the information and communication infrastructure, the purchase of a software and hardware complex of the network infrastructure was made to provide all branches of the State Corporation;
- procurement of 2 servers for the development of the virtual infrastructure of the State Corporation;
- transfer of the virtual server of the system «Mobile PSC» to the DPC;
- migrated to the new version of antivirus protection on the mail server of the State Corporation, installed an additional PolicyD spam protection plugin on the mail server.

As a result, the work planned on the development of IT infrastructure of the State Corporation for 2022 is made for 100%.

At the same time, the renewal of computer and organizational equipment was carried out by 45%, the readiness of IT infrastructure - is 85%.

SUSTAINABLE DEVELOPMENT REPORT

4. Aims and principles of the State Corporation in sustainable development
5. Efficiency and continuity of operations
6. Natural resources management
7. Professional development and social support of employees
8. Stakeholder engagement



Aims and principles of the State Corporation in sustainable development

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

The State Corporation contributes to the sustainable development of the national economy and society by providing continuous, accessible and quality public services through participation in national projects.

Guided by the goals and principles of sustainable development, which are defined in the Corporate Governance Code, Sustainable Development Policy, the State Corporation in its activities focuses on a balance of three main components: Economic growth, environmental balance and social responsibility.

Based on the United Nations Sustainable Development Goals (hereinafter SDG), the State Corporation has established SDGs on the three pillars of sustainable development.

Economic sustainability development goals:

- growth of long-term value;
- ensuring the interests of the Sole Shareholder;
- increasing the efficiency of processes;
- increasing labor productivity;
- increasing investment in the creation and development of more advanced technologies;
- compliance with legal requirements, anti-corruption, high standards of corporate governance and business ethics;
- support of local communities of the territories of presence, assistance to socio-economic development of regions.

Environmental component of sustainable development goals:

- minimization of impacts on biological and physical natural systems
- the optimal use of limited resources;
- the use of environmentally friendly, energy and material-saving technologies.

Social component of sustainable development goals:

- ensuring transparent competitive procedures and equal employment opportunities
- fair remuneration and respect for the rights of employees
- ensuring labor safety and maintaining the health of employees
- employee training and professional development
- implementation of social programs for workers
- inclusiveness in the appointment of employees to managerial positions in the State Corporation

The main objective of the Public Corporation for Sustainable Development is to achieve its strategic objectives without compromising its long-term sustainability, taking into account the interests of various stakeholders

The activities of the State Corporation are guided by the following principles of sustainable development, formed in accordance with the principles of the UN Global Compact:

Principles	Definition
1 Openness and transparency	The State Corporation pursues a policy of openness and transparency of intentions and actions, providing access to the results of its activities through the publication of relevant information on the website of the State Corporation. This principle contributes to building a trusting relationship to the activities of the State Corporation.
2 Accountability	The Public Corporation is aware of its accountability for the impact on the economy, environment and society, as well as its responsibility to the Sole Shareholder for the long-term growth and sustainable development of the Public Corporation. Sustainability development report is disclosed annually in the Annual Report of the State Corporation.
3 Legitimacy	The State Corporation carries out its activities in strict accordance with the norms of the current legislation of the Republic of Kazakhstan and fulfils the obligations assumed.
4 Ethical behavior	The State Corporation strictly adheres to the ethical norms and rules of corporate ethics, including those enshrined in the Code of Business Ethics of the State Corporation, when engaging with all stakeholders
5 Stakeholders interested respected	Relationships with stakeholders are based on mutual interest in the results of such interaction. The State corporation seeks to balance the interests and expectations of all stakeholders.
6 Respect for human rights	The State Corporation recognizes the inviolability of human rights and does not permit any form of violation thereof. The State Corporation promotes equal opportunities, discourages forced labour, protects personal data and other fundamental human rights.
7 Intolerance to corruption	In its activities, the State Corporation adheres to the principle of intolerance to corruption in any forms and manifestations (the principle of «zero tolerance») and considers it its duty to promote the level of anti-corruption culture in society.
8 Inadmissibility of a conflict of interest	The State Corporation seeks to avoid situations where personal interests are contrary to the interests of the State Corporation and where a conflict of interest may arise. Avoidance of conflict of interest is an important condition for ensuring the protection of the interests of the State Corporation, its employees. All employees of the State Corporation are responsible for making transparent, timely and reasonable decisions that do not conflict of interest.

In accordance with these goals and principles, the State Corporation plans its activities in the field of sustainable development in three directions: ensuring efficiency and continuity of activity (economic sustainability); Natural resource management (environmental sustainability); professional development and social support of workers (social sustainability).

Ensuring efficiency and continuity of activities

The key tasks that the State Corporation performs in the field of economic sustainability can be divided into 3 groups:

1. Efficiency and continuity of operations

Improvement of the management system:

- which includes: meet requirements and best practices in corporate governance and business ethics;
- Meet the obligations of the Sole Shareholder with quality;
- ensure socio-cultural diversity and inclusiveness of corporate governance;
- integrate sustainable development into key performance indicators of the Public Corporation's management;
- identify corruption risks, implement and support anti-corruption policies and practices;
- ensure transparent, timely and adequate conflict-free decision-making.

700 In 2022, the State Corporation received about 700 requests and orders from MDDIAI RK, which are executed in a timely and complete manner.

51 Of these, 51 minutes of meetings with assignments and 262 individual assignments, including 16 protocols and 54 MSI assignments

The State Corporation pays great attention to the prevention of corruption offences.

The Anti-Corruption Plan is formed annually and fully implemented in 2022. The plan contains measures under the sections «Formation of anti-corruption culture», «Economic security», «Personnel security», «Exclusion of corruption risks and other offenses in the provision of public services».

Thus, at the initiative of the State Corporation to eliminate offenses in the issuance of EDS, the integration of IIS PSC with Digital ID was implemented to conduct biometric identification when obtaining EDS in front offices. 136 Mystery shopping checks have been carried out to detect and prevent the illegal issuance of EDS to third parties.

A number of proposals have been initiated to amend the Legalacts on the state registration of vehicles, which are carried out by the Ministry of Internal Affairs of the Republic of Kazakhstan, and the system for the acceptance of theoretical examinations for the issuance of driving licences has been modernized. These measures are aimed at reducing corruption risks in the work of Special PCS. As a result of checks carried out for the use of illegal technical means by service recipients or the participation of third parties in the examination, 85 of these facts were suppressed. Related activities have also been carried out in the context of the work of back offices of the land cadastre and the registration of real estate.

1,667 events (seminars, lectures, talks, etc.) were held to explain the requirements of anti-corruption legislation, including cooperation with law enforcement agencies, the «Amanat» party, the «Adaldyk Alany» public association.

In 2022, an analysis of internal regulatory documents was carried out with a view to the existence of gaps leading to corruption risks in the land registry, as well as in the provision of State services for the issuance of driver's licences and the registration of vehicles. Analysis references are available on the website of the State Corporation gov4c.kz in the section «About the Corporation. Anticorruption measures».

In the same section, contact details for anti-corruption feedback – Single contact center 1414 and e-mail compliance.control@gov4c.kz.

Implementation of anti-corruption tasks is entrusted to the Department of Internal Security of the Office of the Board and Commissioners for Security of branches of the State Corporation.

Transparency of public procurement is ensured by compliance with the Law of the Republic of Kazakhstan «On public procurement», Rules of implementation of public procurement (order №648 of the Ministry of Finance of the Republic of Kazakhstan from December 11, 2015), other legal-acts in public procurement, as well as the Regulation on the organization of public procurement of the State Corporation (Decision of the Board of August 2, 2022 № 01-02-04/30), the Rules of determination of marketing prices for goods purchased by the State Corporation (Board decision of 30 December 2020, reconfirmed by Board decision of 16 January 2023N° 01-02-04/ 55).

Information in terms of improving the work of corporate governance bodies is available in the «Corporate Governance» section of this Report.

Ensuring efficiency and continuity of activities

The key tasks that the State Corporation performs in the field of economic sustainability can be divided into 3 groups:

2. Promotion of sustainable economic development of the regions of presence

Promotion of sustainable economic development of the regions of presence is ensured by:

- increasing the accessibility of public services through the development of infrastructure and the use of advanced technologies;
- promoting the development of small and medium businesses through the optimization and automation of public service delivery processes;
- promoting digital awareness of the population in the field of public services;
- improving the mechanism of processing complaints on issues of human rights and business ethics in the process of providing services;
- developing, maintaining and ensuring stable operation of its own social infrastructure facilities (front offices) in the regions where it operates.

By the end of 2022,

1 233

types of public services out of 1,315

or 93.7% of the Registry of Public Services were available through the State Corporation. In the front offices of the State Corporation these services can be obtained both through the operating rooms and independently in self-service areas, where the employee of the PSC will explain the procedure for obtaining them and, if necessary, teach the rules of using eGov.

1 188

services available through the self-service zones of the PSC are automated (reception and issuance of results).

Front offices of the State Corporation are located in all cities and district centers of the country. Accessibility of public services in remote rural areas is ensured by mobile centers. In 2022, the issue with JSC "Kazpochta" on the provision of public services by rural post offices was also under consideration, the solution of which was postponed to 2023.

Separately the work on maintenance of IS "e-Otinish" should be noted, through which all state and local executive bodies, as well as organizations of the quasi-public sector receive appeals of citizens and legal entities. The system is on the balance sheet of the State Corporation in terms of a license agreement. On July 1, 2022 the IS "e-Otinish" was put into commercial operation. The system is implemented in more than 25 thousand administrative bodies and 26 thousand of their subordinate and structural subdivisions. In 2022, 1,703 million appeals were considered through the IS "e-Otinish" (2021 - 647 thousand). To work with the population, 260 "Natiye" Application Reception Centers have been established on the basis of PSC.

Along with this, on May 16, 2022, a pilot project of interaction between front offices of akimats and PSC in Kostanay, Pavlodar and Turkestan regions on issues of reception and consideration of appeals, organization of personal reception by the MISD management was launched, as well as platforms for interaction on involvement of representatives of MISD and territorial state bodies in consideration of appeals, ensuring reception of appeals of residents of remote settlements (6 service centers). These centers provided 31,457 consultations, 55,333 services, 5,893 references were registered, 23 hidden services were identified. Considering the positive results of the pilot project, as well as international experience (centers "ASAN" in Azerbaijan and Houses of Justice in Georgia), it is suggested to consider the possibility of creating a multifunctional front office covering all criteria of interaction between the state and the population, as well as allocating a front office for social services.

As a result of integration of IS "e-Otinish" with databases of state bodies (law enforcement, judicial bodies and pilot electronic document flow with the ESEDO center), the possibility of filing a claim in court was implemented for applicants, for the first time an intellectual solution with the ability to appeal earlier decisions through IS "e-Appeal" in one click was implemented.

IS "e-Otinish" made it possible to identify in real time the problematic issues of citizens that demand an immediate solution from the state apparatus at the local level and on a national scale as a whole. In 2022, based on data from the analytical module of the system, the State Corporation generated analytical information on the social well-being of the population based on the results of each six-month period, which was sent to the authorized body.

**Main effects from the project implementation:**

- the work with applications was restarted, and an open dialogue between citizens and the state was organized;
- submission of applications was simplified (including through mobile services), an extensive network of reception was created (including directly with more than 2,000 akims of rural districts), and financial and time costs were reduced;
- the procedure of appealing against decisions of state bodies in one click (filing a claim to the court via IS or cell phone) has been simplified;
- the applicant is freed from collecting documents due to a single file on IIN (the number is unique and all information is in one place - appeals, lawsuits, orders);
- unified analytics in real time, ratings of regions, "shifting the center of gravity to the regions" (risk map, any Akimat can see its shortcomings);
- shifting the solution of issues to the local level (shifting the center of gravity).

The State Corporation pays great attention to the formation of positive image, strengthening of positive public opinion, establishment of public relations and versatile information support of its activities in the provision of public services.

In 2022, 22,627 informational materials were published in the national and regional media (2021 - 25,270). Including 1,495 TV stories and programs aired during the period (2021 - 5,422), 3,025 materials were published in print media (2021 - 2,942), 22,627 (2021 - 16,503) on websites and portals, and 62 news items (2021 - 403) on radio stations. Explanatory materials were regularly aired on Khabar, Khabar24, Kazakhstan, Channel 31, Channel One Eurasia, Atameken Business Channel, etc., as well as on the information portals Nur.KZ, Tengrinews, Informburo, Zakon.kz, Kapital.kz, Kolesa.kz, Kazakhstanskaya Pravda, etc.

The State Corporation has organized 35 briefings of its senior management since the beginning of the year. In May 2022, the Chairman of the Board of the State Corporation spoke at a briefing at the Central Communications Service on innovations being implemented in the field of public services. Also, due to the influx of foreign citizens, in September, jointly with the Ministry of Internal Affairs of the Republic of Kazakhstan, a briefing was held on the topic of obtaining IINs by foreign citizens.

Active work on the realization of the "Listening State" concept continues. The official Internet resource of the State Corporation www.gov4c.kz contains 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. 84 materials were posted in the reporting year (2021 - 65).

On the official pages of the State Corporation Facebook, Instagram, Twitter, Telegram, and YouTube, a total of 525 informational and educational materials were published in Kazakh and Russian languages (in 2021 - 345). The total number of followers in the mentioned social networks is 158,580 (2021 - 142,498).

About 50-200 cases and life situations of citizens received on Facebook and Instagram are processed daily, prompt and qualified feedback is provided immediately. By the end of 2022, a total of 10,792 questions and references, feedback (cases and life situations) have been processed, of which: negative - 2,580, neutral - 7,290, positive - 922. Reputational measurements show an increase in references by 33.4%, a decrease in the share of negative references by 3.4% and an increase in positive references by 7.7% compared to the same period last year.

All directors of regional branches and their deputies for front offices have accounts in social networks, where they actively respond to questions and complaints of citizens. Information containing QR links to the account of directors is placed in all Public Service Divisions.

Influencers are involved in social media outreach. Since the beginning of the year, 4,274 posts by bloggers, representatives of the public, show business and sports have been posted, including publications in popular social media groups (2021 - 6 464).

Ensuring efficiency and continuity of activities

The key tasks that the State Corporation performs in the field of economic sustainability can be divided into 3 groups:

3. Improvement of efficiency of main activities

The State Corporation places great importance on the efficiency of business processes, the optimization of which is carried out on the basis of lean production technology (Kaizen).

In the reporting period, the following key activities were in fact implemented in the area of introduction and improvement of the business process management system:

- 2 system projects "Decentralization of corporate functions of the State Corporation" and "Optimization and automation of 73 processes on BPM platform" were launched.
- As part of the above projects, in September and November 2022, training of owners of key business processes, project managers (from Whitelist) and top management of the State Corporation in process management was organized and conducted with the involvement of an external vendor on the BPM system SimBase, as well as a representative of the international Association for Business Process Management ABPMP (abpmp.org).
- The Coordination Council of the State Corporation was formed as a collegial body under the Board to make decisions on process, project, Lean and QMS activities, which are integral components of process management.
- By decision of the Coordinating Council dated December 22, 2022, the Register of Business Processes of the State Corporation was approved.

The pilot project on decentralization of corporate functions implied transfer of some issues on 5 corporate functions from the Board office to the branch:

- budgeting and remuneration
- personnel administration
- administrative support
- commercial service
- tariff regulation and marketing

The branches in Astana city and Abay region were identified as a pilot zone. By the end of the year, the following project effects had been obtained:

- on HR administration - optimization of process time for appointments and transfers from 7 to 1 - 2 working days, i.e. by 70-80%; prompt solution of operational issues due to optimization of approvals from 7 to 3 levels, i.e. by 57%; saving of operational expenses as a result of freeing up time of the Management Board staff; increasing responsibility of branches;
- on budgeting - prompt resolution of issues on making adjustments to the Public Procurement Plan of the branch, reducing the process time from 30-45 to 10 working days, i.e. by 67% and more;
- on commercial service - optimization of process time during tender procedures from 1.5 to 1 month, i.e. by 34%; operative solution of operational issues due to optimization of tender approvals from 7 to 3 approvals, i.e. by 50% and more.

There are also improvements in administrative support processes, labor remuneration, rate regulation and marketing.

Overall, the project improved efficiency by more than 50%.

The second project - on automation of internal processes - is implemented on the basis of the BPM platform in accordance with the contract on public procurement with Simourg LLP.

Automation of internal business processes, including the transfer of routine, simple tasks performed by employees of the State Corporation using MS Office and EDMS to the BPM platform is carried out with the accompanied digitization of data and transition to work with data.

Out of 138 processes of the approved List of internal business processes eligible for automation, 98 were automated in 2022, including 73 processes on the BPM platform and 25 processes based on 1C (modules "Wage Calculation and Personnel Management", "Stock Management", "Budgeting" and "Motor Vehicles" were developed). 73 internal processes of the State Corporation were analyzed for optimization taking into account the principles of lean production and modeled in BPM notation "as it should be".

On December 22, 2022, the Coordination Council for Business Process, Project and QMS approved 73 business process cards and the Project Implementation Plan for operational activities. Upon the results of the project, it is expected that process indicators, including their results, will be consolidated in automatic mode, which will allow to make prompt management decisions, reduce the adaptation threshold for new employees and shorten the duration of business process execution.

The Platform acceptance act, the act of putting the Platform and developed/automated business processes into operation were signed. A total of 71% of the processes from the List were automated in 2022.

In the reporting year, in order to check and evaluate the quality management system of the State Corporation for conformity to the requirements of Standards of the Republic of Kazakhstan 9001-2016 (ISO 9001:2015), an internal and inspection audit of the quality management system (hereinafter - QMS audit) was conducted in the period from September to December.

