

**Investment Policy
of
Baiterek
National Management Holding Joint Stock
Company**

Table of contents:

Chapter 1. General provisions and restrictions.....	4
Chapter 2. Policy goals and objectives	16
Chapter 3. Priority focus areas, forms and frameworks for granting financial support.....	17
Chapter 4. Key principles for granting financial support.....	20
Chapter 5. Sources of funding.....	22
Chapter 6. General principles for prioritising Projects	22
Chapter 7. Key principles for pricing financial instruments.....	23
SECTION 2. KEY PROVISIONS AND INSTRUMENTS OF FINANCIAL SUPPORT	26
Chapter 8. Debt financing.....	26
Chapter 9. Equity financing.....	28
Chapter 10. Insurance	30
Chapter 11. Guaranteeing	31
Chapter 12. Subsidies	33
Chapter 13. Innovation grants	34
SECTION 3. DETAILS OF THE FINANCIAL SUPPORT PROCESS	35
Chapter 14. Key principles of cooperation between the Holding and its subsidiaries in the process of providing financial support.....	35
Chapter 15. Key stages of providing financial support.....	36
Chapter 16. Searching for and drafting lists of potential Projects	36
Chapter 17. Analysing potential Projects.....	37
Chapter 18. Decision-making on financial support and its actual provision	38
Chapter 19. Monitoring.....	38
Chapter 20. Post-monitoring.....	39
APPENDIX 1. POLICIES AND PROCEDURES FOR MAKING INVESTMENT DECISIONS AND ENGAGING WITH INVESTMENT PARTNERS.....	40
SECTION 1. POLICIES AND PROCEDURES FOR EVALUATING PARTICIPANTS OF FINANCIAL SUPPORT	40
Chapter 1. General provisions	40

<i>Chapter 2. KYC procedures</i>	43
<i>Chapter 3. Review of the Financial Support Participant experience in financial support for similar projects</i>	48
<i>Chapter 4. Assessment of the Financial Support Participant interest...</i>	50
SECTION 2. INVESTMENT DECISION-MAKING POLICIES AND PROCEDURES	51
<i>Chapter 5. General provisions</i>	51
<i>Chapter 6. Decision-making procedures.....</i>	51
<i>Chapter 7. Decision-making limits and restrictions</i>	52
APPENDIX 2. METHODOLOGY FOR CALCULATING CAPITAL COST, INCLUDING WACC CALCULATION METHODS (INCLUDING CALCULATION OF EQUITY AND DEBT CAPITAL).....	54
APPENDIX 3. PRINCIPLES AND PROCEDURES FOR MONITORING, POST-MONITORING AND REPORTING ON INVESTMENT ACTIVITY.....	56
<i>Chapter 1. General provisions</i>	56
<i>Chapter 2. Project categories</i>	56
<i>Chapter 3. Monitoring.....</i>	56
<i>Chapter 4. Post-monitoring.....</i>	57
<i>Chapter 5. Consolidating information on subsidiary activity.....</i>	58
APPENDIX 4. METHODS FOR CALCULATING THE DEVELOPMENT INDEX (PROJECT RATING MODEL).....	61
<i>Chapter 1. General principles for calculating the development index...</i>	61
<i>Chapter 2. Method for calculating the extended development index.....</i>	62
<i>Chapter 3. Method for calculating the simplified development index....</i>	64
<i>Chapter 4. Segregation of powers and duties in calculating the development index</i>	65
<i>Chapter 5. Applicability of the development index to individual subsidiaries.....</i>	66
APPENDIX 5. OTHER ISSUES	74
APPENDIX 6. IDENTIFYING KEY PROJECT INVESTMENT CRITERIA AND PRIORITIES	75
APPENDIX 7. REGULAR REPORTING FORMS	77

SECTION 1. KEY PRINCIPLES FOR INVESTING AND GRANTING FINANCIAL SUPPORT

Chapter 1. General provisions and restrictions

1. This investment policy (the “Policy”) was developed in accordance with the laws of the Republic of Kazakhstan, the Articles of Association and internal regulations that govern the operations of Baiterek National Management Holding Joint Stock Company (the “Holding”) and its subsidiaries, as well as with the Holding’s Strategy.
2. In accordance with the Strategy, the Holding carries out its investments through equity holdings or by creating or increasing the fixed assets of its subsidiaries. As a result of such activities, it grants financial support to Projects (including investment Projects) using a wide range of financial instruments. In this Policy, financial support means the following:
 - provision of financial instruments (including debt financing, equity financing, lease financing, subsidies or innovation grants) used for the direct funding of a Project;
 - AND/OR
 - provision of other financial instruments needed to obtain financing for a Project from other sources or to implement a Project (including guarantees or insurance).
3. This Policy outlines the operations that the Holding and its subsidiaries perform with regard to investments and other financial instruments, except for the cases mentioned in paragraph 8 of this Policy.
4. This Policy defines the Holding’s and its subsidiaries’ investment goals, objectives and priorities to ensure the efficient, comprehensive and transparent provision of financial support.
5. The Holding’s investments are made with the expectation that the provided financing will be used efficiently to provide support to specific Projects that are in line with sustainable social and economic development principles.
6. The Holding and its subsidiaries make investments with due consideration of the role of the Holding’s subsidiaries (which act as national development institutes) in providing financial and non-financial support.

7. The place of this Policy in the hierarchy of the Holding's internal regulations is defined in accordance with the Rules on Statutory Regulations and Review of Legislative Drafts at Baiterek National Management Holding Joint Stock Company.
8. If certain approaches and/or processes related to investments and the provision of financial support are regulated by the laws of the Republic of Kazakhstan, the provisions of such laws are to take precedence over those contained in this Policy, and the Policy is not to be applied to such approaches and/or processes.
9. Based on this Policy, the Holding's subsidiaries are to design customised investment policies to govern their own investments and provision of financial support as part of the Holding's activity. The investment policies of any of the Holding's subsidiaries should align with the provisions contained in this Policy, unless otherwise provided for by the laws of the Republic of Kazakhstan.
10. The provisions of this Policy do not apply to any of the Holding's and its subsidiaries' operations with securities held for liquidity management (cash flow management).
11. The provisions of this Policy do not apply to any of the Holding's and its subsidiaries' operations related to granting financial support to its own subsidiaries.
12. The provisions of this Policy do not apply to any financial support granted by the Holding or its subsidiaries to individuals, except for individuals who are engaged in entrepreneurial activity.
13. This Policy comes into effect from the date of its approval by the Holding's Competent Authority.
14. The following terms are used in this Policy:

Business incubator	- A legal entity created to support small start-up businesses by providing them with premises, equipment and organisational, legal, financial, consulting and information services.
Venture capital fund	- A simple partnership or a legal entity incorporated as a joint stock company or a business partnership

	that raises and pools financing and other property exclusively for venture capital financing.
Internal regulations	- Rules that apply to all the employees of the Holding or one of its subsidiaries with multiple application under statutory regulation and is mandatory for all of them
Guaranteeing	- A form of support that is granted to secure the performance of obligations by the recipient in the event of a guarantee event.
State Development Programmes	Public programmes launched under the System of State Planning, per Republic of Kazakhstan Government Decree No. 790 of 29 November 2017.
Government source of funding	- Financing from the Republic Budget of the Republic of Kazakhstan (regional budgets or city budgets), or from the National Fund of the Republic of Kazakhstan.
Mining	- A set of procedures for extracting natural resources using equipment, excluding transportation and further sale of the raw commodities.
Debt financing	- Provision of financial resources through the issue of loans or the purchase of bonds from the issuer to finance a project (excluding debt instruments that are granted by private equity funds).
Equity financing	- Provision of financial resources as a contribution to the equity of an

	entity or through the purchase of an equity stake in an entity.
Subsidiary	- A legal entity whose decisions may be made by another legal entity (the parent company) based on its controlling equity stake in the entity or an agreement signed between them or otherwise.
Return on investment (ROI)	- The total change in the value of an investment over a certain period (including accrued dividends and other distributions of profit).
Investments	- All types of property (excluding any goods intended for personal consumption), including any financial leasing assets from the date when a leasing agreement is signed, and the relevant rights thereto contributed by an investor to the equity of a legal entity, or an increase in the value of fixed assets used for business operations or for public-private partnership projects, including concession projects.
Investor	- An individual or legal entity that makes an investment in the Republic of Kazakhstan.
Development index	- A tool used to prioritise potential Projects when making decisions about providing financial support, in accordance with the Holding's Strategy, State Development Programmes and the Holding's and its subsidiaries' investment objectives, as calculated in accordance with Appendix 4 of this Policy.

Innovation grant	- Budget funds provided (for no consideration) to entities engaged in priority technology areas to support the research and development of innovative technology.
Innovation	- Research and development that leads to the commercialisation of new or improved products (work or services) or technologies that offer competitive advantages when used in practice (compared to their equivalents), as well as to economic and social benefits.
Pooled investments	- Joint financial investments of two or more parties that have been pooled into a professionally managed fund to make profit.
Infrastructure industries	- Respective sectors of the economy that are included in the General Classification of Economic Activities (National Classification of the Republic of Kazakhstan), excluding construction, notably: <ul style="list-style-type: none"> – electricity, gas and heating supplies, as well as air conditioning; – water supply, sewage collection, waste collection and disposal; – transport and warehousing; – information technology and telecommunications.
Islamic financing	- Financing activities that are compliant with Islamic law (Sharia).

Commercial entity	- An organisation that seeks to derive profit as its main objective.
Working capital financing	- Short-term targeted lending for legal entities that need an additional source of financing for their production processes.
Captive fund	- A private equity fund registered in the Republic of Kazakhstan, in which the Holding or its subsidiaries directly or indirectly hold shares (equity stake).
Maximum share of financial support provided by the Holding and its subsidiaries	- Restriction on the Holding's and its subsidiaries' operations related to granting financial support to that share of financial support that is provided to a Project by the Holding and its subsidiaries versus the total amount of financial support received by the Project from all sources. This restriction is not to be applied to captive funds.
Margin	- A component in the price of a financial instrument that determines the Holding's or its subsidiaries' income. The margin is calculated as the difference between the price of the financial instrument within the financial support granted and the price that ensures breaking even.
Margin adjusted for risk appetite	- A margin that is adjusted for the risk tolerance that the Holding or one of its subsidiaries is ready to take on in its operations.
Non-resource sector	- The conventional name for various industries and lines of business (including manufacturing, construction and the service sector

	and excluding natural resource extraction).
Advanced technologies	- Technologies that have a significant impact on the development of existing industries or create the foundation for setting up new high-tech manufacturing, including within Industry 4.0
ESG principles	- A set of environmental, social and corporate governance (ESG) principles based on the standards adopted by the international community, including UN Sustainable Development Goals UN, Global Reporting Initiative (GRI), IFC and EBRD Environmental and Social Standards, Principles for Responsible Investment (UN PRI Principles) and Equator Principles.
Principles for Responsible Investment (UN PRI Principles)	A set of investing principles developed by the United Nations (UN) based on environmental, social and corporate governance (ESG) factors.
Equator Principles	A risk management framework developed and adopted by financial institutions to assess and manage environmental and social risk in project financing and primarily intended to provide alignment with environmental and social standards applied by the International Finance Corporation (IFC).
Prioritisation	- Ranking components in order of priority based on approved metrics

Distressed asset

- An asset evaluated by the Holding and its subsidiaries as an impaired asset, in accordance with internal regulations, due to the following reasons:
 - a default or pre-default;
 - failure to meet the obligations related to the financial support granted due to the insolvency of the recipient and/or the inability of the Holding or its subsidiary to collect the debt.

Project

- A potential or completed transaction that involves the provision of financial support by the Holding and its subsidiaries:
 - to the final recipient (direct support);
 - to second-tier banks, development banks, microfinance organisations, leasing companies, credit cooperatives or other legal entities through placing deposits/targeted lending to further finance the final recipient (indirect support);
 - to investment funds and private equity funds through equity investments to further provide financial support to the final recipient (indirect support);
 - provision of innovation grants, guarantees, insurance and subsidies through equity and debt financing, provided that the

transaction is consistent and complies with this Policy, the statutory goals, and the strategy and mission of the Holding and its subsidiaries.

