

# Management appraisal and remuneration

On 24 November 2023, the Board of Directors decided to assess the performance of the Board of Directors and its Committees, the Chairman and members of the Board of Directors, and the Corporate Secretary of KEGOC JSC for 2023 by self-assessment method.

According to the results of self-assessment of the activity for 2023, conducted in accordance with the Methodological Recommendations for the assessment of the activity of the Board of Directors and its Committees, the Chairman, members of the Board of Directors and the Corporate Secretary of organizations of Samruk-Kazyna JSC, the final rating was 96%, assessed at the level of 'AA'. This indicator confirms that the Board of Directors, its Committees and the Corporate Secretary of KEGOC JSC fulfil in all material aspects most of the established criteria, and there is sufficient evidence that they work effectively.

In accordance with the Rules of Performance Evaluation of the Board of Directors and its Committees, the Chairman, members of the Board of Directors and the Corporate Secretary of KEGOC JSC, none of the Directors were involved in the process of performance evaluation, except for participation in questionnaires.

## 2-15, 2-18

In accordance with the Rules of formation of the Board of Directors of KEGOC JSC, determination of remuneration and reimbursement of expenses to the members of the Board of Directors of KEGOC JSC approved by the General Meeting of Shareholders, the remuneration of directors consists of two parts: annual fixed remuneration and additional remuneration for chairing or attending in-person meetings of the committees of the Board of Directors. In accordance with the decision of the General Meeting of Shareholders dated 26 June 2020 (Minutes No. 18), payment of additional remuneration to the directors for their work in the Board of Directors of KEGOC JSC shall be made in accordance with the procedure for determining the amount of remuneration and conditions of payment of remuneration to the members of the Board of Directors.

To formulate a proposal to the General Shareholders' Meeting, the Nomination and Remuneration Committee makes recommendations to the Board of Directors on the amount, procedure for determining and terms of remuneration to be paid to the members of the Board of Directors, taking into account relevant analyses (benchmarking). Most of the members of the Nomination and Remuneration Committee are independent directors.

The Director is reimbursed for expenses related to traveling to meetings of the Board of Directors, Board Committees and meetings held outside the place of permanent residence: travel, including transfer, accommodation, per diem, telephone communication (except for mobile communication) in the Republic of Kazakhstan, scanning, photocopying, faxing, printing, document printing, Internet access in the Republic of Kazakhstan, courier and postal services. In accordance with KEGOC JSC Corporate Governance Code, none of the members of the Board of Directors in 2023 participated in making decisions related to their own remuneration.

## 2-20

The labor remuneration system of the Chairman and members of the Management Board shall include a salary and remuneration based on the results of work for the year. Remuneration based on KEGOC JSC annual results shall be paid within the limits of funds provided for these purposes in KEGOC JSC budget, after approval of the results of financial and economic activities on the basis of audited financial statements. The main condition for payment of remuneration is the availability of consolidated final profit for the reporting year.

When assessing the performance of the Chairman and members of the Management Board at the end of the reporting period (short-term), motivational KPIs are applied, which are developed by cascading KEGOC JSC strategic goals into specific indicators for KEGOC JSC business processes/activities in the form of KPI Cards for each member of the Management Board of KEGOC JSC. Motivational KPIs for the short-term period are divided into corporate and functional KPIs.

Corporate KPIs and functional KPIs of the executive employees are approved by the Board of Directors of the Company. Thus, the Board of Directors of KEGOC JSC approved motivational KPIs of the Management Board members and their target values for 2023.

### Key motivational KPIs

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3
GA (Grid Availability, in % per year)	EBITDA margin	LTIFR
Number of technological disturbances on PTL and substations	Dividend per share	Level of social stability of KEGOC JSC
Implementation of priority investment projects	Quality of planning	Implementation of measures of KEGOC JSC ESG Principles Improvement Plan
Development of DED 'Monitoring system based on synchrophasor WAMS technologies (2nd stage)	Achievement of target values of financial stability indicators	Implementation of measures of KEGOC JSC Corporate Governance Improvement Plan
	KEGOC JSC entry into the competitive environment by placing a stake on the stock exchange	ESG rating

The right to receive remuneration based on the results of work for the reporting period was granted to the members of the Management Board who actually worked in the reporting period in their respective positions, except for the period of disciplinary action.

The performance of motivational KPIs of executive employees is monitored periodically throughout the year. After the end of the reporting year, the actual KPI values of all levels are calculated.

At the end of 2023, the target values of corporate KPIs were achieved.

In 2023, there were no instances of refusals or agreements to waive remuneration or future remuneration by members of the Board of Directors. Thus, remuneration of key management personnel (members of the Board of Directors and the Management Board) and all other expenses related thereto (taxes, contributions, sick leave, holiday pay, material assistance and other) included in salary expenses in the audited consolidated financial statements amounted to KZT 420.3 million for the year ended 31 December 2023.

## 2-19

