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CORPORATE GOVERNANCE

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NEXT GENERATION NETWORK

FOR YOUR PRESENT





CORPORATE GOVERNANCE SYSTEM

The structure, principles, and procedures of Kcell's corporate governance are set out in the Company's Corporate Governance Code, adopted by the General Meeting of Shareholders on May 24, 2021. The purpose of this Code is to improve and systematize the Company's governance framework, enhance transparency, and reaffirm Kcell's commitment to the principles of sound corporate governance.

According to the Code, corporate governance refers to the set of processes that ensure effective management and oversight of the Company's operations. This includes the relationships among shareholders, the Board of Directors, the Management Board, other governing bodies, and stakeholders. Kcell views corporate governance as a strategic tool for improving operational efficiency, strengthening its reputation, and reducing the cost of capital.

PRINCIPLES OF CORPORATE GOVERNANCE AT KCELL

Protection of Shareholders' Rights and Interests	Kcell's corporate governance is grounded in the principle of protecting and respecting the rights and lawful interests of its shareholders. This principle supports the Company's effective operations, growth in assets, financial stability, and profitability.
Effective Management by the Board of Directors and Management Board	The Board of Directors operates with a strong focus on upholding and realizing shareholder interests, aiming to increase the Company's market value. The Management Board adheres to the principles of legality, integrity, good faith, prudence, consistency, professionalism, and objectivity.
Transparency and Accuracy in Information Disclosure	The Company is committed to ensuring maximum transparency by providing timely, accurate, and reliable information to shareholders and stakeholders. This includes data on financial performance, operational results, ownership structure, and corporate governance practices.
Compliance and Business Ethics	The Company operates in strict accordance with applicable laws, universally accepted standards of business ethics, internal regulations, and contractual obligations.
Effective Dividend Policy	Dividends are paid in line with the Company's dividend policy, relevant legislation, its Charter, and resolutions of the General Meeting of Shareholders. Any dividend distribution decision is made in full compliance with legal requirements.
Effective Human Resource Policy	The Company guarantees employee rights in accordance with labor laws and Kcell's Code of Ethics and Conduct. It fosters strong partnerships with its workforce to address social issues and manage working conditions.
Sustainable Development	Acknowledging its impact on the economy, environment, and society, the Company strives for long-term sustainable development. It seeks to balance shareholder interests with improved ESG performance over time.
Resolution of Corporate and Conflict of Interest Situations	Members of the Board of Directors, the Management Board, and all employees perform their duties with integrity, diligence, and care, acting in the Company's and shareholders' best interests while avoiding conflicts of interest. Any conflict of interest must be promptly reported to the Corporate Secretary.

SHARE CAPITAL

The Company's share capital consists of 200,000,000 fully paid ordinary shares with a nominal value of KZT 169 per share. The controlling stake is held by Kazakhtelecom JSC, which is ultimately controlled by the Government of

the Republic of Kazakhstan through Samruk-Kazyna Sovereign Wealth Fund JSC. The full list of shareholders as of 31 December 2023 and 31 December 2024 is provided in the table below.

CHANGES IN THE SHAREHOLDER STRUCTURE DURING THE REPORTING PERIOD

	31 December 2024	31 December 2023
Kazakhtelecom JSC	51.00%	51.00%
KC HOLDING LTD (Private company)	14.87%	–
First Heartland Jusan Bank JSC	9.08%	9.08%
Unified Accumulative Pension Fund JSC	7.10%	7.06%
Kazpost JSC	3.36%	2.36%
Samruk-Kazyna Sovereign Wealth Fund JSC	2.97%	--
Zhasyl Damu JSC	2.73%	2.59%
T.R. Turlov	1.99%	2.19%
TURLOV PRIVATE HOLDING LTD (Private company)	1.91%	-
Raiffeisenbank JSC	1.54%	1.54%
G.Sh. Yesenov	-	14.87%
Other shareholders	3.45%	9.31%
Total	100.00%	100.00%

SHAREHOLDER RIGHTS

The rights of shareholders are fully defined in the Charter of Kcell JSC, as approved by the General Meeting of Shareholders on 29 May 2019, in accordance with the legislation of the Republic of Kazakhstan. A **shareholder is entitled to:**

- Participate in the management of the Company as prescribed by applicable law and the Charter;
- If holding, individually or jointly with other shareholders, 5% or more of the voting shares – propose additional items for inclusion in the agenda of the General Meeting of Shareholders;
- Receive dividends;
- Access information about the Company's operations, including its financial statements, in the manner established by the General Meeting or the Charter;
- Obtain statements from the central depository or nominee holder confirming ownership of securities;
- Propose candidates for election to the Board of Directors;
- Challenge decisions of the Company's governing bodies in court;
- If holding, individually or jointly with others, 5% or more of the voting shares – file claims in court, in the cases provided by law, for compensation of losses caused to the Company by its officers, and for recovery of any profit (income) received by them and/or their affiliates from decisions on major transactions or related-party transactions;
- Submit written inquiries to the Company and receive reasoned responses within thirty (30) calendar days from the date of submission;
- Receive a portion of the Company's assets upon liquidation;
- Exercise preemptive rights to purchase shares or other securities convertible into shares, as prescribed by law, unless otherwise provided by legislation;





12. Participate in decisions of the General Meeting regarding changes to the number or type of the Company's shares, in accordance with the law;
13. Exercise any other rights granted under the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Charter.

A shareholder holding 10% or more of the Company's voting shares – whether individually or jointly with others under a shareholders' agreement – is entitled to:

1. Request an Extraordinary General Meeting of Shareholders or file a claim in court if the Board of Directors refuses to convene one;
2. Request a meeting of the Board of Directors;

3. Request that the Company be audited by an external auditor, at the shareholder's own expense.

Shareholders holding, individually or collectively, 5% or more of the Company's voting shares may request information on the annual remuneration of individual members of the Board of Directors and/or executive management, subject to both of the following conditions:

- A court has determined that the board or executive member deliberately misled shareholders to secure personal gain for themselves or their affiliates;
- It is proven that such misconduct or negligence directly resulted in financial losses for the Company.

DIVIDEND PAYMENTS

Dividend payments are subject to approval by the General Meeting of Shareholders. Dividends on ordinary shares may be distributed annually, semi-annually, or quarterly, following the completion of the relevant financial audit.

No dividends were paid in 2022, 2023, or 2024. The last dividend distribution was in 2021, amounting to KZT 17.578 billion.