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| Project financing | - A way of organising financing of a long-term Project against the assignment of receivables. The receivables are secured with the expected regular repayments for created and/or transferred assets, and/or services, and/or products and/or work delivered using the created assets |
| Profitability | - The ratio of accounting profit from core operations to the assets, resources or cash flows generating that profit. |
| Risk premium | - The return in excess of the risk-free rate of return that an investment (financial operation) is expected to yield |
| Syndicate | - An alliance of individuals or legal entities that exercises a shared pricing policy and/or transacts other types of business, while preserving the legal and commercial independence of its members. |
| Syndicated loan | - A loan that is raised by an organisation together with the other members of the syndicate under a single loan agreement, in which syndicate members are represented and credit administration is assigned to one member of the syndicate |

Cost of funding	- Cost of funds raised and used by the Holding and its subsidiaries to ensure the operations related to financial support
Holding's Strategic KPIs	- The strategic key performance indicators (KPIs) set in the Holding's Strategy to realise the mission of Baiterek NMH JSC to assist in the sustainable development of the economy of the Republic of Kazakhstan and achieve strategic development in focus areas.
Holding's Strategy	- Baiterek National Managing Holding JSC's strategic plan for 2014-2023.
Insurance	- A framework to protect the legal and financial interests of an individual or a legal entity against an insurance event or other event stipulated in the insurance contract through insurance payments.
Insurance premium	- The amount to be paid by the insured to the insurer for insurance under an insurance contract.
Subsidy	- A form of public financial support provided to entrepreneurs as partial reimbursement of expenses paid by the entrepreneur to a bank, development bank, leasing company, business incubator or investor as a fee for credit, leasing, incubation services or bonds (coupon payments) in exchange for an obligation to meet certain conditions related to the entrepreneur's future operations.

Quasi-public sector entities	- State-owned companies, limited liability partnerships and joint stock companies, including national management holdings, national holdings and national companies, in which the state acts as a member or a shareholder, as well as any subsidiaries, affiliated and other legal entities that may be related to them, in accordance with the laws of the Republic of Kazakhstan.
Trade finance	- Funding provided from one bank to another bank in the form of a confirmed, irrevocable letter of credit to pay for goods, services or work originating in Kazakhstan.
Competent Authority	- The authority in the Holding or one of its subsidies that has the power to make management decisions within the area of responsibility assigned to it in internal regulations and in accordance with the laws of the Republic of Kazakhstan.
Urbanisation of the economy	- The increasing economic importance and influence of major cities, as well as the share of urban population as a result of migration from rural areas.
Distressed asset management	- A process for managing distressed assets using credit and default strategies to improve the quality of or sell the assets.
Sustainable social and economic development	- Positive economic and social change, in which the use of natural resources and the focus of investment, research and technology advancement, as well

as personal growth and institutional changes, are aligned and underpin current and future potential to satisfy human needs and aspirations.

Financial instrument

- An agreement that creates financial assets for one party and financial liabilities or equity for another party. For the purposes of this Policy, innovation grants and subsidies are also considered to be financial instruments.

Financial leasing

- A type of investment in which the lessor agrees to transfer the leased asset (the title to which it acquired from a seller) to the lessee, under a leasing agreement, for an agreed fee and on the agreed terms and conditions, for temporary possession and use for business purposes for a period of at least three years.

Funding

- Raising funds that are subsequently used to finance operations.

Private equity fund

- An organisation that carries out the following activities:
 - investing in private companies with growth potential at the stage of their development, expansion, modernisation, or merger and acquisition;
 - purchasing assets in various sectors of the economy through equity financing with the objective to generate profit through the value of

shares or increase interest and the subsequent sale of those shares or interest to other investors.

Private sector

- A cluster of businesses that is made up of households and firms in the corporate, financial or entrepreneurial sector of the economy funded by private capital and not controlled by the government.

Chapter 2. Policy goals and objectives

15. The goal of this Policy is to ensure that the Holding and its subsidiaries engage in efficient and transparent investment practices and provide financial support that contributes to the sustainable social and economic development of the Republic of Kazakhstan.

16. The objectives of this Policy are as follows:

- establish key principles for investing and providing financial support;
- define key focus areas for investing and providing financial support;
- define the list of instruments that the Holding and its subsidiaries may use to make investments and provide financial support;
- define the pricing approach used across variety of different instruments used by the Holding and its subsidiaries;
- outline the approach used to assess whether potential Projects meet the investment goals of the Holding and its subsidiaries;
- outline the principles of cooperation and communication used by the Holding and its subsidiaries when engaging in investing and financial support activities, including joint work on Projects;
- minimise the investment risks made by the Holding and its subsidiaries when providing financial support;

- delineate the duties of the Holding and its subsidiaries when setting limits, deadlines, amounts, rates, prices and other conditions for providing financial support.

Chapter 3. Priority focus areas, forms and frameworks for granting financial support

17. To determine the priority areas in which financial support will be granted in order to contribute to the sustainable social and economic development of the Republic of Kazakhstan, the Holding and its subsidiaries should focus on the areas approved in the Holding's Strategy as well as in the State Development Programme, including but not limited to:

- developing the non-resource sector of the economy;
- developing entrepreneurship and the private sector of the economy;
- supporting export-oriented manufacturing companies;
- enhancing labour productivity;
- supporting the urbanisation of the economy;
- developing innovations;
- developing infrastructure.

18. The Holding and its subsidiaries will not provide financial support to the following operations:

- mining (natural resource extraction) operations (if the further processing of natural resources is not included in the Project);
- gambling;
- any operations forbidden by the laws of the Republic of Kazakhstan;
- any operations not permitted by international financial institutions (for joint Projects undertaken together with international financial institutions);
- other operations based on a decision by the Holding's managing board or by the board of directors of one of its subsidiaries.

19. Neither the Holding nor its subsidiaries consider that distressed asset management is to be a priority focus area. However, if a Project that is currently receiving financial support is considered to be a distressed asset, then according to the internal regulations of the Holding and/or its subsidiaries, the Holding and/or its subsidiaries may decide to manage the asset to enhance its quality or to sell it for the sake of economic efficiency. When defining their distressed asset management strategy, the Holding and/or its subsidiaries set the expected term of the distressed asset management procedure and seek to complete this process within the fixed term, unless otherwise decided by the relevant Competent Authority of the Holding and/or subsidiary.

20. **Types of financial instruments.** To provide financial support, the Holding and its subsidiaries use the following types of financial instruments (provided that they act in compliance with the internal regulations of the Holding and/or its subsidiaries and have received any relevant licences, permits or other similar documents):

- debt financing;
- equity financing;
- insurance;
- guaranteeing;
- subsidies;
- innovation grants.

21. **Priority industries and operations.** The key priorities of the Holding and its subsidiaries for the provision of financial support are the non-resource sector (as defined in various State Development Programmes) and infrastructure development.

22. **Financial support and currencies.** The Holding and its subsidiaries may provide financial support in the national currency or in foreign currency (for the cases defined by the laws of the Republic of Kazakhstan), except for innovation grants, which must be provided exclusively in the national currency.

23. **Target client segments.** The Holding and its subsidiaries may provide financial support to micro-, small, medium and large businesses, in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

24. Financial support frameworks. The Holding and its subsidiaries may provide:

- **Direct financial support** to the end-recipients of financial support;
- **Indirect financial support** through second-tier mechanisms, including through conditional placement of deposits with banks, extension of special-purpose loans to banks and other financial institutions (including microfinance organisations, leasing companies and credit cooperatives), and equity investments in investment funds and private equity funds and other instruments designed for further Project funding to achieve the goals of the Holding's Strategy and the State Development Programmes. Indirect financial support may be provided only if there are financial agreements that stipulate the counterparty's obligation to use the provided funds as intended, in accordance with the provisions of this Policy.

25. Geographic scope of financial support. Projects implemented in the Republic of Kazakhstan, including those promoting the development of infrastructure and transit as well as the export of Kazakhstani goods, work and services, will be given top priority in the provision of financial support. Financial support may be provided:

- 1) As part of direct financial support to:
 - legal entities that are resident in the Republic of Kazakhstan;
 - legal entities that are non-resident in the Republic of Kazakhstan, if the financial support will promote achieving the objectives of the Holding's Strategy and State Development Programmes. Direct financial support should not be provided as working capital financing (excluding Projects to support exports) or innovation grants to legal entities that are non-resident in the Republic of Kazakhstan.
- 2) As part of indirect financial support to:
 - legal entities (and other organisations) that are resident/non-resident in the Republic of Kazakhstan, if the financial support will promote achieving the objectives of the Holding's Strategy and State Development Programmes. For pooled investments, the financial support may be provided to non-residents of the

Republic of Kazakhstan, provided that the recipient will use the funds to finance Projects that promote achieving the objectives of the Holding's Strategy and State Development Programmes and the amount of such funds will equal the amount received from the Holding and/or its subsidiary.

- 3) To legal entities (and other organisations) that are non-resident in the Republic of Kazakhstan and implementing Projects that promote achieving the objectives of the Holding's Strategy and State Development Programmes for, but not limited to:
- acquisition by non-residents of the Republic of Kazakhstan of products manufactured in the Republic of Kazakhstan or services provided by residents of the Republic of Kazakhstan;
 - expansion of the markets for goods manufactured by non-resource-based industries in Kazakhstan;
 - infrastructure development in the Republic of Kazakhstan.

26. Key restrictions. The Holding's Competent Authority sets the key restrictions on granting financial support (except for cases covered by paragraph 8 of this Policy), including:

- the maximum amount of financial support that the Holding and its subsidiaries may provide to one legal entity, group of related entities or organisation (maximum amount of risk per legal entity, group of related legal entities or organisation);
- the maximum share of financial support provided by the Holding and its subsidiaries in the total amount of financing raised by the Project.

The Competent Authority of a subsidiary may set additional restrictions related to the provision of financial support in its own investment policies.

Chapter 4. Key principles for granting financial support

27. Focus on Projects that promote sustainable social and economic development: When providing financial support, the Holding and its subsidiaries will give priority to Projects that promote the sustainable social and economic development of the Republic of Kazakhstan, including under State Development Programmes.

28. **Priority given to private sector Projects.** When providing financial support, the Holding and its subsidiaries will give priority to Projects implemented by companies that are not quasi-public sector entities.
29. **Priority given to Projects not funded by commercial institutions.** When providing financial support, the Holding and its subsidiaries will give priority to Projects that cannot be funded by commercial institutions in amounts or under terms and conditions comparable to those provided by the Holding and its subsidiaries.
30. **Priority given to Projects that are expected to have a multiplier effect on the national economy and that entail risk sharing.** When providing financial support, the Holding and its subsidiaries will strive to support Projects with the highest development index ratings and that have the potential to impact the development of related sectors, as well as to attract additional investors.
31. **Financial efficiency.** In their operations, the Holding and its subsidiaries will strive to achieve a non-negative financial results. However, Project profitability should not necessarily be among the key criteria when making decisions to provide financial support.
32. **Encouraging the development of the practice of applying environmental, social and corporate governance (ESG) standards on Projects that receive financial support from the Holding and its subsidiaries, i.e. based on the Principles for Responsible Investment (UN PRI Principles) and Equator Principles.** To achieve the objectives of the Holding's Strategy, and to enhance the long-term investment appeal of the Republic of Kazakhstan, the Holding and its subsidiaries will facilitate the development of responsible investment, including:
- as part of this Policy, the Holding and its subsidiaries will endeavour to initiate the adoption and integration of ESG principles when providing financial support, including through the familiarisation with ESG principles;
 - when implementing joint Projects with international financial organisations, the Holding and its subsidiaries will rely on respective provisions of the documents provided by such organisations, if available.

33. The principles set forth in paragraphs 27-32 will be applied by the Holding and its subsidiaries while accounting for the specific nature of their activities.

Chapter 5. Sources of funding

34. Financial support will be provided using the following sources of funding:

- the share capital of the Holding and its subsidiaries (regarded under this Policy as the government source of funding, if the funds are allocated from the Republican Budget of the Republic of Kazakhstan and/or the National Fund of the Republic of Kazakhstan);
- other equity funds of the Holding and its subsidiaries;
- earmarked funds allocated from the Republican Budget of the Republic of Kazakhstan and/or the National Fund of the Republic of Kazakhstan as part of State Development Programmes and other sources (regarded under this Policy as the government source of funding);
- debt financing in the global and local debt capital markets;
- capital raised from other investors through equity investments, Project financing and syndicated loans.

Chapter 6. General principles for prioritising Projects

35. This Policy proposes using a development index as a tool to prioritise potential Projects when making decisions to provide financing in accordance with the Holding's Strategy and State Development Programmes and investment objectives of the Holding and its subsidiaries.

