

REPORT OF THE AUDIT COMMITTEE

In 2024, the Audit Committee held 16 meetings and reviewed 179 matters.

179

matters

considered at the meetings of the Audit Committee

- Members as of 31 December 2024:
- Armanbai Zhubayev – Chairman of the Committee since June 2024;
 - Philip Holland – member of the Committee since September 2020;
 - Saya Mynsharipova – member of the Committee since August 2023.

Key matters reviewed by the Committee in 2024

Internal audit	- Review and preliminary approval of quarterly reports on the Internal Audit Service's performance - Review of the report on the execution of the Internal Audit Service's budget for 2023 - Review of reports on inspections into violations reflected in letter of the Prime Minister of the Republic of Kazakhstan Alikhan Smailov No. 11-19/B-1762 KBP LP dated 12 December 2023 and into instances of failure to comply with instruction of the First Deputy Prime Minister of the Republic of Kazakhstan Roman Sklyar No. 11-19/071121, item 1.5, in accordance with an instruction of the Board of Directors of KMG - Review of the Internal Audit Service's performance report for 2023 - Amendments to the Annual Audit Plan of the Internal Audit Service for 2024 - Review of the report on an ad hoc audit of certain operational matters of Karazhanbasmunai in accordance with an instruction of the Board of Directors of KMG - Review of the report of the Internal Audit Service on verifying the progress against KMG's Transformation Programme - Review of matters related to the establishment of internal audit services at Ozenmunaigas and Embamunaigas and audit commissions at certain limited liability partnerships within KMG Group - Approval of the 2023 actual performance of the Head of the Internal Audit Service against motivational KPIs - Determination of the 2023 bonus payable to the Head of the Internal Audit Service - Informing the Internal Audit Service of KMG about participation in ad hoc audits of companies in the Mangistau Region - Determination of the salaries of the Internal Audit Service employees - Review of job descriptions of the Internal Audit Service staff - Early termination of powers / extension of agreements / appointments of the Internal Audit Service staff - Report on the results of an audit of existing agreements and project documents related to the reconstruction of trunklines of KazTransOil and Main Waterline - Approval of the Annual Audit Plan of the Internal Audit Service for 2025 - Review of information on the operations of the Internal Audit Service of KMG - Approval of the Internal Audit Service's budget for 2025 - Approval of KPIs for the Head of the Internal Audit Service for 2025
----------------	---

Accounting and external audit

- Review and preliminary approval of KMG's interim financial statements
- Review and discussion with the external auditor of the results of the 2023 audit and a list of all related services rendered or planned to be rendered by the same to KMG, and assessment of whether these related services affect the auditor's independence
- Approval of KMG's consolidated financial statements for the year ended 31 December 2023
- Preliminary approval of KMG's standalone annual financial statements for 2023
- Approval of information on audit and non-audit services rendered by Ernst & Young LLP and other companies and on audit and non-audit services rendered by Ernst & Young LLP and other companies that are part of Ernst & Young Global Limited to KMG and its subsidiaries in 2023 and of information on non-audit services permitted to be rendered by Ernst & Young Global Limited to KMG and its subsidiaries in 2023
- Approval and submission for consideration by the General Meeting of Shareholders of KMG of the matter concerning the selection of the auditor for KMG's financial statements for 2025–2029 and determination of the auditor's fee
- Progress report on the implementation of the action plan to fulfil recommendations issued by KMG's independent auditor Ernst & Young LLP based on the results of the audit of the consolidated financial statements of KMG for 2022, and the action plan to fulfil recommendations issued by KMG's independent auditor Ernst & Young LLP based on the results of the audit of the consolidated financial statements of KMG for 2023
- Update on the transition from the current external auditor of KMG, Ernst & Young LLP, to the new external auditor, PricewaterhouseCoopers LLP
- Amendments to KMG's Policy for Engaging Audit Organisations
- Approval of non-audit services provided by KMG Group's external auditor
- Review and discussion with the external auditor of a report for planning the audit of KMG for 2024