GOVERNANCE STRUCTURE

GRI 2-9

General Meeting of Shareholders	The highest governing body of the Company
Board of Directors	Responsible for setting the Company's strategic direction, providing overall oversight, and monitoring the activities of the Management Board
Management Board	A collective executive body that oversees the day-to-day operations of the Company and implements the strategy defined by the Board of Directors and the General Meeting of Shareholders
Internal Audit Function	Oversees the Company's financial and operational activities, and evaluates the effectiveness of internal controls and risk management systems

GENERAL MEETING OF SHAREHOLDERS

GRI 2-9

The General Meeting of Shareholders holds the exclusive authority to:

- Approve amendments and additions to the Company's Charter, or adopt a new version thereof;
- Approve the Corporate Governance Code, along with any amendments and additions;
- Adopt decisions on the voluntary reorganisation or liquidation of the Company;
- Approve an increase in the number of authorised shares or changes to the type of unplaced authorised shares;
- Determine the terms and procedure for converting the Company's securities, as well as make changes thereto;
- Approve the issuance of securities convertible into the Company's ordinary shares;
- Approve the exchange of placed shares of one type for another, including the terms, timing, and procedure for such exchange;
- Determine the composition and term of the Counting Commission, elect its members, and terminate their powers early.
- Determine the number and term of office of the Board of Directors, elect its members, and terminate their powers early; establish the amount and terms of remuneration and reimbursement of expenses for Board members in the course of fulfilling their duties;
- Appoint the audit firm to conduct the Company's audit;
- Approve the Company's annual financial statements;
- Approve the procedure for distributing the Company's net income for the reporting financial year, decide on the payment of dividends on ordinary shares, and approve the dividend amount per ordinary share;
- Decide on the payment of interim dividends (quarterly or semi-annually), the distribution of retained earnings, and approve the amount of dividends per ordinary share;
- Decide not to pay dividends on the Company's ordinary shares;
- Approve the voluntary delisting of the Company's shares;
- Approve the Company's participation in the establishment or operations of other legal entities, or its withdrawal from such participation through the transfer (or receipt) of one or more asset segments totalling 25% or more of the Company's total assets;
- Determine the method for notifying shareholders of the convening of a General Meeting;
- Approve changes to the share buyback valuation methodology used in the unlisted market (or approve the methodology itself, if not previously approved by the founding meeting), in accordance with applicable law;
- Approve the agenda of the General Meeting;
- Determine the procedure for providing shareholders with information about the Company's operations, if not already defined in the Charter;
- Introduce or cancel a "golden share";
- Approve major transactions where the acquisition or disposal of assets equals or exceeds 50% of the total book value of the Company's assets at the time of the decision;
- Approve the Company's dividend policy;
- Decide on any other matters assigned to the exclusive competence of the General Meeting of Shareholders under applicable law or the Charter.

The procedure for conducting the General Meeting of Shareholders ensures that all shareholders have equal opportunities to exercise their rights to participate. Shareholders may vote either in person or by proxy granted to a third party. The meeting regulations are designed to allow sufficient time and opportunity for shareholders to thoroughly discuss agenda items and to make well-informed decisions.





BOARD OF DIRECTORS

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-16, GRI 2-18, GRI 2-19, GRI 2-20, GRI 202-2, GRI 405-1

The Board of Directors is a governing body accountable to the General Meeting of Shareholders and bears overall responsibility for the Company's strategic oversight and supervision of the Management Board's activities.

The exclusive powers of the Board of Directors include the authority to:

Define the Company's strategic priorities, development goals, and major projects; monitor their implementation; and approve the Company's development plan.

- 2) Approve Company policies and other key internal documents, unless responsibility for them lies with other governing bodies.
- 3) Convene annual and extraordinary General Meetings of Shareholders.
- 4) Approve the issuance (placement) of shares within the limits of authorised shares, including quantity, method, and price, in compliance with applicable law.
- 5) Approve the repurchase of issued shares or other securities by the Company and determine the repurchase price.
- 6) Preliminarily approve the Company's annual financial statements.
- 7) Approve the Company's annual report.
- 8) Establish committees of the Board of Directors, appoint their members, and approve the terms of reference for each committee.
- 9) Approve the terms for issuing bonds and derivative securities, and resolve on their issuance.
- 10) Determine the number of members and the term of office of the Management Board, elect the Chairperson and members of the Management Board, and terminate their powers early if necessary.
- 11) Set the base salaries, compensation terms, and bonus arrangements for the Chairperson and members of the Management Board.
- 12) Approve the Regulations governing the activities of the Management Board.
- 13) Approve standard employment contract templates to be used for the Chairperson and members of the Management Board.
- 14) Approve succession planning programmes for members of the Management Board and other key employees, as defined by the Board of Directors.
- 15) Determine the composition and term of office of the Internal Audit Department, appoint its head and members, terminate their powers early, define its operational procedures, set salaries and bonus terms for its employees, and approve its governing Regulations.
- 16) Appoint the Corporate Secretary, define the term of appointment, terminate the appointment early if needed, set the salary and remuneration conditions, and approve the Corporate Secretary's Regulations
- 17) Determine the remuneration for audit services related to the Company's financial statements, as well as for valuation services involving assets contributed in exchange for shares or subject to major transactions.
- 18) Approve internal documents regulating the Company's operations (except those adopted by the Management Board for day-to-day operations), including rules for conducting securities auctions and subscriptions.
- 19) Approve the establishment and closure of branches and representative offices, and approve their internal regulations.
- 20) Approve the acquisition or disposal by the Company of 10% or more of shares (or equity interests) in other legal entities.
- 21) Make decisions related to the activities of any legal entity in which the Company holds 10% or more of the shares (or equity interests), including matters typically reserved for that entity's own general meeting of shareholders or participants
- 22) Approve transactions that would increase the Company's liabilities by 10% or more of its equity capital.
- 23) Determine which Company-related information constitutes official, commercial, or other legally protected confidentiality.
- 24) Approve major transactions, except where such approval falls under the authority of the General Meeting of Shareholders, as stipulated by law and the Charter.
- 25) Approve related-party transactions, except those which, under law or the Charter, are within the remit of other governing bodies.
- 26) Approve the Company's annual budget and accounting policy.
- 27) Approve the Company's organisational structure.
- 28) Approve the Company's key performance indicators (KPIs), as well as the individual KPIs of the Chairperson and members of the Management Board.
- 29) Approve the issuance of guarantees by the Company for the obligations of any other legal entity.
- 30) Approve decisions regarding the raising of external financing.

- 31) Review in advance draft versions of the Company's Charter, Corporate Governance Code, and Dividend Policy (including any amendments), as well as any changes to the valuation methodology for share buybacks on the over-the-counter market, prior to submission to the General Meeting of Shareholders at the Company's initiative
- 32) Decide on other matters as provided by the legislation of the Republic of Kazakhstan and/or the Charter, except for those that fall under the exclusive competence of the General Meeting of Shareholders.
- 33) Determine the composition and term of office of the Compliance Control Service, including the number of members; appoint its head and members; terminate their powers early if necessary; define the service's operating procedures, as well as the level and conditions of remuneration and bonuses for its staff; and approve the Regulation on the Compliance Control Service.