The QMS audit was conducted in two stages:

1) internal audit of the QMS was performed by 67 certified auditors in the Board's office and 258 certified auditors in the branches;

2) external audit of QMS with attraction of specialized organization "National Center of expertise and certification" JSC in the Board apparatus, Central branch and branches of Shymkent city and Kostanay region, according to the approved Audit Program.

The Project Office and risk coordinators of the State Corporation branches were responsible for conducting and coordinating the QMS audit.

The audit results are positive - the quality management system of the State Corporation confirmed its compliance with the requirements of ST RK 9001-2016 standard (ISO 9001:2015).

Natural resource management

Due to the type of its activities, the State Corporation does not have a direct significant impact on the environment. The main resources consumed by the State Corporation are electricity, heat and water.

To achieve sustainable ecological development, the State Corporation ensures minimization of the impact on natural systems, optimal use of limited resources, and application of environmentally friendly, energy- and material-saving technologies.

As part of minimizing the impact on natural systems, the State Corporation is working on the gradual reduction of consumables, for example, the reduction of paper workflow through the transition to electronic services and the introduction of new services, the elimination of printing out certificates, paper applications for services and document delivery records (the "Paperless PSC" project), etc.

Cleanness of the adjacent territory is ensured, periodic clean-up days are organized, tree planting is carried out. In 2022, works on improvement and landscaping of the adjacent territory were carried out for 2 Special PSCs in Kyzylorda city. During the period of city-wide and district clean-up days by akimats, the adjacent territory is also landscaped and gardened.

Since October 2016, the State Corporation has a Unified Herbarium Fund (hereinafter - UHF), which includes about three thousand species of plants of Kazakhstan flora. The State Corporation makes great efforts to preserve and develop the Unified Herbarium Fund, and use it as a scientific base.



Professional development and social support of employees

The State Corporation is one of the most numerous and geographically widespread employers in the country. These circumstances impose great social obligations on the State Corporation.

The state corporation provides employment for more than 22 thousand people in the regions where it operates.

Recruitment, maintenance of corporate culture and relations with employees, and development of competencies are regulated by the HR-policy, the Corporate Standard for Human Resource Development, the SANA Code, the Employee Code of Business Ethics, the Vacancy Rules, other internal documents, and the Collective Agreement.

Labor relations practices

Qualified employees are the key asset of the State Corporation, and their efficiency affects the production results and further development of the State Corporation.

Year	Total Headcount	Staff Number	Management Board	Central Branch Office	Branches	Freelance staff
2020	22 068,7	18 466,5	369	173	17 924,5	3 602,2
2021	22 068,7	18 466,5	360	173	17 933,5	3 602,2
2022	22 068,7	18 466,5	362	172	17 932,5	3 602,2

As a result of changes in administrative-territorial structure of the country in 2022, 3 branches on Abay, Zhetisu and Ulytau regions were formed, which were created at the expense of internal reserve by dividing branches on Karaganda, East Kazakhstan and Almaty regions.

The headcount of the State Corporation by blocks is as follows:

- administrative staff - 1 983,5 (9%);
- production management - 2 587 (14%);
- public service departments - 8 242 (45%);
- social welfare departments - 2 242 (12%);
- Land registration and cadastre departments - 2 824 (15%);
- Single contact center 1414 - 588 (3%).

Personnel data:

Structural unit	Higher education	Average years of work experience	Average length of service in the State Corporation	Under 29 years	Sex	
					M	F
The Board Management	100%	17 years	8 years	11%	57	43
Central Branch Office	99%	15 years	11 years	7%	85	15
Branches	86%	14 years	7 years	22%	65	35
Total	86%	15 years	9 years	21%	65	35

To fulfill the convention of gender equality, at the end of 2022, the percentage of women working in management positions was 44% of the total number of management positions, i.e. 813 women working in various management positions of the State Corporation (2021 - 44% or 827 women managers).

To implement the principles of meritocracy, taking into account the experience of the Presidential Youth Talent Pool, the Talent Pool of the State Corporation consisting of 353 reservists was created in May 2021. For the second year, appointments to managerial positions and transfers to higher positions are made primarily from among the Talent Pool reservists. In 2022, 43 Talent Pool reservists were promoted to higher positions (2021 - 117), of which 29 were promoted to senior positions. Thus, in 2 years, about 55% of Talent Pool reservists were promoted to senior positions.

In the reporting year, the indicator of staff turnover was improved. During 2022, it amounted to 11.7% of the staff headcount (2021 - 12.7% or 2,343 employees).

In the reporting year, 2,363 employees had their employment contracts terminated for the following reasons:

- on the employee's initiative - 2,127 (91%);
- for negative reasons - 12;
- by agreement of the parties - 17;
- due to the departure of the main employee - 81;
- due to circumstances beyond the control of the parties - 29%;
- due to retirement - 51;
- on expiry of the labor contract - 6;
- staff redundancy - 40.

Health protection and workplace safety

To ensure occupational health and safety (OHS), mandatory briefings with employees of the State Corporation are conducted on an ongoing basis to protect the health of employees in accordance with the Instruction and Plans of Measures on Occupational Health and Safety, Fire Safety ("FS").

During the reporting period, out of 18,220 employees of the State Corporation, 17,042 employees were instructed on "Fire safety" and "OHS". With the involvement of specialists of the State Institution "Center of Medicine of Catastrophes of the Ministry of Emergency Situations of the RK" Astana and the instructor on fire safety online training of employees of the State Corporation on the theme: "Occupational health and safety" was conducted in 2022.

Inspections of buildings and premises for compliance with fire safety and labor protection requirements are conducted in the buildings of the State Corporation on a regular basis.

Workplaces of employees are equipped with means of group and individual protection (medical kits, masks, gloves, antiseptics, etc.).

About 84 million tenge was allocated for OHS and FS activities in 2022.

Of note, in 2022, OHS functions were separated from the Department of Administration into a separately formed Occupational Safety and Health Service to strengthen health and occupational safety responsibilities.

Training and professional development program

Development of personnel resources is one of the objectives of the Development Strategy of the State Corporation. Activities to develop employee competencies in professional (Hard skills) and personal-business (Soft skills) competencies in the areas of activity, training of managers, employees and internal coaches (mentors) are carried out on a regular basis in accordance with the Calendar Plan for the development of employee competencies and the schedule of seminar-meetings in the branches.

For the reporting period, training centers organized 3 trainings for 88 employees (2021 - 34 trainings for 3,244 employees).

The following activities were carried out by the branches of the State Corporation:

- seminars on public service standards - 67 659;
- service maintenance seminars – 14 463;
- seminars on the Code of Business Ethics - 12 183;
- SANA Code seminars – 11 952;
- seminars on the topic of countering terrorism - 3 305;
- seminars on the Law of the Republic of Kazakhstan "On Personal Data and their Protection"- 5 465;
- seminars on the Law of the Republic of Kazakhstan "On Anti-Corruption"- 7 825;
- Seminar meetings with state and local executive bodies on public services – 5 022;
- Seminar-meetings with the Amanat party on the development of public services and corruption counteraction - 501;
- Seminar-meetings with other organizations on the development of public services and corruption prevention - 1 444.

The "Best Video Lesson" contest was held among the employees of the State Corporation's branches. 21 employees involved in the training of front office employees took part in the contest. Based on the results of the contest, 6 best video lessons were selected: 1st place - chief specialist of the branch in Mangistau region Zhuryrbai Bokenbai; 2nd place shared by the expert of the branch in Zhambyl region Zhambylbai Yeldar and chief HR manager of the branch in Akmola region Makenova Asiya; 3rd place was shared by Nuraly Moldir, an expert of the branch in West Kazakhstan region, Boranbaeva Dinara, an expert of the branch in Zhetysay region, and Dinara Zhaksygalieva, HR manager of the branch in West Kazakhstan region. The State Corporation branches on mutually beneficial terms actively cooperate with higher educational institutions of the country. Thus, specialists of the State Corporation provided technical and consulting assistance to the Kazakh Agrotechnical University after S. Seifullin in the creation of the University Advisory Center on Land Issues, in the work of which more than 100 undergraduate students are involved. The Corporation also took part in the defense of master's projects of the program "Production Management" at Nazarbayev University.

The Smart Start paid internship program for IT students was launched at the State Corporation. The selection was held in three stages: evaluation of the motivational essay, skills testing and an interview with an expert committee. 42 students out of 125 applicants were selected for the second round. According to the results of the interview, 10 novice specialists were invited for internships. Students of Nazarbayev University, L.N. Gumilev Eurasian National University, Astana IT University and other major universities took the most active part.

As part of the Smart Start project, the project group of the State Corporation participated in the Career Week event on the topic "Getting to know the State Corporation", which was held at Nazarbayev University. During the event, students were invited to a tour to the State Corporation Board Office, where they were presented IT projects of the State Corporation.

Under the agreement with Samruk-Kazyna Corporate University, from April to September 2022, the Talent Pool reservists received access to the remote learning platform for competency development. The platform provides materials in the areas of: HR skills, occupational health and safety, IT courses, human resources and project management, own career management, finance. Reservists had an opportunity to receive an electronic certificate upon passing the knowledge assessment test. Based on the data provided by the mentioned university, more than 150 courses were attended by the reservists.

Corporate events

The State Corporation organizes various events to promote team building and corporate values.

In order to promote a healthy lifestyle and improve sportsmanship, an annual spartakiade is organized. In 2022, the "One Team - One Goal" Spartakiade was organized in May with table tennis, soccer, paintball tournaments and awarding cups, souvenirs, and certificates to the winners.

Moreover, the soccer team of the Management Board apparatus participated in a night league format in the championship among civil servants and quasi-public sector.

Also in May 2022, a team building event was held for the team of the Board Office and the Central Branch with the involvement of an entertainment agency.

A show program with animators was organized for children of the State Corporation employees on the Children's Day.

Nauryz meiramy is traditionally celebrated with contests and theatrical skits about national traditions and rituals, decorating the premises in the national style and laying dastarkhan with national treats.

Also annually (except for pandemic years), corporate New Year's Eve parties are held at the Board office and branches.

Social assistance

The State Corporation's key area of HR policy is the employee motivation system, which provides for both tangible and intangible components. In 2022, the wages of branch employees were increased by 50%.

Current salaries of front office employees (2022):

Name of PSC divisions' position	Departments of national significance (wage, tenge)	Departments of regional and municipal importance (wage, tenge)	Regional departments (wage, tenge)
Head	270 000	247 500	225 000
Deputy head	240 000	217 500	195 000
Chief Specialist	202 500	180 000	157 000
Lead Specialist	187 500	165 000	142 500
Specialist	172 500	150 000	127 500
Specialist (courier, instructor, it-specialists)	150 000	125 000	100 000

Due to the lack of possibility to allocate additional funds due to the increase in salaries of full-time employees and support staff of branches of the State Corporation in 2022, financial rewarding of employees was made only at the end of the year: bonuses to full-time and freelance employees in the amount of 1 official wage at the end of the year and in honor of the Independence Day of the Republic of Kazakhstan in the amount of 0.5 official wage.

Also, due to the influx of non-residents of the Republic of Kazakhstan to receive public services for obtaining IIN and temporary residence permit on the territory of the Republic, the involved employees of branches of the State Corporation in Astana, Almaty, Aktobe and West-Kazakhstan regions were paid a bonus in the amount of 3 MS.

As part of non-financial motivation, employees are awarded letters of thanks and certificates of honor from the Minister of DDIAl and the Chairman of the Board for their achievements in work.

- 822 congratulatory letters for significant dates (birth of a child, marriage, graduation from university, anniversary, reaching retirement age),
- 123 letters of appreciation for length of service (5, 10, 15, 20, 25 years)
- 997 letters of appreciation for public holidays (2021 - 770 letters of appreciation for significant dates, 1,858 for holidays and 2,349 letters of appreciation) were issued from the Chairman of the Board in 2022.

Honorary certificates and letters of appreciation from the Minister of DDIAl were presented to 80 employees.

In honor of the Day of the Republic, 7 employees of the State Corporation were awarded the "Yenbek Ardageri" medal and 4 employees of the State Corporation were awarded the "Uzdik Bailanyshy" breastplate.

The State Corporation launched a project to implement the Loyalty Program for the State Corporation employees (hereinafter - the Loyalty Program) on September 2022. The Loyalty Program provides employees of the State Corporation the opportunity to receive preferential terms in merchant networks (grocery and pharmacy chains, health and fitness complexes, cafes and restaurants, entertainment venues and others), as well as the inclusion of preferential individual terms for banking products, including preferential mortgage lending programs.

Within the Loyalty Program in the reporting year, in order to fulfill the need to upgrade the housing conditions of the State Corporation employees, an agreement with Halyk Bank of Kazakhstan JSC was concluded. As part of the Loyalty Program, the Bank provided the employees of the State Corporation with the opportunity to obtain housing mortgage loans on the following favorable basic terms: lending rate - 10% per annum (market conditions - from 18.5%); down payment - from 10% of the property value (market conditions - from 20%); cancellation of arrangement fee (market conditions - fee from 1%); loan term - from 6 months to 20 years; possibility of attracting a co-borrower. In the reporting year, the bank issued 16 applications totaling 212,224,000 tenge. The participants of the preferential housing mortgage were mainly specialists (mostly) and management staff of the branches.

In order to represent, protect social and labor rights and interests, as well as social support of employees, the State Corporation has a Local Trade Union, which consists of 18 primary trade union organizations and unites 7,045 trade union members. (2021 - 9 245).

In 2022, 80,002,303 tenge was granted and mastered at the request of primary trade union organizations. According to internal documents charitable financial assistance was provided at the expense of membership fees to 687 members of the trade union, including marriage of 54 people, birth of a child - 270, anniversaries - 121, medical treatment - 39, retirement - 15, emergency, unforeseen situations - 38, death of close relatives - 150. Fifty-seven children were sent for health improvement vacation in camps, 20 members of the trade union received resort treatment. Under the "Road to School" campaign, financial assistance was provided to 166 first-graders, concert programs and tea parties with gifts were organized for the Day of the Elderly.

The union also participated in the organization of cultural, sports and festive events of the State Corporation.

In commemoration of national, state holidays, anniversaries, retirement age achievements, for fruitful, long-term work, great personal input into strengthening of trade union movement 74 members of primary trade union organizations and veterans were awarded the medal "Еңбекдаңқы", 110 breastplate "Кәсіподақ қызметтің дамуына қосқан үлесі үшін", more than 162 members of the trade union were awarded with certificates and welcome addresses of the Local Trade Union, chairmen of primary trade union organizations of Atyrau and Almaty branches and directors of branches of Astana city and Akmola region were honored with medals of the Branch Trade Union of the Federation of the RK "Кәсіподақ Қайраткері".

Local trade union and its structural subdivisions intend to continue their activities to fulfill mutual obligations to carry out the provisions of the Collective Agreement.

As an effect of the work to improve the corporate culture, the diagnostics of personnel engagement conducted in 2022 led to an engagement level of 82%. 12,166 people out of 16,429 or 74% participated in the survey (2021 - 62% with 1,225 people covered).

Stakeholder engagement

Stakeholder Group	Subdivision, body responsible for interaction	Interaction mechanism	Engagement in 2022
Sole shareholder	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Provision of information on implementation of KPI - Expectations of the Sole Shareholder for 2022; Approval of the annual financial statements for 2022; 701 executed requests of the Sole Shareholder, including as an authorized body of the State Corporation
Board of Directors	<ul style="list-style-type: none"> Corporate Secretary; Internal Audit Division; compliance control unit 	<ul style="list-style-type: none"> Planning the work of the Board of Directors and its Committees, organization of meetings to consider agenda items; Holding 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	<ul style="list-style-type: none"> The unit responsible for organizing the activities of the Board; subdivisions of the Management Board apparatus; branches 	<ul style="list-style-type: none"> Operations management; Implementation of plans, roadmaps; Conducting events in person and in absentia 	<ul style="list-style-type: none"> 52 meetings of the Management Board, including 20 in presentia and 32 in absentia, at which 194 issues (organizational structure, remuneration, reporting information, etc.) were considered; 36 protocols of executive meetings were signed
Branches	Divisions of the Management Board	<ul style="list-style-type: none"> Coordination and control of activities; Feedback; Implementation of projects and roadmaps; Providing reporting 	1 collegium and more than 30 videoconference meetings with branches were organized; during the year, members of the Management Board made business trips to branches on operational issues. The day-to-day operational interaction with branches is ensured by the divisions of the Management Board responsible for coordination and control in the areas of operations
Local communities	<ul style="list-style-type: none"> The unit responsible for organizing the activities of the Board; department responsible for working with the media; subdivisions of branches 	<ul style="list-style-type: none"> Activities of the Advisory and Consultative Council (ACC); Research of public opinion within the framework of the sociological survey on the level of satisfaction of the population with the quality of public services; Information disclosure 	4 focus groups were conducted among citizens on the topics of popularity of PSC, availability and relevance of public services on eGov, data on informational and explanatory work in the media section.
Employees	Departments responsible for personnel development and personnel management	<ul style="list-style-type: none"> Internal communications system; Speeches of top management to employees; Satisfaction surveys (polls); Organization of evaluation, training and professional development 	Over 20,000 employees of the State Corporation, including over 18,000 full-time employees. Over 12,000 employees participated in a survey to determine the level of personnel satisfaction. All employees from specialists to members of the Management Board are involved in professional development

Stakeholder Group	Subdivision, body responsible for interaction	Interaction mechanism	Engagement in 2022
Service recipients	<ul style="list-style-type: none"> Public service divisions (front offices); subdivisions for processing applications (back offices); administrative and managerial staff of branches 	<ul style="list-style-type: none"> Provision of public services; Feedback, work with appeals; Information and explanatory work; Satisfaction survey (polls); 	<ul style="list-style-type: none"> Over 16.5 million public services have been provided; The NPS level is measured after receiving a public service through the feedback system with the service recipients Product Experience; 4 focus-groups were conducted; Over 98 thousand appeals were considered.
Partners	Profile subdivisions of the Management Board apparatus	Contractual relations, agreements, business meetings, exchange of experience	In partnership with second-tier banks, many projects were implemented in the area of public services, for example, registration of mortgages using blockchain technology, re-registration of vehicles through the bank's application, and acceptance of applications for the assignment of IINs to non-residents. During 2022, Bank CenterCredit JSC and Kazpost JSC participated in the development of the branch network of front offices. Internships for students, "youth internships" and recruitment of unemployed citizens were organized in cooperation with universities and employment centers
Trade union	Primary trade union organizations	<ul style="list-style-type: none"> Collective bargaining; Obligations under the Collective Agreement 	9,245 employees are covered by the Collective Agreement
Parliament, Government, authorized state bodies	<ul style="list-style-type: none"> Board (management); the subdivision responsible for organizing the activities of the Management Board; divisions of the administration of the Board 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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, the Ministry of Labor and Protection Population, the Ministry of Justice).
Financial institutions	Treasury Department	Contractual relations on banking services and placement of temporarily free funds. Participation in the auction on purchase of securities - short-term notes of the National Bank of the Republic of Kazakhstan	<p>As part of diversification of cash into financial instruments, agreements for placement of temporarily free money on deposits were concluded with the following second-tier banks:</p> <ul style="list-style-type: none"> JSC Halyk Bank of Kazakhstan, JSC Citibank Kazakhstan, SB JSC Bank of China in Kazakhstan, JSC Altyn Bank. A cooperational agreement was concluded with JSC Halyk Bank of Kazakhstan within the framework of the loyalty program on preferential mortgage lending for employees of the State Corporation. And also concluded an agreement with Kazpost JSC for provision of brokerage services within the framework of placement of temporarily free funds of the State Corporation in government securities.

