

Committees of the Board of Directors

Members of the Board of Directors involved in the activities of Board Committees focus on in-depth review and analysis of interrelated functions, issues and areas. Committee meetings involve invited experts, business leaders, and other stakeholders. Committees make recommendations to the Board of Directors to support its decision making. The Board Committees are made up of non-executive directors, and the majority of members are independent directors. The Committees are chaired by independent directors.

Roles and responsibilities of the Board Committees

Committee	Responsibilities
Strategy and Portfolio Management Committee	The Committee assists the Board of Directors by considering and making recommendations on: <ul style="list-style-type: none"> • the development strategy and investment policy, including priority areas; • improving investment attractiveness; • effective financial and business planning at KMG; • monitoring KMG's transformation.
Nomination and Remuneration Committee	The Committee assists the Board of Directors by considering and making recommendations on: <ul style="list-style-type: none"> • succession planning for the Board of Directors and Management Board; • conducting ongoing, objective performance evaluations of the Board of Directors, Management Board, Corporate Secretary, and other employees; • pursuing effective HR, pay and remuneration policies, and providing professional development and training opportunities for KMG officers and employees.
Audit Committee	The Committee assists the Board of Directors by considering and making recommendations on: <ul style="list-style-type: none"> • implementing effective controls over KMG's financial and business operations; • monitoring the reliability and effectiveness of internal controls and risk management, as well as the implementation of corporate governance regulations; • overseeing the external and internal audit functions; • reviewing the Company's annual and quarterly financial statements; • monitoring KMG's compliance arrangements.
Health, Safety, Environment and Sustainable Development Committee	The Committee assists the Board of Directors by considering and making recommendations on: <ul style="list-style-type: none"> • ensuring HSE compliance; • embedding sustainability in strategic planning and social and economic development at KMG; • KMG's social commitments and programmes under subsoil use contracts; • monitoring KMG's environmental performance.

NOMINATION AND REMUNERATION COMMITTEE

Statement by the Chairman of the Nomination and Remuneration Committee



IN 2021 THE NOMINATION AND REMUNERATION COMMITTEE HELD

7 MEETINGS AND REVIEWED

67 ISSUES

In 2021, the Committee focused on pursuing effective HR, payment and remuneration policies, succession planning, providing social support and harmonising the corporate culture across the Company. The Committee regularly looked into the progress of the MANSAP project to develop a Succession Plan for Key Positions within KMG Group. In addition, the Committee developed and approved the KMG Board of Directors Succession Planning Policy and the Board of Directors Succession Plan.

The discussions of KMG's new Strategy for 2022–2031 highlighted changes in KMG operations with an increasing focus on the development of renewable energy sources, which requires relevant changes both to the Company's structure and corporate culture. This means that the Company needs to build a pool of employees capable of delivering high performance while responding effectively to external challenges. The goal is to shift to prioritising human capital over resources.

In addition, in the reporting period, the Committee actively engaged with the Company's management in discussing social issues, including structural reorganisation, compensation and remuneration, as well as mitigation of KMG's reputational risks. While reviewing the report on the implementation of KMG's HR Policy, the Committee members discussed regional social tensions and strategies to address them. Furthermore, the Committee participated in discussing the HR unit's workstreams, including the system of efficient personnel management, the headcount management programme, relations with contractors and the succession plan.

The Committee seeks to make consistent and balanced decisions with a view to maintaining social stability at the Company, which remains the Committee's primary focus.

Philip Holland

Chairman of the Nomination and Remuneration Committee, Independent Director

Members as at 31 December 2021:

1. Philip Holland – Chairman of the Committee since September 2020
2. Christopher Walton – member of the Committee since August 2017
3. Mukhtar Tazhigaliyev – member of the Committee since May 2021

Personnel management is essential to the Company's operational efficiency. The Nomination and Remuneration Committee makes recommendations to the Board of Directors on the matters within its

remit relating to the appointment, remuneration, training and development of the Company employees. The key appointment principles require that candidates possess strong qualifications

to perform their roles successfully and have the skills needed to pursue the Company's strategic goals in their area of responsibility.