To support the effective performance of its duties, the Board of Directors establishes committees focused on the following areas:

- Strategic Planning;
- Personnel and Remuneration;
- Internal Audit;
- Sustainable Development;
- Other areas as defined by the Company's internal documents.

Kcell JSC utilizes a dedicated platform that ensures comprehensive security in the management and operational processes of the Board. This platform also enhances information exchange and contributes to the overall efficiency of the Board's work. In accordance with the provisions of the Company's Charter, members of the Board of Directors or any of its committees, as well as external experts, may participate in meetings via teleconference or other means of communication that allow all participants to hear and speak to one another in real time.

Principles for Appointment to the Board of Directors

Candidates for election to the Company's Board of Directors may be nominated from among the following:

- Shareholders who are natural persons;
- Individuals nominated to represent shareholders on the Board;
- Individuals who are neither shareholders nor nominated as shareholder representatives.

Candidates and current members of the Board must possess relevant professional experience, expertise, qualifications, a record of positive achievements, and an impeccable reputation within the business and industry community. These attributes are essential for fulfilling their duties and ensuring the Board operates effectively in the interests of both shareholders and the Company. At least 30% of the total Board membership must be composed of independent directors.

Members of the Board of Directors

During 2024, the following changes occurred in the composition of the Board of Directors:

- On 27 May 2024, the Annual General Meeting of Shareholders resolved to early terminate the powers of independent director and Board member Pietari Kivikko.
- On 26 September 2024, the Extraordinary General Meeting of Shareholders resolved to early terminate the powers of Board member and Kazakhtelecom JSC representative A.V. Lezgovko.
- On 26 September 2024, the Extraordinary General Meeting of Shareholders resolved to early terminate the powers of Board member and Kazakhtelecom JSC representative A.B. Kishkimbayeva.
- On 27 May 2024, the Annual General Meeting of Shareholders elected A.K. Abdualiev as an independent

director and member of the Board of Directors of Kcell JSC.

- On 26 September 2024, the Extraordinary General Meeting of Shareholders elected the following individuals to the Board of Directors:
 1. Alibek Beybitovich Indykbaev – member of the Board of Directors of Kcell JSC, representative of major shareholder Kazakhtelecom JSC;
 2. Yerzhan Bolatovich Meiramov – member of the Board of Directors of Kcell JSC, representative of major shareholder Kazakhtelecom JSC.

As of 31 December 2024, the Board comprised seven members, including four independent directors.





MEMEBERS OF THE BOARD OF DIRECTORS AS OF 31 DECEMBER 2024

Alexey Buyanov	Chairman of the Board of Directors, independent director
Alibek Indykbaev	representative of Kazakhtelecom JSC
Yerzhan Meiramov	representative of Kazakhtelecom JSC
Jere Calmes	independent director
Aset Abdualiev	independent director
Dauren Kereibayev	representative of a major shareholder of Kcell JSC – KC HOLDING LTD Private-held company
Sanzhar Zhamalov	independent director

BIOGRAPHIES OF THE MEMBERS OF THE BOARD OF DIRECTORS



**ALEXEY
NIKOLAEVICH
BUYANOV**

Chairman of the Board of Directors, independent director

Date of birth: 15 August 1969

Nationality: resident of Luxembourg, RF citizenship

Shareholding in the Company: None

Mr Buyanov has served as Chair of the Board of Directors and an Independent Director of Kcell JSC since 25 January 2019.

He was re-elected as Chair of the Board of Directors of Kcell JSC for a three-year term at the Annual General Meeting of Shareholders held on 19 May 2022.

Mr Buyanov also serves as an Independent Director at Kazakhtelecom JSC and as a Director at Bengala Investments. From 2002 to 2014, he held the roles of Senior Vice President and Chief Financial Officer, as well as a Board Member, at PJSC Sistema, an investment holding company listed on the London Stock Exchange. From 2014 to 2016, he was Managing Director and Chair of the Investment Committee at Redline Capital Management S.A. He graduated from the Moscow Institute of Physics and Technology (MIPT) with a degree in Applied Physics and Mathematics and is an alumnus of the Oxford Fintech Programme at the Saïd Business School, University of Oxford.



**ALIBEK
BEYBITOVICH
INDYKBAEV**

Representative of Kazakhtelecom JSC

Date of birth: 30 July 1988

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Alibek Indykbaev was elected to the Board of Directors of Kcell JSC on 26 September 2024 at the Extraordinary General Meeting of Shareholders.

He holds two university degrees in Finance and Telecommunications and brings over 19 years of professional experience.

Mr Indykbaev began his career in the field of information technology in 2005. He has since held senior positions at organisations such as KazTransCom JSC and served as IT Adviser to the Chair of the Management Board at Altyn Bank JSC.

He currently serves as a Member of the Management Board of Kazakhtelecom JSC and holds the position of General Director of the Corporate Business Division.

Mr Indykbaev graduated from Turan University in 2008 with a degree in Finance, and in 2018 earned a degree in Radio Engineering, Electronics and Telecommunications from the M.Tynyshpayev Kazakh Academy of Transport and Communications.



**YERZHAN
BOLATOVICH
MEIRAMOV**

Representative of Kazakhtelecom JSC

Date of birth: 2 March 1982

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Yerzhan Bolatovich Meiramov was elected to the Board of Directors of Kcell JSC on 26 September 2024 at the Extraordinary General Meeting of Shareholders.

Mr Meiramov began his career in 2004 at the Ministry of Finance of the Republic of Kazakhstan. He went on to hold senior positions at the Development Bank of Kazakhstan, the National Company “Astana EXPO-2017” JSC, Qazkom, Fincraft Investment House JSC, and Kcell JSC.

In 2021, he was appointed Chair of the Telecommunications Committee under the Ministry of Digital Development and Aerospace Industry of the Republic of Kazakhstan.

Mr Meiramov holds a degree in Public Administration from King’s College London.

He was awarded the state medal “Yeren yenbegi ushin” (“For Distinguished Labour”) on 14 October 2022.



**JERE
CALMES**

Independent director

Date of birth: 1 December 1969

Nationality: United States

Shareholding in the Company: None

Jere Calmes has served on the Board of Directors of Kcell JSC since 15 January 2020.

He was re-elected for a three-year term at the Annual General Meeting of Shareholders held on 9 May 2022.

Mr Calmes brings over 20 years of experience in telecommunications and wholesale and retail trade, with a strong focus on emerging markets. He currently serves as CEO of THE ICONIC.