Stakeholder Group	Subdivision, body responsible for interaction	Interaction mechanism	Engagement in 2022
Suppliers (contractors)	<ul style="list-style-type: none"> The division responsible for the organization of public procurement; Entities that initiated public procurements 	Compliance with procedures for public procurement, contracting and execution of contracts	Cooperation with suppliers is carried out within the framework of public procurement procedures. The public procurement plan for 2022 consists of 14,899 items and was executed by 98.6%. For the most part, obligations under public procurement contracts are fulfilled properly. 1,471 suppliers were sued in court, of which 578 were fully satisfied. And 4,408 suppliers filed claims against the State Corporation, of which 600 were fully satisfied by the court
Outsourcing companies	Branch divisions	Compliance with contractual relations	Delivery services of "Mykhat" LLP and Yandex. TAXI. Corp LLP received the function of delivery of finished documents (the result of public service provision) to the place of the service recipient's request. Tandau Finance LLP was assigned services on rent of passenger cars with driver in number of three cars for transportation of members of the Management Board of the State Corporation
Mass media	Division responsible for working with the media	<ul style="list-style-type: none"> 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 	More detailed information in Section 6 of the Report "Information and Image Work"

CORPORATE GOVERNANCE REPORT

- 9. Corporate governance system
- 10. The Sole shareholder.
- 11. Board of directors
- 12. Board of directors Committees
- 13. Governance
- 14. Remuneration Report

- 15. Corporate control
 - 15.1. Ombud
 - 15.2. Compliance control
 - 15.3. Internal audit
 - 15.4. Risk management and internal control

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 ensure 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 stakeholders.

The current corporate governance system of the State Corporation ensures 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 the legislation and internal documents of the State Corporation.

The competencies of the bodies and the decision-making procedure are defined and set forth in the Charter of the State Corporation.

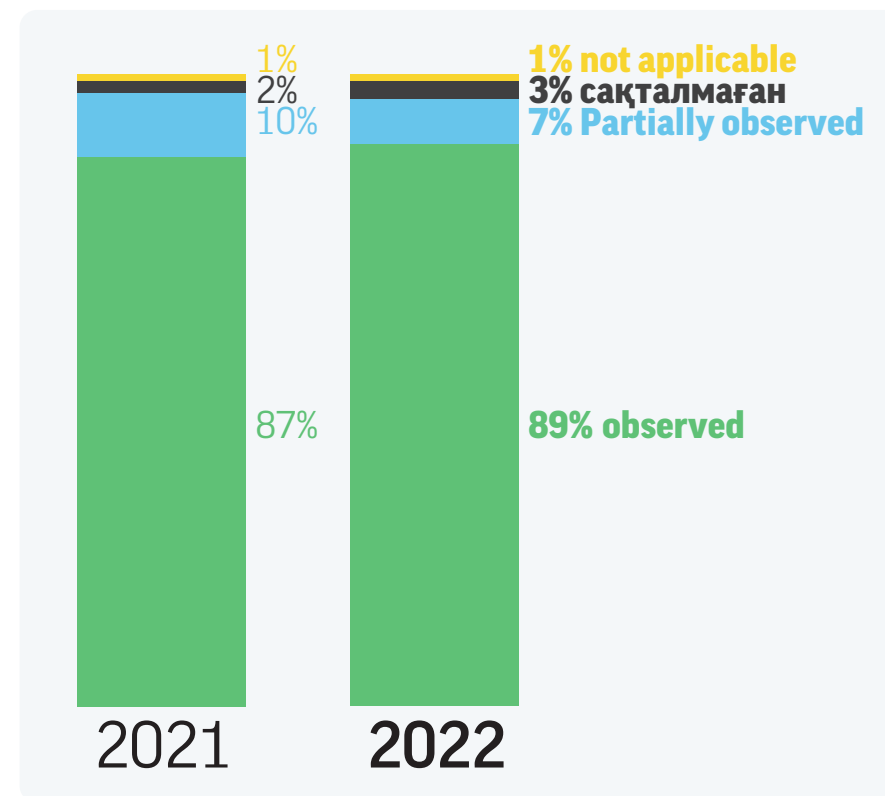
The effectiveness of the State Corporation's activities is realized through properly structured corporate governance processes at each of the levels, ensuring increased transparency, control and delineation of authority and avoiding various risks through timely response.

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 Code of Corporate Governance of the State Corporation (hereinafter - the Code), approved by the Sole Shareholder on December 25, 2020 (Order No. 476/HK). 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 to the Board of Directors for approval.

On May 17, 2023 (Minutes No. 01-01-02/03), the Board of Directors reviewed and approved the Report on Compliance/Non-Compliance with the Principles and Key Provisions of the Code by the State Corporation for 2022 (hereinafter referred to as the Compliance Report). According to the Compliance Report, the total number of principles recognized in the Code 7, provisions 241.

Compliance/ non-compliance with the principles and key provisions of the Code compared to 2021:



Compliance with the principles and provisions of the Code

Content of the Code provision	Explanations
<p>Principle of power separation (95% of 21 are observed, 5% are partially observed)</p>	
<p>1 The State corporation should build an optimal structure, it should strive to simplify its structure of assets and its legal form as much as possible</p>	<p>Partially observed. The State Corporation carried out only partial optimization of the structure and staff units of the Management Board apparatus in 2022. Optimization of the structure is required to improve labor productivity and efficiency of strategic and operational tasks implementation</p>
<p>The principle of protecting the rights and interests of the Sole Shareholder (80% of 5 are observed, 20% are partially observed)</p>	
<p>2 The Sole Shareholder can hold meetings with the Board of Directors and the executive body to sum up the results of activities of the year and make decisions on issues within its competence. The Sole Shareholder can also hold regular meetings with the Chairman of the Board of Directors during the year to discuss issues of the State Corporation activity within its competence.</p>	<p>Partially observed. The right of the Sole Shareholder to organize meetings with the Board of Directors and the executive body to summarize the results of the year's activities and make decisions on issues within its competence is stipulated in subparagraph 11) of paragraph 21 of the Charter of the State Corporation. However, in 2022, meetings and negotiations of the Sole Shareholder with the Chairman of the Board of Directors were not held</p>
<p>The principle of effective management of the State Corporation by the Board of Directors and the Management Board (91.5% of 144 are observed, partially observed - 5%, not observed - 3%, not applicable - 1%)</p>	
<p>3 The Board of Directors and its Committees should maintain a balance of skills, experience and knowledge to ensure independent, objective and effective decision-making in the interests of the State Corporation and taking into account fair treatment of the Sole Shareholder and sustainable development principles</p>	<p>Partially observed. The Board of Directors of the State Corporation consists of individuals with sufficient experience in professional activities, executive positions, work experience and knowledge in the field of economics, finance and audit, law and corporate governance to ensure effective decision-making in the interests of the State Corporation. However, the Board of Directors lacks specialists with IT skills</p>
<p>4 The Committee for Strategic Planning may engage experts with relevant experience and competence for proper organization of its activities. The Committee members that are not members of the Board of Directors shall be appointed by the Board of Directors as advised by the Chairman of the Committee</p>	<p>Partially observed. In accordance with items 5.3.1 and 5.3.2 of the Rules on development of competencies of members of the Board of Directors and engagement of external experts by them, approved by the decision of the Board of Directors dated 30.06.2020. (Protocol No. 01-01-02/03), external experts can be engaged by the decision of the Board of Directors. As of December 31, 2022, the Strategic Planning Committee of the Board of Directors did not include any non-Board members and no external experts were engaged. In 2022, there was no necessity in engaging external experts, however, the Management Board on December 28, 2021. (Protocol No. 01-02-04/53) decided to engage external experts (consultants) to determine the policy and amount of remuneration of the Board of Directors' members within the framework of the planned external assessment (diagnostics) of the level of corporate governance in the State Corporation in 2023</p>
<p>5 The Human Resources and Remuneration Committee's functions include issues of appointment (election), setting motivational KPIs, activity review, remuneration and succession planning for the Chairman and members of the Management Board, issues of appointment and remuneration of the Corporate Secretary, Ombudsman, as well as participation in consideration of the above issues in relation to the Board of Directors itself, in cases where such powers are granted by the Sole Shareholder. In such cases, members of the Human Resources and Remuneration Committee are recommended to avoid a conflict of interest situation and not to participate in the consideration of their own appointment and/or remuneration issues</p>	<p>Partially observed. According to the Regulations on the Human Resources, Remuneration and Ethics Committee, the main functions of the Committee are the issues of HR policy, remuneration system and professional development, activity assessment and terms of remuneration of the Chairman and members of the Management Board, the Ombudsman, the Corporate Secretary and employees of the Compliance Control Service, as well as other issues within the competence of the Committee. However, the Committee did not participate in the consideration of appointment and dismissal, succession planning of the Chairman and members of the Management Board, as well as the appointment policy of the Board of Directors itself. Since the appointment and dismissal of the Chairman and members of the Management Board, as well as the members of the Board of Directors, is, according to the Charter of the State Corporation, the exclusive competence of the Board of Directors and the Sole Shareholder, respectively, without the participation of the Board of Directors.</p>

Content of the Code provision	Explanations
<p>The principle of effective management of the State Corporation by the Board of Directors and the Management Board (91.5% of 144 are observed, partially observed - 5%, not observed - 3%, not applicable - 1%)</p>	
<p>6 Consideration and decision-making on issues of important and strategic significance is carried out only at meetings of the Board of Directors with in-person voting</p>	<p>Partially observed. Paragraph 65 of the Charter of the State Corporation and paragraph 15.7 of the Board of Directors Regulations provides for restrictions on the adoption of decisions on issues of an important and strategic nature by absentee voting, which was partially observed by the State Corporation. However, in exceptional cases, with the authorization of the Chairman of the Board of Directors in accordance with the Regulations, consideration of strategically important issues in absentia is possible. Thus, meetings with consideration of important issues (the issue of share placement) were held by absentee voting, which is partly due to the urgency of the issue solution</p>
<p>7 The Corporate Secretary also prepares a report on compliance with the principles and provisions of the Code, which is included in the Annual Report of the State Corporation. This report should include a list of the principles and key provisions of the Code that are not complied with, with appropriate explanations.</p>	<p>Partially observed. The Report on Compliance/Non-Compliance with the Principles and Key Provisions of the Code for 2021 was approved by the decision of the Board of Directors dated May 20, 2022 (Protocol No. 01-01-02/04) and included in its brief version in the Annual Report of the State Corporation for 2022. However, this Report does not contain detailed relevant explanations due to the large contents of the Annual Report itself. The report for 2022 will be presented for review by the Board of Directors in May 2023 in accordance with the Board's 2023 Work Plan.</p>
<p>8 In terms of interaction with the Sole Shareholder: 1) sending materials on issues submitted for consideration of the Sole Shareholder in time for making appropriate decisions; 2) storage of the Sole Shareholder's decisions; 3) proper interaction of the State Corporation with the Sole Shareholder, including control over provision of information to the Sole Shareholder's requests on a timely basis</p>	<p>Partially observed. In terms of providing communication with the Sole Shareholder, with the direct assistance of the Corporate Secretary Service, the Corporate Secretary ensured control over the execution of the Sole Shareholder's decisions and provision of information to the Sole Shareholder's requests on a timely basis. But not all issues submitted for consideration by the Sole Shareholder with the assistance of the Corporate Secretary Service are resolved in a timely manner.</p>
<p>9 The Board ensures the creation of an optimal organizational structure of the State Corporation. Organizational structure should be directed to: 1) efficiency of decision making; 2) increase in the productivity of the State Corporation; 3) promptness of decision-making; 4) organizational flexibility. Selection of candidates for vacant positions of the State Corporation is based on open and transparent competitive procedures in accordance with internal documents. To create and maintain a permanent employee reserve for hiring during the year for vacant and temporarily vacant positions, the State Corporation forms an employee reserve from candidates who participated in the competitive selection and were recommended by the Selection Committee. State Corporation employees undergo quarterly performance ratings.</p>	<p>Partially observed. Candidates for vacant positions are selected on the basis of open and transparent competitive procedures in accordance with the Rules of hiring in the State Corporation, approved in a new edition (Board decision dated 11.07.2022. No. 01-02-04/27), taking into account simplification of procedures for vacant positions of rank and file specialists (without testing) and abolition of the personnel reserve. For 2022, the branches held 118 contests to fill 759 vacant positions, which resulted in the hiring of 466 candidates. The Management Board held 10 contests to fill 23 vacant positions, and 20 candidates received a positive decision of the contest committee. Performance evaluation of the State Corporation employees is carried out in accordance with the following internal documents: 1) Corporate Standard on Human Capital Development of the State Corporation, approved by the decision of the Management Board dated 05.10.2018 (Protocol No. 01-02-04/50); 2) The Rules of labor remuneration of employees of the State Corporation, approved by the decision of the Management Board dated 17.09.2019. (Protocol No. 01-02-04/48); 3) Rules of labor remuneration for executives, employees of the Internal Audit Service, Corporate Secretary, Ombudsman, employees of the Compliance Control Service and the Corporate Secretary Service, as approved by the decision of the Board of Directors dated 26.11.2021. (Protocol No. 01-01-02/09); 4) Rules for Performance Evaluation of the Employees of the Internal Audit Service and the Corporate Secretary of the State Corporation, approved by the decision of the Board of Directors dated 03.05.2019. (Protocol No. 01-01-02/02); 5) Rules for Performance Evaluation and Remuneration of the State Corporation's executives, approved by the Board of Directors' decision dated 26.11.2021. (Protocol No. 01-01-02/09). During the reporting period, the efficiency of the Chairman and members of the Management Board, as well as employees reporting to the Board of Directors were assessed in accordance with the requirements of the legislation and internal documents of the State Corporation. At the same time, in 2022, the assessment of the performance efficiency of employees of the Management Board apparatus and branches of the State Corporation was not carried out.</p>

Content of the Code provision	Explanations
<p>The principle of effective management of the State Corporation by the Board of Directors and the Management Board (91.5% of 144 are observed, partially observed - 5%, not observed - 3%, not applicable - 1%)</p>	
<p>10 The same individual cannot be elected to the Board of Directors for more than nine consecutive years (e.g. three three-year terms). In exceptional cases, election for a period of more than nine years is allowed, with the election of such person to the Board of Directors taking place annually or at another time determined by the Sole Shareholder with a detailed explanation of the need to elect this member of the Board of Directors and the impact of this factor on the independence of decision-making. No individual should participate in decisions relating to his or her own appointment, election and re-election.</p>	<p>Not applicable The State Corporation has been in existence since 2016. There are no cases of a member of the Board of Directors serving a term of more than nine years in 2022.</p>
<p>11 The Sole Shareholder of the State Corporation may hold additional meetings with the Chairman and members of the Board of Directors to discuss the issues of development strategy, election of the first Chairman of the Management Board of the State Corporation and other aspects that affect the growth of long-term value and sustainable development of the State Corporation</p>	<p>Not observed Meetings of the Sole Shareholder with members of the Board of Directors to discuss the election of the first head of the Management Board of the State Corporation and other aspects that affect the profitability and sustainable development of the State Corporation in 2022 were not held, due to the transfer of exclusive authority to resolve this issue according to the Charter of the State Corporation to the Sole Shareholder.</p>
<p>12 Any period of election to the Board of Directors for more than six consecutive years (e.g. two three-year terms) is specifically considered, taking into account the need for qualitative renewal of the Board of Directors.</p>	<p>Not observed The state corporation exists since 2016. There is an independent member of the Board of Directors, I. Tallo, who has been on the BOD for more than six years.</p>
<p>13 At least once every three years, the assessment is carried out with the involvement of an independent professional organization</p>	<p>Not observed The Company exists since 2016, no assessment with the involvement of an independent professional organization has been carried out since its establishment. However, in 2021, the Internal Audit Service conducted a corporate governance diagnostics in accordance with the approved corporate governance diagnostics methodology, issued recommendations and developed a corrective action plan. An independent assessment of corporate governance is planned for 2023</p>
<p>14 The Sole Shareholder may conduct its own assessment of the Board of Directors independently or with the involvement of an independent consultant. The assessment conducted by the Sole Shareholder shall take into account the results of the assessment conducted independently by the Board of Directors, the results of the State Corporation activity, fulfillment of KPIs.</p>	<p>Not observed The assessment of activity was carried out in-house, without participation of the Sole Shareholder, which did not take the initiative to conduct its own assessment due to the lack of necessity in their opinion.</p>
<p>The principle of sustainable development (89% of 18 are observed, partially observed - 5.5% not observed - 5.5%)</p>	
<p>15 The State Corporation should discuss inclusion and compliance of sustainable development principles and standards in relevant contracts (agreements, contracts) with partners. It is recommended to take comprehensive measures with partners to implement sustainable development principles and standards. If the State Corporation identifies a risk associated with the partners' negative impact on the economy, environment and society, the State Corporation implements measures aimed at halting or preventing such impact.</p>	<p>Not applicable. A state corporation is not a production company and cannot cause negative impact on economic, environmental and social spheres.</p>