Key issues reviewed by the Nomination and Remuneration Committee in 2021

Succession planning	<ul style="list-style-type: none"> Approval of the list of employees included in KMG Group's succession/talent pool for key A pool positions KMG Board of Directors Succession Planning Policy and Board of Directors Succession Plan Early termination of powers of a member of KMG's Management Board and defining the number of KMG's Management Board members Progress in creating individual development plans for the employees enlisted in the succession/talent pool for KMG Group's key A pool positions with reliance on a permanent mentorship programme for successors Progress in implementing the MANSAP project to develop a Succession Plan for Key Positions within KMG Group Election (appointment) of the CEO of MNC KazMunayTeniz LLP Appointment of the CEO (Chairman of the Management Board) of NMSC Kazmortransflot LLP Approval of individual development plans and the Leadership Training Programme – a successor development programme for key A pool positions within KMG Group Election of members and Chairman of the Supervisory Board of KMG Engineering LLP
Ongoing and effective performance evaluation	<ul style="list-style-type: none"> Results of performance self-evaluation of KMG's Board of Directors in 2020 Performance self-evaluation of KMG's Board of Directors in 2021 Approval of a motivational KPI scorecard and KPI targets for KMG's Ombudsman for 2021 Approval of a motivational KPI scorecard and KPI targets for the Head of KMG's Compliance Service for 2021 Approval of a motivational KPI scorecard and KPI targets for KMG's Corporate Secretary for 2021 Approval of the questionnaire for the members of KMG's Board of Directors to evaluate the performance of KMG's Corporate Secretary Approval of actual performance against corporate KPIs and motivational KPI scorecards for KMG executives in 2020 Approval of a motivational KPI scorecard and KPI targets for KMG's Corporate Secretary for 2022 Approval of KMG's corporate KPIs as well as motivational KPI scorecards and KPI targets for KMG's executives for 2022 Approval of actual performance against corporate KPIs of KMG Engineering LLP/motivational KPIs for the CEO (Chairman of the Management Board) of KMG Engineering LLP in 2020
Maintenance of an effective HR policy and an effective pay and remuneration framework	<ul style="list-style-type: none"> On Corporate Secretary of KMG Results of the human resources management audit Approval of the staff list and the salary grid for KMG's Corporate Secretary Office employees Early termination of the powers of KMG's Ombudsman, appointment of a new Ombudsman, determining tenure, salary, remuneration terms and social benefits Harmonisation of KMG Group's corporate culture Determining the salary payable to the Chairman of KMG's Management Board Revised qualification requirements for the Chairman of KMG's Management Board and nominees for the Chairman of KMG's Management Board Determining the salary, remuneration terms, bonuses and social benefits payable to the Chairman of KMG's Management Board Report on the progress in implementing KMG's HR Policy

Attendance of the Committee's meetings by its members in 2021

Meeting No. and date	Length of meeting	Philip Holland	Christopher Walton	Anthony Espina	Mukhtar Tazhigaliyev
1/2021 09.02	14:02–15:06 64 minutes	+	+	+	+
2/2021 06.04	13:56–15:23 79 minutes	+	+	+	+
3/2021 08.06	14:10–15:59 169 minutes	+	+		+
4/2021 07.09	13:59–15:15 64 minutes	+	+		+
5/2021 27.09	16:00–16:30 30 minutes	+	+		+
6/2021 02.11	14:02–15:53 111 minutes	+	+		+
7/2021 07.12	14:00–15:00 60 minutes	+	+		+
Participation, %		100%	100%	100%	100%

STRATEGY AND PORTFOLIO MANAGEMENT COMMITTEE

Statement by the Chairman of the Strategy and Portfolio Management Committee



IN 2021, THE STRATEGY AND PORTFOLIO MANAGEMENT COMMITTEE HELD

5 MEETINGS AND REVIEWED

85 ISSUES

In 2021, the Committee's areas of focus included updating KMG's Development Strategy and considering measures to minimise the Company's risks associated with the introduction of a carbon tax on EU imports, in particular by finding optimal sales channels for KMG's products. The Committee actively reviewed issues related to the Company's investment activities and management of its assets, including those in the renewable energy sources sector.

The Committee paid special attention to discussing oil and gas chemistry projects, as well as the status of the transfer of JSC KazTransGas to JSC Samruk-Kazyna and the impact of this transaction on KMG in the run-up to KMG's IPO. Ahead of the planned IPO, the Committee repeatedly reviewed a number of designated social projects (including reconstruction of the trunk water pipeline and construction of a desalination plant, as well as the construction of a gas processing plant project in Zhanaozen) and sources of funding for such projects.

Also, the Committee was monitoring the implementation of KMG's Digital Transformation Programme by closely reviewing the reports of the Transformation and Digitalisation Department along with interactions with JSC

Samruk-Kazyna, and supporting the implementation of JSC Samruk-Kazyna's proposals on amending KMG's Charter to expand the Board of Directors' expertise in transformation matters.