From May 2020 to July 2023, he led Lamoda Group, and from December 2016 to June 2019, he was CEO of the Russian division of Metro Cash & Carry. Prior to that, Mr Calmes held a number of executive positions in the telecommunications sector, including Deputy CEO of Tele2, CEO of Tele2 Russia, Managing Director of Italian mobile operator Wind Telecomunicazioni, Senior Vice President and Managing Director of the Moscow office of VEON Ltd., and Head of Customer Operations and Credit Control at Orange Egypt.

He has also served on the board of Ukrainian telecoms operator Datagroup JSC, was Managing Director at Fast Lane Ventures, President of the Russian pharmacy chain 36.6, and CEO of the chain’s management company. In addition, Mr Calmes acted as an advisor to the investment fund Adva Capital.

Mr Calmes holds a bachelor’s degree in Political Science and Economics from Bates College (Maine, USA), and has completed an executive leadership programme at the Wharton School of Business.





**ASET
KUANDYKOVICH
ABDUALIEV**

Independent director

Date of birth: 08 August 1984

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Mr. Abdualiev has served on the Board of Directors of Kcell JSC since 28 May 2024.

He has held senior roles both internationally and in Kazakhstan, including Head of Strategy and Development at TASKRABBIT, INC., Senior Consultant at McKinsey & Company, and Deputy Chairman of the Management Board at Almaty Development Centre JSC.

He is currently the Founder and CEO of Silkroad Innovation Hub, based in Silicon Valley (Palo Alto, USA).

Mr Abdualiev holds a Master of Public Administration from the Harvard Kennedy School and a Master of Science in Business Administration and Management from the Stanford Graduate School of Business.

He also serves as an Independent Director at Kazakhtelecom JSC and sits on the boards of trustees of the American University of Central Asia and the Best for Kids charitable foundation.



**DAUREN
ZHUMAGALIEVICH
KEREIBAYEV**

Representative of a major shareholder KC HOLDING LTD Private-held company

Date of birth: 5 October 1971

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Mr. Dauren Zhumagalievich Kereybayev was elected to the Board of Directors of Kcell JSC on 29 November 2023 by resolution of the Extraordinary General Meeting of Shareholders.

He has extensive professional experience in information technology and telecommunications, economic analysis and planning, and finance.

From 2018 to 2021, he served as Managing Director for Digitalisation and Transformation at Samruk-Kazyna JSC. In 2021, he joined Kazakhtelecom JSC as Managing Director for the Modernisation Programme and was later appointed Director for Support Function Development.

Mr Kereybayev currently serves as Vice President of the Big Data Association.

He holds degrees in Mechanics and Applied Mathematics from Novosibirsk State University (1992) and in Finance and Credit from the Kazakh State Academy of Management (1998). In 2018, he earned an Executive MBA from the University of Chicago Booth School of Business.

He has been awarded the “Yeren Yenbegi Ushin” state medal and the honorary public award “Distinguished Finance Professional”.



**SANZHAR
ERKEBAYEVICH
ZHAMALOV**

Independent director

Date of birth: 20 May 1985

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Member of the Board of Directors of Kcell JSC since 29 November 2023.

Mr. Zhamalov brings extensive experience in the financial sector, having worked at Kazkommerts Securities JSC, ING Bank N.V. in its London office, and the National Bank of the Republic of Kazakhstan. He currently serves as General Director of Mastercard for Kazakhstan and Central Asia.

Mr. Zhamalov entered the telecommunications industry in 2014 as a Senior Manager in the Project Finance Department at Kazakhtelecom JSC. He has also served on the Boards of Directors of KazSatNet JSC and National Information Technologies JSC – the operator of Kazakhstan's e-government ICT infrastructure.

He holds an Executive MBA from the University of Cambridge (UK), a Master's degree in International Financial Analysis from Newcastle University (UK), and a Bachelor's degree in Financial Mathematics from Charles University (Czech Republic). Mr. Zhamalov also holds the Chartered Financial Analyst (CFA) designation and a Certificate in Company Direction from the Institute of Directors (UK).

Performance Evaluation of the Board of Directors

The Board of Directors is required to conduct a comprehensive evaluation of its performance – including that of its committees and individual directors – at least once every three years. The results of the evaluation are discussed at a meeting of the Board, and recommendations are developed to improve the Board's effectiveness.

On 17 February 2022, the Board of Directors approved the Rules for Evaluating the Performance of the Board of Directors, Its Committees, the Chairperson, Individual Board Members, and the Corporate Secretary of Kcell JSC (hereinafter, the Rules). It also resolved to conduct a self-assessment of the Board's performance based on these Rules.

The results of the self-assessment were reviewed at the meeting of the Board of Directors held on 15 April 2022. Based on the findings, recommendations were provided to enhance the Board's functioning.

In 2024, no evaluation of the performance of the Company's Board of Directors was conducted.

The primary objective of the evaluation is to improve the quality and efficiency of the work of the Board, its Committees, their Chairpersons, each Board member, and

the Corporate Secretary – thereby increasing the Board's contribution to the Company's long-term value creation and sustainable development.

The evaluation produced the following key findings:

- The activities of the Board of Directors, its members, committees, Chairperson, and Corporate Secretary are, in all material respects, aligned with the majority of established criteria and international best practices in corporate governance.
- Board members actively participate in the work of the Board, collaborate effectively as a team, and make individual contributions to improving the Board's performance.
- Board members possess the necessary knowledge and professional experience and have a solid understanding of the industry.
- The performance of the Chairperson of the Board received a positive assessment.
- The performance of the Corporate Secretary also received a positive assessment.
- The Board Committees were found to be effective in fulfilling their assigned responsibilities.
- The composition of the Committees is well-balanced and aligned with their respective goals and objectives.





Board Activities in the Reporting Year

In 2024, the Board of Directors held 13 meetings – 11 in-person and 2 in absentia. During these meetings, the Board reviewed and made decisions on a range of key matters, including:

- Approval of the Company's development plan;
- Approval of major transactions;
- Appointment and early termination of Management Board members;
- Preliminary approval of the 2024 annual financial statements;

- Convening of the Annual and Extraordinary General Meetings of Shareholders in 2024, including the preparation of dividend proposals;
- Appointment and early termination of employees of the Internal Audit and Compliance Control functions;
- Approval of the Company's internal documents.

In addition, the Board considered various business, commercial, operational, and legal matters related to the Company's activities.

Remuneration of Board of Directors

Matters related to the remuneration of directors are subject to approval by the General Meeting of Shareholders. The level of remuneration must be sufficient to attract, retain, and motivate directors and to ensure the effective performance of their duties. It should also reflect the time and effort required from each director, as well as the quality of their contributions.

