



**KASE GROUP SUSTAINABLE
DEVELOPMENT REPORT**

2024





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01

ADDRESS BY THE CHAIRPERSON OF THE BOARD OF DIRECTORS

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2024 has become an important stage in shaping the sustainable development agenda under the influence of geopolitical factors, technological breakthroughs and environmental challenges.

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Dear colleagues, partners and market participants!

2024 has become an important stage in shaping the sustainable development agenda under the influence of geopolitical factors, technological breakthroughs and environmental challenges.

Important initiatives, such as development of ESG reporting standards, tightening the requirements to disclosure of climate risks and strengthening the regulation in sustainable investment, have an impact on business processes of exchange institutions worldwide. The Republic of Kazakhstan, being a part of the global economy, does not remain aloof from these processes. Kazakhstan continues to develop an institutional framework for development of a comprehensive approach to sustainable development. Along with that, efforts to implement international ESG standards, develop a market for sustainable financial instruments and integrate principles of responsible investment play an important role in transformation of the financial sector.

For many years, KASE has remained a flagship in the field of ESG initiatives in the capital market of Kazakhstan, embodying a commitment to the principles of sustainable development and environmental responsibility. It was the Exchange platform that launched the first green bonds in the country, introduced requirements for disclosure of non-financial reporting for listed companies, held educational events and trainings for market participants, and organized the first international ESG conference for financial market participants. Amid growing challenges, KASE continues to integrate sustainable development principles into its strategy and operations, supporting long-term financial stability and competitiveness of the capital market.

We face an ambitious task – to form a sustainable financial market capable of effective responding to the challenges of the time and supporting Kazakhstan on the path to a sustainable future. KASE remains committed to its mission – to promote development of a transparent, responsible and competitive capital market.

We thank our partners, issuers, investors and all market participants for their support and joint efforts to create a more sustainable financial future. Together we will be able to successfully implement new initiatives that contribute to sustainable economic growth and prosperity of Kazakhstan.

Aliya Moldabekova
Chairperson of the Board of Directors

02 ADDRESS BY CHAIRPERSON OF THE MANAGEMENT BOARD

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Integration of ESG approaches has become an integral part of KASE's strategic management and interaction with the market. This approach has allowed the Exchange not only to comply with international standards, but also to have a real impact on development of corporate responsibility in the country.

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Dear colleagues, partners and market participants!!

Sustainable development and responsible financing have always been among priorities of the Kazakhstan Stock Exchange. Even before the ESG agenda became a national benchmark, KASE consistently formed a basis for implementation of the principles of transparency, sustainability and long-term value in the financial market of Kazakhstan.

Since 2015, KASE Group has been systematically developing the ESG direction, contributing to formation of the regulatory framework, raising awareness of market participants and creating new opportunities to finance sustainable projects. During this time, the Exchange has established itself as a key platform for promotion of standards for disclosure of non-financial information and sustainable financing, strengthening Kazakhstan's position in the international arena of sustainable development.

Integration of ESG approaches has become an integral part of KASE's strategic management and interaction with the market. This approach has allowed the Exchange not only to comply with international standards, but also to have a real impact on development of corporate responsibility in the country.

2024 was a landmark year for development of the ESG market in Kazakhstan. In 2024, record 10 ESG bond issues worth 549 billion KZT were registered on KASE, including 436 billion KZT placed ones.

Overall, for a period of five years, since 2020, 28 ESG bond issues have been registered on the Exchange platform (5 of which have already been redeemed) with a total volume of 760.4 billion KZT. Issuing companies – from the largest representatives of the quasi-public sector to small and medium-sized businesses, banks and microfinance organizations – raised more than 606 billion KZT to implement environmental and social initiatives. This indicates maturity of the infrastructure and growing trust in sustainable financing instruments.

In 2024, the Board of Directors of the Exchange approved a new Development Strategy for 2025-2027. It consolidates mission of the Group – to develop the exchange infrastructure as a guarantor of transparency, reliability and efficiency of the country's financial system.

Within implementation of strategic priorities in ESG, in 2024, KASE Group approved an updated Sustainable Development Policy that reflected modern challenges and stakeholder expectations. A Roadmap for integration of sustainability principles into key business processes was also developed and a Sustainable Development Working Group was created with its task to coordinate and promote ESG initiatives within KASE Group.

A significant event was KASE joining the Net Zero Financial Services Providers Alliance in November 2024. This step underscores our commitment to the global transition to a carbon-neutral economy and strengthening the sustainable financial infrastructure. One of the key areas of our work within the Alliance will be development of tools and standards for transparent disclosure of carbon emissions data, promotion of ESG financing and reduction of our own carbon footprint.

KASE Group continues its efforts to raise awareness of ESG standards and responsible finance principles among participants of the financial market and a wider range of companies. In March 2024, the KASE platform hosted the opening ceremony of trading dedicated to gender equality, Ring the Bell for Gender Equality, for the seventh time. And in November, the Exchange held the first Ring the Bell for Climate, a ceremony in support of the global fight against climate change, which included a discussion of the role of carbon markets in effective climate transformation.

We are convinced that promoting the ESG principles is not only our responsibility, but also an opportunity for sustainable growth of the entire economy. Support to companies in their ESG transformations is an important part of KASE's mission, and our contribution to the sustainable development agenda is reflected in this report.

2024 results are inspiring. I sincerely thank all stakeholders for their involvement, cooperation and trust. Your active position makes a sustainable future for the stock market of Kazakhstan possible!

Adil Mukhamejanov

Chairperson of the Management Board of KASE

03 KEY EVENTS AND RESULTS IN SUSTAINABLE DEVELOPMENT IN 2024

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|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 01 10 new ESG bond issues | 09 More than 20 training events were held for market participants |
| 02 548 billion KZT – announced volume of ESG bonds | 10 A ceremonial opening of trading in support of gender equality was held – Ring the Bell for Gender Equality |
| 03 436 billion KZT – placed volume of ESG bonds | 11 A ceremonial opening of trading in support of the fight against climate change was held – Ring the Bell for Climate |
| 04 The Exchange began to calculate and publish ESG bond indices | 12 An annual competition of annual reports was held |
| 05 A new KASE Group Development Strategy for 2025-2027 was approved, which includes further development of ESG initiatives | 13 An annual competition of retail investors was held |
| 06 Updating the KASE Group Sustainable Development Policy | 14 The “Exchange Simulator” competition was held |
| 07 Percentage of women in mid-level management positions is 56%, percentage of women in the Management Board is 40%, the Board of Directors is 33% | 15 The Exchange organized a football tournament “KASE Cup” for financial sector companies |
| 08 The Exchange joined GFANZ alliance, the largest financial alliance of organizations striving to achieve carbon neutrality goals | 16 KASE Group employees organized traditional festive events for Children’s Day for patients of the Scientific Center of Pediatrics and Pediatric Surgery in Almaty |



Approach to preparation and boundaries of reporting

This report is another Sustainability Report (hereinafter referred to as the Report). The Report is a part of the annual report of KASE Group and it contains information about sustainable development practices of KASE Group in the calendar year ended December 31, 2024.

The 2024 annual report contains information about strategic goals of KASE Group and results of their implementation, corporate governance system, results of the KASE market, as well as 2024 financial indicators of KASE Group.

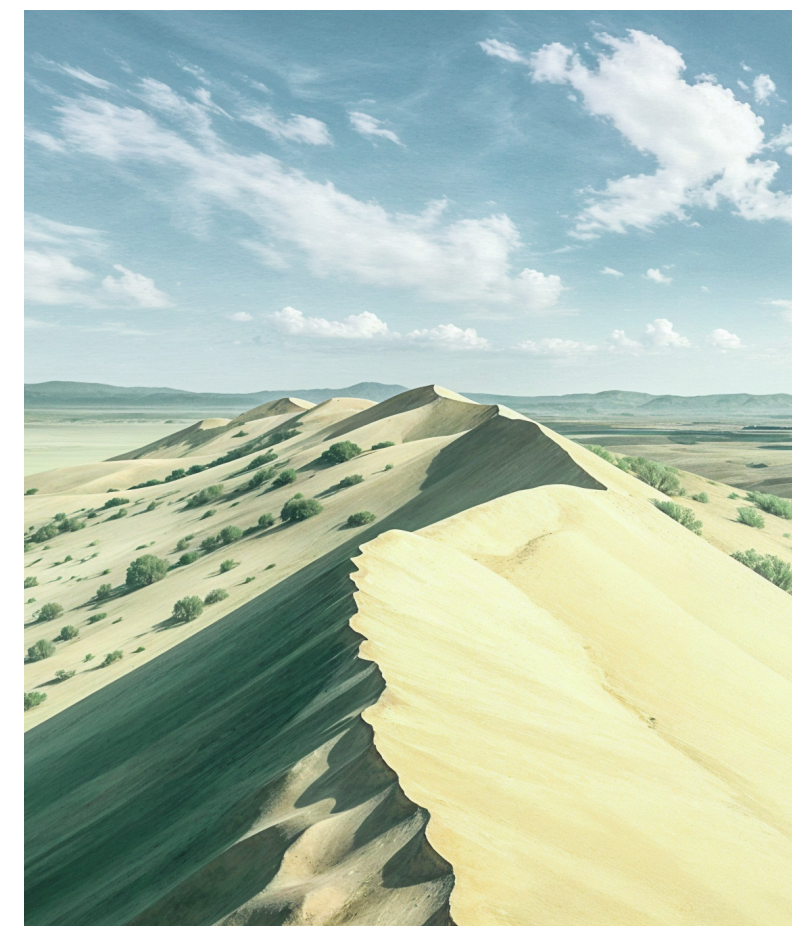
This Report contains information about activities and main results of KASE Group in sustainable development, description of approaches to management of sustainable development factors, as well as individual quantitative data in sustainable development. The Report sets out the approach of KASE Group to responsible business practices.

Content of the report takes into account recommendations of the Guidelines of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market on Disclosure of Information in the Field of Environmental, Social and Corporate Governance (ESG) for banks and other financial organizations. Recommendations of the Global Reporting Initiative Standards (hereinafter referred to as the GRI Standards) were also taken into account when preparing the Report. KASE Group presented the information specified in the GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.

The Report also provides information about mission and strategy of KASE Group, management approaches and key events of the reporting year on the most significant topics, including development of responsible investment, decent working conditions, sustainability of financial infrastructure, corporate governance, as well as a description of the Exchange's positions on climate change, rational use of resources and other environmental and social aspects.

Boundaries of the Report include the following organizations of KASE Group: Kazakhstan Stock Exchange JSC (hereinafter referred to as the Kazakhstan Stock Exchange, the Exchange, KASE) and KASE Clearing Center JSC (hereinafter referred to as the Clearing Center, KASS).

Sustainability Report of KASE Group is communicated to stakeholders by posting it on the Exchange's corporate Internet resource in the state, Russian and English languages. KASE Group Sustainability Reports are available in electronic format at the link: <https://kase.kz/ru/about/governance>. ►



04 ABOUT THE REPORT

Approach to identification of significant sustainable development topics

During 2024, a procedure for identification of significant sustainable development topics was carried out. This analysis is held in order to identify the most significant economic, environmental and social topics in terms of the impact of KASE Group's activities on stakeholders.



Analysis of the external environment and definition of the context of KASE Group's activities

First of all, an analysis of the external context in which organizations included in the KASE Group operate was carried out. Standard list of material sustainable development topics offered for disclosure subject to the GRI Standards, the Guidelines of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (hereinafter referred to as ARDFM) on disclosure of information in the field of environmental, social and corporate governance for banks and other financial organizations was studied, and an analysis of industry trends and best exchange practices was conducted.

Identification of existing and potential impacts

Based on the analysis, a list of key topics relevant to sustainable development was formed. The list included both global trends and local features that may be relevant for the KASE Group. The formed list was sent to key stakeholders. Purpose of the distribution was to obtain their opinions and comments on the offered topics. The survey was conducted using questionnaires.



Assessment of significance of the impact

As a result of the stakeholder survey, 61 feedback questionnaires were received. The received comments and suggestions were analyzed and taken into account when finalizing the list of topics. Prioritization was carried out given importance of each topic for stakeholders, compliance with strategic goals of the Exchange and impact on sustainable development. Based on feedback analysis, the Exchange expanded the list of material topics to include issues of sustainable development risk management and promotion of sustainable financial instruments.

Prioritization of the most material impacts for disclosure in reporting

As a result of the work done, a list of material topics for disclosure in the annual sustainability report was formed, consisting of 16 items. This list was reviewed and approved by Management Boards of organizations included in the KASE Group.

List of material topics of sustainable development of the KASE Group

1. Compliance with the laws;
2. Financial literacy;
3. Training and development;
4. Employment;
5. Technological development;
6. Anti-corruption;
7. Partnerships in sustainable development;
8. Occupational health and safety;
9. Support for small and medium-sized businesses;

10. Employee-management relations;
11. Public policy;
12. Philanthropy and sponsorship;
13. Waste;
14. Greenhouse gas emissions;
15. Sustainability risk management;
16. Promotion of sustainable financial instruments.



05

PROFILE AND STRATEGY OF KASE GROUP

KASE Group operates in the Republic of Kazakhstan and plays a key role in development of the national financial market.

THE GROUP INCLUDES:

Kazakhstan Stock Exchange JSC – the country's largest stock exchange, bringing together the stock, money, currency and derivatives markets. The Exchange also acts as an operator of financial indicators and a provider of exchange information;

KASE Clearing Center JSC – a subsidiary of the Exchange, acting as a central counterparty, providing clearing and settlements under transactions in the stock, money, currency and derivatives markets.



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Mission of KASE Group is to provide a platform that unites people, ideas and innovations, and to create opportunities for sustainable development and capital management.

KASE offers a wide range of tools and services that ensure effective capital management, support for investment activities and development of the securities market. Versatility of the KASE trading platform allows participants to conduct transactions in several market segments using various financial instruments, which increases liquidity and makes trading conditions as attractive as possible.

KASE plays an important role in ensuring stability and transparency of exchange settlements, contributing to development of trust on the part of market participants and investors. Development of clearing services and growing role of the central counterparty in settlements contribute to enhancement of the national stock market and attraction of foreign investors.

KASE Group is a full member and represents the Kazakhstan stock market in international exchange associations such as the World Federation of Exchanges, the Federation of Euro-Asian Stock Exchanges (FEAS), the Global Association of Central Counterparties (CCP Global) and the International Association of Exchanges of the Commonwealth of Independent States (IAE CIS).

Goal of the KASE Group Development Strategy for 2025-2027 is to ensure leading positions of the Group in the exchange markets of Central Asia by expanding the range of exchange and clearing services, high customer focus and professionalism of the Group's team. Main areas of the Strategy are growth of key business, provision of new products and services, and improvement of IT infrastructure. Within the Strategy, KASE Group sets the tasks of increasing trading volumes, expanding the pool of issuers and investors, and increasing market liquidity. Implementation of innovative solutions, development of digital financial instruments, development of a technological platform and further improvement of the security and efficiency of trading and clearing systems are priority tasks to ensure smooth operation of organizations within the KASE Group.

Within the implemented KASE Development Strategy for 2022-2024, the Exchange pro-actively developed the ESG direction with focus on transparency and sustainable development. Initiatives were launched to disclose non-financial information by issuers, and tools were created to support sustainable financing. This became the basis for development of an ecosystem of responsible investment in the Kazakhstan capital market. The obtained results serve as a solid foundation for further development of the ESG agenda within the new strategy of KASE Group. In the new KASE Group Strategy for 2025-2027, development of the ESG agenda enters a new stage, covering both the external market and internal processes of the Exchange. Particular attention will be paid to further improve terms and conditions for issue of ESG bonds: improvement of internal procedures and attraction of new issuers to stimulate growth of this segment. Efforts will be continued to promote best practices for disclosure of non-financial and sustainability reporting among listed companies, which will contribute to increased transparency of the financial market and higher investor confidence.

To support involvement of market participants, it is planned to organize educational events with participation of international experts designed to discuss global ESG trends, responsible investment standards and ESG disclosure requirements. Within the KASE Group companies, important steps are also envisaged to implement sustainable practices: transition to paperless document management, implementation of carbon footprint reduction goals, publication of greenhouse gas emissions data, adoption of an environmental policy and code of supplier.

06

REVIEW OF STOCK EXCHANGE TRENDS IN SUSTAINABLE DEVELOPMENT IN 2024

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Kazakhstan Stock Exchange is a member of the World Federation of Exchanges (WFE) and takes an active part in the work of this organization. In 2024, the WFE presented a report covering key achievements of exchanges in sustainable development.