36. The development index shall be applied to:

- evaluate whether a potential Project is in line with the Holding's Strategy and State Development Programmes and investment objectives of the Holding and its subsidiaries;
- prioritise potential Projects when distributing government sources of funding;
- define the sources of funding for Projects in accordance with the list provided under paragraph 34 of this Policy;

- provide preferential cost-related and other terms and conditions for Projects that have a significant impact on the sustainable social and economic development of the Republic of Kazakhstan.
- 37. The development index will be used to prioritise any potential Projects, except for those related to housing affordability and private equity funds (excluding captive funds).
- 38. The development index is to be calculated individually for each potential Project when the Holding and/or its subsidiary analyses the Project based on certain internal documents and accounting for the specific features of the underlying financial instrument. The development index is not to be calculated for Project refinancing and/or restructuring.
- 39. When making a decision to provide financial support, Projects with a high development index rating will have the highest priority for the Holding and its subsidiaries, while Projects with a low development index rating will have the lowest priority.
- 40. In comparison with Projects that have a lower development index rating, Projects with a higher development index rating will qualify for the following:
 - lower cost of financial support (including non-government sources of funding);
 - larger amounts of financial support (including non-government sources of funding);
 - other preferential terms and conditions.
- 41. Projects with a low development index rating will not qualify for government sources of funding, with the exception of financial instruments that do not involve financing (i.e. insurance and guaranteeing).

Chapter 7. Key principles for pricing financial instruments

- 42. The pricing of financial instruments is to be defined individually for each Project, based on the approach described in Section 2 for each type of financial instrument. If government sources of funding are provided, the Holding and its subsidiaries must seek to ensure that the final price of the financial instrument, all other things being equal, is

not higher than the average cost of financial instruments with similar characteristics provided by local commercial financial institutions.

43. The method used by the Holding and its subsidiaries to calculate the rate and other terms and conditions of financing, including threshold parameters for financial instruments (interest rate, cost of capital, margin, etc.), are to be defined in accordance with the internal regulations of the Holding and/or its subsidiaries.

44. The Holding and its subsidiaries adhere to the following pricing principles:

- achieving financial efficiency;
- providing high priority to Projects that are aligned with the Holding's Strategy and State Development Programmes and investment objectives of the Holding and its subsidiaries as expressed by the development index rating.

45. The Holding and its subsidiaries may circumvent the financial efficiency principle in the course of pricing, provided that the following conditions are met:

- the given Project has a high development index rating;

And:

- with account of the financial support provided to the given Project, the Holding and/or its subsidiary continues to be in compliance with the financial efficiency principle.

Or:

- the given Project is being implemented as part of a public initiative, under the instruction of the President of the Republic of Kazakhstan and/or as commissioned by the Government of the Republic of Kazakhstan, including under State Development Programmes.

46. The development index's impact on the financial instrument price is to be defined through the cost of funding (for debt or equity financing) by establishing a limit on the share of government sources of funding.

47. For the purpose of determining the financial instrument price, the cost of funding is to be calculated based on the internal regulations of the Holding and its subsidiaries, in accordance with the approach outlined in Appendix 2.

48. The financial instrument price is to be defined by any subsidiaries on their own. The provision of any financial instrument by one subsidiary should not trigger any possible decrease in the price of the financial instrument at another subsidiary, except in cases when it involves a change in the Project's risk level.

SECTION 2. KEY PROVISIONS AND INSTRUMENTS OF FINANCIAL SUPPORT

Chapter 8. Debt financing

49. Key principles for debt financing

- 1) The Holding and its subsidiaries provide debt financing, subject to its intended use and repayment, on a paid basis for a set term and, in some cases, subject to collateral.
- 2) The terms and conditions, including debt financing price thresholds, amounts, timeframes and procedures, including requirements for collateral, guarantees, surety and requirements for the Project (and recipient of financial support) are set out in relevant internal regulations of the Holding and/or its subsidiaries and the laws of the Republic of Kazakhstan (if applicable).
- 3) The framework and procedures for providing and terminating debt financing are set out in the internal regulations of the Holding and/or its subsidiaries.
- 4) The Holding and its subsidiaries may refinance the liabilities of the recipient of financial support to third parties only if such refinancing is mandatory for implementing a Project with a high development index rating.

50. Key debt financing instruments

- 1) The Holding and its subsidiaries use the following instruments to provide debt financing:
 - Investment lending;
 - Project financing;
 - Working capital financing;
 - Financial leasing;
 - Trade finance;
 - Pre-export financing;
 - Interbank lending;
 - Placing funds in second-tier banks, development banks, microfinance organisations, leasing companies, credit cooperatives and other legal entities and organisations;

- Syndicated loans;
 - Subordinated lending;
 - Mezzanine financing;
 - Debt instrument (bond) redemption.
- 2) The Holding and its subsidiaries may use instruments other than those listed in paragraph 50 1) of this Policy (including Islamic financing), subject to the approval of these instruments in accordance with internal regulations of the Holding and/or its subsidiaries, as well as with any relevant licences, permits or other similar documents held by the Holding and its subsidiaries

51. Pricing details for debt financing instruments

- 1) The pricing of debt financing instruments is determined in accordance with the internal regulations of the Holding and its subsidiaries as the sum of the following:
- cost of funding
 - risk premium;
 - compensation of operating expenses;
 - margin.
- 2) The cost of funding is calculated in accordance with the methodology outlined in Appendix 2.
- 3) The risk premium is determined individually for each Project in accordance with internal regulations of the Holding and/or its subsidiaries.
- 4) Compensation of operating expenses is calculated as the amount of operating expenses incurred by the Holding or subsidiary and allocated to a Project in accordance with internal regulations of the Holding or its subsidiary.
- 5) The Holding and/or subsidiary may exclude the margin from pricing calculations for debt financing instruments, subject to its adherence to the financial efficiency principle. When the margin is included in the price of debt financing instruments, the Holding or subsidiary sets out the margin ranges for the financial instruments based on the development index rating, in accordance with internal regulations. The margin ranges may

include a zero margin. The margin ranges for Projects with a high development index rating may also include a negative margin.

Chapter 9. Equity financing

52. Key principles for equity financing

- 1) The Holding and its subsidiaries provide equity financing, subject to the presence of a transparent exit strategy, including the projected payback period, exit options and expected ROI.
- 2) The terms and conditions, including the minimum investment, target ROI, possible conditions for participating in Project management, and the equity finance procedure, including requirements on the Project or financial support target and its participants, are set out in internal regulations the Holding and/or its subsidiary and the laws of the Republic of Kazakhstan (if applicable).
- 3) When providing equity finance, the Holding and its subsidiaries do not seek to acquire a controlling interest or participatory share in the Project. At the same time, a controlling interest or participatory share may be acquired by the Holding or its subsidiary, including as a result of mezzanine financing or restructuring. This principle does not apply to captive funds.
- 4) When providing financial support based on pooled investments, the Holding and its subsidiaries conclude investment agreements seeking to document their right for replacing the management team of the company or fund that receives investments, and the right to vote on related-party transactions.
- 5) The framework and procedures for providing and terminating equity financing are set out in internal documents regulations of the Holding and/or its subsidiary.

53. Key equity finance instruments

- 1) The Holding and its subsidiaries use the following instruments to provide equity finance:
 - Direct participation in equity, including venture entities and special purpose vehicles;
 - Participation in private equity funds and venture funds.

- 2) The Holding and its subsidiaries may use instruments other than those listed in paragraph 53 1) of this Policy (including Islamic financing), subject to the approval of these instruments, in accordance with internal regulations of the Holding and/or its subsidiaries, as well as with any relevant licences, permits or other similar documents held by the Holding and its subsidiaries.

54. Pricing details for equity financing instruments

- 1) Decisions on providing equity financing are taken by comparing the estimated expected rate of return of a Project against the target ROI of the Holding or subsidiary. A positive decision is taken when the estimated expected rate of return of a Project is higher than or equal to the target ROI of the Holding or subsidiary.
- 2) The target ROI of the Holding is calculated in accordance with internal documents as the sum of the following:
 - cost of funding;
 - compensation of operating expenses;
 - margin adjusted for risk appetite.
- 3) The cost of funding is calculated in accordance with the methodology outlined in Appendix 2.
- 4) Compensation of operating expenses is calculated as the amount of operating expenses incurred by the Holding or subsidiary and allocated to a Project in accordance with internal regulations of the Holding or its subsidiary.
- 5) The margin adjusted for risk appetite is calculated for each Project individually. For pooled investments, the Holding or subsidiary may set out a single target ROI of the Holding or its subsidiary.
- 6) The estimated expected rate of return of a Project is calculated in line with standard approaches to IRR assessment, in accordance with internal regulations of the Holding and/or its subsidiary.
- 7) For private equity funds, target ROIs are set in accordance with the internal regulations of the subsidiary.

Chapter 10. Insurance

55. Key insurance principles

- 1) Insurance services are provided for a fee.
- 2) The terms and conditions, including thresholds for insurance fees and the amount of insurance services, the timeline and insurance coverage limits, and the procedures for providing insurance services, including requirements on the insured Project/item, are established by relevant internal regulations of the Holding and/or its subsidiary and the laws of the Republic of Kazakhstan (if applicable).
- 3) The framework and procedures for providing and terminating insurance services are set out in internal regulations of the Holding and/or its subsidiary.

56. Key insurance instruments

- 1) The following instruments are to be used to provide insurance services:
 - International factoring insurance;
 - Export loan insurance;
 - Insurance of documentary letters of credit;
 - Insurance of exporter banking guarantees;
 - Advance insurance;
 - Loan insurance;
 - Financial lease insurance;
 - Insurance of exporter liability on bonds;
 - Exporter currency risk insurance.
- 2) Instruments other than those listed in paragraph 56 1) of this Policy may be used in the provision of insurance services, subject to the approval of these instruments, in accordance with the internal regulations of the Holding and/or its subsidiary, as well as with any relevant licences, permits or other similar documents held by the Holding and its subsidiaries.

57. Pricing details for insurance instruments

- 1) In accordance with internal regulations, the price of insurance instruments (insurance premiums) is calculated as the sum of the following:
 - risk premium;
 - compensation of operating expenses;
 - margin.
- 2) The risk premium is set out in the internal regulations of the Holding and/or its subsidiaries.
- 3) Compensation of operating expenses is calculated as the amount of operating expenses incurred by the Holding or subsidiary and allocated to a Project, in accordance with the internal regulations of the Holding or its subsidiaries.
- 4) The Holding and/or subsidiary may exclude the margin from calculations of the price of insurance instruments, subject to its adherence to the financial efficiency principle. When the margin is included in the price of insurance instruments, the Holding or subsidiary sets margin ranges for the financial instruments based on the development index rating, in accordance with internal regulations. The margin ranges may include a zero margin. The margin ranges for Projects with a high development index rating may also include a negative margin.

Chapter 11. Guaranteeing

58. Key guaranteeing principles

- 1) The Holding and its subsidiaries issue guarantees for a fee.
- 2) The terms and conditions, including thresholds for the price and amount of guarantees issued, the timeline and guaranteeing limits, and the procedures for issuing guarantees, including requirements on Project or guarantee recipients, are established by relevant internal regulations of the Holding and/or its subsidiaries and the laws of the Republic of Kazakhstan (if applicable)..

- 3) The framework and procedures for providing and terminating guarantees are set out in the internal regulations of the Holding and/or its subsidiaries.
- 4) Guarantees may be issued to Projects implemented together with international financial institutions on the terms and conditions defined in written contracts concluded with them.

59. Key guaranteeing instruments

- 1) The Holding and its subsidiaries use the following instruments to issue guarantees:
 - Credit guarantees;
 - Housing construction completion guarantees;
 - Corporate bond guarantees;
 - Leasing deal guarantees.
- 2) The Holding and its subsidiaries may use instruments other than those listed in paragraph 59 1) of this Policy, subject to the approval of these instruments in accordance with the internal regulations of the Holding and/or its subsidiaries, as well as with any relevant licences, permits or other similar documents held by the Holding and its subsidiaries.