The Company discloses information on director remuneration in accordance with applicable laws. Details of remuneration paid to directors during the reporting period are disclosed in the Annual Report.

Under the current Remuneration Policy, the Company pays its independent directors an annual fee consisting of two components: a fixed annual remuneration and an additional annual remuneration. Directors are also reimbursed for expenses incurred in the course of fulfilling their duties.

In 2019, the General Meeting of Shareholders approved the following pre-tax annual fees for independent directors: a fixed annual fee of USD 75,000; an additional annual fee of USD 25,000 for the Chair of the Board of Directors; an additional annual fee of USD 15,000 for the Chair of any Board Committee. Fifty percent of the fixed annual remuneration and any additional remuneration for serving as Chair of the Board or a Committee is paid six months after the director assumes office, with the remaining 50 percent paid one year after appointment.

The total remuneration accrued to members of the Board of Directors for the reporting period, including withheld taxes and contributions, amounted to USD 381,322.25, which, at the exchange rate on the payment date, equates to KZT 180,696,645.38.

BOARD COMMITTEES

Composition of Board Committees

Four committees have been established under the Board of Directors. Each committee reviews key matters within its area of competence and provides recommendations

to the Board of Directors accordingly. The current composition of the Board committees is presented in the table below:

Name of Committee	Committee's Responsibilities	Composition as of 31 December 2024
Strategic Planning Committee	<ul style="list-style-type: none"> Strategic development of the Company 	A.N. Buyanov – chairman of the committee; A.K. Abdualiev ; A.B. Indykbayev ; Jere Calmes ; D.Zh. Kereibayev
Personnel and Remuneration Committee	<ul style="list-style-type: none"> Personnel policy; employee remuneration Personnel training and motivation 	A.K. Abdualiev – chairman of the committee; A.N. Buyanov ; A.B. Indykbayev ; S.E. Zhamalov ; D.Zh. Kereibayev .
Internal Audit Committee	<ul style="list-style-type: none"> Financial reporting Internal control and risk management Internal and external audit 	S.E. Zhamalov – chairman of the committee; AA.K. Abdualiev ; Jere Calmes .
Sustainable Development Committee	<ul style="list-style-type: none"> Strategic matters related to sustainable development Development and implementation of the Company's sustainability policies 	S.E. Zhamalov – chairman of the committee; A.N. Buyanov ; E.B. Meiramov .





Activities of the Board Committees

Strategic Planning Committee

In 2024, the Committee held 6 in-person meetings in accordance with approved agendas. A total of 23 agenda items were reviewed, and relevant recommendations were submitted to the Board of Directors. All matters within the Committee's remit were duly considered during the reporting period.

The Committee reviewed and provided recommendations to the Board of Directors on the following matters:

- Approval of Kcell JSC's Development Strategy,
- Approval of the budget, operating plan, capital expenditure plan, and parameters for investment activity,
- Development and modernisation of Kcell JSC's network, including the implementation plan for the network RollOut,
- Related party transactions.

Personnel and Remuneration Committee

In 2024, the Committee held 7 in-person meetings in accordance with its meeting agendas. A total of 30 issues were reviewed, with relevant recommendations provided to the Board of Directors. All matters falling under the Committee's scope were addressed during the reporting period.

The Committee reviewed and submitted recommendations to the Board of Directors on the following matters:

- Election of members of the Management Board,
- Staffing matters of the Compliance Control Function,
- Staffing matters of the Internal Audit Function,
- The Company's organisational structure,
- Definition of key performance indicators (KPIs) for the Company's senior executives,
- Performance evaluation of the Chairperson, Management Board members, and employees reporting to the Board of Directors of Kcell JSC for 2023, based on KPIs).

Additionally, the Committee conducted work on reviewing candidates for membership on the Board of Directors of Kcell JSC.

Internal Audit Committee

In 2024, the Committee held 6 in-person meetings in accordance with its approved agendas. A total of 33 matters were reviewed, and corresponding recommendations were submitted to the Company's Board of Directors.

Throughout the reporting period, the Committee addressed all matters falling within its remit. In particular, the Committee reviewed and provided recommendations on the following:

- Approval of quarterly risk management reports;
- Approval of the risk map and register, as well as the Company's risk appetite;
- Quarterly reports of the Internal Audit Function;
- Quarterly reviews of the Company's operating performance.

In addition, the Committee held four meetings with the external auditor during the year, covering the following topics:

- Review of the Company's financial performance for 2023;
- Review of the external auditor's report for the first half of 2024;
- Planning of the external audit of Kcell JSC for 2024.

The Chair of the Committee, Mr. S.E. Zhamalov, held regular meetings with members of the Management Board and staff of the Internal Audit Function to ensure ongoing oversight and effective coordination.

Sustainable Development Committee

In 2024, the Committee held 2 in-person meetings in accordance with the approved agendas.

Two matters were reviewed, and relevant recommendations were submitted to the Company's Board of Directors.

The Committee reviewed and provided recommendations on reports submitted by the Company's Compliance Control Function.

In addition, Committee members regularly held meetings with members of the Management Board, the Head of the Compliance Control Function, and heads of the Company's structural units.

MANAGEMENT BOARD

GRI 2-9, GRI 202-2, GRI 405-1

The Management Board of Kcell JSC is the Company's collegial executive body responsible for overseeing its day-to-day operations. The Company recognises the need for strong leadership, which is provided by the Chief Executive Officer, who also serves as the Chair of the Management Board.

In its activities, the Management Board is guided by the principles of legality, integrity, good faith, prudence,

consistency, professionalism, and objectivity. Its members fully respect the interests of shareholders and remain fully accountable to both the General Meeting of Shareholders and the Board of Directors.

In 2024, the Management Board held 83 meetings and adopted a total of 306 resolutions.

Members of the Management Board

During 2024, the following changes occurred in the Management Board:

- On 10 July 2024, the powers of Azamat Dauletovich Uysumbaev, Chief Director for Corporate Affairs and member of the Management Board of Kcell JSC, were terminated ahead of schedule.
- On 15 July 2024, the powers of Askhat Arkhatovich Uzbekov, Chief Executive Officer and Chairman of the Management Board of Kcell JSC, were terminated ahead of schedule.
- On 5 August 2024, the powers of Damir Shamilevich Mullashev, Chief Financial Officer and member of the Management Board of Kcell JSC, were terminated ahead of schedule.
- On 1 October 2024, the powers of Kirill Valerievich Strashenko, Chief Technical Director and member of the Management Board of Kcell JSC, were terminated

upon the expiry of his employment contract, at his own initiative.