At every meeting, the Committee heard progress reports on major fields such as Kashagan, Karachaganak and Tengiz, as well as status reports on privatisation and divestment programmes. At its last meeting, the Committee decided to also hear progress reports on construction and commissioning of petrochemical facilities on a regular basis.

Given the importance of KMG's credit ratings and the need to develop a clear vision for the Company's efforts to improve the ratings and maintain them at an acceptable level, the Committee heard and discussed the report on KMG's credit rating.

KMG is a national oil and gas company carrying out its operations in line with the strategies of the Republic of Kazakhstan and JSC Samruk-Kazyna. With this in mind, the Committee seeks to make consistent and balanced decisions aimed at implementing KMG's Development Strategy.

Philip Holland

Chairman of the Nomination and Remuneration Committee, Independent Director

AUDIT COMMITTEE

Statement by the Chairman of the Audit Committee



IN 2021, THE AUDIT COMMITTEE HELD

21 MEETINGS
AND REVIEWED

133 ISSUES

In 2021, the Audit Committee continued to monitor the Company's system of internal control, risk management and performance across key functional areas as well as review and challenge, as appropriate, reports and key decisions made by the management. The Audit Committee carried out its work in line with the expectations and functional responsibilities set by the Code and Regulations on the Audit Committee, as well as resolutions of KMG's Board of Directors.

The Committee regularly reviewed the reports from the management and the external auditor on material accounting matters and decisions. These reviews help the Committee members engage in a substantive dialogue on the reliability, balance and clarity of KMG's financial statements.

In 2021, we significantly accelerated the drafting and approval

of the Company reporting, including its annual report and financial statements.

Also in 2021, the Committee continued work to improve internal controls and corporate governance. Following an independent review of corporate governance in 2021, KMG's corporate governance rating was upgraded from "BB" in 2018 to "BBB" in 2021.

The upgrade testifies to the Company's ability to ensure compliance of its corporate governance framework in all materials respects with most of the set criteria and provide sufficient evidence to demonstrate its efficiency. According to the independent consultant, the current rating is optimal for the Company to hold an IPO.

The Committee will continue its work to increase transparency and efficiency of the Company's operations.

Christopher Walton

Chairman of the Audit Committee,
Independent Director

Members as at 31 December 2021:

- Christopher Walton – Chairman of the Committee since September 2020
- Timothy Miller – member of the Committee since September 2020
- Philip Holland – member of the Committee since September 2020

Key issues reviewed by the Audit Committee in 2021

Internal Audit	<ul style="list-style-type: none"> • Review of the annual report on the Internal Audit Service's performance in 2020 • Review and preliminary approval of quarterly reports on the Internal Audit Service's performance • Approval of the IH 2020 actual performance of employees of the Internal Audit Service against motivational KPIs • Approval of the Budget Execution Report of the Internal Audit Service for 2020 • Approval of remuneration payable to employees of the Internal Audit Service for 2020 • Review and preliminary approval of the Annual Audit Plan for 2022 • Review and preliminary approval of the budget of the Internal Audit Service for 2022 • Proposals on the structure of the Internal Audit Service, its headcount, tenure of the service head and employees, and termination of their contracts
Accounting and external audit	<ul style="list-style-type: none"> • Review and discussion with the external auditors of the 2020 audit results • Review and discussion with the external auditors of interim audit results • Discussion with the external auditor of a list of all related services that the external auditor provides (plans to provide) to KMG, and assessing whether these related services affect the auditor's independence • Review and preliminary approval of KMG's interim financial statements • Follow-up on the external auditor's recommendations for 2020 • Preliminary approval of KMG's consolidated financial statements for 2020 and KMG's 2020 net profit distribution • Provision of information on non-audit services provided by KMG's external auditor in the previous year • Preliminary approval of KMG's standalone financial statements for 2020 • Approval of non-audit services provided by KMG Group's external auditor • Items submitted for consideration by KMG's external auditor • Review of KMG's draft Auditor Engagement Policy • Review of progress in preparing for the adoption of accounting changes, including the implementation of IFRS 16 and other IFRS changes
Internal control and risk management	<ul style="list-style-type: none"> • Progress in implementing the internal control system and business continuity management system at KMG and its subsidiaries • Report on testing of KMG's Comprehensive Business Continuity Plan and the Roadmap to Improve KMG's Comprehensive Business Continuity Plan • KMG's Risk Report for Q1, Q2 and Q3 2021
Corporate governance	<ul style="list-style-type: none"> • Approval of the Progress Report on the Implementation of KMG's 2019–2020 Detailed Corporate Governance Improvement Plan • Report on compliance with the principles and provisions of KMG's Corporate Governance Code for 2020 • Preliminary approval of KMG's 2020 Annual Report • Shareholder queries regarding the Company's and its officers' actions in 2020 and corresponding responses • Results of KMG's corporate website evaluation
Compliance	<ul style="list-style-type: none"> • Report on the Compliance Service performance for 2020 • Reports on submissions received via the hotline • Approval of key performance indicators of the Head of the Compliance Service for 2021 • Approval of key performance indicators of the Head of the Compliance Service for 2022
Review of the reports of local authorities (including tax authorities), external and internal auditors and KMG's management on compliance with laws	<ul style="list-style-type: none"> • Results of the government audit of the effectiveness of asset management at KMG and its selected subordinate organisations, conducted by the Accounts Committee for Control over Execution of the Republican Budget