60. Pricing details for guarantee instrument

- 1) In accordance with the internal regulations, the price of guarantee instruments is calculated as the sum of the following:
 - risk premium;
 - compensation of operating expenses;
 - margin.
- 2) The risk premium is defined in the internal regulations of the Holding and/or its subsidiaries.
- 3) Compensation of operating expenses is calculated as the amount of operating expenses incurred by the Holding or subsidiary and allocated to a Project in accordance with the internal regulations of the Holding or its subsidiaries.
- 4) The Holding and/or subsidiary may exclude the margin from calculations of the price of guarantee instruments, subject to its adherence to the financial efficiency principle. When the margin

is included in the price of guarantee instruments, the Holding or subsidiary sets the margin ranges for the financial instruments based on the development index rating, in accordance with internal regulations. The margin ranges may include a zero margin. The margin ranges for Projects with a high development index rating may also include a negative margin.

Chapter 12. Subsidies

61. Key subsidy principles

- 1) The Holding and its subsidiaries provide subsidies by granting financing for no consideration, provided that the recipient of financial support demonstrates socio-economic efficiency.
- 2) The terms and conditions, including thresholds for the amount of subsidies provided, the timeline and subsidy limits, and the procedures for providing subsidies, including requirements on the Project or financial support recipient, are established by relevant internal regulations of the Holding and/or its subsidiary and the laws of the Republic of Kazakhstan (if applicable).
- 3) The framework and procedure for providing, suspending, terminating and resuming subsidies are set out in the internal regulations of the Holding and/or its subsidiaries.
- 4) Subsidies may be provided to Projects implemented together with international financial institutions on the terms and conditions defined in written contracts concluded with them.

62. Key subsidy instruments

- 1) The Holding and its subsidiaries and subsidiary provide subsidies using the following instruments:
 - Subsidising the interest rate on loans;
 - Subsidising coupons on bonds;
 - Subsidising the interest rate on finance leases;
 - Subsidising the expenses of business incubators.
- 2) The Holding may use instruments other than those listed in paragraph 62 1) of this Policy (including Islamic financing), subject to the approval of these instruments, in accordance with internal regulations of the Holding and/or its subsidiaries, as well

as with the relevant licenses, permits or similar documents held by the Holding and subsidiaries.

Chapter 13. Innovation grants

63. Key principles for innovation grants

- 1) The Holding and its subsidiaries provide innovation grants to Projects for no consideration, provided that the financial support is used to adopt advanced technological innovations.
- 2) Innovation grants should be earmarked and provided on a competitive basis.
- 3) The terms and conditions for innovation grants, including thresholds for amounts and other limitations, are established by the relevant laws and regulations of the Republic of Kazakhstan, including innovation grant rules approved by the appropriate government body and relevant internal regulations of the Holding and its subsidiaries.
- 4) The framework and procedures for providing innovation grants are defined in the internal regulations of the Holding and/or its subsidiaries.

64. Key innovation grant instruments

- 1) The Holding and its subsidiaries use the following instruments to provide innovation grants:
 - Grants for technology commercialisation;
 - Grants for the technological development of operating enterprises;
 - Grants for the technological development of industries.
- 2) The Holding and its subsidiaries may use instruments other than those listed in paragraph 64 1) of this Policy, subject to the approval of these instruments, in accordance with the internal regulations of the Holding and/or its subsidiaries, as well as with any relevant licences, permits or other similar documents held by the Holding and its subsidiaries.

SECTION 3. DETAILS OF THE FINANCIAL SUPPORT PROCESS

Chapter 14. Key principles of cooperation between the Holding and its subsidiaries in the process of providing financial support

65. In order to capture synergies, during key stages of the financial support process, the Holding and its subsidiaries interact with one another based on the transparency principle (disclosure and accessibility of information).
66. The subsidiaries provide the Holding with:
- information on potential and current Projects (on a regular basis and in accordance with the reporting forms provided by the Holding);
 - information on the implementation of key financial support stages (in accordance with paragraph 73 of this Policy), including Project analysis (at the Holding's request);
 - information on the actual values of the development index of each Project at the monitoring and post-monitoring stages (on a regular basis).
67. The Holding establishes a limit in the form of the maximum amount of financial support requested by a Project. If this amount is exceeded, the subsidiaries should provide information about the potential Project.
68. As part of financial support planning, the Holding may perform an analysis of consolidated information about potential and current Projects as well as about the implementation of the key stages of financial support.
69. Based on the analysis provided in paragraph 68 of this Policy, the Holding may provide recommendations on prioritising key areas of financial support (including by target client segment, instrument, industry, compliance with the Holding's strategic KPIs, the development index rating) and use these recommendations in the course of developing and approving the annual Development plans for the subsidiaries and the Holding.
70. The subsidiaries may jointly participate in the financial support process. Subsidiaries should independently make decisions on the provision of financial support.

71. When providing financial support, the subsidiary may secure the obligations of the recipient of financial support to another of the Holding's subsidiaries, provided that the potential risk secured by this subsidiary does not exceed the unsecured potential risk carried by the subsidiary that provided the financial support.
72. To ensure that the financial support is available to micro-, small and medium-sized businesses (as defined by the Entrepreneurial Code of the Republic of Kazakhstan), the Holding and its subsidiaries may use the infrastructure of other subsidiaries, including by establishing a presence at their regional offices or in representative offices.

Chapter 15. Key stages of providing financial support

73. This Policy stipulates the following mandatory steps in the financial support process:
- searching for and drafting lists of potential Projects;
 - analysing potential Projects;
 - making decisions on whether to provide financial support and issuing financial support;
 - monitoring.
74. The Holding and its subsidiaries may decide (but are not required) to carry out post-monitoring of Projects once every two years after financial support has been provided, in accordance with the internal regulations of the Holding and its subsidiaries.
75. Detailed processes within the mandatory stages of financial support are regulated by the internal regulations of the Holding and/or its subsidiaries, excluding financial instruments the processes for those that are regulated under the laws of the Republic of Kazakhstan.

Chapter 16. Searching for and drafting lists of potential Projects

76. Subsidiaries independently search for and draft lists of potential Projects, in accordance with the key focus areas stipulated in Section 1 of this Policy.
77. To capture synergies and enhance cooperation between the Holding and/or its subsidiaries, as well as to reduce and eliminate potentially negative outcomes, the Holding may act as a “one-stop-shop”, including through:

- organising a streamlined process for accepting Project applications;
- determining the financial support structure together with the subsidiaries;
- ensuring that the recipient of financial support receives the best possible structure of financial support in terms of the value and interests of the Project.

The functions of analysing and decision-making on whether to provide financial support are assigned to relevant subsidiary or the Holding (if the financial support is directly provided by the Holding).

Chapter 17. Analysing potential Projects

78. Projects should be analysed to develop an informed decision on whether to provide financial support.

79. The Holding or its subsidiaries should analyse each potential Project in accordance with their internal regulations.

80. Analysis of Projects should include (but not be limited to) the following:

- analysing the Project's compliance with the fundamental principles, key areas and forms of financial support stipulated in Section 1 of this Policy;
- assessing the financial and economic indicators and technical and technological parameters in line with the fundamental principles of the particular financial instrument that will be used. The methodology for assessing financial and economic indicators and technical and technological parameters should be defined in internal regulations of the Holding or its subsidiaries;
- assessing the Project's potential risks (in particular, based on industry analysis considering the Project's life cycle stage (if applicable), experience of key Project leaders on similar Projects and other parameters) in line with the fundamental principles of the particular financial instrument that will be used. The methodology for assessing financial and economic and technical and technological risks should be defined in the internal regulations of the Holding or its subsidiaries;
- calculating the development index rating.

81. To ensure accurate analysis of the Project and the integrity of further decisions, the Holding and its subsidiaries should aim to:

- apply single methodological approaches to financial and economic analysis, i.e. calculation techniques for various indicators, the scenario approach to preconditions in respect of external parameter values (based on the internal regulations of the Holding and its subsidiaries);
- pursue generally accepted approaches to assessing the technical and technological parameters related to Project feasibility (based on the internal regulations of the Holding and its subsidiaries);
- use uniform external parameters, uniform external preconditions, macroeconomic and industry scenarios, based on the Social and Economic Development Forecast for the Republic of Kazakhstan approved by the Government of the Republic of Kazakhstan;
- take into account the experience and ability of participants implementing the Project to ensure high quality.

Chapter 18. Decision-making on financial support and its actual provision

82. Decisions on whether to provide financial support should be made by the Competent Authority of the Holding and/or its subsidiaries, based on internal regulations and the laws of the Republic of Kazakhstan.

83. If the laws of the Republic of Kazakhstan and the foundational documents of one of the Holding's subsidiaries stipulate that decisions on granting financial support should be made by the Competent Authority of the Holding, the Project must first receive preliminary approval by the Competent Authority of the relevant subsidiary.

Chapter 19. Monitoring

84. Monitoring is aimed at ensuring control over the implementation of current Projects, as well as at over preventing and mitigating potential risks.

85. The Holding's subsidiaries should perform monitoring on a regular basis, in line with their internal regulations.

86. Monitoring should include (but not be limited to) the following:

- analysis of whether the Project's interim results are in alignment with the planned financial and economic indicators and risk assessment. The methodology for analysing financial and economic indicators and conducting a risk assessment should be defined in the internal regulations of the Holding or its subsidiaries;
- update the value of the development index rating of the Project;
- develop an action plan recommendation (if applicable).

87. If the update of the development index performed during monitoring results in a lower rating, no revision of the financial support amount is required.

Chapter 20. Post-monitoring

88. Post-monitoring should be performed to assess the impact on the social and economic development of the Republic of Kazakhstan and develop recommendations on improving approaches to the provision of financial support. The goal of post-monitoring is assist the Holding and its subsidiaries in enhancing their efforts to promote the sustainable social and economic development of the Republic of Kazakhstan.

89. As part of post-monitoring, the Holding and its subsidiaries should update the development index for each Project.

90. Post-monitoring should not be carried out for indirect financial support instruments.

APPENDIX 1. POLICIES AND PROCEDURES FOR MAKING INVESTMENT DECISIONS AND ENGAGING WITH INVESTMENT PARTNERS

SECTION 1. POLICIES AND PROCEDURES FOR EVALUATING PARTICIPANTS OF FINANCIAL SUPPORT

Chapter 1. General provisions

1. Purpose of this Appendix

- 1) This Appendix establishes the key approaches, principles and procedures for evaluating parties with whom the Holding and/or its subsidiaries engage in the process of providing financial support for a Project (the “Participants” or “Financial Support Participants”).
- 2) When evaluating Financial Support Participants, the objective is to ensure that the Holding and/or its subsidiaries take decisions that meet the Holding’s and its subsidiaries’ objectives and strategies.

2. Key areas of the evaluation process

- 1) The Holding and its subsidiaries evaluate Participants along the following lines:
 - Verification of the Financial Support Participant’s identity as part of know-your-client procedures (“KYC procedures”);
 - Analysis of the Financial Support Participant’s experience in implementing similar projects;
 - Assessment of the Financial Support Participant’s interest;
 - Analysis of other factors and characteristics stipulated by Section 3 of this Policy and/or in the internal regulations of the Holding and its subsidiaries.

3. Participants subject to evaluation

- 1) Under this Appendix, the Financial Support Participants subject to evaluation include:
 - Project or financial support recipients;
 - Beneficiaries and beneficial owners of the Project or recipient of financial support;

- Management and key personnel of the recipient of financial support who are responsible for overseeing implementation of the Project (including an analysis of their experience, if their the experience is likely to be a key factor in determining the success of the Project);
- Management companies of investment funds and private equity funds (when using pooled investments);
- Co-investors providing financial support;
- Key counterparties with whom the Holding and/or its subsidiaries deal as part of Project implementation (consulting companies, appraisers, law firms, external auditors, etc.);
- Key counterparties with whom the recipient of financial support deals as part of Project implementation (suppliers, customers, etc.).

4. Stages of evaluation

- 1) The Participants are evaluated at the following stages of the financial support provision process:
 - Analysis of potential Projects;
 - Monitoring of current Projects.
- 2) The evaluation process includes:
 - Preliminary stage (initial processing of data, including requested documents and publicly available information);
 - Comprehensive stage (subsequent detailed assessment of the Participants who successfully passed the preliminary stage and interviews with key Participants);
 - Additional stage (if an additional review or coordinated approval of the evaluation is required).

5. Parties in charge of the evaluation

- 1) The Financial Support Participants are evaluated by the relevant Competent Authority indicated in the internal regulations of the Holding and/or relevant subsidiary.