According to results of the review of WFE members, the exchange sector continues to demonstrate a high level of engagement in the ESG agenda:

- ♦ percentage of exchanges offering various ESG products rose from 29% in 2015 to 82% in 2023;
- ♦ number of exchanges that provided their platform for circulation of green bonds increased from 8 in 2016 to 34 in 2023;
- ♦ percentage of exchanges that note investor demand for ESG products reached 96%;
- ♦ percentage of exchanges that prepare and publish their own sustainability report has increased to 86%.

Main reasons for increased integration of the ESG agenda by exchanges remain the desire for sustainable development and improvement of the reputation. Since 96% of the exchanges recorded high demand from investors for ESG reporting of listed companies, and 45% noted this demand as especially high, exchanges continue to pay great attention to the tasks of promoting ESG transparency.

Along with that, in 2024, exchanges and regulators continued to improve requirements for disclosure of ESG reporting, as well as develop separate guidelines for disclosure of climate information. An important step was the decision of the International Sustainability Standards Board (ISSB): in spring 2024, the ISSB announced that over 20 jurisdictions, representing nearly 55% of the global GDP, intend to implement the IFRS S1 / S2 standards. A similar statement was also made by more than 25 international exchanges, which indicates a desire to unify reporting standards.

The issue of availability and reliability of ESG information remains relevant, which encourages exchanges to create ESG information databases (ESG Data Hubs). These platforms provide centralized access to data on corporate responsibility and sustainable development, increasing the transparency of companies' reporting to investors, regulators and the public. In turn, investors use ESG data to assess the risks and opportunities of companies, which makes the process of investment decision making more meaningful and balanced.

The climate agenda continued to be relevant in 2024. By the end of the year, number of exchanges that joined Glasgow Financial Alliance for Net Zero (GFANZ) reached 20. One of the key areas remains development of carbon markets as an integral part of the global strategy to achieve carbon neutrality.

Many exchanges launched platforms for trading carbon quotas, derivatives and instruments related to carbon credits, and also support formation of a voluntary carbon market. These initiatives allow companies to offset greenhouse gas emissions and investors to participate in sustainable projects, which contributes to the global energy transition.

Although ESG bonds remain the most common exchange-traded instrument in sustainable development, exchanges actively develop other financial products. In particular, the range of ESG indices, derivatives on ESG assets, as well as various types of ESG scoring is expanding, which helps investors more effectively take into account non-financial risks.

The ongoing evolution of ESG products and tightening of reporting standards confirm that the exchange sector plays a key role in formation of a sustainable financial system. KASE Group continues to follow global trends, developing tools to support responsible investing and the integration of ESG factors into the activities of market participants.

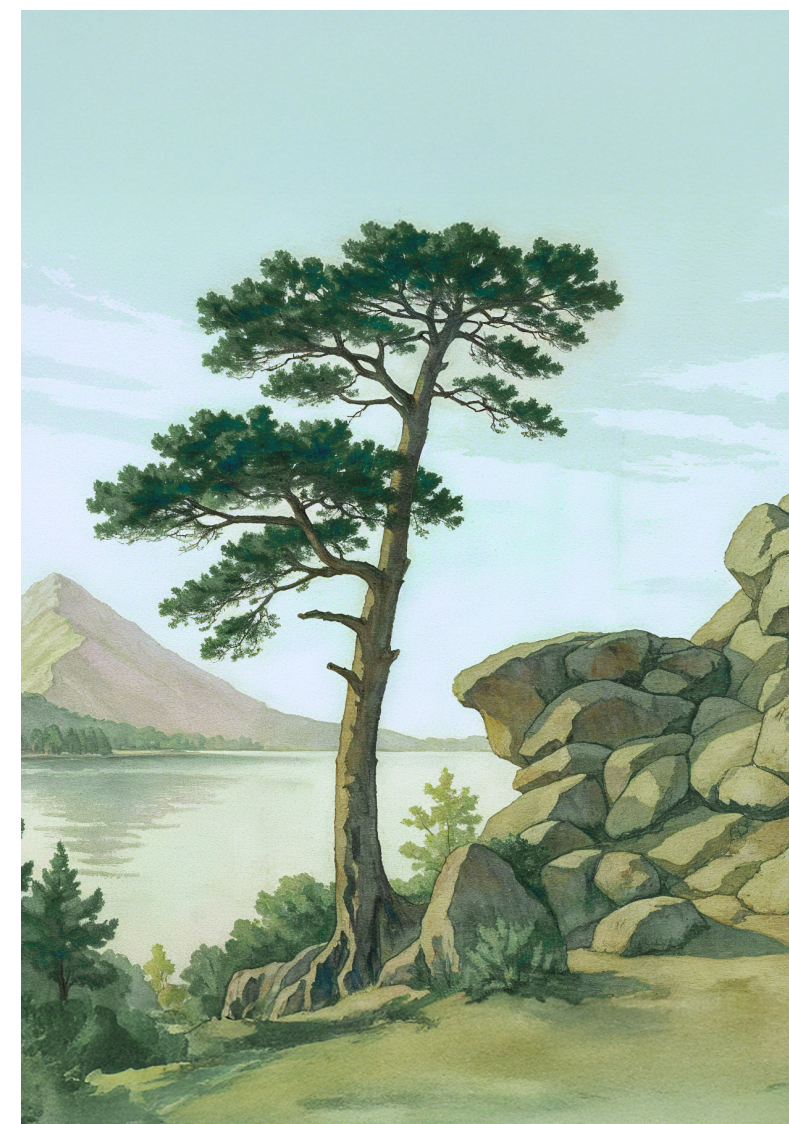
07 CONTRIBUTION OF KASE GROUP TO THE UN SUSTAINABLE DEVELOPMENT GOALS

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Since 2015, the Exchange has been a pro-active participant in the UN Sustainable Stock Exchanges Initiative, continuously supporting efforts to achieve the UN Sustainable Development Goals (hereinafter referred to as the UN SDGs). The 17 UN SDGs are interrelated goals designed to eradicate poverty, protecting the planet, improving the quality of life and improving the well-being of people worldwide.

KASE Group pro-actively supports the international sustainable development agenda and contributes to achievement of a number of Sustainable Development Goals by developing the financial market, introducing innovations, increasing the transparency and accessibility of financial instruments, as well as implementing social and educational initiatives.

KASE Group ensures consistency of its economic, environmental and social goals and objectives for sustainable development in the long term, guided by the UN Sustainable Development Goals and other international standards and best practices for sustainable development. In general, KASE Group continues to integrate sustainable development principles into its strategy and operations, making a significant contribution to formation of a sustainable financial system in Kazakhstan.



07

CONTRIBUTION OF KASE GROUP TO THE UN SUSTAINABLE DEVELOPMENT GOALS



Having assessed its activities and the surrounding business environment, KASE Group identified the key UN SDGs to which it intends to make a significant contribution.

3 ХОРОШЕЕ ЗДОРОВЬЕ И БЛАГОПОЛУЧИЕ



GOOD HEALTH AND WELL-BEING

KASE Group is committed to creating the conditions to improve health and well-being of its employees and society as a whole. KASE Group provides medical insurance to its employees, ensuring an access to quality medical services and promoting disease prevention, and organizes sports and health events for its employees and a wider range of organizations.

4 КАЧЕСТВЕННОЕ ОБРАЗОВАНИЕ



QUALITY EDUCATION

Educational initiatives hold a prominent place in KASE's activities. The Exchange conducts training programs and seminars for financial market participants, students and the general public, promoting financial literacy, as well as popularizing knowledge about the stock market and investments. Internal training programs contribute to development of professional competencies of employees.

5 ГЕНДЕРНОЕ РАВЕНСТВО



GENDER EQUALITY

KASE pro-actively develops the gender agenda, supporting initiatives intended to expand the economic opportunities of women. The Exchange promotes introduction of gender principles in the corporate governance of issuers, supports gender-oriented financial products and participates in promotion of best practices in gender equality among financial market participants.

8 ДОСТОЙНАЯ РАБОТА И ЭКОНОМИЧЕСКИЙ РОСТ



DECENT WORK AND ECONOMIC GROWTH

KASE plays a key role in development of the financial market of Kazakhstan, ensuring its transparency, liquidity and accessibility. The Exchange supports small and medium-sized businesses by providing them with an access to the capital market. Within its organizations, KASE Group sticks to principles of decent work, providing equal opportunities for professional growth of its employees.

9 ИНДУСТРИАЛИЗАЦИЯ, ИННОВАЦИИ И ИНФРАСТРУКТУРА



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Companies included in the KASE Group, being systemically important infrastructure organizations, contribute to development of the financial ecosystem of Kazakhstan, improving the market infrastructure and introducing innovative solutions. KASE Group actively interacts with regulators, market participants and international partners to improve regulatory standards, increase efficiency of capital markets and integrate sustainable financial instruments.

10 УМЕНЬШЕНИЕ НЕРАВЕНСТВА



REDUCED INEQUALITIES

KASE promotes expanded access to financial resources for various groups of investors, including retail and institutional participants. The Exchange supports initiatives intended for financial inclusion and development of responsible investment, which helps reduce economic inequality in the society.

12 ОТВЕТСТВЕННОЕ ПОТРЕБЛЕНИЕ И ПРОИЗВОДСТВО



RESPONSIBLE CONSUMPTION AND PRODUCTION

KASE promotes the principles of responsible finance and sustainable investment, encouraging companies to more openly disclose ESG information. As part of its commitment to the principles of sustainable development, the Exchange has a Green Office program designed to reduce the environmental footprint of the organization.

13 БОРЬБА С ИЗМЕНЕНИЕМ КЛИМАТА



CLIMATE ACTION

KASE is actively involved in advancing the climate agenda in Kazakhstan by promoting development of the carbon market and supporting the introduction of financing instruments aimed at combating climate change. The Exchange facilitates transition of the economy to carbon neutrality by introducing advanced climate reporting standards and supporting companies in disclosure of information about greenhouse gas emissions.

16 МИР, ПРАВОСУДИЕ И ЭФФЕКТИВНЫЕ ИНСТИТУТЫ



PEACE, JUSTICE AND STRONG INSTITUTIONS

KASE Group is committed to the principles of transparency, integrity and responsible corporate governance. KASE Group ensures a high level of market ethics, promotes protection of investors' rights and pro-actively works to improve corporate governance standards in Kazakhstan.

17 ПАРТНЕРСТВО В ИНТЕРЕСАХ УСТОЙЧИВОГО РАЗВИТИЯ



PARTNERSHIPS FOR THE GOALS

KASE Group actively interacts with international organizations, regulators and market participants to implement advanced standards of sustainable development. KASE Group seeks to expand partnerships for sustainable development with participation of many stakeholders to mobilize and disseminate knowledge, experience, technology and financial resources in order to support the achievement of sustainable development goals.

08

APPROACH TO SUSTAINABLE DEVELOPMENT



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In its work, KASE Group strives to ensure compliance of its activities with international principles and standards of sustainable development. KASE Group believes that implementation of sustainable development principles helps ensure stable, responsible and ethical operation of financial markets, which has a positive impact on both economic growth and well-being of the society.

KASE Group sticks to the principles of sustainable development proclaimed by the World Federation of Exchanges, which include a commitment to:

- ♦ work to educate participants in the ecosystem of exchanges about importance of sustainable development issues;
- ♦ contribute to increasing the availability of ESG information that is important for investors and useful for decision-making;
- ♦ actively engage with stakeholders to advance the sustainable finance agenda;
- ♦ develop products that will help expand the scale of sustainable finance and reorient financial flows;
- ♦ create effective internal management processes, operational processes and policies to support its efforts to ensure sustainable development.

KASE Group pro-actively integrates ESG principles into strategic planning and corporate governance, develops policies that regulate management of sustainable development issues, implements best sustainable development practices in its own activities and promotes them among listed companies and members of the Exchange.

Companies of the KASE Group in their activities follow requirements of the applicable laws of the Republic of Kazakhstan in human rights protection. KASE Group strives to comply with the principles of protecting and respecting human rights set out in the UN Guiding Principles on Business and Human Rights. The human rights obligations of KASE Group companies are based on the International Charter of Human Rights and the principles regarding the rights defined in the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization. KASE Group is committed to observing all internationally recognized human rights that are relevant to the Group's activities.



08 APPROACH TO SUSTAINABLE DEVELOPMENT



The main documents of KASE Group regulating sustainable development issues are:

1. KASE Group Strategy for 2025–2027;
2. Sustainable Development Policy;
3. Human Rights Statement;
4. Corporate Governance Code;
5. Corporate Ethics Code;
6. Risk Management and Internal Control Policy;
7. Compliance Risk Management Policy;
8. Anti-Corruption Policy;
9. HR Management Policy;
10. Conflict of Interest Management Policy.

In 2024, the Sustainable Development Policy was updated, defining the main components of the KASE Group sustainable development system, including establishing a commitment to the basic principles and standards of sustainable development, identifying the main areas of activities in sustainable development, setting goals and objectives in this area, as well as defining and systematizing the general principles of activities in sustainable development. The sustainability management system of the KASE Group is constantly evolving, given the continuous improvement of the best practices of sustainable development, requirements of regulatory authorities, opinions of stakeholders and development strategy of the KASE Group.

Interaction with stakeholders

KASE Group manages its activities to create sustainable and long-term value for a broad range of stakeholders. As a systemic infrastructure element of the financial market, the Exchange attaches particular importance to expectations and interests of stakeholders and organization of regular interaction with them.

The Exchange regularly reviews and evaluates its activities, business relations and external operating environment in order to identify stakeholders that activities of the Exchange have or may have a direct or indirect impact on.

When organizing interaction with stakeholders, KASE Group is guided by the following principles:

- ♦ respects and takes into account interests of the stakeholders;
- ♦ strives to actively inform stakeholders about its activities;
- ♦ ensures objectivity, reliability, independence and a high level of information transparency in its activities, as well as in disclosure of financial statements and non-financial information;
- ♦ ensures open and productive cooperation with stakeholders;
- ♦ discharges its obligations to stakeholders;
- ♦ receives feedback from stakeholders on a regular basis.

Interaction with shareholders and investors

KASE Group strives to comply with international standards of information disclosure and transparency, which require timely publication of adequate information about KASE's financial results, as well as on corporate governance practices. Main principles for disclosure of information by KASE Group, procedure for disclosure and dissemination of information by the Exchange are set out in the Information Policy. Relations of KASE Group with shareholders are regulated by the laws of the Republic of Kazakhstan on joint stock companies, the Charter, the Corporate Governance Code, and other internal documents of KASE Group. Realizing its responsibility to shareholders, KASE Group does its best to ensure implementation of their rights within corporate governance principles designed for effective key decision making.

Interaction with professional market participants

When interacting with entities of the organized securities market, the Exchange is guided by the principles of information openness, professionalism, honesty, compliance with interests of mutual benefit, understanding of full responsibility for the assumed obligations, and also strives to comply with all the terms and conditions of contractual relations and generally accepted moral and ethical standards. Internal documents of the Exchange are developed based on applicable laws and business ethics. Relations between participants in corporate relations are built on mutual trust and respect. In order to comply with the rules of professional ethics and business conduct between entities of the organized securities market and their activities in this market are regulated by the laws of the Republic of Kazakhstan, the Rules of Professional Ethics and Business Conduct adopted by the Exchange and other internal documents of the Exchange, agreements and business practices.

KASE Group holds quarterly meetings with market participants on a regular basis. In 2024, four such meetings were held to discuss key issues related to improvement of the infrastructure, development of new products and services. Improvements designed to organize trading, ensuring the operation of the stock market in force majeure circumstances, as well as issues of manipulation in the securities market were covered. Parameters for presenting new services of the Exchange were discussed, including the service portal, information services and access to the Tabadul electronic trading system. Aspects of KASS risk management were discussed, including introduced and planned measures, obtaining an operational rating and new methods for calculation of clearing funds. Advantages of KASE Global in connection with transition of the US market to the T+1 settlement system, launch of EUR/USD swap trading, derivatives market and securities lending operations were also discussed. During the meeting, the participants expressed their wishes and suggestions for further development of the exchange trading infrastructure and interaction with KASE, which are taken into account by KASE Group in further organization of its work.

Overall, achieving a significant level of customer satisfaction with exchange services is one of the strategic targets of KASE Group. Every year, KASE Group assesses satisfaction by surveying the customers. According to results of the survey, the overall satisfaction rating of the Exchange's customers at the end of 2024 was 94.3%. Compared to last year (93.1%), there is an increase of 1.2%.