Attendance of the Committee's meetings by its members in 2021

Meeting No. and date	Length of meeting	Christopher Walton	Philip Holland	Timothy Miller
1/2021 09.02	16:00–18:45 165 minutes	+	+	+
2/2021 04.03	15:00–16:00 60 minutes	+	+	+
3/2021 25.03	16:00–17:00 60 minutes	+	+	+
4/2021 06.04	14:00–17:30 210 minutes	+	+	+
5/2021 16.04	21:30–22:30 60 minutes	+	+	+
6/2021 28.04	21:00–21:30 30 minutes	+	+	+
7/2021 30.04	17:00–17:30 30 minutes	+	+	+
8/2021 18.05	17:00–17:30 30 minutes	+	+	+
9/2021 27.05	20:00–20:30 30 minutes	+	+	+
10/2021 08.06	16:00–18:30 150 minutes	+	+	+
11/2021 23.06	17:00–17:30 30 minutes	+	+	+
12/2021 07.07	18:00–18:20 20 minutes	+	+	+
13/2021 29.07	17:00–17:30 30 minutes	+	+	+
14/2021 09.08	17:00–17:30 30 minutes	+	+	+
15/2021 12.08	15:00–15:30 30 minutes	+	+	+
16/2021 07.09	16:00–18:30 150 minutes	+	+	+
17/2021 17.09	17:00–19:00 120 minutes	+	+	+
18/2021 02.11	16:00–18:30 150 minutes	+	+	+
19/2021 19.11	17:00–18:00 60 minutes	+	+	+
20/2021 03.12	17:00–18:00 60 minutes	+	+	+
21/2021 24.12	17:00–18:00 60 minutes	+	+	+
Participation, %		100%	100%	100%

HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT COMMITTEE

Statement by the Chairman of the Health, Safety, Environment and Sustainable Development Committee



IN 2021, THE HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT COMMITTEE HELD

5 MEETINGS AND REVIEWED

52 ISSUES

KMG Group proclaimed 2021 the Year of Environment, using this occasion to raise ecological awareness, reduce environmental impact, and take steps needed to meet new environmental requirements and global trends. In 2021, the Company managed to reduce emissions by 20% compared to the 2017 level. We keep focusing on proper disposal of waste, including legacy waste, and remediation of contaminated soil. In 2021, Sustainalytics, an independent ratings firm, upgraded KMG's ESG rating, with a score of 72 after 69 in 2020. The Company's ESG risk rating also improved from 34.7 in 2020 to 28.4 in 2021. These improvements moved KMG into the medium-risk range, ranking 16th out of 251 oil and gas companies worldwide. KMG topped, for the fifth consecutive year, the Environmental Transparency Rating of Oil and Gas Companies in Kazakhstan. In the reporting period, KMG was assigned a "B" water security rating for 2020 by the CDP, an improvement from the "C" rating in 2019. KMG and its HSE & SD Committee recognise a global trend for decarbonisation. The Company has set a target to reduce its direct and indirect greenhouse gas emissions by 15% by 2031 (from the 2019 level). This target is part of KMG's Development

Strategy and Low-Carbon Development Programme for 2022–2031.

Unfortunately, in 2021, there were some accidents at KMG Group, including fatalities caused by an explosion at Petromidia Refinery and a fire at the Borankol field of KazMunayTeniz LLP. The Company and its HSE & SD Committee paid particular attention to these accidents and will make sure that proper corrective actions are implemented to fully eliminate the underlying root causes.