6. Restrictions on further interactions with Participants based on the evaluation

- 1) The evaluation impacts whether the Holding and/or subsidiary will continue to engage with the Participants.
- 2) As part of their financial support activity, the Holding and/or its subsidiaries do not deal with:
 - fictional financial institutions, including financial institutions that lack proper operating licences, or with their clients or counterparties;
 - financial institutions about which the Holding and/or its subsidiaries have substantiated evidence that they do not perform the appropriate identification procedures for their customers or counterparties, or that do not take appropriate financial monitoring measures or anti-money laundering and counter-terrorism financing actions (“AML/CTF”);
 - Participants about whom the Holding and/or its subsidiaries have substantiated evidence that their activity and operations are potentially involved in money laundering, terrorism financing, corruption, tax evasion or any other crimes;
 - fake companies established solely for tax evasion purposes or intended to engage in fraudulent activities about which the Holding and/or its subsidiaries have substantiated evidence that they have been created for reasons other than for normal business activity, or are mala fide taxpayers;
 - Participants who are on sanctions lists that prohibit any cooperation (OFAC SDN List, HM Treasury, EU Sanctions, UN Sanctions and others). If the Participant is on a sectoral sanction list that bans certain types of activity, the Holding and its subsidiaries will refrain from providing financial support for such types of activity;
 - Participants who are resident in states (territories) that are included in the list of states (territories) that do not follow the recommendations of the Financial Action Task Force on Money Laundering (FATF);
 - Participants who intentionally do not provide complete information, including about the beneficial owner, and supporting documents and refuse to fill in (or provide incomplete information) in the questionnaire about the Participant;

- Participants whose beneficial owner has not been identified (if applicable);
- Participants that have provided fraudulent data in their application and other documents.

Chapter 2. KYC procedures

7. KYC procedures are performed through research and a comprehensive review of information about Participants and the nature of their activity and individual operations, in order to prevent the Holding and/or its subsidiaries from being involved in any malpractices, including money-laundering, terrorism financing, corruption, tax evasion or other criminal activities.
8. In accordance with this Appendix, KYC procedures should be performed on all Participants presented in paragraph 3 of this Appendix.
9. KYC procedures include:
 - Verifying the Participant's identity, i.e. background check of individuals (beneficial owner, CEO or other persons) (if applicable), review of the information on the nature of business and individual business operations, analysis of the ownership structure and transparency;
 - Reviewing the Participant's business reputation;
 - Analysing the Participant's compliance with AML/CTF requirements;
 - Analysing the Participant's activity for the signs of non-compliance with anti-corruption law, both during Project implementation and in the course of the Participant's business on the whole;
 - Verifying whether the Participant is on country, sectoral or individual sanctions lists (for individuals or legal entities) or subject to other restrictions;
 - Performing other steps required by the internal regulations of the Holding and/or its subsidiaries.
10. KYC procedures include an analysis of (if applicable):
 - 1) Publicly available information:

- Ratings assigned by independent agencies over the past three years;
- Participation in the national and international alliances and professional associations;
- Information on the imposition or application of embargos, sanctions (OFAC SDN List, HM Treasury, EU Sanctions, UN Sanctions or other) or any other restrictions approved by the Republic of Kazakhstan;
- Information on inclusion of the state or territory where the Participant is registered or incorporated) (domicile or place of business) in the list of states or territories, in accordance with paragraph 11 4) of this Appendix;
- Business reputation of external auditors;
- Reference letters drafted from reputable foreign financial institutions whom the Participant deals and that provide evidence of successful completion of KYC procedures;
- Information on past or current claims from law enforcement or regulatory authorities;
- Details of past or current lawsuits in which the Participant acted/is acting as a plaintiff, defendant or third party;
- Information on past, current or potential financial problems and enforcement actions taken by regulatory bodies (including restrictions on conducting certain types of activity);
- Details of restructuring, change of owners (over 10%) or significant changes in the nature of activity over the past three years.

2) Internal information:

- Information on core activities (types of products, distribution markets, share of the relevant market);
- Key sources of cash flows, including expected ones;
- Financial result for the most recent completed financial year;
- Details on key suppliers and consumers of the company's products, including those domiciled in offshore jurisdictions;

- Information on past, current or potential financial problems and corrective actions taken by the founders.

11. KYC procedures emphasise the following negative factors (if applicable) that may be indicative of the Participant's involvement in money laundering, terrorism financing, corruption, tax and other crimes:

1) Suspicious behaviour of the Participant:

- Ungrounded refusal of the Participant to provide information requested under the current practice of providing financial support;
- Non-standard or unusually complex instructions on settlement procedures that differ from the standard practices used by this Participant or from usual market practices;
- Unreasonable urgency insisted by the Participant on a particular transaction, as well as excessive concerns of the Participant over the confidentiality of the transactions performed;
- Introduction of significant changes by the Participant in the approved cooperation procedures, especially those related to the direction of cash flow;
- Provision of instructions by the Participant to perform the transaction through a representative or intermediary, if such representative or intermediary is acting without direct (personal) contact with the Holding and/or relevant subsidiary where the current practice of providing financial support is altered;
- Fragmentation of amounts transferred by the Participant to one or more counterparties based on the same ground within a short period of time;
- Lack of obvious connections between the Participant's core business (per charter documents, licences, certificates, permissions issued by the government and other authorities, etc.) and the services that the Participant offers to or requests from the Holding and/or its subsidiaries;

- Cooperation by the Participant with unreputable counterparties or inability to identify the Participant's counterparties.
- 2) Lack of information on the Participant or restrictions on collecting such information:
- Provision by the Participant (or its representative) of information, including about the beneficial owner, that may be unreliable and/or cannot be verified, as well as the inability to contact the Participant using the addresses or telephone numbers indicated in its documents;
 - Lack of information on the Participant at financial institutions that provide(d) services to the Participant;
 - The review required to check information provided by the Participant would be too complicated, or unreasonable delays in providing documents and information by the Participants, or submission by the Participant of information that could not be reviewed or could be reviewed only at unreasonable cost.
- 3) Information on the Participant's inclusion in the following groups:
- foreign public officials, their close family members or representatives;
 - legal entities and individual entrepreneurs whose business is cash intensive;
 - legal entities that are exclusively engaged in conversion of foreign currency in cash:
 - organisations that are exclusively engaged in encashment of banknotes, coins and valuables (with the exception of subsidiaries of banks that comply with AML/CFT requirements established by the bank);
 - microfinance organisations (if it is not implied by the Participant's role in Project implementation);
 - legal entities registered as pawnbrokers;
 - agents (attorneys) of providers of services (other than financial) that accept cash from consumers, including via electronic terminals;

- gambling business organisers, as well as entities that provide services or generate revenue from online casino operations outside the Republic of Kazakhstan;
 - entities that provide tourist services, as well as other services that are cash intensive;
 - broker dealers that manage investment portfolios;
 - insurers (reinsurers) and insurance brokers that are engaged in life insurance (with the exception of subsidiaries of banks that comply with AML/CFT requirements established by the bank, as well as if such activity is not implied by the Participant's role in Project implementation);
 - entities that provide financial leasing services (with the exception of subsidiaries of banks that comply with AML/CFT requirements);
 - credit cooperatives (if it is not implied by the Participant's role in Project implementation);
 - entities that operate as insurance agents;
 - entities that act as intermediaries in real estate purchase and sale transactions;
 - entities whose business involves production and (or) trading in weapons and explosives;
 - entities whose business involves mining and (or) processing, purchasing and selling precious metals, precious stones or articles made out of them;
 - non-profit organisations registered as foundations and (or) religious associations.
- 4) Information on the foreign state or territory where the Participant is registered or incorporated (domicile or place of business) indicating that:
- this foreign state (territory) is subject to international sanctions (OFAC SDN List, HM Treasury, EU Sanctions, UN Sanctions or other);
 - the state or territory is included in the offshore jurisdiction list for AML/CFT Law purposes;

- the state or territory is ranked by international organisations, including international non-government organisations, as a state or territory that finances or supports terrorist activity;
 - the state or territory is ranked by international organisations, including international non-government organisations, as a state or territory with a high rate of corruption or other criminal activity.
12. Upon identifying any negative factors listed in paragraph 11 of this Appendix, the Holding and its subsidiaries will carry out checks as part of an additional stage of due diligence, in accordance with internal regulations. If such additional checks reveal that the Participant is subject to restrictions on further interactions, in accordance with paragraph 6 of this Appendix, the Holding and/or its subsidiaries will be obliged to stop dealing with this Participant going forward. In other cases, the Holding and/or its subsidiaries may continue dealing with this Participant, subject to additional monitoring, in accordance with internal regulations.
13. As part of the KYC procedures, internal and publicly available information is used, including (but not limited to):
- the Project business plan;
 - the Project financial model;
 - the Participant's charter documents and original and draft contracts with their counterparties;
 - The lists published on the websites of international organisations, including www.fatf-gafi.org, www.transparency.org, www.unodc.org. If there are no lists of the relevant states or territories on these organisations' websites, the Holding and its subsidiaries have the right to use the lists of such states or territories recommended by professional banking associations;
 - Other internal and external documents available for KYC procedures.

Chapter 3. Review of the Financial Support Participant experience in financial support for similar projects

14. A review of the Financial Support Participant's experience in implementing similar projects is performed to identify whether

management and key personnel involved in Project implementation have the sufficient expertise to meet the objectives of the Project.

15. As per this Appendix, the review of the Participant's experience is performed with regard to the following:

- 1) For direct financial support instruments: management and key personnel of the legal entity receiving the financial support;
- 2) For indirect financial support instruments:
 - In the case of conditional placement of deposits with banks, extension of special-purpose loans to banks and other financial institutions (including microfinance organisations, leasing companies and credit cooperatives): bank/ financial institution managers;
 - If investment funds and private equity funds acquire a share in the capital: the fund's management company and its managers and key personnel.

16. The analysis of the Participant's experience evaluates (if applicable):

- 1) For management and key personnel:
 - Whether management and key personnel have at least five years' of proven managerial experience in the relevant industry;
 - Whether management and key personnel have the required qualifications and education.
- 2) For the management company of a fund:
 - Whether the management company has the required licences, permits and qualifications to perform its fund management responsibilities in accordance with the laws of the Republic of Kazakhstan or other applicable legislation;
 - Whether the management company has proven experience in managing funds in the relevant market;
 - Whether the management company has proven experience in successful exits.

17. For the analysis of the Participant's experience, internal and publicly available information is used, including (but not limited to):

- Requests from management and key personnel of the legal entity or management company receiving the financial support;
- Questionnaires and copies of work record books of the management and key personnel;
- Other internal and external documents available for the experience analysis.

Chapter 4. Assessment of the Financial Support Participant interest

18. The Financial Support Participant interest is evaluated to confirm their market interest in the Project and to assess the Project funding risk.

19. As per this Appendix, the assessment of Participant interest is performed with regard to co-investors:

20. The assessment of Participant interest includes (if applicable):

- Analysis of the aggregate share committed to the Project by co-investors;
- Assessment of the business reputation of any co-investors;
- Other procedures that may be required by the internal regulations of the Holding and/or subsidiary.

21. The analysis of Participant interest examines (if applicable):

- Whether the recipient of financial support has signed a memoranda of interest (or similar document) with at least one private co-investor;
- Whether any surplus financial support is expected to be obtained from co-investors over the amount of financial support provided by the Holding and/or its subsidiaries;
- Information on the financial position of any co-investors, including based on the ratings assigned by the reputable international or national rating agencies.

22. For the assessment, internal and publicly available information is used, including (but not limited to):

- The Project business plan;
- The co-investors' charter documents;

- Other internal and external documents.

SECTION 2. INVESTMENT DECISION-MAKING POLICIES AND PROCEDURES

Chapter 5. General provisions

1. This Appendix outlines the investment decision-making policies, procedures and restrictions for providing financial support.
2. For this Appendix, investment decisions are understood to mean decisions on making investments (as defined in Chapter 1 of this Policy) in favour of Projects as part of providing financial support via equity financing instruments.
3. Investment decisions may be taken by the following parties (the “Competent Authorities”):
 - 1) The subsidiary’s consultative body (Investment Committee, Credit Committee, Council and other similar body);
 - 2) The subsidiary’s executive body (Managing Board);
 - 3) The subsidiary’s governing body (Board of Directors);
 - 4) The Holding’s executive body (Managing Board);
 - 5) The Holding’s governance body (Board of Directors);
 - 6) The Holdings supreme authority (the Sole Shareholder);
4. The organisational structure, goals, functions and authorities of the Competent Authorities (including decision-making powers on specific issues) and their responsibility for decisions taken are governed by the provisions of:
 - the laws of the Republic of Kazakhstan;
 - Internal regulations of the Holding and/or its subsidiaries.