Internal control and risk management

- Progress in implementing internal controls and a business continuity management system at KMG and its subsidiaries (on a quarterly basis)
- Information on risk management in exploration-stage investment projects
- Approval of KMG's risk appetite statement, risk register and risk management action plan, risk map, risk tolerance levels, and register of key risk indicators for 2024
- Approval of KMG's quarterly risk reports
- Approval of KMG's financial risk reports
- Review of a report by the Head of the Risk Management and Internal Control Service on performance of internal controls of KMG and its subsidiaries
- Review of KMG's risk appetite statement, risk register and risk management action plan, risk map, risk tolerance levels, and register of key risk indicators for 2025
- Setting KMG's internal limits on balance sheet and off balance sheet liabilities for partner banks for 2025

Corporate governance	- Approval of the report on compliance with the principles and provisions of KMG's Corporate Governance Code for 2023 - Review of the Corporate Governance Improvement Plan for KMG in 2024–2025 - Update on the preparation for KMG's annual General Meeting of Shareholders - Review of the convocation of KMG's Annual General Meeting of Shareholders - Preliminary approval of KMG's 2023 Annual Report - Review of the approval of a new version of KMG's Corporate Governance Code - The Audit Committee's performance report for 2023 - Review of shareholder queries regarding the Company's and its officers' actions in 2023 and corresponding responses - Making changes to the Counting Commission of KMG's General Meeting of Shareholders - Amendments to a resolution of KMG's Board of Directors - Review of the report on progress under item 2.1 (IT architecture) of the Action Plan on Risks and Recommendations Based on Comprehensive IT Review of KMG - Amendments to KMG's Charter approved by the General Meeting of Shareholders' resolution dated 30 May 2023 (Minutes No. 2\2023, item 5) - Amendments to the Regulations on the Audit Committee - Report on KMG's cyber security efforts to date - Approval of the Audit Committee's activity plan for 2025 - Update on the preparation of KMG's 2024 Annual Report - Quarterly information on the financial status of KMG International N.V. and KMG Trading AG – ability of these companies to secure financing and make payments to oil-producing companies of KMG Group - TargetAI platform pilot project at Ozenmunaigas facilities - Assessment report on IT maturity of KMG's subsidiaries and associates - Report on evolution of the IT maturity of KMG Group - Cost of information technology broken down by KMG subsidiary and associate
Compliance	- Review of the annual performance report of the Compliance Service for 2023 - Quarterly performance reports of the Compliance Service and reports on submissions received via the hotline - Approval of a new version of the Regulations on the Compliance Service of KMG - Extension of the List of Documents Regulating KMG's Internal Affairs and Approval of the Regulations for Consideration of Appeals Regarding Violations of the Laws of the Republic of Kazakhstan, Internal Documents of KMG and Its Subsidiaries and Affiliates that Directly or Indirectly Concern Anti-Corruption Matters - Review of job descriptions of the Head/staff of the Compliance Service of KMG - Amendments to the Regulations on the Compliance Service - Approval of the activity plan of the Compliance Service for 2025 - Approval of a motivational KPI scorecard and targets for 2025 for the Head of the Compliance Service