KMG's Occupational Health and Safety Policy is driven by our senior management setting the tone at the top in occupational health and safety and engaging every employee in building a robust safety culture. Management teams at KMG and its subsidiaries and associates take a zero-tolerance approach to losses and damage caused by accidents (including traffic accidents), emergencies, as well as by the use of alcohol, narcotic drugs, psychotropic and other similar substances. The Committee introduced the practice of making deep dives into key HSE issues at its meetings. In 2021, it carried out deep dives into five areas, including waste management and implementation of the Memorandum on Legacy

Members as at 31 December 2021:

1. Timothy Miller – Chairman of the Committee since September 2020
2. Christopher Walton – member of the Committee since December 2018
3. Uzakbay Karabalin – member of the Committee since May 2019

Waste Disposal, occupational health and hygiene management system, requirements of the new Environmental Code of the Republic of Kazakhstan, management of KMG contractors and emissions management.

The Committee also consistently reviewed reports on the situation with COVID-19 at KMG and on measures taken across the Group to prevent the spread of the virus.

Achievements and key initiatives of the Company in 2021 across the areas supervised by the HSE & SD Committee:

- On 10 September 2021, the 6th Annual HSE Forum of KMG Group's CEOs "Towards Safe and Sustainable Development"

was held. It was attended by members of the Board of Directors and management of KMG, CEOs of subsidiaries and associates, and representatives of JSC Samruk-Kazyna, government agencies and KMG's foreign partners. The purpose of the forum was to assess the current state of occupational health and safety and environmental protection across KMG Group and to exchange experience in employee life and health protection.

- KMG joins Vision Zero, a multinational road traffic safety initiative that aims to achieve zero fatalities or serious injuries on the road.
- Medical examinations and vaccination of KMG employees

are carried out on a regular basis, free of charge.

Our priority environmental projects include eliminating legacy pollution and reducing emissions and discharges, as well as implementing the Green Office principles and improving ecological culture and awareness. The Committee seeks to make consistent and balanced decisions that would foster safe and sustainable development.

Timothy Miller

Chairman of the Health, Safety, Environment and Sustainable Development Committee, Independent Director

Key issues reviewed by the Health, Safety, Environment and Sustainable Development Committee in 2021:

Health, Safety and Environment	<ul style="list-style-type: none"> • Health, safety and environment reports • Waste management and implementation of the Memorandum on Legacy Waste Disposal • Occupational health and hygiene management system • Requirements of the new Environmental Code of the Republic of Kazakhstan • Management of KMG contractors • Emissions management • Reports on the situation with COVID-19 at KMG • Status of the accident at Petromidia Refinery • Results of the investigation into the fire at the diesel fuel and kerosene transshipment station of the Batumi Oil Terminal • Business interruptions at KMG's subsidiaries and associates due to power outages caused by external supplier JSC KEGOC • Approval of KMG Group's Corporate Standard for Assessing the Environmental Impact of Planned Activities • Approval of KMG's updated Environmental Policy and revocation of KMG's Environmental Policy approved by the Resolution of KMG's Board of Directors dated 20 February 2020 (Minutes No. 2/2020)
Sustainable development and ESG ratings	<ul style="list-style-type: none"> • KMG's ESG (Environmental, Social, Governance) rating • Implementing a sustainability framework across KMG and its business units and embedding sustainability principles into key business processes • Action plan to further improve KMG's ESG rating across a number of metrics with the potential for short and long-term improvement at KMG Group • KMG's contribution to the achievement of sustainable development goals • Expanding the list of documents regulating KMG's internal activities and approval of KMG's Low-Carbon Development Programme for 2022–2031 • Approval of motivational KPI scorecards for KMG executives engaged in advancing sustainable development for 2022
Social responsibility	<ul style="list-style-type: none"> • KMG Group's social policy and ensuring social stability across KMG Group

Attendance of the Committee's meetings by its members in 2021

Meeting No. and date	Length of meeting	Timothy Miller	Christopher Walton	Uzakbay Karabalin
1/2021 08.02	17:10–18:36 86 minutes	+	+	+
2/2021 05.04	17:00–19:00 120 minutes	+	+	+
3/2021 07.06	17:10–18:55 105 minutes	+	+	+
4/2021 06.09	17:00–18:40 100 minutes	+	+	+
5/2021 01.11	16:52–19:00 128 minutes	+	+	+
Participation, %		100%	100%	100%