08 APPROACH TO SUSTAINABLE DEVELOPMENT



Interaction with employees

Interaction between KASE Group and its employees is built on a transparent and open HR policy designed for development of highly professional, motivated and qualified personnel. KASE Group strives to provide all employees with fair and equal opportunities to realize their potential in the course of their work, advanced training and training, independent assessment of their performance, as well as selection and career growth of employees solely on the basis of professional abilities, knowledge and skills.

Interaction with government agencies and professional financial organizations

KASE Group and its employees build relationships with government agencies and civil servants on the principles of partnership and respect, understanding that all initiatives of government agencies and KASE Group must be designed to develop economy of the country. KASE Group is in constant dialogue with representatives of the National Bank of the Republic of Kazakhstan, ARDFM and the Association of Legal Entities “Association of Financiers of Kazakhstan”. It conducts analysis and monitoring of changes in the state of laws and the legal environment as a whole in terms of their impact on activities of professional participants, and also participates in drafting and amendment of regulatory legal acts.

KASE Group is a responsible and conscientious taxpayer.

Interaction with key stakeholders in 2024

Group of stakeholders	Methods and channels of interaction	
Shareholders	<ul style="list-style-type: none"> general meeting of shareholders interaction with shareholders of the Exchange for participation in the Annual General Meeting of Shareholders provision of materials and forms of ballots for voting information messages and written requests by e-mail and/or telephone official letters in response to shareholders' requests 	<ul style="list-style-type: none"> annual financial reports published information about sustainable development publications on the Internet resources of the financial reporting depository press releases general corporate website and sections for investors and shareholders
Clients (professional participants of the securities market and issuers)	<ul style="list-style-type: none"> contact center mobile application of the Exchange corporate website project “Issuer's Day” visiting sessions in the regions of Kazakhstan social networks 	<ul style="list-style-type: none"> KASE TALKS quarterly meetings with market participants assessment of satisfaction of professional participants with the quality of service
Employees	<ul style="list-style-type: none"> employee satisfaction survey corporate mail annual reports 	<ul style="list-style-type: none"> townhall (internal communications and announcements) training volunteer and volunteer activities corporate events

As infrastructure organizations of the financial market, KASE Group companies ensure operation of a reliable and sustainable financial infrastructure, contributing to its effective development to support economic growth and well-being of market participants.

Stock exchanges worldwide play a key role in global transition to sustainable economy, creating mechanisms for fund raising for environmentally and socially responsible projects. They implement ESG disclosure standards and offer tools and products that help investors focus on companies with a high level of sustainability. Therefore, KASE Group considers it a priority to promote advanced approaches in responsible financing, actively implement and expand the range of sustainable development tools, which contributes to formation and growth of the market focused on solving environmental and social issues in Kazakhstan.





ESG bonds

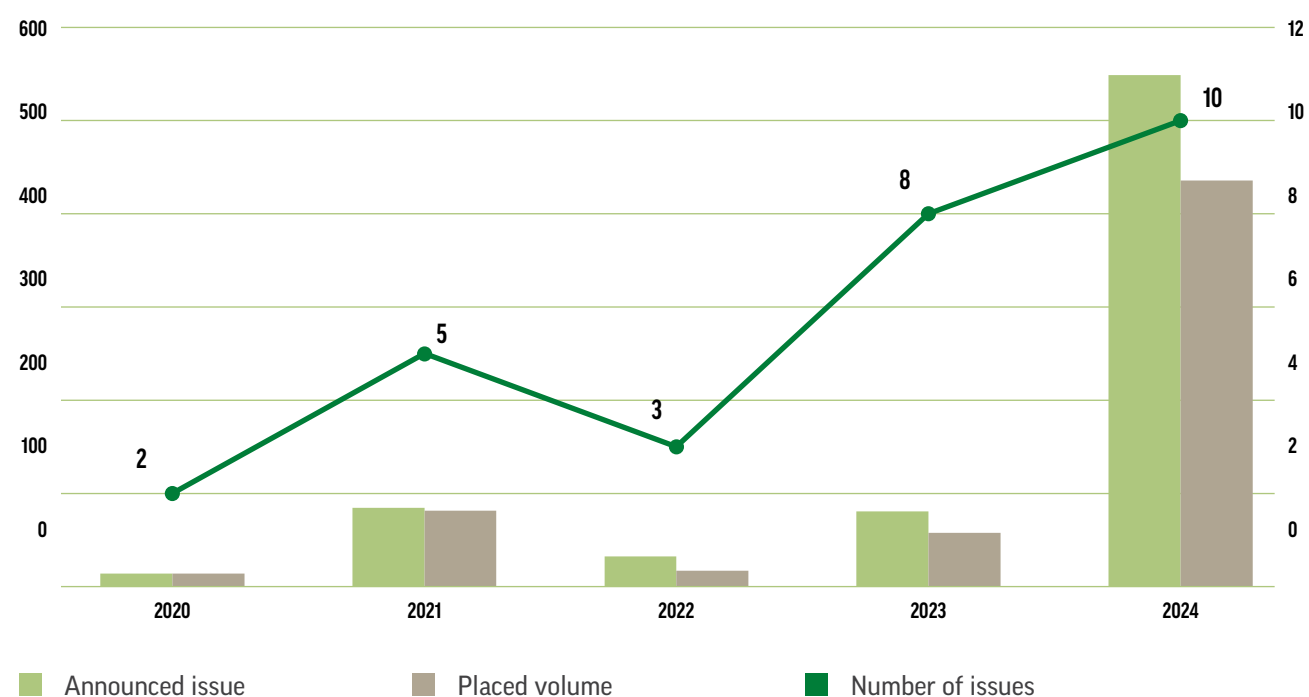
Kazakhstan Stock Exchange is a key platform for attraction of sustainable financing, providing companies with the opportunity to place ESG bonds. For five years since 2020, 28 ESG bond issues have been registered on the Exchange (5 issues have been redeemed). Their announced volume made 760.4 billion KZT. Issuers of these bonds raised financing of over 606.2 billion KZT. By late 2024, over 95% of all ESG issues in Kazakhstan were registered on KASE.

General listing requirements apply to placement of ESG bonds on the Exchange. The only additional requirement to listing of ESG bonds is the need to provide an external verifier assessment that meets standards of the International Capital Market Association

or the Climate Bond Initiative. Along with that, the Exchange offers benefits for payment of listing fees. In late 2024, validity of these benefits was extended until December 31, 2027.

The first issue of ESG bonds in Kazakhstan took place in 2020. The issuer was the Asian Development Bank, which placed two issues of green bonds on KASE. In the following 2021, green bonds were also placed by KEGOC JSC and Eurasian Development Bank. The first social bonds were registered by the Asian Development Bank in early 2021, in fall 2021, social bonds of EDF Damu JSC and Eurasian Development Bank were added to trading lists of the Exchange.

ESG issues on KASE, 2020-2024, billion KZT



In 2022, Development Bank of Kazakhstan JSC joined the issuers of ESG bonds, and in 2023, small and medium-sized businesses entered the market for the first time – KazWind Energy LLP and Black Biotechnology LLP, which directed the raised funds to development of wind farms and innovative bio-feed additives and fertilizers, respectively. Microfinance organizations also appeared on the ESG bond market in 2023. MFO OnlineKazFinance JSC and MFO Arnur Credit LLP placed their first gender bonds.

2024 became a landmark year for development of the ESG market in Kazakhstan. Volume of registered ESG bond issues was more than 9 times higher than 2023 volume. Housing Construction Savings Bank Otbasny Bank JSC made a significant contribution to development of sustainable financing, having carried out three consecutive bond issues, providing affordable housing loans to the population. For the first time, the issue of sustainable development bonds of Development Bank of Kazakhstan JSC was placed. And at the end of 2024, NMH BaiterekJSC placed social bonds – financing to support spring field and harvesting work through Agrarian Credit Corporation JSC within Ken Dala 2 program.

Overall, 10 ESG bond issues were registered on KASE in 2024: 5 green bond issues, 4 social bond issues and 1 sustainable development bond issue. The issuers were JET Group Ltd., AGRIQA Asia LLP, Development Bank of Kazakhstan JSC, A-cars LLP, Otbasny Bank Housing Construction Savings Bank JSC, Halyk Bank of Kazakhstan JSC, HILL Corporation LLP, and Baiterek NMH JSC.

ESG bond indices

In 2024, the Exchange began calculating and publishing ESG bond indices:

- ◆ ASE_ESGB_CP – index of “clean” prices of ESG bonds included in the official list of KASE on the main and alternative markets;
- ◆ KASE_ESGB_DP – index of “dirty” prices of ESG bonds included in the official list of KASE on the main and alternative markets;
- ◆ KASE_ESGB_Y – indicator of the yield of the ESG bond index (in percent per annum);
- ◆ duration of the ESG bond index (in years).

Formulas to calculate ESG bond indices contain a standard approach to the generally accepted methodology for determining indices for debt instruments.





Promotion of gender equality

KASE Group is committed to promoting gender equality support programs, helping ensure gender balance among Exchange employees and in the business environment. Every year, on the eve of International Women's Day, as part of the global UN Sustainable Stock Exchanges Initiative, the Exchange holds a ceremonial opening of trading, designed to draw attention to prospects for development of gender inclusiveness. More than 100 exchanges worldwide join this initiative every year. Global partners of the event include the International Finance Corporation (IFC), the UN Global Compact, UN Women and the World Federation of Exchanges (WFE).

On March 6, 2024, KASE hosted the traditional opening ceremony of the Ring the Bell for Gender Equality trading, which included a discussion on the topic "Invest in Women: Accelerate Progress".



Disclosure of information

Transparency is a fundamental building block for building trust and confidence in any market. Timely and accurate disclosure of information, combined with standardized reporting methods, are essential elements for ensuring market efficiency.

One of the first commitments of the Exchange when joining the UN Sustainable Stock Exchanges Initiative in 2015 was to develop a methodology for disclosure of ESG information by listed companies. This methodology was developed and put into effect at the end of 2016. At that time, main provisions of the methodology determined disclosure of information in terms of environmental friendliness criterion: description of the used materials, water and energy consumption, emissions of pollutants and greenhouse gases. In terms of social issues, description of employment, issues of organizing health and safety in the workplace, training and education, diversity and equal opportunities was proposed. In terms of corporate governance, description of the corporate governance system, management, internal control and audit was provided.

In 2018, together with the International Finance Corporation (IFC), the methodology was updated. Its main difference from the original was definition of a list of key performance indicators in relation to general environmental and social issues, corporate governance issues, as well as a description of industry specifications for key sectors of the economy.

In February 2020, the Exchange updated requirements to annual reports which the listed companies must submit to the Exchange. The requirements included extra disclosure of information about social responsibility and environmental friendliness for companies with securities in the "Main" category of the Exchange's official list. In 2021, the Exchange completed the process of transferring all conditions of the Methodology to requirements for preparation of annual reports, which are established by the Rules for Disclosure of Information by Initiators of Securities Admission and provide for disclosure of ESG information.

In 2023, the Exchange amended its rules to expand the list of companies that will be required to disclose ESG information. From January 1, 2025, requirement to prepare and submit an annual report to the Exchange will apply to companies placing their securities on the Alternative platform (medium and small businesses).

In November 2024, a webinar on "Disclosure of Information by Issuers on the Stock Market" was held jointly with the ARDFM. Experts shared information about rules and procedure for disclosure of information, emphasizing that this is a prerequisite not only for successful placement of securities, but also for maintaining liquidity in the process of further circulation on the stock market.

KASE annually holds a contest of annual reports among listed companies. The Exchange has developed a procedure to evaluate annual reports, given evaluation of various characteristics of reports of contest participants. In total, about 150 criteria are evaluated. Report of Bank CenterCredit JSC was recognized as the best report on sustainable development for 2023 in the financial sector, winners included reports of Halyk Bank of Kazakhstan JSC and Entrepreneurship Development Fund Damu JSC. Report of National Company KazMunayGas JSC was recognized as the best report on sustainable development for 2023 in the non-financial sector, winners included reports of Karachaganak Petroleum Operating B.V. and National Welfare Fund Samruk-Kazyna JSC.

Support for small and medium-sized businesses

The Sustainable Development Policy sets the objectives of the KASE Group in promotion of expansion of access of small and medium-sized businesses to attracting investments. To achieve these objectives, the KASE Group develops and implements initiatives designed to create favorable conditions for fund raising and improvement of financial literacy.

Particular attention is paid to development of tools that facilitate entry of small and medium-sized businesses into the capital market. In this context, KASE organizes and participates in a number of events that contribute to achievement of these goals.

Thus, in January 2024, the Exchange held a webinar "KASE Opportunities for Business" at Atameken platform for entrepreneurs in Shymkent. Speakers talked about stock market tools for business, their types and advantages, and state programs to support small and medium-sized businesses when they enter the stock market.

In February 2024, the Exchange arranged a training course "Stock Market Fundamentals" for legal entities at the invitation of Zhasyl Damu JSC. KASE speakers explained to invited guests advantages of the stock market, talked about differences between financial instruments, risks in financial markets, and investment strategies.

In May 2024, a number of webinars were held: "Issuing Green Bonds" jointly with PWC, "Preparing Reports in Accordance with ESG Principles" jointly with KPMG, and "Macroeconomics for Investors" jointly with AERC. And in June, a webinar "Improvement of Investor Relations: Advanced Strategies for Listed Companies in Kazakhstan" took place, which raised such topics as the strategic value of IR in the Kazakhstan market, forecasts for development of IR practices in Kazakhstan and their impact on listed companies.

09

PROMOTION OF SUSTAINABILITY PRACTICES



In September 2024, KASE employees participated in business brunch “Green Horizons: Entrepreneurship and Sustainable Development in Kazakhstan”. In October 2024, KASE employees took part in a forum of credit unions, where information about opportunities in the stock market was presented.

In achieving the objectives of expanding access to financing for small and medium-sized businesses, programs of Entrepreneurship Development Fund Damu JSC play a major role, providing the opportunity to subsidize coupon rate on bonds. KASE Group, as an infrastructure platform, helps market participants understand nuances of state support programs through organization of joint events with the Fund.



In December 2024, together with the ARDFM and Entrepreneurship Development Fund Damu JSC, KASE employees held a webinar on listing procedures on KASE, approaches to building an effective corporate governance system in small and medium-sized businesses and government support measures for development of the stock market.

Promoting the access of individuals to financial services

Number of retail investors in the local market continues to increase. According to Central Securities Depository JSC, as of January 1, 2025, over 3.5 million accounts were opened in Kazakhstan, including 685 thousand sub-accounts and 2.8 million personal accounts opened through omnibus accounts. Improvement of financial literacy plays a key role in ensuring the availability of financial services and expanding opportunities for private investors. KASE Group actively promotes development of financial culture by providing up-to-date information about the stock market and investment instruments. Within these efforts, KASE implements a number of educational and information initiatives designed to raise awareness and competencies of financial market participants.