Interested-party transactions	- Quarterly reports on interested-party transactions entered into by resolution of KMG's Management Board - Conclusion by KMG of an interested-party transactions by sending a letter of consent of KMG approving amendments to the Agreement on the Establishment of Tengizchevroil Limited Liability Partnership in the Republic of Kazakhstan dated 2 April 1993 between KMG, Chevron Overseas Company, ExxonMobil Kazakhstan Ventures Inc. and Lukoil International GmbH, and to the Agreement on the Tengizchevroil Project in the Republic of Kazakhstan dated 2 April 1993 between the Republic of Kazakhstan, Tengizchevroil, KMG, Chevron Overseas Company, ExxonMobil Kazakhstan Ventures Inc. and Lukoil International GmbH - Conclusion by KMG of an interested-party transaction: Addendum No. 3 to the Raw Material Supply Agreement (in connection with the supply of products of Tengizchevroil to the integrated petrochemical complex to be built in the Atyrau Region) dated 31 March 2008 - Conclusion by KMG of an interested-party transaction: agreement on the financing of research and development efforts related to the creation of titanium-based alloys for hydrogen storage and transportation, signed between KMG, KMG Engineering and the Samgau Centre for Scientific and Technological Initiatives - Conclusion by KMG of interested-party transactions: Agreement No. 2 between Grace Netherlands B.V., KMG, Samruk Kazyna Odeu and W. R. Grace & Co. to the Framework Agreement dated 16 January 2018 between Grace Netherlands B.V., KMG and United Chemical Company LLP; Addendum No. 1 between Grace Netherlands B.V., KMG and W. R. Grace & Co.-Conn. to the Memorandum of Association of Grace Kazakhstan Catalysts dated 10 May 2018 between Grace Netherlands B.V. and KMG - Conclusion by KMG of an interested-party transaction: Project Documentation Sale and Purchase Agreement between KMG and Karaton Operating - Conclusion by KMG of an interested-party transaction: Agreement on Subordination and Security Assignment of Claims between KPI Inc., KMG, SIBUR Holding, China Development Bank, and Industrial & Commercial Bank of China (Almaty) - Conclusion by KMG of an interested-party transaction: licence agreement on procurement of services for the provision of licensed materials between KMG and Caspi Bitum - Conclusion by KMG of an interested-party transaction: licence agreement on procurement of services for the provision of licensed materials between KMG and PetroKazakhstan Oil Products - Conclusion by KMG of an interested-party transaction: Subordination Agreement between Air Liquide Munay Tech Gases (as a subordinated debtor), Air Liquide Eastern Europe and KMG (as initial subordinated creditors), Abu Dhabi Commercial Bank PJSC (as a collateral agent) and the entities listed in Annex 1 to the Agreement (as initial first priority creditors).
Review of the reports of local authorities (including tax authorities), external and internal auditors and KMG's management on compliance with laws	Information on investigations and/or checks of KMG's subsidiaries and/or associates and/or their employees initiated by government agencies with respect to corruption offences and/or crimes

Attendance of the Committee's meetings by its members in 2024

Meeting No. and date	1/2024, 5 Feb	2/2024, 4 Mar	3/2024, 12 Mar	4/2024, 26 Mar	5/2024, 8 Apr	6/2024, 13 May	7/2024, 17 May	8/2024, 3 Jun	9/2024, 3 Jun	10/2024, 15 Aug	11/2024, 9–10 Sep	12/2024, 20 Sep	13/2024, 1 Oct	14/2024, 4–5 Nov	15/2024, 19 Nov	16/2024, 18 Dec	Participation, %
Committee member																	
Arman Argingazin	+	+	+	+	+	+	+	+	Resigned from the Committee								100
Armanbai Zhubayev	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	100
Philip Holland	+	+	+	+	+	+	+	+	-	+	+	+	+	+	+	-	88
Saya Mynsharipova	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	100

REPORT OF THE HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT COMMITTEE

In 2024, the Health, Safety, Environment and Sustainable Development Committee held ten meetings and reviewed 55 matters.

- Members as of 31 December 2024:
1. Armanbai Zhubayev – Chairman of the Committee since June 2023;
 2. Uzakbay Karabalin – member of the Committee since May 2019;
 3. Arman Argingazin – member of the Committee since June 2023.

Key matters reviewed by the Committee in 2024

Health, Safety and Environment	• Health, safety and environment report • Progress against activities under KMG's Low-Carbon Development Programme for 2022–2031 • Accident investigation reports
Sustainable development and ESG ratings	• KMG's ESG (Environmental, Social, Governance) score • Approval of an action plan to improve KMG's ESG risk rating • KMG's contribution to the achievement of the Sustainable Development Goals of the United Nations

Attendance of the Committee's meetings by its members in 2024

Meeting No. and date	1/2024, 5 Feb	2/2024, 4 Mar	3/2024, 8 Apr	4/2024, 13 May	5/2024, 3 Jun	6/2024, 3 Jul	7/2024, 9 Sep	8/2024, 1 Oct	9/2024, 4 Nov	10/2024, 18 Dec	Participation, %
Committee member											
Armanbai Zhubayev	+	+	+	+	+	+	+	+	+	+	100
Uzakbay Karabalin	+	+	+	+	+	+	+	+	+	+	100
Arman Argingazin	+	+	+	+	+	+	-	+	+	+	90