Chapter 6. Decision-making procedures

5. Investment decisions, decisions to define respective terms and conditions or to make any change therein should be subject to preliminary approval by the relevant Competent Authority, in accordance with the procedures provided in paragraph 3 of this Appendix, as required by laws of the Republic of Kazakhstan and the internal regulations of the Holding and/or its subsidiaries, prior to

submission for approval to the Competent Authority responsible for final decisions.

Chapter 7. Decision-making limits and restrictions

6. The decision to provide financial is subject to the following limits:

- **The maximum amount of financial support** that the Holding or subsidiary may provide to a single legal entity or group of related legal entities (maximum amount of risk per legal entity or group of related legal entities) is established by the Holding's internal regulations and determined as the ratio of the aggregate financial support provided to equity or assets of the Holding or relevant subsidiary.
- **Sector limit.** To minimise risks, the Holding or its subsidiaries may diversify them by establishing a relevant sector financing limit. The limit is determined by the internal regulations of the Holding and/or subsidiary.
- **Regional limit.** To minimise risks, the Holding and/or its subsidiaries may diversify them by sales region by establishing a relevant regional financing limit. The limit is determined by the internal regulations of the Holding and/or subsidiary.
- **Financing term limit.** The Holding and/or its subsidiaries may establish a limit on the ratio of short-term, mid-term and long-term financing within the Project portfolio structure. The limit is determined by the internal regulations of the Holding and/or subsidiary.
- **Currency limit.** The Holding and/or its subsidiaries may establish a limit on the currency ratio within the Project portfolio structure (if applicable). The limit is determined by the internal regulations of the Holding and/or subsidiary.
- **The maximum share of financial support** provided by the Holding and/or its subsidiaries in the aggregate finance raised by the Project. The amount of the share of the Holding and its subsidiaries in the Project financial support structurally (jointly or individually based on the Project's budget) should be determined by the internal regulations of the Holding and/or subsidiary.

7. If investments are provided to a Project implemented on the initiative, under the instruction of the President of the Republic of Kazakhstan and/or as commissioned by the Government of the Republic of Kazakhstan, investment decisions should be taken by the Board of Directors of the Holding and/or relevant subsidiary based on the recommendations of the subsidiary's Competent Authority. This provision does not apply to instances where interference of the governmental bodies and officials in the activity of the Holding and/or its subsidiaries is prohibited by the laws of the Republic of Kazakhstan.

APPENDIX 2. METHODOLOGY FOR CALCULATING CAPITAL COST, INCLUDING WACC CALCULATION METHODS (INCLUDING CALCULATION OF EQUITY AND DEBT CAPITAL)

1. For the purpose of this Policy, the cost of funding should be determined based on the source of funding, in accordance with the following principles:
 - subject to raising targeted funding for a specific Project: individually for the Project based on the weighted average cost of funding for the Project;
 - in the absence of targeted funding for a specific Project: based on the weighted average cost of the equity of the Holding or subsidiary at the date when financial support was provided.
2. The cost of capital should be calculated in accordance with the internal regulations of the Holding and/or subsidiary.
3. When developing methods for calculating the cost of capital, the Holding and its subsidiaries may use the following formula:

$$WACC^{1)} = k_d \times (1 - t) \times \frac{d}{e+d} + k_e \times \frac{e}{e+d}$$

where:

- k_d is the cost of debt capital used, %;
 - k_e is the cost of equity, %;
 - t is the corporate profit tax rate;
 - d is the amount of debt capital, monetary units (MU);
 - e is amount of equity, monetary units (MU).
4. The cost of equity should be determined as follows:
 - If the equity of the Holding or subsidiary is used: under the Holding's internal regulations in accordance with the requirements of the Holding's Sole Shareholder;
 - If targeted finance is used under State Development Programmes: based on the provisions of the relevant State Development Programmes or regulations of the Government of the Republic of Kazakhstan.

5. At present, the amount of equity of the Holding and subsidiaries, as defined by the Policy, is less than 1%.

¹⁾ Weighted average cost of capital

APPENDIX 3. PRINCIPLES AND PROCEDURES FOR MONITORING, POST-MONITORING AND REPORTING ON INVESTMENT ACTIVITY

Chapter 1. General provisions

The purpose of this Appendix to this Policy of Baiterek NMH JSC is to improve the performance of investment activity conducted by the Holding and its subsidiaries by ensuring the transparency of financial support and its impact on the social and economic development of the Republic of Kazakhstan at all stages.

1. The objectives of this Appendix are as follows:
 - Define the key principles for monitoring and post-monitoring of Projects;
 - Establish single requirements for the procedure to submit and format information sent by the subsidiaries to the Holding;
 - Develop the techniques for collecting, storing and updating consolidated information on Projects that receiving financial support from the Holding and its subsidiaries.
2. When working together to achieve the objectives noted in this Appendix, the Holding and its subsidiaries should follow the principles outlined in Chapter 14 of this Policy.

Chapter 2. Project categories

3. Depending on the stage of financial support, one of the following statuses should be assigned to each Project:
 - Potential Project: a Project for which an application was received but no decision to provide financial support was made;
 - New Project: a Project for which the decision on financial support was made in the current period;
 - Current Project: a Project for which the decision on financial support was made before the start of the current reporting period;
 - Completed Project: a Project for which all the obligations of the parties have been fulfilled.

Chapter 3. Monitoring

4. The aim of monitoring is defined by this Policy.

5. Under this Appendix, monitoring (as defined by paragraph 86 of this Policy) should entail:
 - analysing whether the Project's interim results comply with the Project's planned financial and economic indicators and risk assessment. The methodology for analysing financial and economic indicators and conducting the risk assessment should be defined by the internal regulations of the Holding and/or its subsidiaries;
 - updating the value of the development index rating for the Project;
 - developing an action plan recommendation (if applicable).
6. Projects should be monitored by the Holding and/or subsidiary that provided the financial support, in accordance with the internal regulations of the Holding and its subsidiaries, which prescribe (but are not limited to the following):
 - authorisation of a person to be in charge of monitoring;
 - monitoring methodology;
 - monitoring timeline;
 - monitoring frequency;
 - the actions to be taken if risk signals are identified during monitoring or any other events defined by the internal regulations of the Holding and its subsidiaries take place.
7. As part of monitoring, the Project's development index rating should be updated under the Holding's methodology, as described in the internal regulations of the Holding.
8. Monitoring should be performed until financial support for the Project is completed.

Chapter 4. Post-monitoring

9. The aim of post-monitoring is defined by this Policy.
10. Under this Appendix, post-monitoring should include assessing the actual contribution of the Project to the sustainable social and economic development of the Republic of Kazakhstan by updating the Project's development index rating.

11. The Holding should establish a limit on the minimum amount of financial support provided for a Project that would trigger the need to conduct post-monitoring.
12. Post-monitoring should not be carried out for indirect financial support instruments.
13. Post-monitoring may be carried out by the Holding and its subsidiaries two years after financial support for the Project has been completed, in accordance with the internal regulations of the Holding and/or its subsidiaries.
14. The Holding and the subsidiaries may use the findings from post-monitoring procedures to develop recommendations on improving approaches to providing financial support in order to assist the Holding and its subsidiaries in enhancing their efforts to promote the sustainable social and economic development of the Republic of Kazakhstan.

Chapter 5. Consolidating information on subsidiary activity

15. Once monitoring and post-monitoring of a Project has been completed, subsidiaries should send information on the interim results of activities related to the provision of financial support to the Holding.
16. Type of information to be sent to the Holding
 - 1) The subsidiaries should update and send the following information to the Holding, in both the Regular reporting forms and the potential Project fixing form (in Excel format) on a periodic basis:
 - Information on potential Projects;
 - Information on new Projects;
 - Information on current Projects;
 - Information on updated development index ratings for new and current Projects;
 - Information on updated development index ratings for completed Projects;
 - Information on the Project's contribution to achieving the Holding's KPIs.

- 2) Upon request, the subsidiaries are to send information on the results of the key stages of financial support (under paragraph 66 of this Policy) to the Holding.
17. The Holding should consolidate any information on potential, current and completed Projects that is to be sent by the subsidiaries.
18. Frequency and timeline for sending information to the Holding
 - 1) Information on Projects should be provided by the subsidiaries before established deadlines and with the following frequency:
 - information on any new and current Projects should be sent to the Holding on a monthly basis by the 10th business day of the month following the reporting period;
 - information on any potential Projects should be sent to the Holding on a quarterly basis by the 10th business day of the month following the reporting period;
 - information on Project contributions to achieving the Holding's KPIs and on updated development index ratings is to be sent to the Holding on an annual basis by the last business day of the quarter following the reporting period;
 - information on updated development index ratings for completed Projects is to be sent to the Holding every two years by the last business day of the quarter following the reporting period.
 - 2) Information in regard to the Holding's request should be prepared within 20 business days upon receipt of the request.
19. Requirements on information sent to the Holding
 - 1) Information on Project contributions to achieving the Holding's KPIs must first be approved by the subsidiary's Competent Authority.
 - 2) Information to be sent to the Holding on a periodic basis should be provided in the format and per the level of details defined in the Regular reporting forms and the potential Project fixing form.
 - 3) The values of volume indicators should be filled out on a cumulative basis from the start date of the Project, unless the Regular reporting forms and potential Project fixing form provide otherwise.
20. Procedure for the Holding to periodically process reporting

- 1) The Holding's unit in charge should consolidate key information on subsidiary Projects by the last business day of the month following the reporting month.
- 2) Based on the consolidated information, the Holding's unit in charge should update the report on operating activities, achievement of the Holding's KPIs, and assessment of the Project's contribution to the sustainable social and economic development of the Republic of Kazakhstan (in accordance with the consolidated reporting form).
- 3) The consolidated reporting form should be sent to the authorised bodies in charge to consider when providing recommendations to the subsidiaries with regard to prioritising focus areas to provide financial support and approving annual Development plans for the subsidiaries and the Holding in general.

APPENDIX 4. METHODS FOR CALCULATING THE DEVELOPMENT INDEX (PROJECT RATING MODEL)

Chapter 1. General principles for calculating the development index

1. This Appendix establishes three possible development index rating that should be assigned to any potential or current Project and reflects the social and economic importance of the Project:
 - high;
 - medium;
 - low.
2. This Appendix establishes two possible approaches to calculating the development index: extended and simplified. The simplified approach to calculating the development index should apply to:
 - Projects whose volume of financial support does not exceed the limit set by the Holding's Managing Board;
 - Projects that are subject to indirect financial support;
 - financial instruments indicated in Table 3.
3. The minimum and maximum value of the development index rating should be established as 0 and 5 points, respectively. The development index rating will be:
 - high, if the rating is greater than or equal to 2.5 points;
 - medium, if the rating is greater than or equal to 1.25 points, but less than 2.5 points;
 - low, if the rating is less than 1.25 points.
4. The development index rating should be calculated as the total rating assigned to the Project for each of the indicators weighed on established weights in accordance with the following formula:

$$i = \sum a_n k_n, \text{ where}$$

- a_n is the weight of an indicator reflecting its importance in terms of compliance with established goals, missions and strategies of the Holding and the subsidiaries;
- k_n is the point assigned to the Project for an indicator based on the scale, in accordance with Tables 1 and 2.

5. The weights assigned to the indicators help to identify those indicators that play a critical role in ensuring the sustainable social and economic development of the Republic of Kazakhstan within the framework of activities conducted by the Holding or subsidiary in line with the financial instruments used. If any indicator does not apply to the Holding, subsidiary or financial instrument, the weight of such indicator will be zero. Table 3 outlines how particular indicators apply to the Holding, subsidiary or financial instrument. However, the total amount of weights assigned to all the indicators used to calculate the development index for the Holding, subsidiary or financial instrument should be 100%.
6. The development index should be calculated based on the following indicators:
 - (k1) Increased economic output;
 - (k2) Improved labour productivity;
 - (k3) Increased export potential (not applicable to Infrastructure Projects);
 - (k4) Private sector development;
 - (k5) Priority industries and operations;
 - (k6) Impact on sustainable social development.
7. The indicator values should be calculated on the basis of the formulas and approaches mentioned in Table 1.