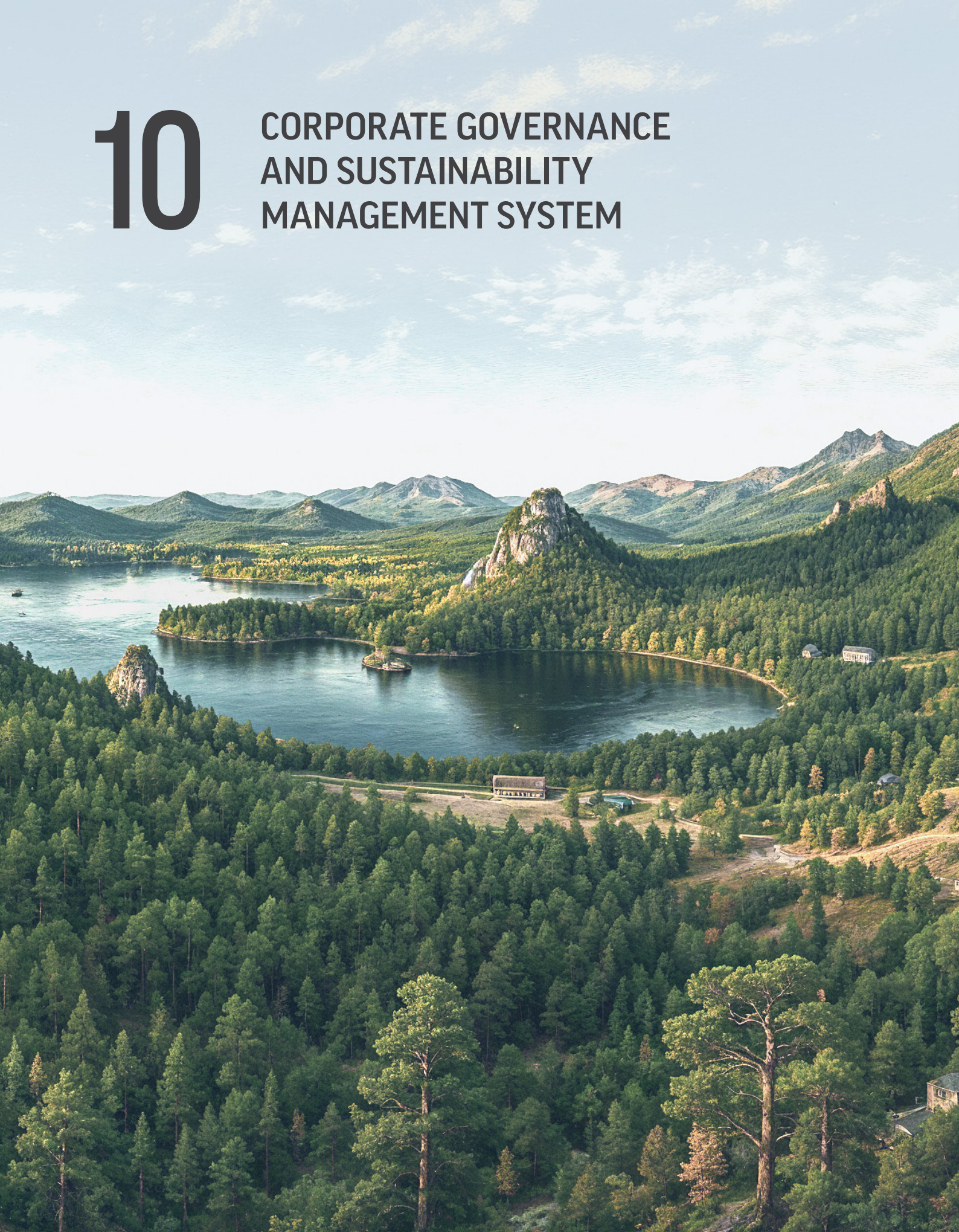
The Exchange annually participates in the global project Global Money Week. Thus, in March 2024, as part of the presented project, the Exchange held a webinar “5 steps from savings to investments”, where information about benefits of investing in the Kazakhstan securities market was presented to novice investors. In June 2024, webinar “About Futures in Simple Terms” was held for novice investors, and internal training was also conducted for employees of quasi-public sector companies on derivatives market instruments.

From October 21 to November 21, 2024, the annual Retail Investors Competition in the Stock Market was held. The event was designed to popularize stock trading in Kazakhstan. competition participants included individuals who are clients of brokerage companies – members of the KASE stock market. List of financial instruments available to competition participants included KASE Index shares and KASE Global sector shares. Over 100 retail investors participated in the competition. As a result of the competition, its participants closed 2,942 transactions, and the maximum yield received was over 117%. Three winners of the competition, who received the maximum yield based on results of transactions with shares during the period of its holding, were awarded valuable prizes.

Another project of the Exchange designed to attract potential investors to the stock market is the “Stock Market Simulator” Competition, a student project held by the Exchange twice a year since 2008. Within the competition, project participants are provided with a portfolio (a virtual set of financial instruments/ shares) with a nominal value of 1 million KZT to manage at the start of trading. The main task of the “Stock Market Simulator” participants is to form the best investment portfolio.

Since 2022, the list of permitted participants has been expanded (i.e., not only for university students) and is available to everyone through the KASE Mobile Exchange mobile application. As part of the project, more than 60 instruments are available to trading participants. In addition to shares of the representative list, as well as shares of well-known brands such as Exxon Mobil, Coca-Cola and others, securities of investment funds were added to the trading.

In 2024, this competition was held from April 3 to May 31 in the training trading system as part of the “Stock Market Simulator” training project. The main objective of the participants of the “Stock Market Simulator” is to form the best investment portfolio without risk of losing money, since all transactions are carried out using virtual funds. To improve financial literacy, the Exchange regularly holds introductory seminars for students of Kazakhstan universities on basics of the stock market and the use of the KASE Mobile mobile application for the “Stock Market Simulator” project; online webinars on the topic of “Futures on KASE”; a comprehensive training program “My Portfolio on KASE” to improve financial literacy of retail investors, which covers the topics: “Introduction to the Securities Market”, “Choosing Stocks”, “Choosing Bonds”, “Choosing Investment Funds (Mutual Funds and ETFs)”, “Introduction to the Futures Market”, “Creating an Investment Portfolio”, in cooperation with brokerage organizations. Also, as part of implementation of the KASE Academy project, the Exchange organizes fairs of Kazakhstan’s brokers “KASE FEST” at the sites of leading universities in three cities of Kazakhstan in support of the annual World Investor Week 2024 program of the World Federation of Securities Exchanges (WFE) and the “Ring the Bell for Financial Literacy” ceremony.



Efficient corporate governance mechanisms are an important component of long-term sustainability of the financial system. KASE Group follows the best practices and standards of corporate governance, ethics and business conduct. Realizing that high standards of corporate governance help attract international and local investors, increase market liquidity and enhance reputation of the exchange as a reliable platform for capital placement, KASE Group makes efforts to promote them on the stock market of Kazakhstan.

Corporate governance system

Given importance of the corporate governance system to ensure sustainability and long-term growth, KASE Group pays special attention to implementation of advanced standards and best practices of corporate governance in its activities.

Goals of the corporate governance system of KASE Group are designed to ensure transparency, accountability and efficiency of its activities and intended to make balanced strategic decisions, sustainable development of organizations included in KASE Group and increase their competitiveness at the international level.

Key principles of corporate governance are defined by the Corporate Codes of the organizations included in the KASE Group:

1. protection of rights and interests of the Exchange shareholders;
2. effective management of the Exchange by the general meeting of its shareholders, the Board of Directors of the Exchange and the Management Board of the Exchange;
3. transparency, timeliness and objectivity of disclosure of information about the Exchange and its activities;
4. legality and ethics;
5. effective dividend policy.

10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Compliance with the Corporate Governance Code

The current Corporate Governance Codes of the organizations included in the KASE Group define main standards and principles applied in the process of management of organizations, including the relationship between the Board of Directors and the Management Board, shareholders and officials, procedure for operation and decision making by bodies of the KASE Group companies.

Corporate Governance Codes of the organizations included in the KASE Group have been developed subject to provisions of the current laws of the Republic of Kazakhstan, as well as given the established national and international practice in the field of corporate governance.

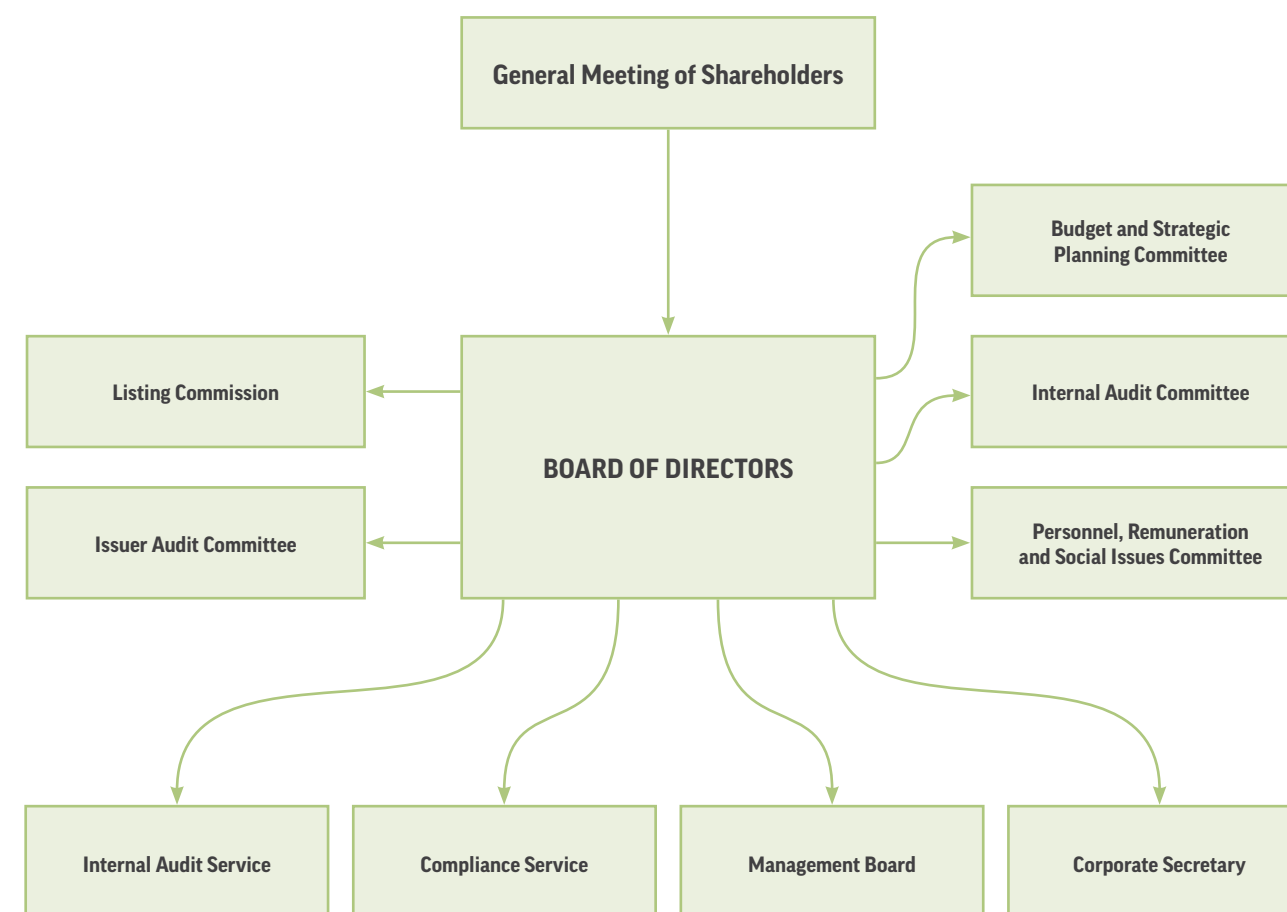
High-level corporate governance is a prerequisite for successful and effective operation of the organizations included in KASE Group. Continuous improvement of corporate governance is the most important task for us, necessary to increase sustainability, building an effective system of relations between the Board of Directors, the Management Board and shareholders. KASE Group, as the most important structural element of the financial market, continues to make efforts to increase value for its stakeholders. The Board of Directors and the Management Board of the Exchange confirm that activities of the KASE Group are carried out in line with principles, provisions and procedures of corporate governance defined by the Corporate Governance Code. Strictly observing the provisions of the Corporate Governance Code of the Exchange, the Charter of the Exchange and other internal regulatory documents, the Exchange confirms its intention to promote development and improvement of the practice of proper corporate governance.

Corporate governance structure

At the Kazakhstan Stock Exchange, distribution of functions between the general meeting of shareholders, the Board of Directors and the Management Board is made under the laws of the Republic of Kazakhstan and the Charter of the Exchange.

The following advisory and consultative bodies have been created and operate under the Board of Directors of the Exchange: the Budget and Strategic Planning Committee, the HR, Remuneration and Social Issues Committee, and the Internal Audit Committee. A number of working bodies have been created under the Management Board in the form of Committees and working groups, which allows for a detailed study of the most important strategic issues. In order to implement best corporate governance practices, the Board of Directors is assisted by the Internal Audit Service, the Compliance Service and the Corporate Secretary.

Structure of Kazakhstan Stock Exchange



As of December 31, 2024, total number of declared ordinary shares of the Exchange (KZ1C00001213) was five million, including 1,075,231 ordinary shares were placed, where their shareholders are 106 persons, including banks, brokerage and insurance organizations, individuals, while the National Bank of the Republic of Kazakhstan owned 46.99% of the total number of the issued ordinary shares of the Exchange.

Under the laws of the Republic of Kazakhstan, general meeting of shareholders is a supreme governing body of the Exchange. List of issues related to competence of the general meeting of shareholders is determined by the Joint Stock Companies Law of the Republic of Kazakhstan and the Charter of the Exchange.

10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Board of Directors

Independent members of the Board of Directors: 33%.

Share of women in the Board of Directors: 33%.

The Board of Directors is the management body of the Exchange and it carries out general management of activities of the Exchange, with the exception of issues referred by the Joint Stock Companies Law of the Republic of Kazakhstan and/or the Charter of the Exchange to the exclusive competence of the general meeting of shareholders of the Exchange.

Composition of the KASE Board of Directors as of December 31, 2024:

representatives of the National Bank of the Republic of Kazakhstan and the authorized body based on the Securities Market Law of the Republic of Kazakhstan:

- **Moldabekova Aliya Meirbekovna** (Chairperson of the Board of Directors)/ Deputy Chairperson of the National Bank of the Republic of Kazakhstan;
- **Khadzhiyeva Mariya Zhamalovna** – Deputy Chairperson of the ARDFM;

head of the executive body based on the Exchange's Charter:

- **Aldambergen Alina Utemiskyzy**– Chairperson of the KASE Management Board;

By decision of the KASE Board of Directors, powers of Aldambergen Alina, Chairperson of the Management Board, were terminated ahead of schedule on her initiative from March 28, 2025.

From March 31, 2025, Mukhamedzhanov Adil was elected to the position of Chairman of the Management Board by the KASE Board of Directors.

members of the management body elected based the Joint Stock Companies Law of the Republic of Kazakhstan:

- **Abdrazakov Eldar Sovetovich** – General Director of Centras Capital LLP, Chairman of the Board of Directors, Independent Director of ForteBank JSC, member of the Board of Directors/ Independent Director of Air Astana JSC, member of the Board of Directors of Kazakhstan Stock Exchange JSC;
- **Birtanov Eszhan Amantayevich** – Chairman of the Board of Directors of TANSAR CAPITAL JSC;
- **Yelemessov Askar Raushanovich** – Independent Director of KASE, member of the Board of Directors – Independent Director of Unified Accumulative Pension Fund JSC, member of the Board of Directors/ Independent Director of Samanea Limited, member of the Board of Directors/ Independent Director of SkyBridge Invest JSC, member of the Board of Directors – Independent Director of Development Bank of Kazakhstan JSC.
- **Israel Doron** – Independent Director of KASE, Professor of the Graduate School of Business, Nazarbayev University.
- **Salimov Ertay Ismailovich** – Deputy Chairman of the Management Board of Halyk Bank of Kazakhstan JSC, Chairman of the Supervisory Board of Kazkommertsbank Tajikistan CJSC, member of the Board of Directors of Subsidiary Organization of Halyk Bank of Kazakhstan Halyk Finance JSC.
- **Willems Jan**– Independent Director of KASE, Executive Director, Head of the World Markets Products Department at Clearstream Banking, Luxembourg.

Moldabekova Aliya Meyrbekovna (1976)

Deputy Chairperson of the National Bank of the Republic of Kazakhstan

Since December 2019, she has been a Deputy Chairperson of the National Bank of the Republic of Kazakhstan. Previously, from 2015 to 2019, she headed the Monetary Operations Department, and earlier, from 2012 to 2015, she was a Deputy Head of this department. From 2003 to 2012, she held various executive positions in the Monetary Operations Department. From 2001 to 2003, she worked for a year in the Portfolio and Financial Markets Analysis Department of the National Bank of the Republic of Kazakhstan. She began her professional career in 1999 as an assistant in the Department of Computer Software and Mathematical Cybernetics at the Kazakh National University named after Al-Farabi.

She was awarded jubilee medals “20 Years of Independence of the Republic of Kazakhstan”, “20 Years of Tengge”, “Eren Enbegi Ushin”, “20 Years of Astana”, and the badge “Honored Worker of the NBRK”. She repeatedly received Gratitude of the Chairman of the National Bank of the Republic of Kazakhstan.

Khadzhiyeva Maria Zhamalovna (1971)

Deputy Chairperson of the ARDFM

Since January 2020, she has been a Deputy Chairman of the ARDFM. Earlier, from May to December 2019, she was the First Deputy Chairman of the Council of the Association of Financiers of Kazakhstan. In 2018–2019, she headed the Unified Registrar of Securities, and in 2017–2018, she was a Deputy Chairman of its Management Board. From 2016 to 2017, she headed the Securities Market Department of the National Bank of the Republic of Kazakhstan, and in 2014–2016, she headed the Department of Supervision of Securities Market Entities. In 2011–2014, she was a Deputy Chairperson of the Committee for Control and Supervision of the Financial Market and Financial Organizations of the National Bank of the Republic of Kazakhstan. Earlier, from 2008 to 2011, she headed the Department for Supervision of Securities Market Entities and Accumulative Pension Funds of the ARDFM, where she previously was a Deputy Director in 2006–2008. From 2000 to 2006, she worked in the Legal Department of the National Bank of the Republic of Kazakhstan, and began her professional career in 1995 at the Ministry of Justice of the Republic of Kazakhstan, where she was a Leading Consultant of the Laws Department.