Content of the Code provision	Explanations
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<p>The principle of sustainable development (89% of 18 are observed, partially observed - 5.5% not observed - 5.5%)</p> <p>16</p> <p>The State Corporation is building a sustainable development management system that includes, among other things, the following elements:</p> <ol style="list-style-type: none"> 1) commitment to the principles of sustainable development at the Board of Directors, Management Board and employee level; 2) Analysis of the internal and external situation in three components (economy, environment, social issues); 3) identification of sustainable development risks in the social, economic and environmental spheres; 4) building a stakeholder map; 5) defining sustainability goals and KPIs; 6) integration of sustainable development into key processes, including risk management, planning, human resource management, investments, reporting, operations and others, as well as into development strategy and decision-making processes; 7) professional development of officials and employees in the field of sustainable development 	<p>Partially observed</p> <p>A system in the field of sustainable development is being built in the State Corporation, which in general includes elements of commitment to the principles of sustainable development, within the framework of activities analyzes the situation in three components (economy, ecology, social issues) with the identification of risks in the relevant areas.</p> <p>The Sole Shareholder approved the Corporate Governance Code and Expectations for 2022, the Board of Directors approved the Development Strategy, the Management Board approved the Sustainable Development Policy, the Company's Health and Safety Policy, the Corporate Human Resources Policy and other internal documents, of which there are 143 in total.</p> <p>The Report on compliance/non-compliance with the principles and provisions stipulated by the Code is being considered by the Board of Directors.</p> <p>The stakeholder map is updated annually, sustainability is integrated into key processes, including risk management, planning, human resource management, investments, reporting, operations and others, as well as development strategy and decision-making processes, and employee development processes.</p> <p>However, the State Corporation lacks training in the field of sustainable development, which needs to be introduced at all levels of the State Corporation's employees. The Public Procurement Plan for 2023 provides for training of the Management Board members and heads of structural units of the Management Board apparatus on the topic "System Approach to Sustainable Development". Trainings were not conducted due to state procurement changes in 2022.</p>
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<p>Principle of risk management, internal control and sustainability audit (75% of 32 provisions are observed, 19% are partially observed, not observed - 6%)</p> <p>17</p> <p>Principles and methods for organizing an effective risk management and internal control system include:</p> <ol style="list-style-type: none"> 1) defining the goals and tasks of the risk management and internal control system; 2) organization structure of the risk management and internal control system involving all decision-making levels and taking into account the role of the respective level in the process of development, approval, application and evaluation of the risk management and internal control system; 3) Basic requirements to the organization of the risk management process (process definition methods, risk identification and assessment procedure, definition of response methods, monitoring and others); 4) the requirements for organization of the internal control system and control procedures (description of key areas and main components of the internal control system, procedure for assessing the efficiency and reporting in the field of internal control, etc.) 	<p>Partially observed</p> <p>The State Corporation has the following Regulations and Policies:</p> <ol style="list-style-type: none"> 1) Regulations on the Project Office; 2) Regulations on the Internal Audit Service; 3) Regulations on the Board of Directors; 4) Regulations on the Management Board; 5) Regulations on the Compliance and Risk Committee of the Board of Directors; 6) Risk Management Policy and Internal Control System Policy, which. 7) Risk Management Regulations. <p>The ICS target tools assume availability of the Classifier (Register) of business processes with detailed elaboration up to 1-2-3 levels, where at the 3rd level of detail, risks and controls will be defined in the process steps, forming a unified Matrix of risks and controls. This level of detailing of business processes is planned to be achieved by 2024 after completion of the projects "Automation and optimization of internal business processes of the State Corporation on the BPM platform" and "Development of process-oriented approaches to performance management of the State Corporation".</p> <p>In this regard, under the approved Program for the Development of the Corporate Risk Management System for 2023-2026, the development of the State Corporation's Risk and Control Matrix is scheduled for Q1 2024. Therefore, the Rules for the organization of the State Corporation's internal control system, including detailed requirements for the organization of the internal control system and control procedures (characterization of key areas and main components of the internal control system, the procedure for assessing efficiency and reporting in the field of internal control, etc.) will be developed after the approval of the Matrix of Risks and Controls (Q1 2024) and the Classifier (Register) of Business Processes with detailing up to 1-2-3 levels (by 2024).</p>	<p>The State Corporation, within the framework of approved internal documents, has defined:</p> <ol style="list-style-type: none"> 1) goals and tasks of the risk management and internal control system; 2) organization structure of the risk management and internal control system covering all decision-making levels and taking into account the distribution of roles by levels, interaction of participants in the process of development, approval, application and evaluation of the risk management and internal control system; 3) basic requirements to the organization of the risk management process (approaches to the definition of processes, procedure for identification and assessment of risks, determination of response methods, monitoring and others).
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Content of the Code provision	Explanations
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Principle of risk management, internal control and sustainability audit
(75% of 32 provisions are observed, 19% are partially observed, not observed - 6%)

18

The Board

- 1) ensures development and implementation of internal documents approved by the Board of Directors for risk management and internal control;
- 2) ensures the establishment and effective functioning of the risk management and internal control system by means of practical realization and continuous implementation of risk management and internal control principles and procedures assigned to it;
- 3) responsible for implementation of decisions of the Board of Directors and recommendations of the Internal Audit Committee on organization of the internal control and risk management system;
- 4) monitors the risk management and internal control system according to the requirements of internal documents;
- 5) ensures that the risk management and internal control processes and procedures are improved taking into account changes in the external and internal environment.

In order to implement the principles of internal control and ensure the effectiveness of the risk management and internal control system, the Management Board of the State Corporation distributes powers, duties and responsibility for specific risk management and internal control procedures among the managers of the following level and/or heads of structural divisions/business-process owners.

Partially observed

The Board of Directors previously approved the Risk Management Policy and Internal Control System Policy. The Risk Management Policy was approved by the Management Board.

In the first half of the year, the Management Board monitored the implementation of decisions of the Board of Directors and recommendations of the Internal Audit Committee in the organization of the internal control and risk management system, as well as the analysis of risk management and internal control issues taking into account changes in the external and internal environment in accordance with the requirements of internal documents.

However, in the second half of 2022, as part of changes in the structure and staffing of the State Corporation from August 22, 2022, the functions of risk management and internal control were transferred to the Project Office in order to increase the applied component of the Risk Management System (RMS) and Internal Control System (ICS) through the introduction of a process approach to performance management of the State Corporation and improvement of project activities of the State Corporation.

Therefore, the risk management and internal control system was not monitored in a timely manner.

19

At State Corporation, the organization of an effective risk management and internal control system is aimed at building a management system capable of ensuring an accurate understanding of the reasonableness and acceptability of the level of risks by management and employees of the State Corporation when making decisions, responding quickly to risks, exercising control over core and auxiliary business processes and daily operations, and immediately informing management of any material weaknesses.

Partially observed

Within the framework of the approved internal documents, the State Corporation has defined:

- 1) goals and objectives of the risk management and internal control system;
- 2) organizational structure of the risk management and internal control system covering all decision-making levels and considering the role of the respective level in the process of development, approval, application and evaluation of the risk management and internal control system;
- 3) basic requirements to the organization of the risk management process (approaches to the definition of processes, procedure for identification and assessment of risks, determination of response methods, monitoring and others).

The basic guidelines and target tools for operation are also defined.

Basic tools in corporate governance and RMS provide a minimum level of internal control, namely:

1. Control environment - existence of an approved organizational structure and staff list, Accounting Policy, Code of Business Ethics, and other IRDs defining the elements of the environment.
2. risk assessment - IRD on RMS (Risk Management Policy, Risk Management Rules, Compliance Policies).
3. Control procedures - provided for in the Internal Regulatory Documents of the State Corporation outlining the processes (standards, rules, instructions, regulations, etc.) including such actions as verification, coordination, approval, submission of conclusions, correction (finalization), rejection.
4. information and communication - availability of tools for information dissemination to the stakeholders of the State Corporation by means of electronic document management system, corporate website, corporate mail, working chats, E-Otinish portal.
5. Monitoring of the internal control system, in terms of assessing the efficiency of structural subdivisions, officials and employees of the State Corporation; in terms of process audits - RMS audits, internal and external inspection audits of the Quality Management System (QMS) aimed at identifying risks in existing business processes in order to monitor and minimize them.

The target ICS tools assume the availability of the Classifier (Register) of business processes with detailing up to 1-2-3 levels, where at the 3rd level of detailing, risks and controls will be defined in the process steps forming a unified Matrix of risks and controls. This level of detailing of business processes is expected to be reached by 2024 after completion of the projects "Automation and optimization of internal business processes of the State Corporation on the BPM platform" and "Development of process-oriented approach to performance management of the State Corporation".

According to the approved Program for the Development of the Corporate Risk Management System for 2023-2026, the development and approval of the State Corporation's Risk and Control Matrix is scheduled for Q1 2024.

Content of the Code provision	Explanations
<p>Principle of risk management, internal control and sustainability audit (75% of 32 provisions are observed, 19% are partially observed, not observed - 6%)</p>	
<p>20 The Board, while considering the risk register and risk map, should make sure that they include risks that may actually affect the realization of strategic objectives, and, while considering the plan of measures to respond to risks, should make sure that the measures are useful. The Board of Directors and the Management Board of the State Corporation on a regular basis should receive information about key risks and their analysis in terms of their impact on the strategy and business plans of the State Corporation.</p>	<p>Partially observed The risk management system of the State Corporation is based on the principles of the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) "Risk Management of Organizations, Integrated Model" (2016), which considers risks in terms of their impact on the implementation of strategic objectives. Considering this approach, when reviewing the register and risk map of the State Corporation, KPIs of the Sole Shareholder's Expectations and indices set out in the Action Plan for the implementation of the State Corporation Strategy are taken into account. The Board of Directors' decision dated 24.12.2021 (Protocol No. 01-01-02/10) determined the criteria for selection of key risks. However, in the second half of 2022, the Board did not receive key risk information in a timely manner.</p>
<p>21 The Internal Audit Service evaluates the efficiency of the internal control system and risk management system, assesses corporate governance using generally accepted standards of internal audit and corporate standards.</p>	<p>Partially observed Risk coordinators of the Central Office, branches of the State Corporation on an annual basis were previously trained in RMS and ICS in accordance with the approved Training Plan for employees of the State Corporation. Conducting induction training for newly hired employees is defined in paragraph 23 of the Corrective Action Plan of the State Corporation corporate governance diagnostics of 2021. In consultation with the HR Department, the SDM has agreed on the format for organizing briefings from the beginning of 2022. The requirement is also included in the targeted HR administration processes, and has actually been automated and is being pilot tested on the VRM platform (as of April 2023). Detailed information on actual RMS briefings (training) for newly hired/transferred employees of the State Corporation is provided in the monthly Reports on the current status of the State Corporation's risk management system for the members of the Compliance and Risk Committee under the Board of Directors of the State Corporation starting from September 2022. The Project Office will introduce relevant changes and additions regarding the regulation of the induction training process for newly hired employees in order to familiarize them with the principles and approaches of the State Corporation in the field of risk management (taking into account the responsibilities and powers of employees) in the relevant IAP in the 2nd half of 2023 after pilot testing and replication of the results.</p>
<p>22 The Internal Audit Service evaluates the efficiency of the internal control system and risk management system, assesses corporate governance using generally accepted standards of internal audit and corporate standards.</p>	<p>Partially observed Assessment of corporate governance, efficiency of the internal control system and risk management system using generally accepted standards of internal audit activities and corporate standards was carried out in Q3 2020 and Q1 2021. (Similar assessments, according to international standards, it is recommended to be carried out every three years.)</p>
<p>23 It is recommended that the manager supervising the risk management and internal control function should not be the owner of the risk, which ensures its independence and objectivity. It is prohibited to combine risk management and internal control functions with functions related to economic planning, financing, treasury, accounting, internal security and investment decision-making.</p>	<p>Not observed Taking into account the goals and objectives of merging the Risk Management Department and the Project Management Department into the Project Office from August 22, 2022, this item will not be observed until the application component of the Risk Management System (RMS) and the Internal Control System (ICS) is increased and the integral architecture of business processes of the State Corporation with the required level of detail is built. The Project Office Director and Deputy Director are members of working commissions, working groups of permanent and temporary nature.</p>
<p>24 The State Corporation's Management Board ensures the implementation of risk management procedures by employees with appropriate qualifications and experience.</p>	<p>Not observed Project Office employees did not receive external training on the risk management system during 2022.</p>
<p>Principle of regulating corporate conflicts and conflicts of interest (92% of the 12 are observed, 8% are not observed)</p>	
<p>26 The Sole Shareholder should avoid the election of members of the Board of Directors who are representatives of state bodies in order to prevent interference of 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 made.</p>	<p>Not observed The Board of Directors consists of 11 persons, 6 of them are representatives of state bodies, including the Sole Shareholder, since formation and approval of the Board of Directors is the exclusive competence of the Sole Shareholder.</p>

Content of the Code provision	Explanations
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<p>Principles of transparency and objectivity of disclosure of information on the activities of the State Corporation. (89% of the 9 are observed, 11% are partially observed)</p>	<p>Partially observed The official website of the State Corporation https://gov4c.kz has been created with the use of the interface for separate sections. However, some sections of the State Corporation website need to be improved (including inclusion of additional options).</p>
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The Compliance Report is available on the State Corporation's website gov4c.kz.

Following the generally accepted principles of corporate governance, the State Corporation has independent directors, 4 Committees under the Board of Directors, Ombudsman, Compliance Control Service, Internal Audit Service, Risk Management Department.

In 2022, the further work on further improvement of the corporate governance system of the State Corporation was continued in accordance with the Action Plan for improvement of the corporate governance system of the State Corporation for 2021 and 2022 (hereinafter referred to as the Plan). The plan included the implementation of 36 measures aimed at ensuring the consistency of corporate governance processes and adherence to its principles, with an additional 5 measures later added by a resolution of the Board of Directors dated May 20, 2022.

Out of 41 measures of the Plan, 36 have been implemented, 3 are in progress, 1 has been partially implemented, 2 have not been implemented:

- 1) Develop and approve the Rules for the organization of the internal control system of the State Corporation;
- 2) Introduction of amendments and additions regarding the regulation of the induction training process for newly hired employees in order to familiarize them with the principles and approaches of the State Corporation in the field of risk management (taking into account the responsibilities and powers of employees) into the relevant internal regulatory document.

Failure to execute is due to the disbanding of the Risk Management Department and the drain of qualified personnel.

Implementation of the Plan's activities provided significant assistance in improving the efficiency of the State Corporation's activities, in systematizing the reporting process, in improving the quality of decision-making by the management bodies for the unimpeded implementation of the State Corporation's intended strategic goals and objectives.

In general, the improvement of the corporate governance system in the State Corporation is a continuous cyclical process, the main purpose of which is to increase its level for the effective functioning of the State Corporation.

Organization structure

The State Corporation's corporate governance is based on an efficient management structure that respects the rights and interests of all persons interested in the activities of the State Corporation and contributes to the success of its activities, including the growth of its reputation and financial stability.