Chapter 2. Method for calculating the extended development index

8. The extended development index presumes making calculations in order to assign ratings to make a deep assessment of the social and economic impact of a Project.
9. The degree to which the values comply with the indicators should be defined based on an analysis of the current portfolios of each subsidiary's Projects.
10. Three types of the scales should be used to calculate the extended development index:
 - Interval scale;
 - Binary scale;

- Nominal scale.

11. The scale should be determined individually for each Project as follows:

1) The interval scale (applicable for k1, k2 and k3):

- Calculate the value of the indicator for each Project in the portfolio according to the formula mentioned in Table 1;
- The resulting indicator values should be arranged in ascending order from lowest to highest.
- The allocated indicator values will be divided into 10 equal parts, referred to as “intervals”.
- The threshold values are to be established as follows:
 - the maximum value among the second interval indicators will set the threshold under which the Project will be assigned 0 points;
 - the maximum value among the second interval indicators will set the threshold starting from which Projects will be assigned 1 point;
 - the maximum value among the third interval indicators will set the threshold starting from which Projects will be assigned 2 points;
 - the maximum value among the fifth interval indicators sets the threshold starting from which the Projects will be assigned 3 points;
 - the maximum value among the seventh interval indicators will set the threshold starting from which Projects will be assigned 4 points;
 - the maximum value among the eighth interval indicators will set the threshold starting from which Projects will be assigned 5 points;
- The threshold values determined under paragraph 11 1) of this Appendix can be changed for higher values, if Project requirements have to be increased.

2) The binary scale (applicable for the k4 indicator):

- If the Project is in compliance (compliance is determined through answers "yes" or "no"), the specified indicator should be assigned 5 points. Otherwise, the indicator should be assigned 0 points.
- 3) The nominal scale (applicable for k5 and k6):
- Determine the presence or lack of indicator characteristics for the Project (in accordance with Table 1).
 - Points should be assigned to Projects when they have a certain number of characteristics, as defined in Table 2.
 - Zero points should be assigned to Projects that have no indicator characteristics (in accordance with Table 1).
12. If the participation of the Holding or subsidiaries in a Project is not a critical condition for the Project's implementation (the share of financial support provided by the Holding or subsidiaries in the total amount of finance raised by the Project is less than 50%, that is, the Holding and the subsidiaries are not the key source of financial support provided for the Project), a similar share in the total impact generated by the Project is needed to adequately assess k1, k2 and k3.

Chapter 3. Method for calculating the simplified development index

13. The simplified development index does not require performing calculations in order to assign points.
14. Two types of the scales should be used to calculate the simplified development index:
- Binary scale;
 - Nominal scale.
15. The scale should be determined individually for each Project as follows:
- 1) The binary scale (applicable for k1 – k4):
 - If the Project is in compliance (compliance is determined through answers "yes" or "no"), the specified indicator should be assigned 5 points. Otherwise, the indicator should be assigned 0 points.
 - 2) The nominal scale (applicable for k5 and k6):

- Determine the presence or lack of indicator characteristics for the Project (in accordance with Table 1).
- Points should be assigned to Projects when they have a certain number of characteristics, as defined in Table 2.
- Zero points should be assigned to Projects that have no indicator characteristics (in accordance with Table 1).

Chapter 4. Segregation of powers and duties in calculating the development index

16. On a regular basis, but at least once every three years, the Holding together with the subsidiaries should determine:
 - 1) The weight of each indicator used for calculating the development index rating separately for the Holding and each subsidiary by financial instrument;
 - 2) The extent of compliance with the indicators separately for the Holding and each subsidiary, as defined by Chapter 2 of this Appendix.
17. The parameters set in accordance with paragraph 16 of this Appendix should be approved by the Managing Board of the Holding in the format presented in Table 2.
18. When taking a decision to provide financial support, the Holding and the subsidiaries should determine the development index rating for each Project.
19. The Holding and the subsidiaries should update the development index rating for each Project as part of monitoring and post-monitoring procedures.
20. Information on the development index rating calculated for each Project should be sent by the subsidiaries to the Holding within standard monitoring procedures. Detailed calculations for the development index rating are to be provided by the subsidiaries to the Holding upon request.
21. The Holding and the subsidiaries should calculate the development index rating based on the information provided by the recipient of financial support in accordance with the internal regulations of the Holding and the subsidiaries. To calculate the development index rating, the Holding and the subsidiaries should check the correctness of the information provided on the basis of business plans (for

potential Projects), financial statements (for current Projects), as well as investment declarations, memoranda, programmes or similar documents.

Chapter 5. Applicability of the development index to individual subsidiaries

22. As the indicators used to calculate the development index rating are not multipurpose in terms of their relevance for various financial instruments, this Appendix sets restrictions on applying indicators in line with the particular financial instruments and availability of information necessary to assess an indicator (Table 3).
23. For other instruments of indirect financial support, the Holding and the subsidiaries should calculate the development index rating based on investment declarations, memoranda and programmes provided by the recipients of indirect financial support.
24. The development index rating should not be calculated for any Projects that have received financial support starting for less than one year.
25. The Projects included in the "Leaders of competitive ability - National Champions" Programme and in Republic industrialisation cards are classified as Projects with a high development index rating and assigned the maximum points.

Table 1. List of indicators for the development index

No.	Indicator	Description of the indicator	Calculation formula / approach to the assessment of the extended development index	Approach to assessing the simplified development index	
				For direct financial support instruments	For indirect financial support instruments
(k1)	Increased economic output	The indicator reflects the extent to which each monetary unit of financial support provided by the Holding or subsidiary increases the product output of the economy of the Republic of Kazakhstan.	(Average annual additional production volumes, sales of goods or provision of services in millions of tenge) / (Volume of financial support in millions of tenge). The average annual additional production volumes, sales of goods or provision of services is calculated within the period of financial support from the date of commissioning related facilities or the start of production, sales of goods or provision of services.	The Project involves an increase in the volume of production, sales of goods or provision of services. (YES/ NO)	The investment declaration, memoranda or programme (or similar document) should assume that the final financial support ¹ will be provided to business entities for the purpose of increasing the volume of production, sales of goods or provision of services. (YES/ NO)
(k2)	Labour productivity enhancement	The indicator reflects the extent to which the Project improves the average labour productivity, including by upgrading or otherwise improving technological equipment or by introducing new technologies.	For operating entities and production facilities: (Labour productivity from the date of commissioning related facilities or from inception to ensuring that the Project reaches its design capacities) / (Productivity before the date of commissioning related facilities or from inception to making	The Project is aimed at improving labour productivity. (YES/ NO)	Not applicable.

¹ Final financial support means such financial support that is provided to ultimate recipients within the framework of indirect financial support

			<p>sure that the Project reaches its design capacities) – 1</p> <p>For new entities and production facilities:</p> <p>(Productivity from the date of commissioning related facilities or from inception to making sure that the Project reaches its design capacities) / (Productivity under the average republican level for related industry (according to data from the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan for the reporting calendar year).</p> <p>Calculation formula:</p> <p>Productivity should be calculated as the relation of gross value added (GVA²) to the average annual number of permanent jobs, namely:</p> <p>Labour productivity = $(Y - (PC - A)) / Em$, where</p> <p>Y means the average annual production, sales of goods or provision of services for the entire period of financial support, in millions of tenge;</p>		
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² GVA means the difference between the cost of issue, sale of goods, provision of services and the cost of goods and services fully consumed during the production process (interim consumption).

			<p>PC is the average annual volume of production costs for the entire period of financial support (except for the salary of production personnel), in millions of tenge;</p> <p>A is the average annual volume of depreciation charges for the entire period of financial support, in millions of tenge);</p> <p>Em is the average annual number of permanent jobs for the entire period of financial support (people).</p>		
(k3)	Increase in export potential	<p>The indicator shows whether the Project envisages the expansion of exports beyond the Republic of Kazakhstan.</p> <p>(not applicable to infrastructure Projects)</p>	<p>(Average annual volume of additional export revenue related to the provision of financial support) / (Volume of financial support in millions of tenge).</p> <p>[For investment Projects and lease transactions]</p> <p>The average annual volume of additional export revenues should be calculated within the period of financial support from the date of commissioning related facilities or the start of production, sales of goods or provision of services.</p>	<p>The Project envisages the expansion of exports beyond the Republic of Kazakhstan.</p> <p>(YES/ NO)</p>	<p>The investment declaration, memoranda or programme (or similar document) should assume that the final financial support will be provided to business entities for the purpose of expanding exports beyond the Republic of Kazakhstan.</p> <p>(YES/ NO)</p>
(k4)	Private sector development	The indicator shows whether the Project assists in implementing the private sector priority principle.	The recipient of financial support is not related to any quasi-public sector entities. (YES / NO)	The recipient of financial support is not related to any quasi-public sector entities. (YES / NO)	The recipient of financial support is not related to any quasi-public sector entities. (YES / NO)

			When determining whether a recipient of financial support qualifies as a quasi-public sector entity, the subsidiaries of the Holding should be governed by the definition (if applicable) of entities related to the quasi-public sector, as prescribed by the internal regulations of the subsidiaries.		
(k5)	Priority industries and operations	The indicator reflects the fact that the Project is being implemented in a sector that has been defined as a high priority in State Development Programmes and in the Holding's Strategy, and the fact that the Project is being implemented in a sector that is classified as high-technology / medium-high technology (per OECD classification). ³	See Table 2.	The Project is to be implemented in one or more priority industries and operations and/or one or more high-technology or medium-high technology industries under the OECD classification. (YES/ NO)	The investment declaration, memoranda or programme (or similar document) should assume that the final financial support will be provided in one or more priority industries and operations and/or in one or more high-technology or medium-high technology industries (under the OECD classification). (YES/ NO)
(k6)	Impact on sustainable social development	The Project: <ul style="list-style-type: none"> – facilitates comprehensive and sustainable industrialisation – facilitates openness, safety, resilience and environmental 	See Table 2.	See Table 2.	The investment declaration, memoranda or programme complies with the above characteristics. See Table 2.

³ The OECD classification refers to the classification of industries by the degree of their technological effectiveness, as developed by the Organization for Economic Cooperation and Development.

		<p>sustainability of towns and residential communities</p> <ul style="list-style-type: none"> – facilitates the diversification of economy of the Republic of Kazakhstan and of separate regions and towns 			
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Table 2. Scales compliance with the indicators applicable for the extended development index

No.	(k ₁)	(k ₂)	(k ₃)	(k ₄)	(k ₅)	(k ₆)
	Increased economic output	Labour productivity enhancement	Increase in export potential	Private sector development	Priority industries and operations	Impact on sustainable social development
Weight						
Type	Interval scale			Binary scale	Nominal scale	
Point						
5	More than []	More than []	More than []	Yes	The Project is attributable to priority industries and operations and to high-technology or medium-high technology industries, per OECD classification	The Project has 3 characteristics.
4	From [] (inclusively) to []	From [] (inclusively) to []	From [] (inclusively) to []	-	-	The Project has 2 characteristics.
3	From [] (inclusively) to []	From [] (inclusively) to []	From [] (inclusively) to []	-	The Project is attributable to priority industries and operations but does not relate to high-technology or medium-high technology industries, per OECD classification	The Project has 1 characteristic.
2	From [] (inclusively) to []	From [] (inclusively) to []	From [] (inclusively) to []	-	The Project is not attributable to priority industries and operations, but relates to high-technology or medium-high technology industries, per OECD classification	
1	From [] (inclusively) to []	From [] (inclusively) to []	From [] (inclusively) to []	-	-	
0	Less []	Less []	Less []	No	The Project is attributable neither to priority industries and operations nor to high-technology or medium-high technology industries, per OECD classification	The Project has none of the mentioned characteristics.