In different years, she was a member of the Boards of Directors of Kazkommerts Securities, Central Securities Depository, Unified Registrar of Securities, Insurance Payments Guarantee Fund, and Kazakhstan Stock Exchange.

10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Aldambergen Alina Utemiskyzy (1973)

Chairperson of the Board of Directors of KASE Clearing Center JSC, Chairperson of the Management Board and member of the Board of Directors of Kazakhstan Stock Exchange JSC.

She is a well-known financier. Over the years, she held senior positions in government agencies, national companies and Kazakhstan's financial organizations.

She has been a member of the Executive Council of FEAS (Federation of Euro-Asian Stock Exchanges) since 2016. Currently, she is a Chairperson of the FEAS Working Committee.

She is a member of the Council of the Association of Legal Entities "Association of Financiers of Kazakhstan" and the Board of Directors of Central Securities Depository JSC.

From 2008 to 2011, she was a Deputy Chairperson of the ARDFM.

In 2013–2016, she was a Deputy Chairperson of the Management Board of National Management Holding Baiterek JSC.

She is pro-actively engaged in public activities, a regular speaker at international and Kazakhstan's conferences on exchange activities, IT transformation, ESG financing, inclusiveness and leadership.

She was awarded Qurmet Order, jubilee medals "25 Years of Independence of the Republic of Kazakhstan", "30 Years of Independence of the Republic of Kazakhstan", "30 years of Independence of Tenge", "20 Years of Independence of the Assembly of People of Kazakhstan", medals of the Association of Financiers of Kazakhstan "Ules" and "Enbegi ushin", medal of the National Chamber of Entrepreneurs "Atameken" "For Loyalty to Business", as well as letters of gratitude from the Chairman of the National Bank of the Republic of Kazakhstan and the Chairman of the ARDFM.

Abdrzakov Eldar Sovetovich (1972)

Chairman of the Board of Directors of Centras Securities; Insurance Company Centras Insurance JSC, Insurance Company Kommesk-Omir JSC, Life Insurance Company Centras Kommesk Life JSC.

Since 2004, he has been a General Director of Centras Capital LLP. Previously, in 2004–2007, he headed Centras Securities JSC, and in 2002–2004 he was a General Director of Kazkommerts-Securities OJSC. Earlier, in 1998–2000, he was a Director of the Investment Banking Department and a Managing Director at Kazkommertsbank OJSC. Currently, he is also a member of the Board of Directors/ Independent Director of Air Astana JSC and a member of the Board of Directors of Kazakhstan Stock Exchange JSC. He holds qualification certificates of categories 1 and 3 issued by the ARDFM. He graduated with honors from the International Kazakh-Turkish University named after H.A. Yasawi in 1995 with a degree in international economic relations. In 1996, he obtained an academic degree of Master of Science with the same major. In 2010, he successfully completed an executive program at Harvard Business School (USA).

Birtanov Yeszhan Amantaevich (1975)

Chairman of the Board of Directors of TANSAR CAPITAL JSC

Since 2022, he has been a Chairman of the Board of Directors of TANSAR CAPITAL JSC. Previously, from 2019 to 2022, he was a Deputy Chairman of the National Bank of the Republic of Kazakhstan. In 2018–2019, he was a Managing Director of NMH Baiterek JSC. From 2015 to 2017, he headed National Investment Corporation JSC of the National Bank of Kazakhstan, and earlier, in 2015, he was a Chairman of the Management Board of Kazakhstan Stock Exchange JSC. In 2014–2015, he headed the Planning and Budget Department of the National Bank, and in 2012–2014, he was a Chairman of the Management Board of National Investment Corporation of the National Bank of Kazakhstan JSC. Previously, from 1998 to 2012, he held various positions at the National Bank of the Republic of Kazakhstan, including a lead dealer, head of the dealing operations department and deputy director of the monetary operations department.

He has been awarded the anniversary medals "20 Years of Independence of the Republic of Kazakhstan", "25 Years of Independence of the Republic of Kazakhstan", medal "Eren enbegi ushin". He received a Gratitude of the President of the Republic of Kazakhstan and the award "Honored Worker of the National Bank of the Republic of Kazakhstan." He has been awarded the anniversary medals "20 Years of Independence of the Republic of Kazakhstan", "25 Years of Independence of the Republic of Kazakhstan", medal "Eren enbegi ushin". He was awarded a Gratitude of the President of the Republic of Kazakhstan and the award "Honored Worker of the National Bank of the Republic of Kazakhstan."

Elemessov Askar Raushanovich (1968)

Since 2019, he has been an independent director on the Boards of Directors of Unified Accumulative Pension Fund JSC, Samanea Limited and SkyBridge Invest JSC. Previously, from 2019 to 2024, he headed a branch of ACRA (Analytical Credit Rating Agency) and was an independent director of Bereke Bank JSC. In 2014–2024, he was a Chairman of the Board of Directors of the Association of Legal Entities Association of Financiers of Kazakhstan. In 2014–2016, he headed the Financial Sector Committee of the Presidium of Atameken National Chamber of Entrepreneurs and was a member of the Boards of Directors of a number of major financial and government institutions, including Halyk Savings Bank of Kazakhstan JSC, Kazkommertsbank JSC, Samruk-Kazyna JSC, KazMunayGas JSC, Kazatomprom JSC, Development Bank of Kazakhstan, etc. In 2006, he was a Vice-Minister of Finance of the Republic of Kazakhstan, and in 2004–2006 he was a Deputy Chairman of the National Bank of the Republic of Kazakhstan JSC. Earlier, he held senior positions in major banks, including Bank Caspian JSC, Bank TuranAlem JSC and Halyk Savings Bank of Kazakhstan JSC, and he also headed investment companies Deutsche Bank Securities Kazakhstan and Troika Dialog Kazakhstan JSC. In 2000–2003 and in 2007, he was a member of the Board of Directors of Kazakhstan Stock Exchange JSC. He began his career in international trade, and in 1994–1996, he worked at Kazkommertsbank JSC.

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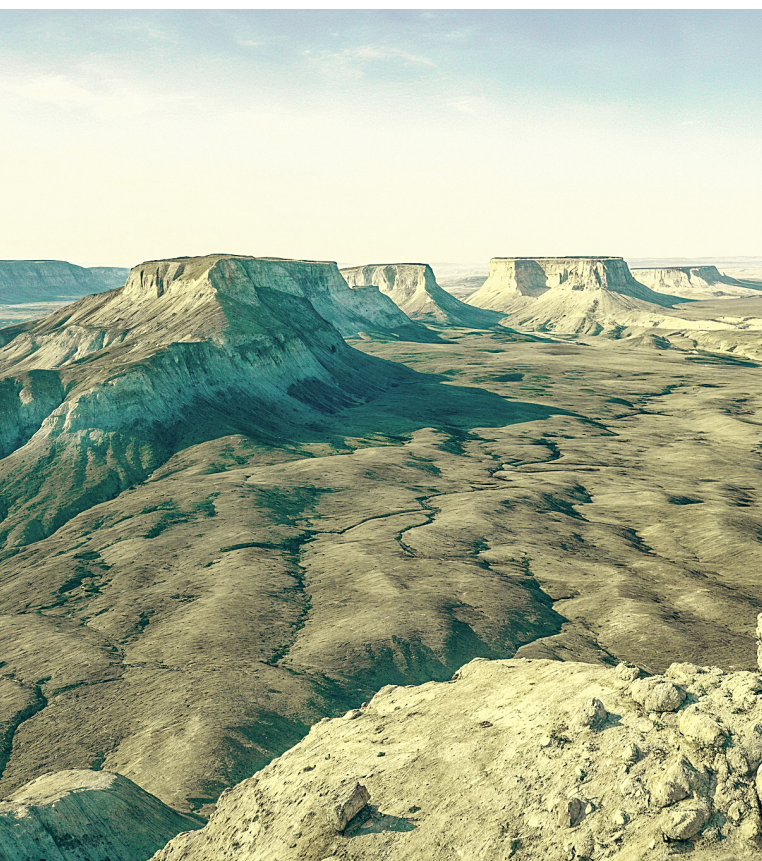
CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Israeli Doron (1981)

Professor, Graduate School of Business,
Nazarbayev University

Since 2017, he has been a professor at the Graduate School of Business at Nazarbayev University, where he teaches accounting and econometrics. Since 2013, he has been a professor at the Arison School of Business, IDC Herzliya, specializing in teaching accounting, econometrics and finance. Previously, from 2007–2009, he worked in the Corporate Finance Department of the Israel Securities Authority in Jerusalem. He began his career in 2004-2007 in the Professional Practice Department of EY (Ernst & Young) in Tel Aviv.



Salimov Ertay Ismailovich (1974)

Deputy Chairman of the Management Board of Halyk Bank of Kazakhstan JSC, Chairman of the Supervisory Board of Kazkommertsbank Tajikistan CJSC, member of the Board of Directors of Subsidiary of Halyk Bank of Kazakhstan Halyk Finance JSC.

Since February 2015, he has been a Deputy Chairman of the Management Board of Halyk Bank of Kazakhstan JSC. Since August 2018, he has been a Chairman of the Supervisory Board of Kazkommertsbank Tajikistan CJSC, and since August 2019 a member of the Board of Directors of Subsidiary of Halyk Bank of Kazakhstan Halyk Finance JSC. Previously, from February 2016 to May 2018, he was an independent director of the Board of Directors of Kazakhstan Stock Exchange JSC, and from February 2016 to September 2018 he was a Chairman of the Board of Directors of Halyk Finance JSC.

Willems Jan (1975)

Executive Director, Head of Global Markets Products,
Clearstream Banking, Luxembourg.

Since October 2018, he has been an Executive Director and Head of Global Markets Products at Clearstream Banking (Luxembourg). From 2013 to 2018, he was a Vice President of Market Development at this company. From 2001 to 2013, he headed the sales and communications unit responsible for Russia, the CIS and the Netherlands at Clearstream Banking. He started his career in the financial sector with such large organizations as Deutsche Bank, BISYS Fund Services (now Citi Bank Ireland Plc) and Euroclear Bank, where he held key positions related to client services and transfer agency.

Skills of the Board of Directors

The Exchange strives to achieve the best possible balance of experience, skills and perspectives of the Board of Directors. Having different views when discussing issues allows the Board of Directors to most effectively perform its functions and represent interests of the shareholders. Independent Directors bring experience in international management, strategic vision, corporate governance, risk management. Along with that, many Directors have knowledge of the banking sector, finance in general, human resources management, including remuneration issues.

Following the best corporate governance practices, the Exchange promotes and takes measures to improve qualifications of the members of the Board of Directors. In this connection, in 2024, the Exchange continued training of the members of the Board of Directors and independent directors of the Exchange in the second stage of the IoD Chartered Director – Diploma in Company Direction program, an international certification for members of the boards of directors of the British Institute of Directors (IoD, UK), accumulating the experience and best practices of boards of directors in companies worldwide.

In 2024, members of the Board of Directors and independent directors of the Exchange – A.R. Yelemesov, D. Israeli, A.V. Dronin completed training in the second stage of the IoD Chartered Director – Diploma in Company Direction program.

Activities of the Board of Directors

The Board of Directors of the Exchange and its committees carry out their work subject to action plans for the year. During the reporting period, the Board of Directors of the Exchange reviewed strategic and current issues of the Exchange's activities related to its competence. 15 meetings of the Board of Directors and 24 absentee voting were held.

On March 1, 2024, a strategic session was held with participation of members of the Board of Directors of the Exchange. During the meeting, promising areas of development were considered, covering both internal processes and external challenges and opportunities. Session participants held an in-depth discussion of key priorities. Based on the results, strategic directions were identified that formed the basis of the new Exchange strategy for 2025-2027.

In carrying out its activities, the Board of Directors is guided by the goals and objectives provided for by the Corporate Governance Code of the Exchange, the Charter of the Exchange, the Regulation on the Board of Directors and complies with its functional responsibilities in order to achieve positive results of the Exchange.

Under the Joint Stock Companies Law of the Republic of Kazakhstan, the following committees of the Board of Directors and commissions of the Exchange operate at the Exchange to study the most important issues and prepare recommendations to the Board of Directors:

- ♦ Budget and Strategic Planning Committee of the Board of Directors;
- ♦ Internal Audit Committee of the Board of Directors ;
- ♦ HR, Remuneration and Social Issues Committee of the Board of Directors.

Subject to Requirements for organizational structure of the organizer of trades and composition of the listing commission of the stock exchange, as well as the Rules for implementation of activities of the structural subdivision of the trades organizer which carries out activities to supervise transactions in the trading system of the stock exchange as approved by Decree of the Board of the National Bank of the Republic of Kazakhstan dated December 19, 2015 No. 249, the Exchange has:

- ♦ Listing Commission;
- ♦ Issuers Audit Committee of the Board of Directors.

10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



In line with the Procedure for resolving disputes and conflicts arising in the process of transactions with financial instruments as approved by decision of the Board of Directors, there is the Dispute and Conflict Resolution Commission.

Procedure for formation and operation of committees of the Board of Directors, and commissions of the Exchange, their number, as well as their competence, functions, quantitative composition are regulated by internal documents of the Exchange as approved by the Board of Directors – Regulation on committees of the Board of Directors.



In 2024, the following were held:

- ♦ 12 meetings of the Budget and Strategic Planning Committee of the Board of Directors of the Exchange;
- ♦ 10 meetings of the HR, Remuneration and Social Issues Committee of the Board of Directors of the Exchange;
- ♦ 14 meetings of the Internal Audit Committee of the Board of Directors of the Exchange;
- ♦ 6 meetings of the Listing Commission, as well as 47 absentee voting of this commission;
- ♦ 6 meetings of the Issuers Audit Committee of the Board of Directors.

The Committee of the Board of Directors of the Exchange on Budget and Strategic Planning included representatives of the National Bank of the Republic of Kazakhstan, the ARDFM and an investment company as experts.

Selection and appointment

Members of the Board of Directors are elected by the General Meeting of Shareholders based on clear and transparent procedures, given competencies, skills, achievements, business reputation and professional experience of candidates. When re-electing individual members of the Board of Directors or its entire composition for a new term, their contribution to effectiveness of the Exchange Board of Directors is taken into account.

The Board of Directors and its committees must maintain a balance of skills, experience and knowledge that ensures independent, objective and effective decision making in the interests of the Exchange and taking into account fair treatment of all shareholders and principles of sustainable development. Members of the Board of Directors and candidates for membership in the Board of Directors must have relevant work experience, skills, knowledge, qualifications, positive achievements and an impeccable reputation in the business and financial environment necessary to perform their functions.

Conflict of Interest

Subject to the Charter of the Exchange, Corporate Governance Code, Regulation on the Board of Directors, Conflict of Interest Management Policy, Rules of Professional Ethics, Procedure for Resolving Disputes and Conflicts Arising in the Process of Transactions with Financial Instruments, preventing a conflict of interest is an important condition to ensure protection of interests of shareholders and the Exchange, its employees. All employees must behave in such a way as to avoid a situation in which a conflict of interest may arise, either in relation to themselves (or persons associated with them) or in relation to others. No official of the Exchange participates in making decisions related to their own appointment, election and re-election and remuneration. Moreover, in order to prevent and resolve a conflict of interest, officials of the Exchange do not participate in making decisions on transactions in which they have an interest. Along with that, a compliance check is also carried out on signed agreements in terms of affiliation and connection of potential counterparties with the Exchange.

KASE Dividend Policy

In May 2024, given the current Dividend Policy approved by the General Meeting of Shareholders of KASE (February 10, 2023), the annual general meeting of shareholders decided to allocate 9,259,132.5 k KZT for dividend payments based on 2023 performance. Dividend amount per ordinary share (KZ1C00001213) was 8,611.30 KZT. Net profit of the Exchange according to its audited consolidated 2023 financial statements made 18,518,265 k KZT, where, by decision of the shareholders, 50% was allocated for dividend payment, the other 50% – for Exchange development. In 2024, key investment and capital-intensive projects of the Exchange were completed, including transfer of the foreign exchange and derivatives market, as well as settlement activities to a subsidiary of the Exchange, KASE Clearing Center JSC. This measure will allow net profit to be used to pay dividends in future years.



10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Management Board of the Exchange

The Management Board is a collegial executive body of the Exchange and it manages current activities of the Exchange, with the exception of issues referred by the Joint Stock Companies Law of the Republic of Kazakhstan and the Charter of the Exchange to exclusive competence of the general meeting of shareholders and/or the Board of Directors of the Exchange.