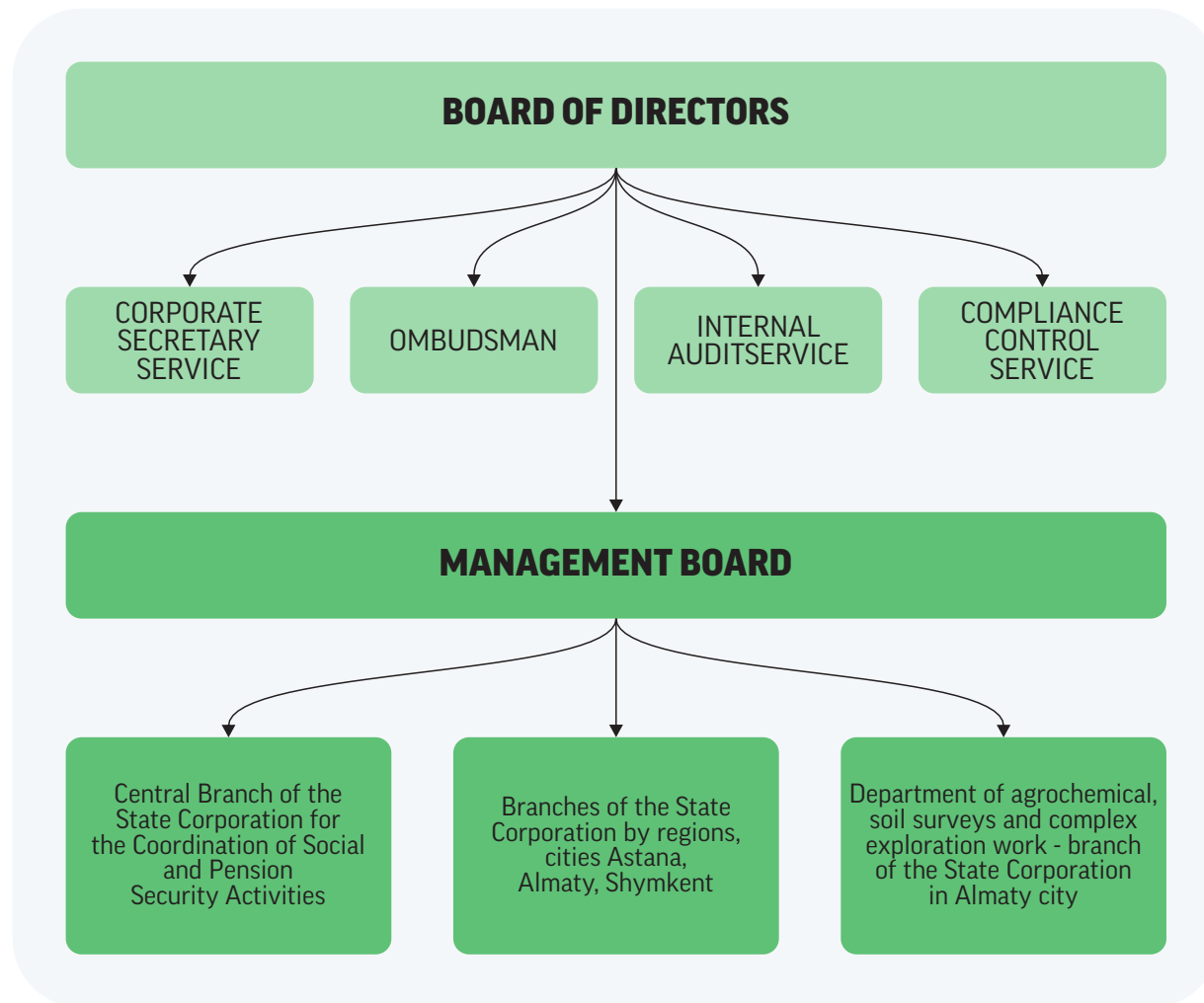
Under the Charter of the State Corporation, the governing bodies of the State Corporation are:

- 1) supreme authority - the Sole Shareholder;
- 2) governing body - the Board of Directors, the strategic governing body responsible for the development of the State Corporation's strategy, general management of its activities and control over the activities of the Management Board;
- 3) executive body - the Management Board (collegial body), which manages the current activities of the State Corporation and implements the strategy determined by the Board of Directors and the Sole Shareholder;
- 4) body controlling financial and economic activities of the State Corporation - Internal Audit Service.

According to subparagraph 5) of paragraph 48 of the Charter of the State Corporation, approval of the organizational structure is the exclusive competence of the Board of Directors.

The organizational structure of the State Corporation was approved by the decision of the Board of Directors dated October 6, 2021 (Protocol No. 01-01-02/08):

1. Board of Directors;
2. Corporate Secretary Service;
3. Internal Audit Service;
4. Compliance control service;
5. Ombudsman;
6. Office of the Board of the State Corporation;
7. Central Branch of the State Corporation for the Coordination of Social Security and Pension Activities;
8. Branches of the State Corporation by regions, cities of Astana, Almaty and Shymkent;
9. Department of agrochemical, soil surveys and complex exploration work - branch of the State Corporation in Almaty city.



Ownership structure of the State Corporation

Declared (issued) ordinary shares: 40 377 176.

Number of outstanding and paid-up common shares: 40 377 176.

The nominal value of the share: 1 000KZT.

Disposition of property rights:

- The sole shareholder of the State Corporation is the Government of the Republic of Kazakhstan represented by the Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - CSPP);
- all shares of the State Corporation are ordinary shares. The rights of the Sole Shareholder comply with the requirements of Article 14 of the Law of RK "On Joint Stock Companies" (hereinafter - the Law). The Sole Shareholder has a priority ownership right regarding the property of the State Corporation;
- members of the Board of Directors and the Management Board, as well as key executives do not hold shares in the State Corporation.

As of December 31, 2022, the authorized capital of the State Corporation amounted to 40,377,176 thousand tenge, equity capital - 45,789,678 thousand tenge.

According to the legislation of the Republic of Kazakhstan and the Charter, the State Corporation is a non-profit organization, which does not have as its main purpose the income received in favor of the Sole Shareholder.

The State Corporation's income (after taxes and other obligatory payments to the budget) shall remain at the disposal of the State Corporation and shall be used for its development.

The State Corporation issues shares in order to raise funds for its activities, the proceeds of which are used exclusively for the development and creation of necessary conditions for its employees and service recipients. In this regard, no dividends were paid on the state block of shares based on the results of 2022, and the profit received is directed to the development of the State Corporation.

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 MDDIAI considers and makes decisions on issues within the competence of the Sole Shareholder independently, with the exception of issues, the decision on which is made in coordination with the CSPP.

The only way to deal with the Sole Shareholder is to ensure that its rights and legitimate interests are protected and respected and is based on honesty, accountability, responsibility and transparency.

Realization of the rights of the Sole Shareholder is carried out in accordance with the Law and the Charter of the State Corporation. Shareholder's rights include, but not limited with timely receipt of information, sufficient for decision making, 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.

Thus, the Sole Shareholder during the reporting period was able to receive full and reliable information, including on the financial position of the State Corporation, performance results, on management, on material facts affecting its financial and economic activities.

Decisions of the Sole Shareholder made within its competence are mandatory for the Board of Directors of the State Corporation.

During the reporting period, the State Corporation submitted 18 issues for consideration of the Sole Shareholder, information on which is presented in the subsection "Information on Significant Corporate Events for 2022".

Board of directors of the state corporation

The Board of Directors carries out general management of the State Corporation activities, except for the issues referred by the Law and the Charter of the State Corporation to the exclusive competence of the Sole Shareholder and the Management Board.

The Board of Directors carries out 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 the decision of the Sole Shareholder.

Determination of the number of members, term of powers of the Board of Directors, election of its members and early termination of their powers, as well as determination of the amount and terms of remuneration and compensation of expenses to the members of the Board of Directors for the performance of their duties by the mentioned paragraph of the Charter is also referred to the exclusive competence of the Sole Shareholder.

Independent directors are in place in accordance with the best corporate governance practices to ensure that objective decisions are made that are in the best interests of the State Corporation.

At January 1, 2022, the Board of Directors of the State Corporation consisted of the following 9 members:

Chairman of the Board of Directors

Bagdat Batyrbekovich Musin - Minister of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan

Members of the Board of Directors

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

Azamat Khalimedenovich Amirgaliev - Vice-Minister of Justice of the Republic of Kazakhstan

Tashenev Bakytbek Khakimovich - Chairman of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan

Adil Galimzhanovich Kozhikhov - Chairman of the Board of the State Corporation

Members of the Board of Directors - independent directors

Mukhamedjanov Bektas Gafurovich - Independent director

Balieva Zagipa Yakhyanovna - Independent director

Ivar Tallo - Independent director

Naizabekova Akmaral Serikovna - Independent director

During 2022, the State Corporation's Board of Directors underwent changes and as of December 31, 2022, consisted of the following 11 members:

Chairman of the Board of Directors

Turysov Aset Nurlanovich - Vice-Minister of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan

Member of the Board of Directors

Ospanov Erbol Duisebayevich - Vice-Minister of Labor and Social Protection of Population of the Republic of Kazakhstan

Bekbauov Baglan Abdashimovich - Vice-Minister of Agriculture of the Republic of Kazakhstan

Tashenev Bakytbek Khakimovich - Chairman of the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan

Temirzhanov Murat Baritovich - Chairman of the Committee of Land Resources Management of the Ministry of Agriculture of the Republic of Kazakhstan

Abishev Bakhyt Shalkharovich - Chief of Staff of the Ministry of Justice of the Republic of Kazakhstan (as of the date of election to the Board of Directors)

Abdildin Sujenish Tuleukhanovich - Chairman of the Board

Brief biographical information about members of the Board of Directors



Turysov Aset Nurlanovich

Chairman of the Board of Directors,
representative of the Sole Shareholder

Date of birth:
10.11.1987

CURRENT WORKPLACE:
Vice-Minister of Digital Development,
Innovation and Aerospace Industry of
the Republic of Kazakhstan

Education:
2009 – Graduated from Al-Farabi Kazakh
State National University with a Bachelor's
degree in Math and Computer Modeling
2017 – from Narkhoz University with
a Bachelor's degree in Economics

Citizenship:
Republic of Kazakhstan



Ospanov Erbol Duisebayevich

Member of the Board of Directors,
representative of the Sole Shareholder

Date of birth:
16.01.1977

CURRENT WORKPLACE:
Vice-Minister of Labor and Social
Protection of Population of
the Republic of Kazakhstan

Education:
1998 – Graduated from Al-Farabi Kazakh
State National University with a degree
in Applied Mathematics
2002 – Kazakh National Agricultural
University with a degree in Finance and Credit.

Citizenship:
Republic of Kazakhstan



Bekbauov Baglan Abdashimovich

Member of the Board of Directors,
representative of the Sole Shareholder

Date of birth:
16.01.1983

CURRENT WORKPLACE:
Vice-Minister of Agriculture of the Republic
of Kazakhstan

Education:
Graduated from the International Kazakh-Turkish
University named after Hodzhi Ahmet Yasavi
with a specialization in "Software and hardware
support of computer technology and networks"
Kazakh State Law University named after
M. Narikbayev with a specialization in "
Legal studies"

Citizenship:
Republic of Kazakhstan



Tashenev Bakytbek Khakimovich

Member of the Board of Directors,
representative of the authorized
body on state property

Date of birth:
19.10.1977

CURRENT WORKPLACE:
Chairman of the State Property and
Privatization Committee of the Ministry of
Finance of the Republic of Kazakhstan

Education:
1999 – graduated from the Kazakh State
Academy of Architecture and Construction
with a specialization in "Engineer-economist"
2002 – graduated from the Kazakh
Humanitarian Law University with a
specialization in "Lawyer"

Citizenship:
Republic of Kazakhstan



Abdildin Sujenish Tuleukhanovich

Member of the Board of Directors,
Chairman of the Board

Date of birth:
23.06.1990

CURRENT WORKPLACE:
Chairman of the Board
A public corporation

Education:
2011 – Kazakhstan-British Technical
University specializing in Computer
Science and Software
2014 – graduated from the University
of Birmingham in the United Kingdom,
Master of Computer Science

Citizenship:
Republic of Kazakhstan

Brief biographical information about members of the Board of Directors



**Temirzhanov
Murat Baritovich**

Member of the Board of Directors,
representative of the Sole Shareholder

Date of birth:
18.08.1977

CURRENT WORKPLACE:

Chairman of the Committee of Land Resources Management of the Ministry of Agriculture of the Republic of Kazakhstan

Education:

1998 – Graduated from Kokshetau University named after Sh. Ualikhanov specializing in "Engineer-economist in agro-industrial complex industries"

2006 –Kazakh Humanitarian Law University, specializing in "Bachelor of Jurisprudence".

The Kazakh National Agrarian University and received a master's degree in agricultural sciences

Citizenship:
Republic of Kazakhstan



**Abishev
Bakhyt Shalkharovich**

Member of the Board of Directors,
representative of the Sole Shareholder

Date of birth:
25.09.1965

CURRENT WORKPLACE:

Chief of Staff of the Ministry of Justice of the Republic of Kazakhstan

Education:

1990 – : Graduated from the S.M. Kirov Kazakh State University with a degree in Law

Citizenship:
Republic of Kazakhstan



**Beghimbetov
Ergali Nurlanovich**

Member of the Board of Directors,
Independent Director

Date of birth:
23.04.1972

CURRENT WORKPLACE:

Chairman of the Internal Audit Committee of the Board of Directors

Education:

1994 –graduated from Almaty Power Engineering Institute, faculty "Automation of technological processes and production", speciality "Automation Engineer"

2003 – the professional Educational Center ARTUR ANDERSEN - Finance and Accounting for Non-Financial Managers Ernst and Young

Courses of planning and budgeting, effective time management, in the State Bureau of the Department of Educational and Cultural Affairs of the United States and IVC, Columbus, Ohio, USA, SC "Grange" (internship), in Franklin University, Columbus, Ohio, USA, SC "Nationwide" (internship).

Citizenship:
Republic of Kazakhstan



**Baliyeva
Zagipa Yakhyanovna**

Member of the Board of Directors,
Independent Director

Date of birth:
03.10.1972

CURRENT WORKPLACE:

Chairman of the Compliance and Risk Committee of the Board of Directors

Education:

1981 – Graduated from the Kazakh State University named after S.M. Kirov specializing in law

1998 – Postgraduate studies at the Kazakh State Academy of Management

1999 – Doctoral studies at the Moscow State Technological Academy

1999 – Doctor of economic sciences, thesis topic: "Problems of formation of industry of the Republic of Kazakhstan and ways of their solution (theory and practice)"

Citizenship:
Republic of Kazakhstan



Ivar Tallo

Member of the Board of Directors,
Independent Director.

Date of birth:
05.05.1964

CURRENT WORKPLACE:

Chairman of the Strategic Planning Committee of the Board of Directors

Education:

1987 –Graduated from Leningrad State University iwith a degree in Philosophy, Political Science, Foreign Languages

1990 – Leningrad State University with a degree in Mathematical Formal Logic and Philosophy

1996 – MMcGillUniversity, PhD program in Political Science, postgraduate student in Logic, Master of Philosophy, PhD

Citizenship:
Republic of Estonia.



**Naizabekova
Akmaral Serikovna**

Member of the Board of Directors,
Independent Director

Date of birth:
03.10.1985

CURRENT WORKPLACE:

Chairman of the Human Resources, Remuneration and Ethics Committee of the Board of Directors

Education:

2006 – graduated from the Karaganda State University named after E.A. Buketov, Karaganda, Faculty of Law.

2014 – Bachelor of Jurisprudence degree, graduated from Moscow Business School (MBS), Moscow Institute of Technology "UNESCO World Technological University", Master of Business Administration (MBA) degree

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

Citizenship:
Republic of Kazakhstan

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.

The Board of Directors of the State Corporation is balanced in terms of qualifications, experience, knowledge, business qualities and diversity. Members of the Board of Directors have impeccable business reputation, knowledge and skills in information technology, finance, internal audit, corporate governance, and other areas important for the management of the State Corporation.

Members of the Board of Directors have extensive experience as top managers, partners and members of governing bodies of various companies, as well as impeccable public reputation. Special attention is paid to the diversity of the composition and the share of independent directors. The Board of Directors includes both men and women, as well as a citizen of another country (Estonia), which ensures gender and socio-cultural diversity.

The age and gender composition of the members of the Board of Directors at December 31, 2022 was:

Age %	
30-49	63,6%
50 and more	36,4%
Gender composition, %	
Male	82%
Female	18%

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.

When selecting candidates for independent directors, the criteria set forth in 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:

- 1) 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);
- 2) is not an affiliated person in relation to affiliated persons of the State Corporation;
- 3) is not subordinated to officials of the State Corporation or affiliated organizations of the State Corporation and was not subordinated to such persons during the three years preceding his/her election to the Board of Directors;
- 4) is not a civil servant;
- 5) is not an auditor of the State Corporation and has not been one for three years prior to his/her election to the Board of Directors;
- 6) does not participate in the audit of the State Corporation as an auditor working as part of an audit organization, and has not participated in such an audit during the three years preceding his/her election to the Board of Directors.

A director may be recognized as independent if he:

- has not been an employee of the State Corporation or its subsidiary and affiliated organization within the last five years;
- has not received or does not receive any 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 governing bodies;
- has not been a member of the State Corporation's Board of Directors for more than nine consecutive years.

When selecting candidates for independent directors, the above criteria were taken into account.

By the decision of the Sole Shareholder of the State Corporation dated April 25, 2022 (order № 137/NK) the following independent directors were elected for a new 3-year term: Z.Y. Balieva, E.N. Begimbetov, A.S. Naizabekova, I. Tallo.

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 May 20, 2022, which apply to legal relations arising since the election of Independent Directors.

Evaluation of the performance of the Board of Directors and its Committees

The Code and the Regulations on Performance Evaluation of the Board of Directors of the State Corporation and its Committees approved by the Board of Directors' resolution dated 27.11.2019. No. 01-01-02/05, provides for an annual assessment of the performance of the Board of Directors (hereinafter referred to as the Assessment). At least once every three years, the Assessment is conducted with the involvement of independent consultants.

According to the decision of the Board of Directors dated February 24, 2023 (Minutes No. 01-01-02/02) and in accordance with the schedule plan, the work on the Assessment was carried out, in which 7 out of 10 members of the Board of Directors participated.

The assessment for 2022 was performed by the self-assessment method by means of a questionnaire survey of all members of the Board of Directors, coordinated by the Corporate Secretary. The assessment covered the following criteria: general information and positioning, powers and competencies, implementation of key functions of the Board of Directors, structure and composition of the Board of Directors, working procedures and information support of its activities, duties and responsibilities.