Table 3. Applicability of development index indicators by financial support instrument

No.	Instrument Name of the indicator	Debt financing (except trade finance)	Trade finance	Equity financing (other than participation in private equity and venture funds)	Participation in venture funds	Insurance	Guaranteeing	Subsidies	Innovation grants
	<i>Approach to the development index calculation</i>	<i>Extended</i>	<i>Simplified</i>	<i>Extended</i>	<i>Simplified</i>	<i>Simplified</i>			
(k1)	Increased economic output	Applicable	Not applicable	Applicable	Applicable	Not applicable	Applicable	Applicable	Applicable
(k2)	Labour productivity enhancement	Applicable	Not applicable	Applicable	Not applicable	Not applicable	Applicable	Applicable	Applicable
(k3)	Increase in export potential	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
(k4)	Private sector development	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
(k5)	Priority industries and operations	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
(k6)	Impact on sustainable social development	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable

APPENDIX 5. OTHER ISSUES

Chapter 1. Definition of the approach to investment activity planning

1. The planning of the Holding's investment activity is aimed at ensuring effective financial support for business by the Holding's subsidiaries and involves planning how financial support for the Projects will be distributed by the Holding and its subsidiaries.
2. Financial support planning should be performed as part of a working group as part of the decision-making process on whether to issue financial support.
3. The regulation and functionality of the working group should be defined in accordance with the internal regulations of the Holding and/or its subsidiaries.
4. When planning financial support, the Holding and/or subsidiary should define:
 - 1) The list of the Project team members from the Holding and/or subsidiaries;
 - 2) The Project team leader from the Holding and/or subsidiaries;
 - 3) The timeframe for each stage of the financial support process, if such a timeframe has not been established by the internal regulations of the Holding and/or subsidiary;
 - 4) The format for communicating with Participants of the financial support process (including the frequency of meetings and types of communication channels);
 - 5) Other components defined by the Holding and/or subsidiaries.
5. A portfolio of potential and current Projects should be planned by the Holding and/or the subsidiaries based on monitoring and post-monitoring results. Based on a Project's monitoring and post-monitoring results, the Holding can diagnose the areas and industries that have failed to receive sufficient volumes of financial support, and on the basis of such data, introduce additional priorities, including as part of development plans for the subsidiaries.

APPENDIX 6. IDENTIFYING KEY PROJECT INVESTMENT CRITERIA AND PRIORITIES

Chapter 1. Key criteria and priorities

1. The priority of Projects is to be defined by the Holding and/or the subsidiaries based on the following key criteria:
 - 1) **Industry focus.** The industry focus is to be defined in accordance with paragraph 21 of this Policy as follows: priority sectors include non-resource sectors defined by the State Development Programmes, as well as infrastructure. The industry focus criterion should be included in the development index calculation, as defined in Appendix 4.
 - 2) **Risk level.** The approach to assessing Project risk levels should be based on the internal regulations of the Holding or the subsidiary, whichever is providing the financial support for the particular Project. The Holding and subsidiaries should seek to adequately estimate the level of Project risks, including through qualitative analysis on the basis of affiliation with an industry, Project life cycle, applicant experience in the implementation of similar projects, etc., as defined in paragraph 80 of this Policy. However, a low risk level should not necessarily represent the key criterion when making a decision to provide financial support.
 - 3) **Profitability of Projects.** The profitability of a Project should not necessarily represent the key criterion for making a decision to provide financial support to the Project. Rather, the Holding and/or its subsidiaries should seek to apply the financial efficiency principle.
 - 4) **Multiplying effect for the national economy.** This Policy stipulated that Projects expected to have a multiplying effect from the provision of financial support on national economy and that involve risk sharing should be prioritised. In the provision of financial support, the Holding and subsidiaries should strive to engage additional investors for financing Projects and provide support measures for any Projects that create additional impact on the development of related sectors.

- 5) **Geography.** Priority by geographical criterion should be determined based on paragraph 25 of this Policy as follows: in the provision of financial support, priority Projects should include those that are to be implemented in the Republic of Kazakhstan are priority.
- 6) **Social and economic impact.** The potential social and economic impact of a Project is to be considered when calculating the development index rating under Appendix 4, and should be defined on the basis of two groups of criteria:
 - economic, namely increase in economic output, increase in labour productivity, increase in export potential, private sector development, priority of sectors;
 - Social factors are those that impact sustainable social development.
- 7) **Sector of the economy (private or quasi-public).** Priority by sector should be determined in accordance with paragraph 28 of this Policy. The criterion of private sector development should be included in the development index calculation, in accordance with Appendix 4.
- 8) **Assessment of ESG factors when taking investment decisions.** In line with the methods for calculating the development index (Appendix 4), when determining the development index rating, it is necessary to consider the Project's impact on sustainable social development. The Project's impact on sustainable social development should be determined in line with the following indicators:
 - The Project facilitates the openness, safety, resilience and environmental sustainability of towns and residential communities.

However, ESG factors should not necessarily represent the key criterion when making decisions about whether to provide financial support.

APPENDIX 7. REGULAR REPORTING FORMS

Chapter 1. Single investment report form for subsidiaries

General information	Details of investment Projects	Provision of financial support	Development index	Contribution to achieving the Holding's KPIs
Monthly	Monthly (Not to be completed for indirect financing instruments)	Monthly	The values are to be updated monthly for new projects - annually for current projects - and within two years for completed projects	The values are to be updated annually

Chapter 2. Reporting form for each stage

	Format of completion	Aggregation type	Comments
Filter			
Reporting date			
Month/ Quarter/ Semester/ Year of financial support provision			
Subsidiary			
Financial instrument			
Project status			
Classification of the project			
Project implementation industry			
Project implementation country			
Region (area) of project implementation			
Participation in State Development Programmes			
Project implementation in the special economic area (SEA)			
Currency of support			
Investment Project details			
Weighted average planned term of project implementation	years	Weighted average	The average planned term of project implementation should be calculated as the difference between the planned completion date and planned commencement date
Weighted average actual term of project implementation	years	Weighted average	The average actual term of project implementation should be calculated as the difference between the actual completion date and actual commencement date
Total planned amount of payments to the budget	KZT million	Amount	Amount of planned volumes of payments to the budget

Total actual amount of payments to the budget	KZT million	Amount	Amount of actual volumes of payments to the budget
Provision of financial support			
Total number of projects	Unit	Quantity	
Total number of joint projects with other subsidiaries	Unit	Quantity	Number of joint projects with other subsidiaries
Gap between granting and approval of financial support for the projects	Months	Weighted average	Weighted average period between the dates of financial support approval and commencement
Weighted average term of financial support	Months	Weighted average	Weighted average period of support
Weighted average development index rating	Value	Weighted average	Value of development index valid at the reporting date
Total amount of approved financial support:	KZT million	Amount	Total volume of approved financial support for the projects
from the subsidiary's equity	KZT million	Amount	Except for public funds/ the Holding's funds
from the Holding's equity	KZT million	Amount	Except for public funds
from the Republican Budget of the Republic of Kazakhstan	KZT million	Amount	
from the National Fund of the Republic of Kazakhstan	KZT million	Amount	
from funds allocated under State Development Programmes	KZT million	Amount	
from MFO funds	KZT million	Amount	
from other sources	KZT million	Amount	
Total amount of financial support	KZT million	Amount	
Share of the Holding and its subsidiaries amount versus total amount of financial support received by the project	%	Weighted average	Weighted average interest of the Holding and the subsidiaries in the total amount of provided financial support
Instrument details			
The period covered by the calculation of volume indicators is set at the calculation level			
Debt finance			

Total assimilated funds for the period	KZT million	Amount	Total volume of assimilated funds
Residual amount of obligations	KZT million	Amount	Total residual volume of obligations
Total amount of interest paid for the period	KZT million	Amount	Total volume of interest paid
Interest rate, nominal	% (per annum)	Weighted average	Weighted average nominal interest rate
Interest rate, effective	% (per annum)	Weighted average	Weighted average effective interest rate
Book value	KZT million	Amount	Total carrying amount of assets
Provision	%	Weighted average	Weighted average provisions
Equity finance (Direct)			
Amount of investments returned for the period	KZT million	Amount	Total volume of returned investments
Carrying amount of investments	KZT million	Amount	Total carrying amount of investments
Investments (market value)	KZT million	Amount	Total market value of investments
Investment income upon exit for the period	KZT million	Amount	Total investment income
Equity finance (through PEF)			
Number of private equity funds		Quantity	Number of private equity funds that received support
Actual returns of PEF	%	Weighted average	Weighted average actual profitability of PEFs that received support
The share of the Holding and its subsidiaries in PEF capital	%	Weighted average	Weighted average share of the Holding and the subsidiaries in the share capital of the PEFs that received support
Carrying amount of investments	KZT million	Amount	Total carrying amount of investments in PEF
Investments market value	KZT million	Amount	Total market value of investments in PEF

Investment income upon exit for the period	KZT million	Amount	Actual income (loss) at an exit from PEF
Insurance			
Total insurance premiums for the period	KZT million	Amount	Volume of funds paid by the client for receiving an insurance
Provision	%	Weighted average	Weighted average provisions
Guarantees			
Total premiums for the period	KZT million	Amount	Volume of funds paid by the client for receiving a guarantee
Provision	%	Weighted average	Weighted average provisions
Subsidy			
Total assimilated funds for the period	KZT million	Amount	Total subsidies granted
Issue of grants			
Total assimilated funds for the period	KZT million	Amount	Total volume of assimilated funds
Contribution to achieving the Holding's KPIs			
Project credit portfolio	KZT million	Amount	Refers to KPI 1
Project investment portfolio	KZT million	Amount	Refers to KPI 1
Nominal value of private borrowings under the Projects	KZT million	Amount	Refers to KPI 2
Nominal value of total borrowing under the Projects	KZT million	Amount	Refers to KPI 2
Number of new Projects and Projects on upgrading and expanding operations in line with increased labour productivity and expansion of sales markets	Unit	Amount	Refers to KPI 5
Output produced by business entities that received support	billion tenge	Amount	Refers to KPI 6
Total amount of investments from PEFs with foreign participation	billion tenge	Amount	Refers to KPI 7
Share of the Holding's investments in PEFs that provide support	%	Weighted average	Refers to KPI 7
Volume of housing commissioned via subsidised loans to developers for mortgage and rental housing (2015-2018)	thousand sq m	Amount	Refers to KPI 8
Volume of guaranteed contributions of equity holders of commercial housing	billion tenge	Amount	Refers to KPI 10

Volume of export revenue generated by entities that received support as part of export and pre-export financing (2014-2023)	billion tenge	Amount	Refers to KPI 11
Number of supported Projects for three type of grants: for technological development of entities, technological development of industries, and commercialisation of technologies (2014-2023)	Yes/ No	Average	Refers to KPI 12

Chapter 3. Consolidated report form

KPI number	KPI name	Actual	Plan
1	Share of credit and investment portfolio in Baiterek NMH JSC's total assets of	From sources	
2	Share of private sources of borrowing in the total borrowing structure for the financial year, %	From sources	
3	ROA (consolidated) not less than the minimum positive value, %	From sources	
4	Share of private sector in the loan portfolio, %	From sources	
5	Number of new Projects and Projects on upgrading and expanding operations in line with increased labour productivity and expansion of sales markets, units	Calculation	
6	Output produced by business entities that received support, billion tenge	Calculation	
7	Raising foreign investments (multiplier)	Calculation	
8	Volume of housing covered by the support instruments (thousand sq m by 2019)	Calculation	
9	Share of participants in the housing savings system to the economically active population of the Republic of Kazakhstan, %	Calculation	
10	Guaranteed contributions of equity holders of commercial housing, %	Calculation	
11	Export revenue generated by entities that received support as part of export and pre-export financing, billion tenge	Calculation	
12	Amount of technologies adopted in manufacturing plants, number of Projects aimed at achieving technological objectives of industries and commercialisation of technologies, units	Calculation	

KPI number	Structure of the Holding's KPIs	Actual	Plan
2	Nominal value of private borrowings under the Project	Amount	From sources
2	Nominal value of total borrowing under the Project	Amount	From sources
5	The Project is new or represents a Project on upgrading and expanding operations in line with increased labour productivity and expansion of sales markets	Average	From sources
6	Output of the entity that received support	Amount	From sources
7	Total amount of investments into the Project by private equity funds (PEFs) with foreign participation	Amount	From sources
7	Share of the Holding's investments in PEFs that provide support	Weighted average	From sources
8	Volume of housing commissioned at the expense of subsidised loans to developers, mortgage and rental housing	Amount	From sources
10	Volume of guaranteed contributions of equity holders of commercial housing within the Project	Amount	From sources
11	Volume of export revenue of the entity that received support within export and pre-export financing	Amount	From sources
12	The Project was supported for one type of grant: for technological development of entities, technological development of industries, or commercialisation of technologies	Average	From sources
10	Total amount of contributions from the equity holders of commercial housing in the Republic of Kazakhstan	From sources	From sources
9	Size of economically active population (EAP)	From sources	From sources