As of December 31, 2024, the KASE Management Board had five members:

- ♦ **Aldambergen A. U.**, Chairperson of the Management Board;
- ♦ **Amanzholova D.M.**, Deputy Chairperson of the Management Board;
- ♦ **Mazhekenov E.B.**, Deputy Chairman of the Management Board;
- ♦ **Sarzhakov Zh.N.**, Deputy Chairman of the Management Board;
- ♦ Kuanyshbekov E.M., Managing Director for IT/ Member of the Management Board.



Aldambergen Alina Utemiskyzy (1973)

Biography is posted in the “Board of Directors” section of the Exchange.

Amanzholova Dana Muratbekovna (1980)

She has 23 years of experience in the financial sector, including 18 years at the National Bank of the Republic of Kazakhstan and the ARDFM. In different years, Dana Amanzholova held senior positions in the Department of Strategy and Analysis, the Department of Supervision of Securities Market Entities in the authorized body for control and supervision of the financial market and financial organizations.

She started her career at the Exchange in 2019 as a head of the Listing Department, in 2021 she was promoted to the position of a Managing Director, Director of the Information and Statistics Department. Since 2023, Dana Amanzholova has been the Managing Director and Member of the Management Board of KASE, and since 2024, she has been a Deputy Chairperson of the Management Board.

During her career in the financial sector, Dana Amanzholova has pro-actively participated in development of offers for changes to the laws designed to develop the securities market, and carried out remote supervision of securities market entities and accumulation pension funds. She has received numerous awards, including jubilee medals “20 Years of Tenge”, “25 Years of Independence of the Republic of Kazakhstan” and “30 Years of Independence of the Republic of Kazakhstan” in honor the 25th and 30th anniversaries of the financial sector.

Mazhekenov Ermek Bulatovich (1974)

Since July 2020, he has been a Deputy Chairman of the Management Board of the Exchange. From 1999 to 2020, he was a Head of the Trading Organization Department, Director of the Trading Department and Managing Director/ Director of the Trading Department at KASE. From 1995 to 1998, he worked as a broker, headed the Trading Organization Department and was a Chairman of the Clearing House of Kazakhstan Stock Exchange JSC (KASE).

He received numerous awards, including the anniversary medals “20 Years of Tenge” and “Ules”, the title “Honored Financier” “25 Years of Independence of the Republic of Kazakhstan” and “30 Years of Independence of the Republic of Kazakhstan” in honor of the 25th and 30th anniversary of the financial sector.

Sarzhakov Zhainar Naurzbayevich (1977)

Member of the Board of Directors of KASE Clearing Center JSC, Deputy Chairman of the Management Board of Kazakhstan Stock Exchange JSC (KASE).

He is an experienced financier with an extensive career in the financial sector of Kazakhstan.

Throughout his career, he has held senior positions at the National Bank of the Republic of Kazakhstan. He has made a significant contribution to development and implementation of investment strategies for gold and foreign exchange assets of the National Bank, the National Fund of the Republic of Kazakhstan, as well as pension assets of the Unified Accumulative Pension Fund (UAPF). His efforts focused on ensuring financial stability and effective asset management.

Since April 2021, he has been a Deputy Chairman of the Management Board of the Exchange, where he continues to apply his knowledge and experience for strategic planning and development of the financial market of Kazakhstan. He has received jubilee medals “20 Years of Tenge”, “20 years of Constitution of Kazakhstan”, “30 Years of Tenge” as well as the medal of the Association of Financiers of Kazakhstan “Enbegi ushin”.

Kuanyshbekov Eldos Maratovich (1989)

He is a professional IT specialist with extensive experience in the financial sector of Kazakhstan. Since 2024, he has been a member of the Management Board of the Exchange, where he is responsible for strategic IT development.

He started his IT career in commercial IT companies, in different years he was a project manager, business analyst, client manager. For six years, he worked in the quasi-public sector, including such structures as National Management Holding Baiterek JSC and Entrepreneurship Development Fund DAMU JSC, where he was responsible for digitalization, strategic development of IT, operation and development of the IT sector. Before his appointment as a Managing Director, IT, at KASE in August 2023, he worked for four years for the National Bank of the Republic of Kazakhstan, where he was responsible for strategic development and digital transformation of Banking Service Bureau JSC of the NBK, as well as for implementation of a number of IT projects within the Concept for Development of Financial Technologies and Innovations in the Financial Market, developed by the National Bank of the Republic of Kazakhstan. Later, he held senior positions as a Deputy Chairman of the Management Board and Chairman of the Management Board at Center for Development of Payment and Financial Technologies JSC of the NBK, developed the Concept for implementation of the Digital KZT, as well as implementation of an industrial prototype of the Digital KZT.



Information about remuneration

Remuneration and compensation of expenses are paid to members of the Board of Directors and the Management Board of the Exchange subject to the terms and conditions of contracts signed with them. Amounts of bonuses of these chief executives are determined by the General Meeting of Shareholders in case of members of the Board of Directors, and by the Board of Directors in case of members of the Management Board, given financial and economic performance of the Exchange in a relevant financial year.



Remuneration of members of the Board of Directors

Under the Joint Stock Companies Law of the Republic of Kazakhstan, the Charter of the Exchange and the Regulation on the Board of Directors:

- ♦ monthly remuneration of members of the Board of Directors is determined by decision of the General Meeting of Shareholders of the Exchange;
- ♦ amount of the annual bonus of any member of the Board of Directors must not exceed 85% of the total amount of the monthly remuneration paid to this member of the Board of Directors for all months of the year for which the bonus is paid;
- ♦ annual bonus is not paid to members of the Board of Directors who participated in less than 50% of the meetings of the Board of Directors, absentee voting of members of the Board of Directors, meetings of committees of the Board of Directors, other standing committees and commissions of the Exchange in the reporting financial year, where these members of the Board of Directors were members.

From January 1 to December 31, 2024, members of the Board of Directors of the Exchange were paid 61,008,525.00 (sixty-one million eight thousand five hundred twenty five) KZT, 00 tiyn.

No remuneration is established or paid to members of the Board of Directors of the Exchange, where they are representatives of public authorities of the Republic of Kazakhstan or when they are persons who cannot receive a remuneration under the laws of the Republic of Kazakhstan:

- ♦ representatives of the National Bank of the Republic of Kazakhstan and the ARDFM who are members of the Board of Directors based on clause 4 article 84 of the Securities Market Law of the Republic of Kazakhstan and sub-clause 1) clause 3 article 17 of the Charter of the Exchange;
- ♦ Chairman of the Management Board of the Exchange who is a member of the Board of Directors due to his position based on sub-clause 2) clause 3 article 17 of the Charter of the Exchange.

Remuneration of members of the Management Board of the Exchange

Under the Joint Stock Companies Law of the Republic of Kazakhstan, the Charter of the Exchange and the Regulation on the Management Board:

- ♦ monthly salary of a member of the Management Board is determined by a decision of the Board of Directors;
- ♦ following review of performance of the Management Board and the Exchange for a reporting year, the Board of Directors makes a decision to fix sizes of an annual bonus to members of the Management Board for the reporting year;
- ♦ amount of an annual bonus to members of the Management Board is determined by decision of the Board of Directors based on assessment

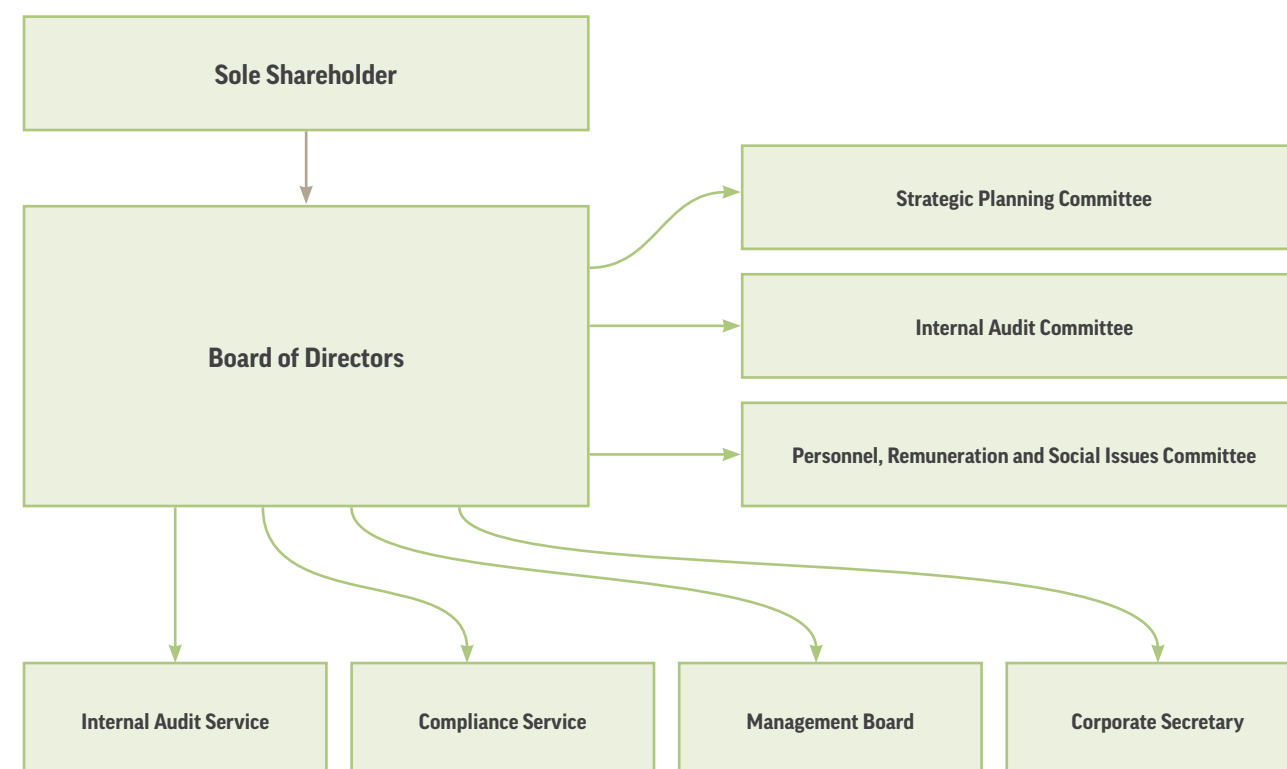
of the work of each member of the Management Board during a reporting year;

- ♦ the Board of Directors may decide on a non-recurrent payment to a member of the Management Board.

For the period from January 1 to December 31, 2024, members of the Management Board of the Exchange were paid 327,023,451.38 (three hundred twenty-seven million twenty three thousand four hundred fifty one) KZT 38 tiyn.

In the Clearing Centre, functions between the general meeting of shareholders, the Board of Directors and the Management Board are distributed subject to the laws of the Republic of Kazakhstan and KACC Charter.

Structure of the Clearing Center



10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



As of December 31, 2024, total number of declared ordinary shares of the Clearing Center was four hundred thousand, including 55 ordinary shares were placed. Sole shareholder of the Clearing Center is Kazakhstan Stock Exchange JSC.

Subject to the laws of the Republic of Kazakhstan, the general meeting of shareholders is a supreme governing body of the Clearing Center. List of issues falling within competence of the general meeting of shareholders is determined by the Joint Stock Companies Law of the Republic of Kazakhstan and the Charter of the Clearing Center.



Independent members of the Board of Directors: 38%.

Share of women in the Board of Directors: 38%.

The Board of Directors is a governing body of the Clearing Center and it carries out general management of activities of the Clearing Center, with the exception of issues referred by the Joint Stock Companies Law of the Republic of Kazakhstan and/ or the Charter of the Clearing Center to the exclusive competence of the sole shareholder of the Clearing Center.

Composition of the Board of Directors as of December 31, 2024:

- ♦ Aldambergen Alina Utemiskyzy (Chairperson of the Board of Directors) – Chairperson of the Management Board of the Exchange, representative of the sole shareholder;
- ♦ Ainabayeva Sholpan Rakhmankulovna (member of the Board of Directors/ independent director of the Clearing Center);
- ♦ Damitov Kadyrzhan Kabdoshevich (member of the Board of Directors/independent director of the Clearing Center);
- ♦ Sarzhakov Zhainar Naurzbayevich (member of the Board of Directors) – Deputy Chairman of the Management Board of the Exchange Management, representative of the sole shareholder;
- ♦ Salimov Ertai Ismailovich (member of the Board of Directors);
- ♦ Serdyuk Ivan Vyacheslavovich (member of the Board of Directors);
- ♦ Tashmetov Mirlan Zhaparbekovich (member of the Board of Directors/ independent director of the Clearing Center);
- ♦ Khoroshevskaya Natalya Yuryevna (member of the Board of Directors).

Aldambergen Alina (1973)

Biography is posted in the “Board of Directors” section of the Exchange.

Sholpan Ainabayeva (1969)

Member of the Board of Directors of KASE Clearing Center JSC/ independent director.

She has worked in the stock market for over 30 years, starting as a stock trader to a chief of large brokerage companies. Her career covers significant stages in development of the financial sector of Kazakhstan.

Since November 1, 2024 to date, she has been a Chairperson of the Board of Directors of SkyBridge Invest JSC.

From 2013 to November 1, 2024, she was a Chairperson of the Management Board of SkyBridge Invest JSC founded in 2003. SkyBridge Invest JSC became the first management company in Kazakhstan to create mutual investment funds, which was an important step in development of the country’s investment market.

She is a leading expert in brokerage activities, pro-actively monitoring trends in brokerage business amid digitalization of business processes.

She was awarded the public order “Honored Financier”, jubilee medals “30 Years of Independence of Kazakhstan”, “30 Years of Tenge”, “20 Years of Astana”, as well as “Ules” medal of the Association of Financiers of Kazakhstan.

Kadyrzhan Damitov (1959)

Member of the Board of Directors of KASE Clearing Center JSC/ independent director.

He is a well-known financier with a PhD degree in Economics. Over the years, he held senior positions in Kazakhstan’s financial organizations. He is a recognized financial expert, a member of the Advisory Council of the Association of Financiers of Kazakhstan.

In 1994, he was a Deputy Chairman of the National Bank of the Republic of Kazakhstan.

Later, he was a Vice Minister of Economy and Trade of the Republic of Kazakhstan, Advisor to the Prime Minister of the Republic of Kazakhstan, Chairman of the National Bank of the Republic of Kazakhstan. From 1999 to 2000, he was an Advisor to the President of the Republic of Kazakhstan. After completing his public service, he continued his career in the banking and financial sectors, holding senior positions in the largest banks and financial structures of the country, as well as in the quasi-public sector. From 2004 to 2007, he was a member of the Board of Directors of Ust-Kamenogorsk Titanium Magnesium Plant. In 2009-2013, he was a President of Kazakhstan Stock Exchange JSC. In 2017-2021, he was an independent director on the Board of Directors of Unified Accumulative Pension Fund JSC and Kazakhstan Stock Exchange JSC. For his significant achievements, he received high state awards – “Eren Enbegi Ushin” medal in 2001 and “Parasat” order in 2011.

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CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Ertai Salimov (1974)

Member of the Board of Directors of KASE Clearing Center JSC.

In August 1995, he began his career in Halyk Bank of the Republic of Kazakhstan. During his career, he held various key positions, demonstrating high professionalism and leadership qualities.

Since 2015, he has been a Deputy Chairman of the Management Board of Halyk Bank.

In February 2016, he was elected as a member of the Board of Directors of Kazakhstan Stock Exchange JSC, as an independent director, and was simultaneously elected a Chairman of the Board of Directors of Halyk Finance JSC.

He has significant experience in financial management and investments, which is confirmed by his long-term contribution to development of key banking and financial operations.

He has been awarded the jubilee medal “20 Years of Tenge” as the best financier, as well as the order of the Association of Financiers of Kazakhstan “Honored Financier”.

Sarzhakov Zhainar (1977)

Biography is posted in the “Management Board” section of the Exchange.

Ivan Serdyuk (1985)

Member of the Board of Directors of KASE Clearing Center JSC.

From 2007 to July 2024, he worked at the National Bank of the Republic of Kazakhstan, dealing with monetary policy and reserve management.

Since 2021, he has been a member of the Strategy Committee at Central Securities Depository JSC.

He has deep knowledge in finance and management, which is reflected in his long-term of experience and significant awards for services to the state and the financial sector.

He has been awarded the medals “Eren enbegi ushin”, “30 Years of Independence of the Republic of Kazakhstan”, “20 Years of Tenge”, as well as the badge “Honored Worker of the NBRK”.