The assessment in accordance with the best practice recommendations had the main objective to intensify the work of the Board of Directors, its Committees and personal involvement 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 of the effectiveness of the working activities of the Board of Directors revealed a score above 4.71 (practice in this area meets the standards, but there are some recommendations and suggestions), and the assessment of the 4 Committees' activities - 4.6 (the practice in this area meets the standards, but there are separate recommendations and suggestions), which is acceptable for the chosen organizational model and structure.

The results of the questionnaire survey revealed trust in the management of the Board of Directors and mutual respect for each other. Despite the presence of proposals and recommendations to be discussed and improved, it should be emphasized that no significant shortcomings were 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 can be characterized as constructive in most cases, and the activities of the Board of Directors and its Committees can be considered satisfactory.

The assessment showed that most aspects of the performance of the Board of Directors and its Committees for 2022 comply with the recommendations of corporate development practice.

The discussion of the Assessment results identified the following areas and directions for further improvement of the Board of Directors' activities:

- Enhancing activities in the area of control of the risk management system;
- control over the implementation of decisions taken by the Board of Directors through monitoring and provision of information at meetings;
- enhancing control by the Committees over the implementation of corrective action plans based on the results of audits;
- reviewing the goals and objectives of the Human Resources, Remuneration and Ethics Committee in order to consolidate in one Committee the consideration of issues related to appointments, terminations, salaries and remuneration of employees reporting to the Board of Directors, as well as the issues of applying a unified approach to the remuneration of employees reporting to the Board of Directors by reviewing the current remuneration practices.

Results of the work of the Board of Directors

The Board of Directors of the State Corporation operated in accordance with the Work Plan of the Board of Directors for 2022 (hereinafter referred to as the Plan) approved by the decision of the Board of Directors dated December 24, 2021 (Protocol No. 01-01-02/10). The Plan provided 35 issues for consideration. It should be noted that the Board of Directors considered an additional 42 issues beyond the Plan. In general, the activities of the Board of Directors on the Plan execution can be recognized as efficient, the Plan was executed by 100% on all items.

In 2022, the Board of Directors held 10 meetings, including 7 in-person meetings and 3 meetings held by absentee voting. The meetings of the Board of Directors were held in accordance with the Plan. Unscheduled meetings were organized and held at the request of the Sole Shareholder and the Board of Directors itself.

A total of 82 issues were submitted to the Board of Directors, 77 issues were considered, and 5 issues were removed from the agenda:

- 1) Approval of the KPI Maps of the Chairman and members of the Management Board of the State Corporation for 2022;
- 2) Appointment of the Auditor of the Internal Audit Service of the State Corporation, determination of his/her term of office and salary;
- 3) Consideration of information on activities and measures taken to implement the recommendations of the Internal Audit Service of the State Corporation based on the results of the audit for the 1st quarter of 2022, including measures taken on the issues of issuance of certificates and information discrepancies on land plots;
- 4) Bonus payment (remuneration) to O.B. Shokparov based on the results of work for 2018 in the position of the Chief of Staff - Member of the Board of the State Corporation.
- 5) Bonus payment (remuneration) to O.B. Shokparov based on the results of work for 2020 in the position of the Head of the Office of the Member of the Board of the State Corporation.

During the reporting period, the Board of Directors considered issues and made decisions:

• on financial reporting and planning - 7	9%
• of strategic nature - 6	8%
• on internal audit, risk management and control - 17	22%
• on the activities of the Ombudsman and compliance control - 8	10%
• Corporate Governance - 9	12%
• HR and remuneration - 18	23%
• on approval of internal documents - 12	16%

According to the results of consideration and issued instructions on 77 issues, 76 were executed, 1 is in progress (to the Board of the State Corporation (Abdildin S.T.) to develop and coordinate with the Compliance Control Service the action plan for implementation of the Policy of due diligence and comprehensive inspection of counterparties of the State Corporation).

Additional information on the 2022 resolutions of the Board of Directors and the Sole Shareholder is available on the State Corporation's website at <https://gov4c.kz/>.

It should be noted that the Code recommendations require minimizing the number of meetings of the Board of Directors held in absentia each year. This requirement is being fulfilled.

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

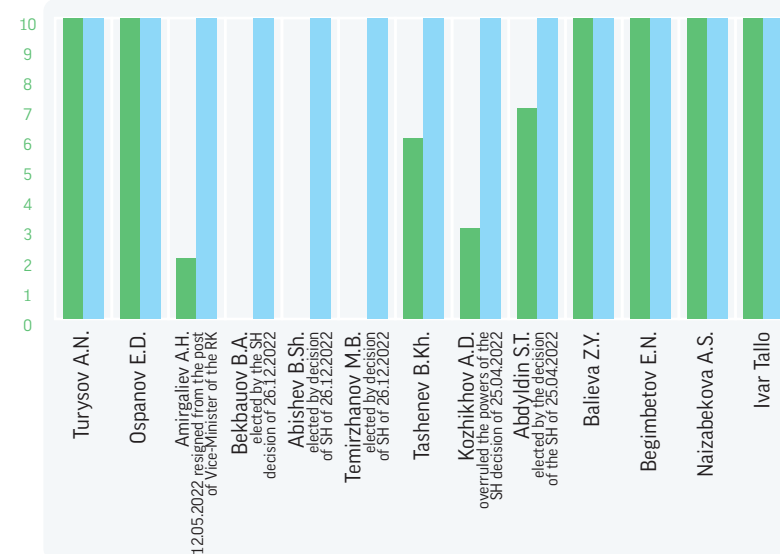
	Total	Inperson	in absentia
2020 Number of Meetings of the BoardOf Directors	6	4	2
Correlation, %	100	67	33
2020 Number of issues considered.	52	36	16
Correlation, %	100	69	31

	Total	Inperson	in absentia
2021 Number of Meetings of the BoardOf Directors	10	5	5
Correlation, %	100	50	50
2021 Number of issues considered.	69	48	21
Correlation, %	100	70	30

	Total	Inperson	in absentia
2021 Number of Meetings of the BoardOf Directors	10	7	3
Correlation, %	100	70	30
2022 Number of issues considered.	77	58	19
Correlation, %	100	75	25

Participation of members of the Board of Directors in meetings of the Board of Directors in 2022:

Correlation of the number of meetings and actual participation of the Board of Directors members in 2022



Note: attendance of each member of the Board of Directors at meetings during the reporting period, in percentage terms, is as follows: A.N. Turysov - 10 out of 10 (100%), E.D. Ospanov - 10 out of 10 (100%), A.H. Amirgaliev - 2 out of 10 (20%), B.A. Bekbauov - 0 out of 10 (0%), B.Sh. Abishev - 0 out of 10 (0%), M.B. Temirzhanov - 0 out of 10 (0%), B.H. Tashenev - 6 out of 10 (60%), A.G. Kozhikhov - 3 out of 10 (30%), S.T. Abdildin - 7 out of 10 (70%), Z.Y. Balieva - 10 out of 10 (100%), E.N. Begimbetov - 10 out of 10 (100%), Naizabekova A.S. - 10 out of 10 (100%), Ivar Tallo - 10 out of 10 (100%).

Reasons for absence: Bekbauov B.A., Abishev B.Sh., Temirzhanov M.B. were elected at the end of the year by the decision of the Sole Shareholder dated December 26, 2022, Amirgaliev A.H. was dismissed from the position of Vice-Minister of Justice of the Republic of Kazakhstan by the Resolution of the Government of the Republic of Kazakhstan № 296 dated May 12, 2022, Tashenev B.H. was absent due to his presence at a meeting in the Government of the Republic of Kazakhstan, business trip, vacation and illness.

In 2022, no conflicts of interest were recorded in the work of the Board of Directors.

Board of directors' committees

To assist the Board of Directors through preliminary review, analysis and development of recommendations on agenda items, 4 Committees operate: Strategic Planning Committee, Human Resources, Remuneration and Ethics Committee, Compliance and Risks Committee, Internal Audit Committee.

The activities of the said Committees are carried out in accordance with the Regulations on the Committees approved in new versions by resolution of the Board of Directors dated May 3, 2019 and February 26, 2019 (Protocol No. 01-01-02/01), as amended and approved by resolution of the Board of Directors dated December 24, 2020 (Protocol No. 01-01-02/06) and December 24, 2021 (Protocol No. 01-01-02/10).

The Committees are advisory and consultative bodies of the Board of Directors and all their decisions are recommendations on matters submitted to the Board of Directors.

The Committees' work contributes to the development of objective, balanced recommendations and helps improve the efficiency of decisions made by the Board of Directors. All members of the Committees have sufficient knowledge to conduct trainings and trainings with executives of the State Corporation and extensive experience, including practical experience. Both officers and employees of the State Corporation attend the meetings of the Committees upon the invitation of the Committee Chairman.

During 2022, due to personnel changes in the Board of Directors, the composition of the Committees was changed by the decision of the Board of Directors dated February 16, 2022 (Protocol No. 01-01-02/01), and the new members of the following Committees were approved by the decision of the Board of Directors dated May 20, 2022 (Protocol No. 01-01-02/04):

Internal Audit Committee:

Chairman

Begimbetov Ergali Nurlanovich

Member of the Committee

Baliyeva Zagipa Yakhyanovna

Member of the Committee

Ivar Tallo

Employee of the State Corporation - **Secretary of the Committee** (without voting rights).

Strategic Planning Committee:

Chairman

Ivar Tallo

Member of the Committee

Begimbetov Ergali Nurlanovich

Member of the Committee

Baliyeva Zagipa Yakhyanovna

Employee of the State Corporation - **Secretary of the Committee** (without voting rights).

Compliance and Risk Committee:

Chairman

Baliyeva Zagipa Yakhyanovna

Member of the Committee

Begimbetov Ergali Nurlanovich

Member of the Committee

Nayzabekova Akmaral Serikovna

Employee of the State Corporation - **Secretary of the Committee** (without voting rights).

Human Resources, Remuneration and Ethics Committee:

Chairman

Nayzabekova Akmaral Serikovna

Member of the Committee

Baliyeva Zagipa Yakhyanovna

Member of the Committee

Ivar Tallo

Employee of the State Corporation - **Secretary of the Committee** (without voting rights).

Internal Audit Committee

The Committee's work plan for 2022, approved by the Committee's decision of January 26, 2022 (Protocol No. 01-01-05/IAC-01), provides for consideration of 19 issues and holding 7 meetings, including 1 standby meeting.

In 2022, 9 meetings were held, at which 36 issues were considered.

Based on the results of the meetings, 82 recommendations and instructions were accepted and given, of which 81 were executed, 1 is pending (the deadline has not approached).

Attendance at Committee meetings in 2022:

Full name of the Committee member	Participation in meetings	Absence	Reason for absence
Yergali Nurlanovich Begimbetov Chairman of the Committee	8	1 (26.12.2022)	elected by the decision of the Sole Shareholder as a member of the Board of Directors from February 7, 2022
Baliyeva Zagipa Yakhyanova Committee Member	9	-	
Ivar Tallo Committee member	9	-	
Bektas Gafurovich Mukhamedjanov Chairman of the Committee	1	8	by the decision of the Sole Shareholder terminated his authority from February 7, 2022

The Committee's activities were consistent with the expectations and the list of functional responsibilities of the Internal Audit Committee set out in the Code, the Regulations on the Committee and decisions of the Board of Directors. The Committee's Work Plan for 2022 was fully implemented, all issues on the agendas of the meetings were considered in detail, balanced and thorough recommendations were made and accepted by the Board of Directors.

In general, during the reporting period, the Committee regularly supervised the activities of the Internal Audit Service, discussed the issues of staff turnover and selection of candidates for vacant positions in the Service, took measures to improve the quality and completeness of reports provided by the Service, and the Committee, taking into account the heavy load on the employees of the Internal Audit Service, initiated an increase in the number of staff of the Service to 7 units.

Taking into account the importance of the external audit, the Committee participated in the development of requirements for audit companies by working out the technical specification and determining the necessary requirements in terms of auditing in accordance with IFRS, held a meeting with the external auditor who audited the financial statements of the State Corporation for 2021. The issues of corporate governance were not ignored, and problematic issues of a systematic character were also brought up for discussion.

The Committee's work once again showed its strong performance and significantly improved the efficiency of the Board of Directors. In its turn, it had a positive impact on the State Corporation's activities, as well as a positive effect on improving the organization of business processes and enhancing the efficiency of the internal control system.

It should be noted that during 2022, the Chairman of the Committee personally, as a professional coach, conducted training sessions with the management staff of the Management Board ("Kaizen Philosophy" (Corporate Culture), " Map of Value Creation" (Theoretical and Practical Training)), which were positively perceived by the management and some elements were subsequently implemented in the activities of the State Corporation.

Strategic Planning Committee

The Committee's work plan for 2022 was approved by the Committee's decision of January 26, 2022 (Protocol No. 01-01-05/KCП-01), which provided for consideration by this Committee of about 10 issues and holding 7 meetings, including 1 reserve meeting.

During the reporting period, the Committee held 5 meetings, including 4 in person and 1 in absentia, where 14 issues were considered. As a result of consideration of issues, the Committee issued 17 recommendations and instructions, of which 16 were executed, 1 is in the process of execution (the deadline has not approached).

As part of its activities, the Committee issued recommendations on strategic, budget planning, on the placement of authorized shares, on the distribution of net income, on the report on the implementation of the development strategy, development plans, annual report on the activities of the State Corporation for the reporting period.

For 2022, the Committee fully accomplished its goals and objectives, performed its functions and duties in a timely and systematic manner in accordance with the Regulations and the Committee's Work Plan.

Attendance at Committee meetings in 2022:

Full name of the Committee member	Participation in meetings	Absence	Reason for absence
Ivar Tallo Chairman of the Committee	5	-	
Baliyeva Zagipa Yakhyanova Committee Member	5	-	
Begimbetov Ergali Nurlanovich Committee member	4	1 (26.01.2022)	elected by the decision of the Sole Shareholder as a member of the Board of Directors from February 7, 2022
Bektas Gafurovich Mukhamedjanov Chairman of the Committee	1	4	by the decision of the Sole Shareholder terminated his powers from February 7, 2022

Human Resources, Remuneration and Ethics Committee

The work plan of the Personnel, Remuneration and Ethics Committee for 2022 was approved by the decision of this Committee dated January 26, 2022 (Protocol No. 01-01-05/PREC-01), which provided for consideration of 13 issues and 7 meetings, including 1 reserve meeting.

In 2022, the Committee held 8 in-person meetings at which 35 issues were considered and recommendations were made to the Board of Directors. As a result of the review, 58 recommendations and instructions were adopted and given, all of which have been fulfilled to date.

It is worth noting the 100% participation of the Committee members at its meetings.

Attendance at Committee meetings in 2022:

Full name of the Committee member	Participation in meetings	Absence	Reason for absence
Akmaral Serikovna Naizabekova Chairman of the Committee	8	-	
Balieva Zagipa Yakhyanovna Committee Member	8	-	
Ivar Tallo Committee member	8	-	

The Committee's work was strictly guided by the State Corporation's Charter, the Code and the Regulations on the Committee. At the same time, the Board of Directors fully followed the recommendations made by the Committee, none of which were rejected by the Board of Directors.

In 2022, under the guidance of the said Committee, the performance of the Board of Directors and its Committees was assessed. Based on the results of the assessment, the Committee noted the areas requiring additional attention, with special attention paid to the issues of remuneration systems for the State Corporation's employees, determination of relevant key performance indicators for the Chairman and members of the Management Board, and their remuneration.

The Committee paid special attention to the issues of improving the system of remuneration and reimbursement of expenses of independent directors of the Board of Directors taking into account international practice and the practice of similar Kazakhstani companies, which made it possible to introduce amendments to the Rules of payment of remuneration and reimbursement of expenses to independent directors.

The Committee's work was focused on ensuring effective HR policy, social support, professional development and training of the State Corporation's employees. In addition, within the scope of its competence, the Committee considered the issues of forming key performance indicators for the Corporate Secretary, Ombudsman and employees of the Compliance Control Service of the State Corporation.

Thus, the Committee, through its work, provided maximum assistance to the work of the Board of Directors and fully accomplished the goals and objectives of the Committee, as well as fulfilling its Work Plan for 2022.

Compliance and Risk Committee

The Committee's work plan for 2022 was approved by the Committee's decision of January 26, 2022 (Minutes No. 01-01-05/CCR-01), which provided for consideration by this Committee of 4 issues and 3 meetings, including 1 reserve meeting.

During 2022, the Committee held 7 in-person meetings at which 16 issues were considered. Based on the results of consideration, 32 recommendations and instructions were given, of which 29 were executed and 3 are in the process of execution (deadlines have not approached).

Under the guidance of this Committee, the work on the implementation of the Compliance Control Service Work Plan for 2022 was carried out, the Compliance Control Rules and Policies were developed and agreed by this Committee and approved by the Board of Directors, and the Chairman of the Committee personally participated in numerous meetings of the management of the State Corporation regarding the implementation of the policies and detailed analysis of their assimilation by the heads of the State Corporation's branches.

In 2022, the Compliance and Risk Committee fully accomplished its goals and objectives, performed its functions and duties in a timely and systematic manner in accordance with the Regulations on the Committee and the Committee's Work Plan.