The following appointments were made by the Company's Board of Directors:

1. Askar Serikovich Zhambakin was appointed Chief Executive Officer and Chairman of the Management Board of Kcell JSC, effective 15 July 2024.
2. Sabigat Maratovich Rakhmetov was appointed Chief Financial Officer and member of the Management Board of Kcell JSC, effective 16 August 2024.
3. Dauren Mukhamedkalievich Shaikhin was appointed Chief Director for Corporate Affairs and member of the Management Board of Kcell JSC, effective 12 August 2024.

As of 31 December 2024, the Management Board consisted of six members: five men and one woman.

MEMBERS OF THE MANAGEMENT BOARD AS OF 31 DECEMBER 2024

Askar Serikovich Zhambakin	Chairman of the Management Board, Chief Executive Officer
Sabigat Maratovich Rakhmetov	Member of the Management Board, Chief Financial Officer
Olga Vyacheslavovna Tsoy	member of the Management Board, Chief Commercial Officer
Dauren Mukhamedkalievich Shaikhin	member of the Management Board, Chief Director for Corporate Affairs
Daniyar Kadylkhanovich Ibrayev	member of the Management Board, Chief Security Officer
Malik Alimzhanovich Amardinov	member of the Management Board, Chief Director for Digital Development





BIOGRAPHIES OF THE MEMBERS OF THE MANAGEMENT BOARD



**ASKAR
SERIKOVICH
ZHAMBAKIN**

Chairman of the Management Board, Chief Executive Officer

Date of birth: 19 October 1985

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Mr Zhambakin was appointed Chief Executive Officer and Chairman of the Management Board of Kcell JSC on 15 July 2024.

He holds a degree in Multichannel Telecommunications Systems from the Almaty Institute of Energy and Communications, a Master's degree in Management and Information Systems from the University of Manchester, and a diploma in Organisational Leadership from Saïd Business School, University of Oxford.

Mr Zhambakin began his career as a communications technician at Air Kazakhstan and later worked as an engineer at Mobile Telecom-Service LLP (Tele2/Altel). He held various roles at HSBC Bank Kazakhstan, focusing on strategy and business process transformation. He performed similar functions at Beintech LLP, a subsidiary of BI Group, and led the Customer Experience Development Department at Qazkom JSC.

He also held senior positions at the Development Bank of Kazakhstan and served as Deputy Director of the Department for Management and Development of Payment Systems at the National Bank of Kazakhstan.

Prior to joining Kcell, he served as Vice Minister of Digital Development, Innovation and Aerospace, where he was responsible for the digital transformation of public administration, business process reengineering, and data governance.



**SABIGAT
MARATOVICH
RAKHMETOV**

Member of the Management Board, Chief Financial Officer

Date of birth: 27 December 1988

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Mr. Sabigat Rakhmetov was appointed Chief Financial Officer of Kcell JSC effective 16 August 2024.

He graduated with honours in Finance from the Kazakhstan Institute of Management, Economics and Forecasting (KIMEP).

Mr. Rakhmetov brings over 13 years of experience in finance and investment, mergers and acquisitions, financial and economic analysis, transaction structuring, and portfolio asset management, including international investment portfolio oversight.

He began his career at PricewaterhouseCoopers Tax & Advisory LLP (PwC) in 2011. He subsequently spent over six years at the Sovereign Wealth Fund Samruk-Kazyna JSC, rising to the position of Director of the Department for Investment and Business Support.

Prior to joining Kcell, from 2022 he served as Director of the Investment and Strategy Group at KazMunayGas International N.V. in Bucharest, Romania.



**OLGA
VYACHESLAVOVNA
TSOY**

Member of the Management Board, Chief Commercial Officer

Date of birth: 26 November 1982

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Ms. Tsoy holds a higher education degree and an MBA from KIMEP University. She has 17 years of experience in the commercial sector across a range of industries, including 13 years in leadership roles: 3 years in FMCG and retail, 8 years in telecommunications, 3 years in consulting (FinTech and InsureTech), and 3 years in the banking sector. In 2023, she was appointed Director of the Retail Business Department at Kcell JSC.



**DAUREN
MUKHAMEDKALIEVICH
SHAIKHIN**

Member of the Management Board, Chief Director for Corporate Affairs

Date of birth: 31 July 1986

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

In 2016, Mr. Shaikhin earned a Master's degree from the Kazakhstan North British Technical University and later received an MBA from the Booth School of Business at the University of Chicago.

He has over 15 years of experience across financial markets, corporate finance, risk management, operations, and procurement. Throughout his career, he has successfully developed and implemented corporate strategies, enhanced financial portfolios, and optimised operational processes, contributing to business growth and profitability.

Mr. Shaikhin began his professional journey in 2008 as a lead broker in Kazakhstan's securities market at Eurasian Capital JSC. In 2018, he served as Deputy Financial Director at Kcell JSC. Since 2023, he has held the senior position of Deputy Chairman of the Management Board at Republican Center of Space Communication JSC in Astana, Kazakhstan).



**DANIYAR
KADYLKHANOVICH
IBRAYEV**

Member of the Management Board, Chief Security Office

Date of birth: 14 July 1979

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Mr. Ibrayev was appointed Chief Security Officer and member of the Management Board of Kcell JSC on 23 June 2022.

He graduated in 2000 from the Military Institute of the National Security Committee of the Republic of Kazakhstan (now the Border Service Academy of the NSC) with a degree in Telecommunications Engineering. In 2007, he earned a Bachelor of Law degree from Kazakh Humanitarian and Law University in Nur-Sultan. Mr. Ibrayev joined Kcell JSC in 2020, where he served as Advisor to the Strategic Development Department and Chief Expert of the Security Department. Prior to that, he held various positions at the Single Accumulation Pension Fund JSC and previously worked in government agencies.





**MALIK
ALIMZHANOVICH
AMARDINOV**

Member of the Management Board, Chief Director for Digital Development

Date of birth: 27 October 1986

Nationality: Republic of Kazakhstan

Shareholding in the Company: None

Mr. Amardinov was appointed Chief Director for Digital Development and member of the Management Board of Kcell JSC on 15 September 2022.

He holds two higher education degrees. In 2008, he graduated from the Banking Academy of Alatau Kazakhstan University with a degree in Finance. In 2016, he earned a degree in Computer Engineering and Software from Kazakhstan Engineering and Technology University. Mr. Amardinov has 16 years of experience in the IT sector, including 12 years in senior leadership roles within the banking industry. Prior to joining Kcell, he served as Executive Director and Chief IT Architect at ForteBank, where he successfully led the bank's IT development and coordinated over 10 project teams.

REMUNERATIONS

The total remuneration paid to members of the executive body in 2024 amounted to KZT 568,576,737 (before taxes). This amount includes salaries and annual performance-based bonuses.