Tashmetov Mirlan (1975)

Member of the Board of Directors of KASE Clearing Center JSC/ independent director.

He started his career at the National Bank of the Republic of Kazakhstan, where he gained tremendous experience in regulating and supervising the financial markets. Later, his professional path continued at the Agency for Control and Supervision of the Financial Market and Financial Organizations (AFS), as well as at the Central Securities Depository. From 2007 to 2011, he held key positions in the financial sector, including management positions at Centras Securities JSC, where he was a Managing Director and a Director of the Trading Operations Department, and later the Asset Management Department. In 2012, he became a Deputy Chairman of the Board of ONPF Otan JSC, and in May 2014, he was appointed as a Chairman of the Management Board of Qazaq Banki JSC, where he worked until March 2016.

From 2011 to 2012, he also worked at Kazyna Capital Management JSC as an advisor to the Chairman of the Management Board on investment policy.

Natalya Khoroshevskaya (1973)

Chairperson of the Management Board, member of the Board of Directors of KASE Clearing Center JSC (KACC).

She has 30 years of experience in the stock market of Kazakhstan and is an expert in the stock market, including on implementation of the ESG principles, disclosure of information on sustainable development, and responsible investment.

She was awarded Qurmet order, Public Order of the Association of Financiers of Kazakhstan “Honored Financier”, and a jubilee medal for the 20th anniversary of tenge, “Ules” and “Enbegi Ushin” medals of the Association of Financiers of Kazakhstan, as well as letters of gratitude from the Chairman of the ARDFM and the Chairman of the National Bank of the Republic of Kazakhstan.

In 2024, meetings of the Board of Directors were held on a regular basis in person and in absentia.

During the reporting period, the Board of Directors studied strategic and current issues of activities of the Clearing Center related to its competence. 16 in-person meetings of the Board of Directors and 8 absentee votes were held.

The Board of Directors (minutes of the meeting dated February 12, 2024, No. 2):

1. Established the HR, Remuneration and Social Issues Committee of the Board of Directors.
2. Renamed the Strategic Planning, HR and Remuneration, Social Issues Committee of the Board of Directors to the Budget and Strategic Planning Committee of the Board of Directors.

Thus, subject to the Joint Stock Companies Law of the Republic of Kazakhstan, the following committees of the Board of Directors of the Clearing Center have been formed and operate to study the most important issues and prepare recommendations for the Board of Directors:

- ♦ Budget and Strategic Planning Committee of the Board of Directors (number of members – 7 people);
- ♦ Internal Audit Committee of the Board of Directors (number of members – 3 people);
- ♦ HR, Remuneration and Social Issues Committee of the Board of Directors (number of members – 3 people).

Procedure for formation and operation of committees of the Board of Directors and commissions of the Clearing Center, their number, as well as their competence, functions, and number of members are regulated by internal documents of the Clearing Center approved by the Board of Directors.

In 2024, the following were held:

- ♦ 11 meetings of the Budget and Strategic Planning Committee of the Board of Directors;
- ♦ 11 meetings of the Internal Audit Committee of the Board of Directors;
- ♦ 7 meetings of the HR, Remuneration and Social Issues Committee of the Board of Directors.

In carrying out its activities, the Board of Directors is guided by goals and objectives provided for by the Code of Corporate Governance of the Clearing Center, the Charter of the Clearing Center, the Regulation on the Board of Directors and complies with its functional responsibilities in order to achieve positive results of the Clearing Center’s activities.

10 CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Management Board of the Clearing Center

The Management Board is a collegial executive body of the Clearing Center and it manages current activities of the Clearing Center, with the exception of issues referred by the Joint Stock Companies Law of the Republic of Kazakhstan and the Charter of the Clearing Center to exclusive competence of the general meeting of shareholders and/or the Board of Directors of the Clearing Center.

Composition of the Management Board as of January 31, 2024:

- ♦ Khoroshevskaya N.Yu., Chairperson of the Management Board;
- ♦ Li A.V., Deputy Chairperson of the Management Board;
- ♦ Sabitov I.M., Deputy Chairman of the Management Board;
- ♦ Studenina E.V., Deputy Chairperson of the Management Board.

Khoroshevskaya Natalya (1973)

Biography is posted in the “Board of Directors” section of the Clearing Center.

Li Alla (1982)

Deputy Chairperson of the Management Board of the Clearing Center

She was appointed to the position of a Deputy Chairman of the Management Board in January 2024.

At different times in her career, she held a number of executive and expert positions in strategic planning, risk management, financial analysis and methodology, including leading and main positions in State Accumulative Pension Fund JSC, NPF UlarUmit JSC, Qazaq Banki JSC and Kazakhstan Stock Exchange JSC. At the Exchange, she moved from a chief specialist to a director of the Clearing House, overseeing risk management and central counterparty activities.

Sabitov Idel (1967)

He was appointed to the position of a Deputy Chairman of the Management Board in August 2023.

Over the years of his career, he held such positions as Leading Economist, Head of the Department for Organization and Conduct of Trades, Head of the Software Department, Member of the Management Board/ Deputy Chairperson of the Management Board, Advisor to the Chairperson of the Management Board of Kazakhstan Stock Exchange JSC.

Studenina Elena (1969)

She has been appointed to the position of a Deputy Chairperson of the Management Board since April 2023.

Over the years of her career, she held positions such as Engineer, Leading Economist, Head of the Government Securities Depository Department of the National Bank of the Republic of Kazakhstan, Head of the Depository

Activities Department, Vice President, Head of the Methodology Department, President, Head of the Methodology Department, Advisor to the Chairman of the Management Board, Managing Director of Central Securities Depository JSC, Head of the Post-Trade Department of Astana International Exchange, Advisor to the Chairperson of the Management Board of Kazakhstan Stock Exchange JSC.

Information about remuneration

Remuneration and compensation of expenses to members of the Board of Directors and the Management Board of the Clearing Center are paid subject to the terms and conditions of agreements signed with them. Amounts of bonus for the said executives are determined by decision of the sole shareholder of the Clearing Centre for members of the Board of Directors and by the Board of Directors for members of the Management Board, depending on financial and economic performance of the Clearing Centre in the relevant financial year.

Remuneration of members of the Board of Directors

Subject to the Joint Stock Companies Law of the Republic of Kazakhstan, the Charter of the Clearing Centre and the Regulation on the Board of Directors:

- ♦ monthly remuneration of members of the Board of Directors is determined by decision of the sole shareholder of the Clearing Centre;
- ♦ amount of an annual bonus of any member of the Board of Directors does not exceed 85% of the total amount of the monthly remuneration paid to this member of the Board of Directors for all months of the year for which the bonus is paid;
- ♦ annual bonus is not paid to members of the Board of Directors who participated in less than 50% of the meetings of the Board of Directors, absentee

voting of members of the Board of Directors, meetings of the committees of the Board of Directors, other standing committees and commissions of the Clearing Center in the reporting financial year, where these members of the Board of Directors were members.

For the period from January 1 to December 31, 2024, members of the Board of Directors of the Clearing Center were paid 31,105,947.61 (thirty one million one hundred five thousand nine hundred forty-seven KZT sixty one tiyn) KZT.

Remuneration of members of the Management Board of the Clearing Center

Subject to the Joint Stock Companies Law of the Republic of Kazakhstan, the Charter of the Clearing Center and the Regulation on the Management Board:

- ♦ monthly salary of a member of the Management Board is determined by decision of the Board of Directors;
- ♦ following the review of performance results of the Management Board and the Clearing Centre for a reporting year, the Board of Directors makes a decision to establish the amount of annual bonus for members of the Management Board for a reporting year.
- ♦ amount, procedure and conditions of the annual bonus of members of the Management Board are determined by decision of the Board of Directors based on results of assessment of the work of each member of the Management Board during the reporting year;
- ♦ the Board of Directors may decide on a non-recurrent payment to a member of the Management Board.

For the period from January 1 to December 31, 2024, members of the Management Board of the Clearing Center were paid 199,921,655.56 (one hundred ninety nine million nine hundred twenty one thousand six hundred fifty five KZT fifty six tiyn) KZT.



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CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Management of sustainable development agenda

Issues of sustainable development are managed by the management bodies, executive bodies, and top managers of executive bodies of the organizations within the KASE Group, according to competencies established by the laws of the Republic of Kazakhstan and internal documents of the KASE Group. Sustainable development management is carried out within implementation of the general development strategy, it is its integral part and it is designed to implement the mission and strategic goals and objectives of the KASE Group. The Board of Directors of the organizations within the KASE Group oversees integration of sustainable development principles and implementation of the ESG practices in activities of the KASE Group by approving the Sustainable Development Policy and other documents of the KASE Group related to sustainable development aspects.

The Management Board of the organizations within the KASE Group forms the general sustainable development agenda of the organizations within the KASE Group and is responsible for its implementation. The Management Board regularly reports to the Board of Directors on the state of affairs and implementation of tasks in the areas of sustainable development. The Management Board of the organizations included in the KASE Group approves a work plan providing for implementation of activities in sustainable development of the KASE Group, and target indicators of the KASE Group for aspects of sustainable development.

Chairmen of the Management Board of the organizations included in the KASE Group manage activities in the field of sustainable development and can delegate management to an official responsible for the development and implementation of the action plan for sustainable development. At the Exchange, this function is performed by an ESG officer who coordinates sustainable development issues and ensures implementation of ESG initiatives within the KASE Group.

In 2024, a permanent working group on sustainable development was created. Tasks of the working group on sustainable development are:

1. development of an annual action plan of the KASE Group in the main areas of sustainable development of the KASE Group and indicators for their implementation;
2. development of target indicators of performance of organizations included in the KASE Group for individual aspects of sustainable development;
3. coordination of actions of the KASE Group in implementation of the action plan for sustainable development of the KASE Group;
4. submission of regular reports to management bodies of the organizations included in the KASE Group on the state of affairs and implementation of tasks in the areas of sustainable development of the KASE Group, assessing the progress in achieving the target performance indicators for the applicable aspects of sustainable development of the KASE Group.

Also in 2024, the 2024-2027 Roadmap for Sustainable Development of the KASE Group was developed and approved. The Roadmap contains measures to develop the ESG profile of the organizations included in the KASE Group, to promote the sustainable development agenda among market participants, involvement in international initiatives and events designed to support the fight against climate change.

Risk management system of KASE Group

KASE Group has built a single integrated risk management system, while each of the Group's companies has specific types of risks. Risk management is an integral part of the activities of KASE and KACC, designed to identify, assess and monitor all significant material risks of the KASE Group, as well as take measures to reduce the level of risks.

Subject to the international risk management standards, the risk management and internal control system of KASE Group rests on three lines of defense:

1. the first line of defense: all subdivisions and employees of KASE/KACC;
2. the second line of defense: the compliance subdivision, the legal subdivision, the risk management subdivision, the supervisory subdivision, the financial monitoring subdivision;
3. the third line of defense: the internal audit subdivision.

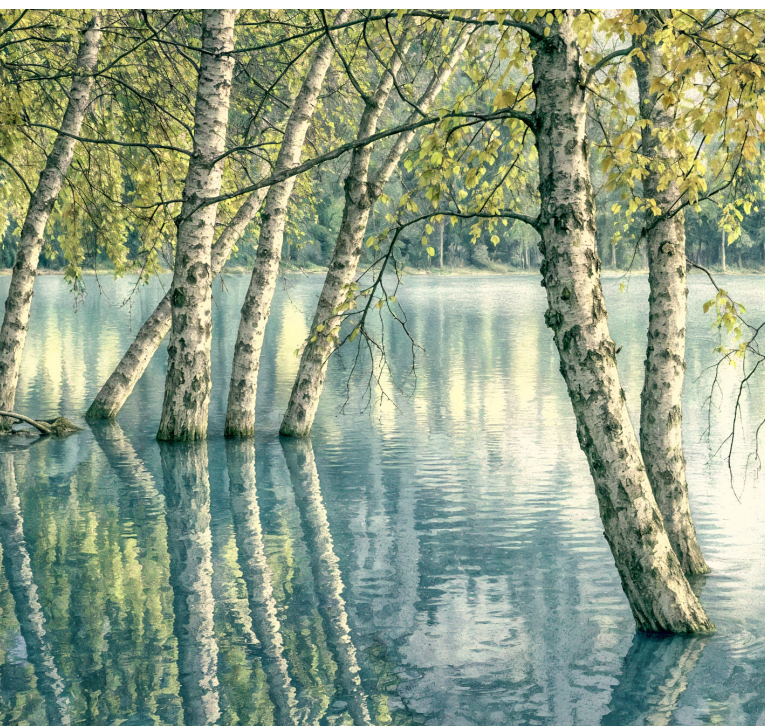
The risk management process involves interaction and information exchange between all participants in the risk management system – the three lines of defense, committees, executive bodies and management bodies of the Exchange and KACC.

Structure of the risk management system at KASE and KACC is represented by risk management at several levels involving the following bodies and divisions: the Board of Directors, the Management Board, structural subdivision responsible for risk management, compliance subdivision, legal subdivision, Internal Audit Service, structural subdivisions being risk owners.

Continuous development and improvement of the risk management system allows KASE Group to promptly respond to changes in the internal and external environment, improve efficiency and effectiveness of its activities.

Risk management at KASE and KACC is a constant, dynamic and continuous process. During the reporting period, the following risk management work was carried out in KASE Group:

- ♦ a unified Risk Management and Internal Control Policy for the KASE Group has been developed, work is underway to formalize procedures for interaction, information exchange and formation of management reporting for KASE Group, procedures are being implemented to improve the risk management and internal control system;
- ♦ internal documents have been developed in the field of the KACC risk management system, based on internal documents and procedures of the Exchange;



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CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM

- ♦ a self-assessment has been conducted for compliance of the Exchange's risk management system with recommendations of the international standard ISO 31000:2018, while implementation of the standard will be carried out throughout the KASE Group; KASE and KACC have passed an independent certification audit and received certificates of compliance with requirements of the international standards ISO 9001:2015 and ISO/IEC 27001:2022. ISO 9001:2015 certification confirms management of business processes and implementation of activities of the KASE Group subject to the international quality standard. ISO/IEC 27001:2022 certification confirms the high level of organization of the information security management system of KASE Group.
- ♦ KACC received an operational rating of "A+" with a "positive" outlook from the British consulting agency Thomas Murray. The rating assessment is based on analysis of the main risk components and reflects an expert opinion on ability of the central counterparty to discharge its obligations within operational servicing of clients.
- ♦ as part of the annual risk identification and assessment procedure, levels of risks inherent in activities of KASE Group were revised, and KASE and KACC risk registers and maps were created. Risk identification was carried out both from the point of view of the past period and from the point of view of future possible events, as well as on the basis of a comprehensive analysis of business processes, macroeconomic and political situation. ESG risks were identified and assessed, including for the Environment Social and Governance factors, as well as new risks associated with the current political situation in the country and in the world. Maximum permissible values of risk indicators for 2025 for each organization and the KASE Group as a whole have been approved.

In 2024, measures were taken to improve risk culture of KASE Group employees. Upon hiring, new employees are acquainted with the principles of the KASE Group risk management system. As part of development of professional competencies, employees of the KASE Group's risk management subdivision regularly undergo training in line with the international standards. In 2024, 3 specialized trainings were completed on ISO 31000 (risk management) and ISO 22301 (business continuity management). The risk management subdivision annually conducts training for the Exchange and KACC employees on the risk management system (risk identification, assessment and monitoring methodology) and business continuity management (business process analysis, risk assessment, crisis response algorithms). As a result of the measures taken to improve risk culture of the Exchange/Clearing Center employees, a higher level of understanding of involvement of each employee in the risk management system is noted, including a reduction in incidents related to the human factor.

For effective management of market risks of organizations in the KASE Group in implementation of the central counterparty activities, there is Market Risk Committee, a permanent collegial body under the Management Board of the Exchange/Clearing Center. Functions of the Committee include approval of values of fundamental and approved risk parameters of financial instruments, preparation of recommendations to the Management Board of the Exchange on establishment and application of individual limits and restrictions on clearing participants in the exchange markets, as well as other functions provided for by the internal documents of the Exchange.

The risk management system implemented in the KASE Group, which monitors and controls market risks of the clearing organization (central counterparty) in automatic mode, allows for a timely response to changes in volatility of financial instruments traded on the Exchange.



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CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT SYSTEM



Compliance and Anti-Corruption

Compliance risk management plays an important role in activities of the KASE Group, ensuring its sustainability, reputation and efficiency. Global sanctions, economic crises and changes in regulation create additional challenges for the financial market of Kazakhstan, requiring timely adaptation and systemic solutions. An integrated approach to compliance allows KASE Group to minimize the impact of external factors, ensure compliance with regulatory requirements and promptly respond to changes in the business environment.