Attendance at Committee meetings in 2022:

Full name of the Committee member	Participation in meetings	Absence	Reason for absence
Balieva Zagipa Yakhyanovna Chairman of the Committee	7	-	
Nayzabekova Akmaral Serikovna Committee Member	7	-	
Begimbetov Ergali Nurlanovich Committee member	6	1 (26.01.2022)	elected by the decision of the Sole Shareholder as a member of the Board of Directors from February 7, 2022
Bektas Gafurovich Mukhamedjanov Chairman of the Committee	1	6	by the decision of the Sole Shareholder terminated his powers from February 7, 2022

Information on significant corporate events for 2022

Among the particularly significant corporate events for 2022 related to corporate governance, the main ones are as follows:

On January 13, 2022 by the decision of the Sole Shareholder early terminated the powers of the Chief of Staff - member of the Management Board Mūsan A.E. and appointed Kuatov K.K. to the position of the Chief of Staff - member of the Management Board (Order No. 1-Ж/К);

February 7, 2022 by the decision of the Sole Shareholder early terminated the powers of members of the Board of Directors Musin B.B., Mukhamedjanov B.G. and elected as members of the Board of Directors Turysov A.N. and Begimbetov E.N., independent director (order № 32/HK);

On February 16, 2022, by the decision of the Sole Shareholder, the auditing organization Crowe Audit Tani LLP was determined to audit the annual financial statements of the State Corporation for 2021 (Order No. 48/HK);

On March 5, 2022, by the decision of the Sole Shareholder, the number of authorized shares of the State Corporation was increased (Order No. 79/HK);

March 31, 2022 by the decision of the Sole Shareholder the authorities of the Deputy Chairman Zhumabekov S.L. were early terminated (order № 13-Ж/К);

April 7, 2022 by the decision of the Sole Shareholder the authorities of the Chairman of the Board Kozhikhov A.G. were early terminated and Abdildin S.T. was elected as the Chairman of the Board (order № 17-Ж/К);

On April 11, 2022 by the decision of the Board of Directors declared ordinary shares of the State Corporation in the amount of 4,909,404 shares (Protocol No. 01-01-02/04) were placed;

On April 18, 2022, by the decision of the Sole Shareholder, K.B. Dybyspaev was elected Deputy Chairman of the Board (Order No. 19-Ж/К);

On April 25, 2022 by the decision of the Sole Shareholder the Board of Directors were elected for a new three-year term (Order No. 137/HK);

On April 30, 2022, by the decision of the Sole Shareholder, A.M. Ibrayev was elected to the position of Deputy Chairman of the Management Board (Order No. 22/ЖК);

May 31, 2022 by the decision of the Sole Shareholder the annual financial statements and the order of distribution of net income of the State Corporation for 2021 were approved (order № 195/HK);

July 5, 2022 by the decision of the Sole Shareholder the powers of Deputy Chairman Zhunusov B.U. were dismissed ahead of schedule (order № 32-Ж/К);

July 18, 2022 amendments and additions to the Charter of the State Corporation were approved by the decision of the Sole Shareholder (order № 250/HK);

On July 25, 2022 by the decision of the Sole Shareholder G.A. Karkinbaev was elected to the position of Deputy Chairman of the Management Board (Order № 35-Ж/К);

On September 1, 2022, A.Sh. Tobaeva was elected Deputy Chairman of the Management Board by the decision of the Sole Shareholder (Order No. 306/NK);

September 12, 2022 by the decision of the Sole Shareholder the changes to the Rules of payment of remunerations and compensation of expenses to the members of the Board of Directors of the State Corporation were approved (Order № 321/NK);

November 18, 2022 by the decision of the Sole Shareholder the Charter of the State Corporation in a new version was approved (order № 448/HK);

December 26, 2022 by the decision of the Sole Shareholder the following members of the Board of Directors were elected to the Board of Directors: Bekbauov B.A., Temirzhanov M.B., Abishev B.Sh., and the powers of Amirgaliev A.H., a member of the Board of Directors, were early terminated (order №509/HK).

According to the legislation of the Republic of Kazakhstan, the State Corporation sent 18 types of information related to corporate events of the State Corporation and other events affecting the interests of the Sole Shareholder to the depository of financial statements for 2022.

List of major and related-party transactions concluded by the State Corporation in 2022.

No major transactions or transactions that are subject to the procedure for approval of major transactions by the Board of Directors in accordance with the Articles of Association of the State Corporation were made during the reporting period.

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 the Law, the Charter of the State Corporation, the Regulations on the Management Board and other internal documents of the State Corporation. The Management Board reports to the Board of Directors and manages current operational 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.

The main tasks of the Management Board are development of proposals on the State Corporation activity strategy, realization of financial and economic policy, development of decisions on the most important issues of its current economic activity and coordination of its subdivisions' work, increase of efficiency of control system and risk monitoring system, ensuring the rights and legitimate interests of the Sole Shareholder. The Management Board strives for the growth of long-term value and sustainable development of the State Corporation.

According to the Charter of the State Corporation, appointment, term of office and early dismissal of the Chairman and members of the Board are within the exclusive competence of the Sole Shareholder of the State Corporation.

The Board of the State Corporation as of December 31, 2022 consisted of 7 members. The composition of the Management Board has undergone changes in 2022. The turnover of the Management Board is presented in the table, with the term of office indicated as of December 31, 2022..

Board members in 2022 Term of membership of the board

up to 1 year

from 1 to 2 years

from 2 years to 4 years



FULL NAME	FULL NAME	Date of election	Termination date	Years
Kozhikhov A.G.	Chairman of the Board	08.11.2021	07.04.2022	1 year 3 months
Dybyspaev K.B.	Deputy Chairman of the Board	18.04.2022	active	9 months
Ibraev A.M.	Deputy Chairman of the Board	03.05.2022	active	8 months
Tobaeva A.Sh.	Deputy Chairman of the Board	01.09.2022	active	4 months
Zhunosov B.U.	Deputy Chairman of the Board	22.04.2019	05.07.2022	3 years 2 months
Abdildin S.T.	First Deputy Chairman of the Board	07.10.2020	active	2 years 3 months
	Chairman of the Board	07.04.2022		
Karkinbaev G.A.	Deputy Chairman of the Board	25.07.2022	active	6 months
Abakhanov N.B.	Deputy Chairman of the Board	07.10.2020	active	2 years 3 months
Musan A.E.	Chief of the Management Board Staff	05.03.2021	13.01.2021	10 months
Kuatov K.K.	Chief of the Management Board Staff	13.01.2021	active	12 months
Zhumabekov S.L.	Deputy Chairman of the Board	05.03.2021	31.03.2022	12 months

Information on members of the Board of the State Corporation



**Abdildin
Suyenish
Tuleukhanovich**

Chairman of the Board

Date of birth: 23.06.1990

Period of operation:

April 7, 2022 to present (from October 7, 2020 to April 6, 2022 as First Deputy Chairman of the Board)

Education:

2011 – 2011 Graduated from Kazakhstan-British Technical University specializing in Computer Science and Software

2014 – graduated from the University of Birmingham in the UK, Master of Computer Science

Level of authority and responsibility:

- Coordination and general management of activities of the State Corporation;
- issues of implementation of the state policy and coordination of spheres under the authority of the State Corporation;
- issues of international cooperation in the spheres under the authority of the State Corporation;
- personnel issues within the limits of authority in accordance with the Charter of the State Corporation and the legislation of the Republic of Kazakhstan;
- organization of implementation of decisions of the Sole Shareholder and the Board of Directors.

Citizenship: Republic of Kazakhstan



**Abakhanov
Nursultan
Bauetdenovich**

Deputy Chairman of the Board

Date of birth: 26.03.1983

Period of operation:

October 7, 2020 - to present

Education:

2004 – graduated from the Kazakh National University named after Al-Farabi, specializing in "World Economy"

2009 – International Academy of Business, specializing in "Corporate Management"

2010 – Almaty Institute of Economics and Law, specializing in "Law"

Level of authority and responsibility:

Ensuring the organization of financial and economic activities of the State Corporation.

Citizenship: Republic of Kazakhstan



**Dybyspaev
Kanat
Bolatzhanovich**

Deputy Chairman of the Board

Date of birth: 31.10.1977

Period of operation:

April 19, 2022 to the present

Education:

1999 – the Faculty of Physics and Mathematics of L.N. Gumilev Eurasian National University with a degree in Mathematics

Level of authority and responsibility:

Representing the interests and ensuring the performance of functions of the State Corporation on the issues of IT infrastructure and digitalization, as well as e-Otinish and Natizhe projects

Citizenship: Republic of Kazakhstan



**Ibraev
Askhat
Mertnaevich**

Deputy Chairman of the Board

Date of birth: 21.01.1981

Period of operation:

May 3, 2022 to present

Education:

2022 – graduated from Kostanai State University named after A. Baitursynov with a degree in Jurisprudence

Level of authority and responsibility:

- Representing the interests and ensuring the performance of functions of the State Corporation on issues of the funded pension system, solidarity system, compulsory social insurance and compulsory social health insurance systems, provision of information and consulting services in the social and labor sphere,
- as well as on issues of registration of rights and obligations on real estate and technical survey of real estate.

Citizenship: Republic of Kazakhstan

Information on members of the Board of the State Corporation



Karkinbaev Galym Abibullaevich

Deputy Chairman of the Board

Date of birth: 25.06.1963

Period of operation:

May 25, 2022 to present

Education:

1989 – graduated from the Kazakh Order of Red Banner of Labor Agricultural Institute with a degree in Agronomy

2003 – graduated from the Kazakh Economic University named after T. Ryskulov with a degree in Economics

Level of authority and responsibility:

Representation of interests and ensuring performance of functions of the State Corporation on the issues of formation of the policy of development of back-office works of the land cadastre, the Unified State Real Estate Cadastre, as well as state registration (re-registration) of legal entities being commercial organizations, state registration of termination of their activities, registration (re-registration) and deregistration of their branches and representative offices

Citizenship: Republic of Kazakhstan



Tobayeva Aynur Shorabekovna

Deputy Chairman of the Board

Date of birth: 23.09.1978

Period of operation:

September 2, 2022 to present

Education:

2000 Kyzylorda State University named after Korkyt Ata, specializing in "Teacher of Law and Economics"

2003 graduated from the Kazakh Humanitarian-Legal University with a degree in Jurisprudence

Level of authority and responsibility:

Representing the interests and ensuring the performance of functions of the State Corporation on the issues of optimization and improvement of business processes for public services, coordination of service development, quality and control of public services, Single Contact Center, Operations Department.

Citizenship: Republic of Kazakhstan



Kuatov Kuandyk Kuatovich

Deputy Chairman of the Management Board

Date of birth: 03.12.1982

Period of operation:

January 13, 2022 to May 4, 2023.

Education:

2004 – the Kazakh State Law University with a degree in Law

2006 – graduated from the Kazakh Institute of Law and International Relations with a degree in Finance and Credit

Level of authority and responsibility:

Organization of legal, administrative and economic activities, control-organizational and documentary support, asset management and commercial service, occupational health and safety, general management in the field of public procurement of the State Corporation.

Citizenship: Republic of Kazakhstan

During the reporting period, the Management Board held 52 meetings, including :

- 20 – meetings in person
- 32 – meetings in absentia

which 194 issues were considered.(2021 - 55 meetings, of which 29 in person and 26 in absentia, 172 issues considered).

Meetings of the Management Board are held according to the schedule, where issues of ensuring the activities of the State Corporation were considered(issues of structure, remuneration, approval of internal documents, reporting information, etc.).

According to the results of the review, the Board confirmed 48 agenda items:

- approved -138
- noted -2
- sent for revision -4
- rejected -1
- left without consideration -1

Compared to 2021, the number of meetings decreased by 6%, the number of addressed issues increased by 12%, absentee meetings also prevail over in-person meetings

Remuneration policy for members of the Board of Directors

The State Corporation bears expenses related to the activities of the Board of Directors, including reimbursement to the members of the Board of Directors of all documented expenses related to the performance of their functions.

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

The terms and procedure for payment of remuneration and reimbursement of expenses to the members of the Board of Directors are determined by the Remuneration and Expense Reimbursement Rules for the members of the Board of Directors approved by the decision of the Sole Shareholder dated October 4, 2019 (Order No. 262/nk) (hereinafter referred to as the Rules).

The provisions of the Rules regulating the payment of remuneration do not apply to members of the Board of Directors who are public officials and employees of the State Corporation (subparagraph 2.2 of paragraph 2 of the Rules).

Only independent directors are remunerated in this way. In accordance with the applied corporate governance practices, the State Corporation uses the following as the main forms of remuneration:

- 1) the main remuneration for participation in one meeting of the Board of Directors is set in the amount of 830,000 (eight hundred thirty thousand) Tenge. This remuneration shall be paid to an independent director for his/her participation at in-person and absentee meetings of the Board of Directors;
- 2) additional remuneration for participation in one meeting of the Committee of the Board of Directors as the Chairman of the Committee is set at 58,000 (fifty-eight thousand) tenge.

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

In addition, the State Corporation reimburses 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 meetings of the Committees and the Board of Directors in person and in absentia, including travel expenses to the place of residence or preferential stay, accommodation expenses and daily expenses.

However, in the reporting year, in order to improve the efficiency of the State Corporation and the level of qualification of executives by organizing and conducting in-person training courses, seminars and other events by independent directors, the decision of the Sole Shareholder dated September 12, 2022 (Order No. 321/N/K) introduced amendments to the above Rules in terms of increasing the annual amount of the main remuneration to independent directors from 5 million to 6 million, as well as expanding the list of events, compensation for which independent directors are compensated.

The Sole Shareholder may decide to refuse to compensate the expenses of the Board of Directors members, if it is established that the actions of these independent directors were not related to the performance of their functions as a member of the Board of Directors of the State Corporation or resulted in negative consequences for the State Corporation.

Remuneration is paid to independent directors if they fulfill the following requirements:

- 1) diligent fulfillment of duties of a member of the Board of Directors provided by the RK legislation, the Charter, other internal documents of the State Corporation and the contract concluded with the Director;
- 2) compliance with the RK legislation, Charter and other internal documents of the State Corporation, as well as decisions of the Sole Shareholder while making decisions;
- 3) participation at meetings of the Board of Directors and its Committees, complete and timely expression of his/her opinion on agenda issues in accordance with the established procedure.

In 2022, the amount of remuneration paid to the independent directors of the State Corporation amounted 24,574,000 tenge, of which the basic remuneration amounted to 23,240,000 tenge, additional remuneration -1,334,000 tenge, taxes and payments - 2,318,668 tenge.

Compensation of expenses paid to independent directors for the reporting period amounted to 1,303,787 tenge.

So the total expenses related to the activities of the members of the Board of Directors-independent directors of the State Corporation for 2022, including all taxes and payments, amounted to 28,196,475 tenge.

Independent Directors are not paid remuneration in the form of shares, and no other benefits are provided.

Remuneration policy for members of the Board

Information on remuneration of the Management Board members, terms and procedure of remuneration of the State Corporation Management Board members are determined by the Regulations on the Management Board, Rules of remuneration of executive employees, employees of the Internal Audit Service and the Corporate Secretary of the State Corporation, Rules of performance evaluation and remuneration of executive employees 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 salaries, terms of remuneration and remuneration of the Chairman and members of the Management Board. The main condition for remuneration payment is the availability of consolidated final profit for the reporting year.

Remuneration is paid based on the results of work over the year depending on the realization of motivational key performance indicators (hereinafter - KPIs), consisting of corporate and functional indicators, which are approved by the Board of Directors. Motivational KPIs are developed in the form of a KPI map by cascading the expectations of the Sole Shareholder and strategic goals of the State Corporation into specific indicators. At the same time, the total annual amount of bonuses based on the results of the year shall not exceed 6 official salaries for each member of the Board within the limits of the Labor Remuneration Fund. The results of the assessment affect the amount of remuneration, encouragement, re-election (appointment) or early dismissal.

According to the decision of the Board of Directors dated July 21, 2023 (Protocol No. 01-01-02/04), the total amount of remuneration to the Chairman and members of the Management Board based on the results of KPIs for 2022 was 41,999,472 tenge.

The State Corporation reveals information on the amount of remuneration of the members of the Board of Directors and the Management Board to all interested parties in accordance with the laws of the Republic of Kazakhstan.

Ombudsman

The Ombudsman of the State Corporation is appointed by the Board of Directors and reports to it annually on the results of work. The activities of the Ombudsman in 2022 were carried out in accordance with the Ombudsman Work Plan approved by the decision of the Board of Directors of the State Corporation dated December 24, 2021 (Protocol No. 01-01-02/10).

During the reporting period, the Ombudsman carried out the following work.

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

In 2022, the state of corporate culture in the State Corporation was monitored by the Ombudsman through systematic telephone conversations with a certain range of management personnel, with local employees, in-person receptions, and meetings with labor collectives during trips to the regions.

Zonal meetings with branches were held with the participation of about 400 people, 7 trips to the regions were made. During the visits 43 meetings with labor collectives of front and back offices were attended and held, covering 1,320 people, as well as with service recipients and youth. At the meetings in the collectives of the State Corporation, the emerging problematic issues of social and labor nature were discussed, and specific measures were taken on site to address personal issues and problems within the competence of the management of the branches.

Issues within the competence of the State Corporation Board Office, relevant ministries, which require study, have been brought to the management of the appropriate bodies and individual deputies of the Majilis of the Parliament.

During visits to the regions, the Ombudsman received employees on personal issues and took measures to resolve them promptly or gave appropriate explanations.

On a regular basis, the Ombudsman handled written and oral appeals from both employees of the State Corporation and citizens, studying appeals in social networks, as well as personal receptions.

During 2022, the Ombudsman received 18 written appeals and 53 oral statements. Of the 18 written appeals, 2 were collective and anonymous.

In the verbal appeals of employees, the most urgent problematic issues are low wages, uncertain status of employees of the State Corporation, and lack of a social package.