COMPLIANCE WITH LEGAL REQUIREMENTS

GRI 2-27

Kcell JSC was involved in two antitrust investigations initiated during the reporting period.:

1. On 15 June 2022, the Almaty Department of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan initiated an investigation (Order No. 42-OD) under Part 1, Article 174 of the Entrepreneurial Code. The purpose of the investigation is to determine whether Kcell JSC engaged in conduct resulting in the maintenance of a monopolistically high price.
2. A second investigation was launched on 21 December 2023 (Order No. 38-OD) to assess whether Kcell JSC

participated in coordinated actions with competitors to establish and maintain pricing for telecommunications services during the period from May to July 2023.

If these violations are confirmed, Kcell JSC may face administrative liability in accordance with Part 3, Article 159 of the Code of Administrative Offences, which provides for a fine amounting to 5% of the revenue generated from monopolistic activity, as well as confiscation of the resulting unlawful income.

COMPLIANCE CONTROL ACTIVITIES

GRI 2-26

The Compliance Control function is focused on preventing business risks, resolving critical issues, and ensuring adherence to legal and ethical standards. Globally, the presence of a robust compliance system is regarded as an indicator of a company's responsible and transparent business conduct.

In the reporting year, the Compliance Control Service carried out the following activities:

- 60 compliance reviews of single-source procurement contracts to assess the reliability of counterparties. No compliance risks were identified.
- 17 compliance reviews of special-procedure procurements. No compliance risks were identified.
- 15 compliance checks of potential partners for Mobile Financial Services (MFS) product/service launches. No compliance risks were identified.
- 19 background checks of candidates for vacant positions at the CEO-1 and CEO-2 levels to assess affiliation risks and potential conflicts of interest.
- Monthly screening and monitoring of counterparties from the Russian Federation against international sanctions lists – 61 counterparties were reviewed.
- Expert opinions were provided on materials submitted for review, including those presented to the Management Board and the Board of Directors.
- As part of the 2024 Compliance Work Plan, a company-wide anonymous employee survey was conducted via Forms.Office on compliance-related topics, including anti-corruption, conflict of interest prevention, ethics, and integrity standards.

Kcell JSC's ultimate controlling shareholder, Samruk-Kazyna JSC, operates a dedicated whistleblowing hotline through which any individual may report violations of law within Samruk-Kazyna or its subsidiaries. The hotline ensures confidentiality and anonymity (at the request of the reporting party) and guarantees that all reports are recorded, reviewed, and forwarded to the appropriate personnel for further action. Contact information for the Samruk-Kazyna hotline and Kcell's Compliance Service is published on both the internal and corporate websites. Individuals can use these channels to report suspected labour violations, corruption, or other misconduct.

The process for receiving and handling reports of unethical or unlawful behaviour is governed by Kcell JSC's Internal Misconduct Reporting Procedure. Under this policy, the Company guarantees full confidentiality to employees, business partners, and other stakeholders who raise serious concerns. The policy also ensures protection from retaliation or discrimination for whistleblowers.

In 2024, 15 reports were submitted through the hotline, of which 6 were confirmed.

The main issues raised included:

- Violations of procurement procedures;
- Breaches of corporate ethics;
- Abuse of official authority;
- Infringement of employee labour rights.

Each report received by the Compliance Service is documented in a quarterly report submitted to the Board of Directors. No critical issues were identified in 2024.





ANTI-CORRUPTION COMPLIANCE

GRI 205-1, GRI 205-2, GRI 205-3

Kcell JSC has implemented a set of internal policies and procedures to support its anti-corruption compliance efforts. These include:

- Corporate Compliance Standard of the Samruk-Kazyna JSC Group;
- Regulation on the Compliance Control Service at Kcell JSC;
- Code of Ethics and Conduct of Kcell JSC;
- Anti-Corruption Policy of Kcell JSC;
- Conflict of Interest Management Policy of Kcell JSC;
- Internal Misconduct Reporting Procedure of Kcell JSC.

In 2024, as part of the regular update of compliance-related internal documents, the Internal Misconduct Reporting Procedure was revised to reflect the current requirements of both the Company and the Fund. Updates included the addition, consolidation, and clarification of guarantees provided to whistleblowers, as follows:

- 1) Full confidentiality for employees, business partners, and other stakeholders who report misconduct or violations;
- 2) Protection against retaliation or discrimination for individuals who report concerns;
- 3) Any act of retaliation or discrimination against whistleblowers will be treated as a disciplinary offense subject to appropriate action;
- 4) A zero-tolerance approach toward concealing evidence of misconduct;
- 5) Disciplinary measures will be taken against individuals who destroy or hide evidence of wrongdoing;
- 6) In some cases, anonymous reports may not be reviewed without additional information or follow-up from the reporting party. However, the Company will ensure the highest level of confidentiality possible;
- 7) Any employee who knowingly submits false or malicious reports for personal gain forfeits protection and may be subject to disciplinary action. All employees are expected to understand the consequences of violating this procedure.

The current numbers of the Fund's hotline have also been added to the Instructions.

Requests can be provided through the following communication channels:

- by phone number 8 800 080 47. (within the RK territory a call is free);
- by e-mail mail@sk-hotline.kz;
- through an online-portal www.sk-hotline.kz;
- via WhatsApp Messenger by number: +7 771 191 8816.

The Job Descriptions of employees, developed in accordance with the Corporate Standard for the Compliance-function of Samruk-Kazyna JSC Group and other regulatory documents, were added in the form of appendix to the Regulations on the Compliance Control Service at Kcell JSC.

The main areas of work of the Compliance Service in the field of anti-corruption in 2024 were:

- Anti-corruption policy;
- Ethics and behavior in Company;
- Responsible purchases;
- Human rights;
- Conflict of interest management;
- Control in the field of compliance risk management.

The principles and procedures for combating corruption are outlined in Kcell JSC's Anti-Corruption Policy. The purpose of the Policy is to minimise the risk of the Company's officers and employees – regardless of their position – being involved in corrupt practices. The key objectives of the Policy include:

- Promoting a clear understanding among officers and employees of the Company's zero-tolerance approach to all forms of corruption;
- Consolidating and clarifying the core requirements of Kazakhstan's anti-corruption legislation as it applies to the Company and its staff;
- Establishing the obligation of all officers and employees to understand and comply with the principles and requirements of anti-corruption laws, the Anti-Corruption Policy itself, and to carry out appropriate preventative procedures;

- Developing and implementing effective anti-corruption measures aimed at preventing, detecting, and mitigating the consequences of corrupt activities.

Kcell JSC's approach to anti-corruption is based on the following core principles:

- Compliance with the law in all Company activities;
- Transparency and openness in the Company's operations;
- Raising awareness among employees, partners, and clients about anti-corruption practices;
- Cooperation with public authorities, business partners, and clients in preventing corruption;
- Mandatory internal investigations into any alleged violations of anti-corruption legislation or internal Company policies.