For effective management of compliance risks, KASE Group has implemented a comprehensive compliance risk management system based on “three lines of defense” model integrated into operational processes. This ensures comprehensive compliance – control over compliance with regulatory requirements, reduces risks of violations and increases the level of transparency of activities.

Companies of the KASE Group have developed and approved the Anti-Corruption Policy and Anti-Corruption Standards, which define objectives, principles and main areas of anti-corruption activities. These documents are designed to prevent, identify, suppress and minimize consequences of corruption, and also establish anti-corruption restrictions and standards of behavior.

KASE Group identifies corruption risks, implements and supports anti-corruption policies and practices, including by raising awareness of officials, employees, counterparties on anti-corruption issues. KASE Group ensures transparency of procurement activities and implements an equal access to procurement by establishing the uniform rules and equal competitive conditions for all participants before start of the procurement. Moreover, the principle of making transparent, timely and informed decisions free from conflicts of interest is implemented.

Subject to the approved 2024 Action Plans, Compliance Services of the KASE Group (hereinafter referred to as the Service) implemented a number of activities designed to identify, assess and minimize compliance risks in key areas of KASE Group's activities. In particular, work was carried out to improve anti-corruption and sanction compliance and enhance internal compliance control.

Internal documents regulating compliance risk management, including combating corruption and compliance with sanction restrictions, were developed and updated.

The Service performs functions of an anti-corruption compliance service, ensuring compliance with the anti-corruption laws of the Republic of Kazakhstan, implementation of corruption prevention mechanisms and application of best international practices in anti-corruption.

In the reporting period, as part of anti-corruption compliance:

- ♦ updated Anti-Corruption Policy and Instructions were approved;
- ♦ anti-corruption monitoring and internal analysis of corruption risks were conducted;
- ♦ channels for filing and reviewing complaints (statements) from clients and counterparties were in place, including a hotline;
- ♦ training events were organized on issues of anti-corruption and forming an anti-corruption culture.

During the year, the Service conducted scheduled compliance audits designed to:

- ♦ identify corruption risks in activities of individual structural subdivisions;
- ♦ comply with requirements of the laws of the Republic of Kazakhstan and internal documents when disclosing information on the Internet resource of the Financial Statements Depository.

Based on audit findings, no significant violations of statutory requirements of the Republic of Kazakhstan and internal documents of the Exchange, as well as corruption risks in activities of individual structural subdivisions were identified. Responsible subdivisions received recommendations how to improve internal procedures.

Sanction restrictions in 2024 continued to affect the global financial market. In connection with expansion of sanction regimes by the US, EU and UK against subjects of the Russian Federation, an analysis of their possible impact on activities of the KASE Group was conducted.

Based on the findings, internal monitoring procedures were refined, new forms of the Exchange Client Questionnaire on organization of internal control in terms of compliance with the international economic sanction regime and a letter of assurance of its compliance were developed. Measures were also taken to cut sanction risks, including improvement of control over Exchange members, listed companies and clearing participants.

The Service interacts with foreign regulators and leading international legal consultants, ensuring strict control over compliance with requirements of the applicable sanction laws, prompt response to its changes and effective adaptation to external challenges.

In order to improve the level of compliance culture, in 2024, five joint training events were held for employees of the KASE Group that covered compliance risk management, compliance with international sanction requirements and anti-corruption.

Service employees regularly improve their professional skills and they are members of the Compliance and Business Ethics Association. During the reporting period, employees of the Service received certificates in anti-corruption management and sanction risk management. Representatives of the Service participated in meetings with the Office of Foreign Assets Control of the US Treasury Department and the UK Foreign Office, dedicated to the application of sanction laws of the said countries.

The existing compliance risk management system helps KASE Group maintain stability, ensure transparency of operations and comply with international standards. Strict compliance with regulatory requirements, implementation of effective anti-corruption measures and minimization of sanction risks help prevent legal consequences and asset losses, strengthen partner trust and maintain business reputation.





KASE Group strives to assist the Republic of Kazakhstan in fulfilling its carbon neutrality commitments within its participation in the Paris Agreement. Efforts of the KASE Group are designed to implement measures to reduce its own carbon footprint, implement activities to develop the carbon units market, and expand volume of investments in climate projects of the Exchange's listed companies.

In 2024, the Exchange joined the Glasgow Financial Alliance for Net Zero (hereinafter referred to as GFANZ), the global largest coalition of financial institutions seeking to switch the global economy to zero greenhouse gas emissions. GFANZ was launched in April 2021 at COP26 to coordinate efforts of all sectors of the financial system to accelerate transition to a carbon-free global economy. By joining 20 other global exchanges, the Exchange has become a part of the Net Zero Financial Services Providers Alliance, which was announced at the SSE event at COP29 in Baku.

As a result of joining the NZFSPA, the Exchange is committed to integrating the carbon neutrality principles into its operations. Within these efforts, the Exchange will align its services and products with goals of the Paris Agreement, build internal expertise in managing climate risks and opportunities, and set interim targets for reducing CO₂ emissions by 2030. Moreover, an operational emissions reduction plan will be developed and engagement with key stakeholders will be ensured. Moreover, the Exchange is recommended to develop climate information disclosure guidelines for market participants. The first step in implementing these plans was development of an internal methodology for calculation of greenhouse gas emissions.

Active participation in international initiatives such as GFANZ will allow the Exchange to contribute to development of sustainable financial instruments and support transition of the economy to carbon neutrality.

On November 26, 2024, as part of the global initiative of the World Federation of Exchanges, the Opening Ceremony of trading “Ring the Bell for Climate 2024” was held at the Exchange platform. The event was dedicated to supporting the global initiatives to combat climate change and is designed to unite efforts of businesses, investors and government agencies to create a sustainable future. As part of the event, a discussion was held on the topic “Carbon Markets: A Tool in the Climate Transition”, during which the role of carbon markets in effective climate transformation was discussed.



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CONTRIBUTION TO THE ENVIRONMENTAL AGENDA

ENVIRONMENTAL CONCERN

Companies of the KASE Group have an insignificant environmental impact in terms of pollutant emissions into the atmosphere, since activities of the Exchange and the Clearing Center are not connected with production processes that can cause significant emissions. Along with that, KASE Group shares responsibility for condition of the environment, striving to implement a rational model of consumption and production, efficient use of natural resources, reduction of waste by taking measures to prevent its formation, its reduction, recycling and reuse.

Main resources consumed by the Exchange are electricity, heat, paper products and water. In 2021, the Exchange implemented the Green Office program,

which implies an integrated approach to management of the organization and includes a number of technical, motivational and educational activities based on the generally accepted principles of the three Rs:

- ♦ **Reduction** – reasonable consumption of energy, water, electricity, etc.;
- ♦ **Refinement** – reuse of office materials, paper and other consumables;
- ♦ **Replacement** – environmentally responsible procurement and acquisition of goods and services that minimize the impact on the environment, promotion of alternative and/or efficient use of transport.

In order to implement the Green Office program, the Exchange has established a headquarters of eco-activists from among the Exchange employees – KASE GREEN. The Exchange has introduced separate waste collection. During 2024, about 273.2 kg of waste paper (2023: 131 kg, 2022: 163 kg, 2021: 96 kg), over 250 kg of glass (2023: 109 kg, 2022: 33 kg, 2021: 24 kg) and 126 kg of plastic (2023: 48 kg, 2022: 28 kg, 2021: 24 kg) were collected and transferred for recycling to ECO Network LLP, a partner of the Exchange within the framework of the Green Office program.

Consumption of electricity and fuel, 2024

Electricity	587 971 kWh
Heat power	120 541 Gcal
Gasoline	19 397 liters

Key indicators:

As of December 31, 2024:

Number of Exchange employees	245 people	Number of KACC employees	59 people
Share of women in the number of Exchange employees	51 %	Share of women in the number of KACC employees	66 %
Employee turnover of the Exchange	41 %	Employee turnover of the KACC	18 %
Average age of the Exchange employees	38 years	Average age of the KACC employees	40,5 years

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STAFF CARE AND HUMAN CAPITAL



General approach to personnel management

Activities of KASE Group comply with applicable human rights laws. KASE Group is committed to complying with the principles of protection and respect of human rights as set out in the UN Guiding Principles on Business and Human Rights.

Main approaches to personnel management are defined by the Personnel Management Policy and include:

1. complexity and integrity of the personnel management system;
2. objectivity in selection, hiring, rotation and promotion of personnel;
3. fair remuneration and effective motivation of personnel;
4. creating equal conditions for development and advanced training of personnel;
5. formation and maintenance of a favorable psychological climate in the team.

On June 1, 2024, the Exchange employees took part in a strategic session designed to shape a common vision for future of the companies included in the KASE Group. During the session, the participants formulated the mission and values of the Group, a common vision of its long-term development, and also conducted a SWOT analysis. Particular attention was paid to promising areas of development and external factors affecting the activities of the Exchange and the Clearing Center. Following the discussions, key strategic areas were selected, which served as a guideline for development of the KASE Group development strategy for 2025-2027.

In its Human Rights Statement, the Exchange reaffirms its commitment to respect and promotion of the human rights of all employees and providers of fee-based services to the Exchange. The Exchange supports freedom of association and recognition of the right to collective bargaining, opposes all forms of forced and compulsory labor, child labor, as well as discrimination in employment and professional activities. The Exchange respects culture, views and way of life of all employees, avoiding actions that could cause creation of an atmosphere of hostility, insults or humiliation of human dignity in the workplace.

KASE Group builds labor relations with its employees on the following principles:

1. compliance with the legal labor rights of the employee, including the right to occupational safety and health of workers;
2. provision of equal opportunities and non-discrimination in hiring, remuneration, access to training, promotion, dismissal on grounds such as gender, race, language, religious, political and other beliefs, citizenship, national or social origin, disabilities;
3. fair remuneration and effective motivation of personnel, objectivity in selection, hiring, rotation and promotion of personnel, creation of equal conditions for development and advanced training of employees;
4. availability of effective mechanisms for filing complaints and suggestions, a system of training and development of personnel using modern technologies and information management systems.

Values of the KASE Group

We are leaders

We shape the future of the financial market, creating opportunities for confident growth

We are professional

We apply best practices, knowledge and experience, guaranteeing our clients integrity, sustainability and high quality of services

We are client-centered

In partnership with our clients, we create and support flexible, high-quality solutions for mutual success

Employment

Staffing level of the Exchange in late 2024 was 245 employees, with the actual number of 216 employees. The ratio of the number of employees by gender was: women 51.0%, men 49%. In terms of age distribution, personnel structure is the following: young people under 30 account for 26%, from 30 to 39 – for 34%, from 40 to 49 – for 27%, over 50 – for 13%. The average age of employees at the Exchange in 2024 was 38 years.

The staffing level of the Clearing Center at the end of 2024 was 59 employees, with the actual number of 46 employees. Ratio of the number of employees by gender was: women 66%, men 34%. In terms of age distribution, the personnel structure is the following: young people under 30 years account for 17%, from 30 to 39 years – for 29%, from 40 to 49 years – for 33%, over 50 years – for 21%. The average age of employees in the Clearing Center for 2024 was 40.5 years.

Under contracts for provision of fee-based services, in 2024 the Exchange engaged 21 freelance workers to provide simultaneous translation services, software development and maintenance, graphic design services, and development and implementation of a new back-office system.

In 2024, 59 new employees were hired. Employment relations were terminated with 66 employees. Personnel turnover for 2024 was 41%, including:

- ♦ 38 % – among men,
- ♦ 62 % – among women.



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Motivation and remuneration system, employee training

In order to determine the level of employee satisfaction, the Exchange annually conducts anonymous online employee surveys. Findings of the satisfaction assessment allow us to assess the level of employee motivation, atmosphere in the team and loyalty level. In 2024, this study covered 68.0% of the employees.

Based on results of the study, key development areas were identified, 2025 Action Plan was developed to improve employee satisfaction. Main focuses for work to increase employee satisfaction will be such areas as further improvement of the recognition, incentive and motivation system, focus on professional development, enhancement of teamwork, providing new opportunities and automation of business processes.

Social support

KASE Group provides financial assistance to its employees on the following grounds:

1. in connection with an employee's marriage;
2. in connection with birth of an employee's child (children);
3. in connection with a funeral of a spouse or a close relative of the employee;
4. in connection with a serious illness of the employee;
5. in connection with an employee's anniversary birthday;
6. in connection with an employee's retirement;
7. in connection with theft or loss of the employee's personal property or in connection with a damage caused to the employee due to force majeure circumstances (including fires and natural disasters);
8. other valid reasons of a personal nature.

As part of the social package, KASE Group provides its employees with a voluntary medical insurance program, advanced training and training at the employer's expense, gifts for children for holidays and corporate events.

Training and development

Training and advanced training are a part of the KASE HR Policy. The Exchange encourages its employees to develop their knowledge and improve their professional qualifications as the Exchange pays for their training.

Training of Exchange employees is carried out in line with the key areas of the Exchange's activities and job responsibilities of the employees, including project activities, using all possible training formats, including distance and online learning. Much attention is paid

to development of professional skills in the financial sector, corporate competencies and project management skills and in the IT sphere, necessary for implementation of strategic projects of the Exchange.

Personnel training of the Exchange pursues the following goals:

1. direct growth of professionalism and level of professional knowledge;
2. updating the existing knowledge;
3. revealing the potential of personnel;
4. cohesion and improvement of the socio-psychological climate of the team;
5. growth of motivation;
6. ensuring continuity in management;
7. personal growth of personnel;
8. development of teamwork.

The Exchange provides necessary conditions and pays for mandatory training for employees at the expense of the Exchange. Training at the Exchange is divided:

1. by type of training – external and internal;
2. by training formats – full-time, distance (including online) and mixed (including elements of full-time and distance);
3. by form of participation – individual and corporate.

External training of the Exchange employees is carried out under the following programs:

1. professional training;
2. advanced training;
3. professional postgraduate education;

4. professional certification (including programs for preparation for passing exams in professional certification programs);

5. corporate training;

6. language courses.

In the reporting year, over 50 employees of the Exchange passed training, mainly courses in the following areas: IT (System Administration, PostgreSQL), contract and corporate law, anti-corruption and sanction compliance, basics of internal audit, workshops on formation and writing of an internal auditor's report.

Language courses in the English and Kazakh languages were organized for employees of the Exchange, more than 30 people received the training.



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STAFF CARE AND HUMAN CAPITAL

Occupational health and safety

Occupational health is an important element of principles of corporate social responsibility, which KASE Group follows in HR management. In order to create safe working conditions and prevent risks associated with occupational health, respect of rights of the employees to safe work, KASE Group takes measures to ensure correct organization of labor of the employees at the jobsite, including training and advanced training of the employees in this area, as well as acquisition of high-quality equipment and machinery.

KASE Group has to:

1. take measures to prevent any risks in workplace and in technological processes by carrying out preventive measures, replacing technological processes with safer ones;
2. conduct training, instruction, testing of employees' knowledge on safety and occupational health issues, as well as provide documents on safe conduct of the production process and work at its own expense;
3. organize training and testing of knowledge on issues of occupational health and safety of the members of the Management Board and/or persons responsible for ensuring safety and occupational health, periodically at least once every three years in organizations that carry out advanced training of personnel, in the manner established by the authorized labor body, according to the list approved by the employer's act;
4. create necessary sanitary and hygienic conditions for employees;
5. register, record and analyze accidents related to work activities,
6. ensure investigation of accidents related to work activities, in the manner established by the laws of the Republic of Kazakhstan;
7. comply with the orders and conclusions of state labor inspectors;
8. insure the employee against accidents in the course of performance of his/her employment (official) duties subject to the laws of the Republic of Kazakhstan;
9. take urgent measures to prevent development of an emergency situation and impact of traumatic factors on employees and other persons;

10. develop, approve and revise the program of instructions on occupational health and safety in the manner established by the authorized labor body;
11. invite specialized organizations for certification of production facilities to certify production facilities for working conditions, periodically at least once every five years;
12. once a quarter provide the authorized state labor authority and the local labor inspectorate, representatives of employees, upon their written request, with necessary information for monitoring the state of conditions, occupational health and safety.

In 2024, in order to improve the level of safety and personnel readiness for action in emergency situations, three seismic drills were organized and conducted. Before each training session, employees were briefed on evacuation procedures and also participated in reviewing errors identified during previous exercises. This systematic approach helped raise employees' awareness of earthquake procedures and improve their practical skills in responding to emergency situations.



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This Report is prepared by Kazakhstan Stock Exchange for a period from 1 January 2024 until 31 December 2024 with a reference to GRI Standards

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