Citizens in oral appeals were concerned about the quality of public services, obtaining EDS, certificates of criminal record, delayed issuance of passports for children, execution of documents on redevelopment of apartments, recovery of lost documents (birth certificates), etc.

For all received appeals, appropriate work was done, explanations were given, answers were sent, and negotiations were held with interested parties. No repeated complaints were received.

Regarding the settlement of labor disputes, conflicts of interest and assistance in resolving problematic social and labor issues:

During visits to branches of the State Corporation, the Ombudsman held meetings with employees, clarified the main problems faced by employees of the State Corporation, and outlined solutions.

In order to fulfill the personal instruction of the Minister of Digital Development, Innovation and Aerospace Industry B.B. Musin to identify families in need of assistance, children of employees of the State Corporation, a list of families with seriously ill children was formed and sent to the Chairman of the Public Social Fund "Kazakhstan Khalkyna" B.B. Zhamishev to consider the issue of providing targeted assistance. The list included 285 people, almost 2% of the total number of employees of the State Corporation. From the list 151 children are categorized as "children with severe, rare diseases and disabilities" and 34 children fell under the category of "families with children, whose living conditions do not meet the minimum standards of income and housing conditions".

The list was also submitted to the Trade Union of the State Corporation and the Personnel Service of the State Corporation.

In direction of work with mass media:

During the year, the Ombudsman took part in the live broadcast of the Central Communications Service, in 2 programs "История" and "Oyan" on "Khabar" channel.

Live broadcast with the journalist of Kazradio held a conversation on the topic "Цифрландыру: жетістіктерімен мәселелері".

When visiting the regions, the Ombudsman initiated participation in live broadcasting on television programs in 2 regions on issues of rendering public services by workers of the State Corporation: TV channels "Rika TV" in Aktobe and "First Studio" in Kokshetau.

The Ombudsman organized and held several interviews and provided answers to questions from journalists of regional TV and print media about the activities of the State Corporation and its employees.

During the year, the Ombudsman actively used social networks to publicize the activities of the State Corporation employees and the necessity of their support.

Compliance control

The State Corporation contributes to the fight against corruption and assumes additional obligations in the field of prevention and avoidance 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 the decision of the Board of Directors in May 2021. The CCS activities are carried out in accordance with the work plan for the relevant year and are governed by the Regulations on the CCS.

In order to form effective mechanisms for identifying and analyzing corruption risk areas, to ensure 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 following internal regulatory documents in the field of compliance: the Policy on Combating Corruption and Fraud, Proactive Reporting of the State Corporation, the Policy on Prevention and Settlement of Conflict of Interest, the Policy in the field of Compliance, the Policy in the field of Prevention and Settlement of Conflict of Interest, and the Policy in the field of Compliance.

On a quarterly basis, the Sole Shareholder - MDDIAI is provided with reports on the work done in terms of combating corruption for further submission to the Agency for Counteraction of Corruption of the Republic of Kazakhstan.

The CCS reviewed 52 appeals received via e-mail at compliance.control@gov4c.kz as part of the operation of the unified router for employee and citizen appeals about committed or impending offenses in the area of corruption and fraud, as well as violations of ethical standards of behavior. As a result, disciplinary action was taken against two employees, as well as explanatory discussions and proposals to eliminate technical errors.

In 2022, the CCS conducted analyses of corruption and financial fraud risks in the areas of human resources and personnel management, as well as in the area of public procurement, based on the results of which inherent risks in this area were identified. Details of the analytical reports are available on the State Corporation's website at <https://gov4c.kz/ru/about/antikorrupsionnye-mery/>.

In the rapidly changing environment of the public and quasi-public sector, the topic of conflict of interest will always remain relevant. Therefore, the State Corporation pays great attention to the implementation of the Conflict of Interest Prevention and Resolution Policy, which is part of the compliance risk management system. The Policy was approved by the decision of the Board of Directors dated June 29, 2022. The Policy provides for the procedure of information disclosure, notification of conflicts of interest, their prevention and settlement. In addition, the State Corporation has the Rules for Settlement of Corporate Conflicts. The Rules establish the procedure and procedures for prevention and settlement of corporate conflicts, their timely prevention, as well as determining the actions of the State Corporation bodies in case of occurrence or possibility of occurrence of a corporate conflict. As a result of the Policy implementation, at the end of 2022, the CCM identified 12 conflicts of interest in the activities of the State Corporation employees and other violations of information disclosure requirements, which were timely resolved and eliminated.

As a preventive measure to reduce and mitigate corruption and fraud risks, as well as to introduce and effectively implement Compliance Policies, the CCS has done a lot of work to familiarize and train the State Corporation's employees on the Policies, followed by testing. More than 90% of employees were familiarized with the Policies and about 80% were tested.

Based on the results of work for 2022, the CCS has set relevant goals and objectives for 2023.

Internal audit

The Internal Audit Service (hereinafter - IAS) is a body of the State Corporation that monitors financial and economic activities, assesses internal control, risk management, execution of corporate governance documents, and provides advice to improve the State Corporation's operations. The IAS is directly subordinate to the Board of Directors and reports to it on its work. The IAS is supervised by the Internal Audit Committee. In carrying out its activities, the IAS is guided by the laws of the Republic of Kazakhstan, the Charter, decisions of the bodies of the State Corporation, the Regulations on the IAS, the annual audit plan approved by the Board of Directors, other internal documents of the State Corporation and the basic principles of the International Professional Standards for Internal Auditing.

In 2022, the IAS completed all 11 planned audit assignments stipulated by the Annual Audit Plan for 2022 approved by the decision of the Board of Directors dated December 24, 2021 (Protocol No. 01-01-02/10). The audit covered such key business processes as human resource management and competence development, procurement, administrative and economic activities, formation and execution of the Development Strategy and Development Plan, registration of real estate rights and technical survey of real estate, land surveying and land cadastral works, pension and social payments, and also assessed the effectiveness of risk management and internal control systems in the State Corporation.

Based on the results of completed audit assignments, the IAS issued relevant recommendations and ensured that the audited entities adopted Corrective Action Plans, the implementation of which is monitored 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 IAS activities are submitted to the Board of Directors on a quarterly basis.

Risk management and internal control

The State Corporation responsibly approaches risk management as a set of factors that can affect strategic and operational performance. The State Corporation has a risk management and internal control system (hereinafter referred to as RMS and ICS) in place. Risk management and internal control tools are used in making managerial and production decisions, which significantly increase the degree of integration of risk management and internal control with business processes and the general corporate strategy of the State Corporation.

In risk management and internal control activities, the State Corporation uses the International Standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) "Risk Management of Organizations. Integrated Model" (2016), "Internal Control - Integrated Framework" (2013) and internal regulatory documents of the State Corporation - Risk Management Policy, Internal Control System Policy, Business Process Management Policy, Quality Policy, Rules for Risk Management and Rules for Organization of the Internal Control System.

The following key events took place in the risk management system during the reporting period:

- 3 meetings of the Risk Management Committee under the Management Board of the State Corporation were held, for preliminary discussion of the issues on RMS and ICS for their subsequent consideration by the Management Board and the Board of Directors;
- The Management Board of the State Corporation approved the Development Program of the State Corporation's corporate risk management system for 2023-2026, the Risk Register and Risk Map, and the Action Plan for minimizing key risks for 2022;
- in August 2022, the Project Office was established by merging the Risk Management Department and the Project Management Department in order to develop the applied component of the RMS and ICS through the implemented tools of procedural and project approaches to improve the efficiency of the State Corporation's activities;
- The Risk Management Department / Project Office prepared 205 opinions on the presence / absence of risks on the agenda items of the Management Board meetings;
- in accordance with subparagraph 4 of paragraph 2 of the decision of the Compliance and Risk Committee of the Board of Directors of the State Corporation dated July 12, 2022, No. 01-01-05/ KKP-04, together with the risk coordinators of the branches, an inspection was carried out and background information was prepared on the state of fire and technical safety, as well as the safety of archival documents in the sphere of land cadastre and real estate registration;
- The State Corporation's Board of Directors reviewed and approved reports on the current status of the State Corporation's risk management process for the second half of 2021 and the first half of 2022.

Reports on the current status of the risk management process are provided to the Management Board and the Board of Directors on an ongoing basis. Monitoring of fulfillment of recommendations of the Internal Audit Service and the Accounts Committee on control over execution of the Republican budget is regularly carried out. Based on the results of monitoring, reports on the implementation of recommendations of the Accounts Committee and the IAS, formed in Corrective Action Plans (hereinafter - CAP) were provided. 20 CAPs based on the results of the audit conducted by the IAS are in the process of implementation. They provide for 657 recommendations, of which 373 recommendations have been implemented; the rest are in the process of implementation.

Risk coordinators of structural subdivisions of the Management Board and branches quarterly analyzed and assessed potential risks, including key risks, and developed measures to minimize them. The report was sent to the Project Office. Work on analyzing the reports was carried out within the Register and Risk Map for 2022.

The Register and Risk Map consists of two sections:

1. Base register, risk map (operational, financial, strategic, reputational, corruption, legal, force majeure risks);
2. Register and risk map in the context of problematic public services (strategic and corruption risks).

For 2022, 4,988 potential risks were identified, 1,419 were realized. 9 key risks experienced risk migration during the year, of which 8 risks migrated from the red zone to the yellow zone;

Top five risks most commonly identified in directional reports:

- 1) technical failures of information systems under the trust management of the State Corporation (IIS TSON, State Database Real Estate Register);
- 2) increase in violations of processing time caused by front-office employees; 3) under-equipment with fixed assets and inventory necessary for rendering public services;
- 4) impossibility to carry out the activities of the State Corporation under force majeure circumstances;
- 5) increase of overdue, doubtful and bad receivables.

During the reporting year, the automation of the risk management and internal control process was started on the BPM platform.

Risk management is a key component of the corporate governance system for achieving the strategic and operational goals of the State Corporation. Therefore, considerable importance is attached to the development of risk culture of employees. In this regard, training is provided on the main elements of the risk management system for all levels of the State Corporation's organizational structure. So, in Astana, business trainers conducted 2 trainings on business process management for members of the Management Board, directors of branches and heads of key structural subdivisions of the Management Board. Employees of the Project Office conducted offline and on-line trainings in structural subdivisions of the Management Board and branches of the State Corporation during the year. Training for risk coordinators was conducted in accordance with the Risk Management Training Plan for risk coordinators of the Management Board apparatus and branches of the State Corporation for 2022. Competence of risk managers was improved through professional certification. Two employees were trained at the Institute for Strategic Risk Analysis in Moscow. One employee successfully passed the international professional exam ISO 31000 Risk Management Professional C31000 and received a certificate.

FINANCIAL REPORT

- 16. Information on the external auditor for 2018-2022
- 17. Financial and economic indices



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", Rules of Accounting dated May 31, 2015 № 241, 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 ("IASB") and interpretations issued by the IASB's International Financial Reporting Standards Interpretations Committee. The financial statements have been prepared based on the original cost basis of accounting, except for financial instruments carried at valuation or fair value at the date of recognition.

The statements include all assets, liabilities, capital, 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).

Report on financial position

in thousand KZT

ASSETS

Long-term assets	Notes.	2022	2021
Fixed assets	5	34 133 393	26 892 815
Intangible assets	6	2 532 213	1 357 769
Assets in the form of right of use		-	789
Investments in bonds	7	2 342 719	2 070 602
Deferred tax assets		-	-
Other non-current assets		1 351	1 857
Total long-term assets		39 009 676	30 323 832

Current assets	Notes.	2022	2021
Stocks	8	1 280 839	1 289 497
Trade and other receivables	9	2 020 595	927 215
Prepayment of income tax		715 207	149 369
Other current assets	10	313 670	151 803
Bank deposits	11	3 057 656	1 415 421
Cash and cash equivalents	12	15 616 778	21 708 619
Total current assets		23 004 745	25 641 924

TOTAL ASSETS **62 014 421** **55 965 756**

EQUITY AND OBLIGATIONS

Equity	Notes.	2022	2021
Authorized capital	13	40 377 176	34 623 109
Retained earnings		5 412 502	4 729 747
Total		45 789 678	39 352 856

Long-term obligations	Notes.	2022	2021
Lease obligations		-	849
Deferred tax obligations	25	598 104	90 650
Total long-term obligations		598 104	91 499

Current obligations	Notes.	2022	2021
Employee compensation obligations	14	4 821 463	4 517 016
Trade and other payables	15	1 663 420	2 466 007
Obligations under contracts with buyers	16	5 805 073	5 366 963
Accounts payable of the shareholder	13	-	844 633
VAT payable		1 753 719	2 007 140
Other current obligations	17	1 582 964	1 319 612
Total current obligations		15 626 639	16 521 401

Total capital and obligations **62 014 421** **55 965 756**

Report on comprehensive income

in thousand KZT

COMPREHENSIVE INCOME

	Note.	2022	2021
Revenue	18	82 025 005	78 618 101
Rental income		368 568	409 181
Cost of services rendered	19	(71 124 978)	(65 416 096)
Gross profit		11 268 595	13 611 186
General and administrative expenses	20	(12 041 393)	(10 170 393)
Other operating income	21	1 535 233	399 779
Other operating expenses	22	(113 089)	(211 528)
Operating income		649 346	3 629 044
Recovery/(Accrual) of expected credit losses, net	23	(260 197)	260 805
Financial income	24	928 603	806 571
Financial costs		(577)	(1 624)
Profit/(loss) before taxation		1 317 175	4 694 796
Income tax expense	25	(634 420)	(880 261)
Net profit/(loss) for the reporting year		682 755	3 814 535
Other comprehensive income for the year		-	-
Total comprehensive income for the reporting year		682 755	3 814 535

Cash flow statement

in thousands tenge

Cash flows from operating activities	Notes.	2022	2021
Profit before tax		1 317 175	4 694 796
Adjustments:			
Depreciation and amortization		2 969 961	2 531 387
Financial income		(928 603)	(806 571)
Financial expenses		577	1 624
Loss on disposal of fixed assets		(9 618)	142 070
Accrual of expected credit losses		(260 197)	(260 805)
Accrual of reserves for vacations and bonuses to employees		6 646 006	5 218 635
Income from gratuitously received assets		14 252	(170 130)
Other reserves and accrued obligations		6 293	12 108
Operating profit before working capital adjustments		10 276 240	11 363 114
Operating profit before working capital adjustments			
Change in inventory		8 658	302 047
Change in trade receivables and other current assets		(1 534 195)	(280 339)
Change in employee compensation obligations		(6 341 559)	(5 371 803)
Change in trade and other payables and other current liabilities		(559 780)	479 324
Change in liabilities under contracts with buyers		455 660	1 404 563
Change in VAT payable		(253 421)	1 144 767
Net cash flows from operating activities		2 051 603	9 041 673
Income tax paid		(692 804)	(401 592)
Remuneration received		600 112	485 316
Rental fees paid		(667)	(1 624)
Net cash flows from operating activities		1 958 244	9 123 773

Cash flows from investing activities	Notes.	2022	2021
(Placement)/withdrawal of bank deposits, net		(1 570 896)	(269 593)
Acquisition of fixed assets and intangible assets		(6 543 463)	(2 795 868)
Proceeds from the sale of fixed assets and intangible assets		77 602	177 729
Change in other long-term financial assets		506	506
Net cash flows (used in) /received from investing activities		(8 036 351)	(2 348 040)
Repayment of obligations on the main lease debt		(5 725)	(12 344)
Net cash flows used in financing activities		(5 725)	(12 344)
Net change in cash and cash equivalents		6 083 832	6 763 389
Change in the reserve of expected credit losses	22	(8 009)	(2 491)
Cash and cash equivalents at the beginning of the year	11	21 708 619	14 947 721
Cash and cash equivalents at the end of the year	11	15 616 778	21 708 619

Statement of changes in equity capital

In thousands tenge

	Authorized capital	Retained earnings	Total equity capital
January 1, 2021	31 579 946	915 212	32 495 158
Net profit for the reporting year	-	3 814 535	3 814 535
Contribution to share capital	3 043 163	-	3 043 163
Other comprehensive income	-	-	-
December 31, 2021	34 623 109	4 729 747	39 352 856
January 1, 2022	34 623 109	4 729 747	39 352 856
Net profit for the reporting year	-	682 755	682 755
Contribution to share capital	5 754 067	-	-
Other comprehensive income	-	-	-
December 31, 2021	40 377 176	5 412 502	45 789 678

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

According to the contract on procurement of financial statement audit services for review of consolidated financial statements for the period from January 1 to December 31 of the financial year and audit of annual financial statements in accordance with IFRS, an external auditor - Crowe Audit Tani LLP was engaged.

According to the independent auditor's report, these financial statements fairly present, in all material respects, the financial position of the State Corporation as of December 31, 2022, and its financial performance and cash flows for the year then ended in accordance with IFRS.

The annual financial statements of the State Corporation for 2022 were pre-approved by the decision of the Board of Directors dated 22.05.2023. No. 01-01-02/03, approved by the order of the Minister of the DDIAI No. 197/HK of June 20, 2023 and posted on the official Internet resource of the State Corporation gov4c.kz. in the section "About the Corporation. Reporting".

Information about the external auditor for 2018-2022

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 1) 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.

Audit of financial statements for 2022 was conducted by SFAI Kazakhstan LLP. The amount of remuneration paid to SFAI Kazakhstan LLP for services on audit of financial statements amounted to 23 520 thousand tenge including VAT. SFAI Kazakhstan LLP did not provide services not related to the audit of financial statements and other information in 2022.

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. Crowe Audit 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. Crowe Audit 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.

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



GOV4C

ANNUAL REPORT

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