In line with the provisions of the Company's Anti-Corruption Policy, Kcell JSC conducts annual identification and assessment of corruption risks, followed by the development of targeted mitigation measures. The objective is to detect business areas and processes most vulnerable to violations of anti-corruption laws, whether for personal gain or to benefit the Company.

In 2024, the Company conducted an internal analysis of corruption risks for the 2023 period, covering six departments and 14 business processes. As a result, nine corruption risks were identified, and 11 recommendations were developed to address and mitigate these risks.

Further to the internal corruption risk assessment, the Company developed and approved an Action Plan to eliminate the root causes and conditions contributing to potential corruption offences.

In November–December 2024, the Company underwent an independent certification audit and successfully confirmed the implementation of its Anti-Corruption Management System in accordance with the requirements of ST RK ISO 37001. In December 2024, the Company was awarded a state-recognised certificate of compliance with ST RK ISO 37001–2017 (ISO 37001:2016). The Compliance Service was responsible for the implementation of this system.

As of the end of the reporting period, no confirmed cases of corruption or bribery were recorded within the Company.

The Company conducts regular anti-corruption training for employees. All new hires are required to complete an introductory online course on the core principles of the Kcell Code of Ethics and Conduct and the Kcell Anti-Corruption Policy.

In 2024, the Company held nine anti-corruption training sessions, reaching 1,812 employees (83% coverage), including 28 senior executives (6 members of the Management Board and 22 executives at the CEO-1 and CEO-2 levels), 511 mid-level managers, and 1,273 specialists.

CONFLICT OF INTEREST MANAGEMENT

GRI 2-15

The principles and procedures for managing conflicts of interest at Kcell JSC are defined in the Conflict of Interest Policy, approved by the Company's Board of Directors on 5 August 2022.

The Company takes all necessary measures to prevent conflicts of interest and to identify circumstances that may give rise to such situations. The Corporate Secretary and the Head of the Compliance Service are authorised to request information and clarifications from members of the Board of Directors, the Management Board, and employees in connection with violations of shareholder rights or situations that could lead to a conflict of interest.

If a conflict of interest cannot be resolved at the department level, the head of the relevant structural unit must, within one business day, notify the Chair of the Management

Board and the Head of the Compliance Service, providing details of the conflict, its causes, and any measures taken or proposed to address it.

The head of the relevant department, in coordination with the responsible employee from the Human Resources Department, determines the procedure for resolving conflicts of interest involving Company employees.

If necessary, the Chair of the Management Board may establish a working group to resolve a conflict of interest. This group may include representatives from the Compliance Service, Human Resources, Legal Department, the relevant business unit, and other appropriate stakeholders. Its composition is carefully selected to ensure impartiality and to avoid any secondary conflicts that could influence its decisions.





The Conflict of Interest Policy outlines several ways to manage and resolve conflicts of interest, including:

- Recusing the employee from any decisions that may be affected by the conflict;
- Restricting the employee's access to sensitive or relevant information;
- Transferring the employee to a different role (with their consent) that eliminates the conflict, in line with national labour laws;
- Revising the employee's duties or job responsibilities;

- Terminating the employee's role, if required, under applicable law;
- Removing the source of the conflict (e.g., personal interest);
- Taking other appropriate steps to prevent or resolve the conflict.

In 2024, 649 employees completed the conflict of interest declaration form, and 37 employees disclosed potential conflicts. All cases were reviewed and addressed accordingly.

RELATED PARTY TRANSACTIONS

During the reporting year, the Company sold goods and services to related parties totaling KZT 13.9 billion and purchased goods and services from related parties totaling KZT 31.6 billion. Transactions with related parties included

consulting services, technical and operational support, lease of communication channels, roaming services, and interconnection services.

RELATED PARTY TRANSACTIONS OF KCELL JSC IN 2024, KZT million

	Goods sold and service provided	Goods and services purchased
Organizations of Samruk-Kazyna group	585	676
Organizations of Kazakhtelecom group	12,642	30,389
Government authorities	667	552
Total	13,894	31,617



INTERNAL AUDIT

The Internal Audit Service (IAS) is a governance body of Kcell JSC responsible for organizing and conducting internal audits within the Company. The IAS reports directly to the Board of Directors and is overseen by the Board's Internal Audit Committee. Its operations are carried out in accordance with the Regulations on the Internal Audit Service and the Annual Audit Plan, both approved by the Board of Directors.

The mission of the IAS is to support the Board of Directors and the Management Board in fulfilling their responsibilities and achieving Kcell JSC's strategic goals. In its activities, the IAS adheres to the principles of integrity, objectivity, confidentiality, and professional competence, as defined by the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).

The primary objective of the IAS is to provide the Board of Directors with independent and objective assurance and advisory services aimed at enhancing the effectiveness of risk management, internal control, and corporate governance systems.

The key responsibilities of the IAS include:

- assessing the reliability and effectiveness of the Company's internal control system;
- evaluating the maturity and improvement of corporate governance processes;
- reviewing the efficiency and effectiveness of resource utilisation and methods used to safeguard the Company's assets;
- assessing the accuracy, completeness, and objectivity of the accounting system, as well as the reliability of financial reporting;
- evaluating the Company's compliance with the laws of the Republic of Kazakhstan, and the adequacy of systems and procedures established to ensure such compliance;
- assessing fraud risk and the effectiveness of anti-fraud risk management.

Based on the results of its audits, the IAS provides relevant recommendations, including proposals for improving the existing internal control and risk management systems, operational processes, and governance principles. The IAS also offers commentary on any matters within its remit.

EXTERNAL AUDIT

To ensure an independent assessment of the reliability of financial statements prepared in accordance with IFRS, the Company annually engages an external auditor, approved by the General Meeting of Shareholders. The selection of the audit firm is carried out in accordance with the Rules for Selecting an Audit Organization established by Samruk-Kazyna JSC and applies to entities in which Samruk-Kazyna JSC directly or indirectly owns 50% or more of voting shares (interests), either through ownership or trust management. In selecting the auditor, the Company adheres to the following core principles:

- independence and transparency of the selection process;
- absence of conflicts of interest;
- quality of the proposed audit services.

Pursuant to the resolution of the Extraordinary General Meeting of Shareholders held on 13 December 2022, Ernst & Young LLP was appointed as the auditor of the Company's financial statements for the years 2022–2024. In 2024, Ernst & Young LLP did not provide audit or non-audit services to the Company's subsidiary, Kaznet Media LLP.

During the year, Kcell JSC paid Ernst & Young LLP a total of 116,231,010 tenge (inclusive of VAT) for audit services. No non-audit services were rendered to the Company by Ernst & Young LLP in 2024.

