

## Ombudsman Office

One of the key roles of the Ombudsman Office is to make sure that KMG's practices are fair and that the interests of all the Company employees are observed, through early prevention, dispute settlement and conflict resolution, and escalating systemic issues requiring action to relevant bodies and officers, as well as initiating proposals to stabilise conflict situations. KMG's Code of Business Ethics clearly states the principles stipulating that KMG employees and officers shall not tolerate discrimination against anyone on the basis of race, religion, nationality, gender, political or other affiliation, social origin, material position, job, language or other circumstances, as well as the granting of any privileges to individual employees based on the above characteristics.

KMG Ombudsman's activities are guided by Kazakhstan's laws and KMG's internal documents.

After their appointment in July 2023, KMG's new Ombudsman met with the management, heads of departments and representatives of trade unions of KMG subsidiaries and associates – Caspi Bitum, KazTransOil, Kazakhoil Aktobe, Embamunaigas, KazMunayGas-Aero, and KMG Security.

The Ombudsman Office organised work on reviewing and registering reports, including via the Hotline. The Ombudsman reviewed 12 reports addressed specifically to the Ombudsman.

The Ombudsman / Ombudsman Office provided consultations and recommendations on oral reports (by phone, at personal meetings). Action was taken by the Office in response to the reports received to settle the issues, including to restore the violated rights and lawful interests.

In 2023, KMG received 112 reports via the Hotline of the Nysana call centre. KMG's Ombudsman Office monitors their timely review by relevant units.

## External audit

In order to independently assess the reliability of KMG Group's accounting (financial) statements, each year the Company engages an external auditor to conduct an audit of financial statements prepared in accordance with the IFRS. The external auditor is approved by the General Meeting of Shareholders following the approval by KMG's Board of Directors.

### Appointment of the auditor and its independence

The auditor is selected in line with the procurement procedure for Samruk-Kazyna Sovereign Wealth Fund and organisations with at least fifty percent of voting shares (equity interest) directly or indirectly owned or held in trust management by Samruk-Kazyna.

Selection of the auditor is based on the principles of:

- acquiring high-quality audit services for financial statements and related services;
- ensuring transparency of the selection process, control and responsibility for the decisions made;
- ruling out conflicts of interest and respecting independence.

In order to implement the selection of the external auditor, a Joint Commission consisting of members

of the Fund's and KMG's Audit Committees is set up. The Joint Commission determines the strategy for selecting the external auditor and implements the procedures for selecting the external auditor for KMG, including its material companies, and the Fund. The Audit Committee assesses the independence of the external auditor on an ongoing basis; the audit firm is rotated every five years. Partners and executives involved in the audit of KMG may not be hired by the Company.

### Provision of non-audit services by the external auditor

According to the Auditor Engagement Policy, the external auditor is required to obtain approval from the Audit Committee to provide non-audit consulting services. The total fee for non-audit services rendered by the external auditor to KMG Group for the reporting year must not exceed 50% of the average fee for audit services rendered by the external auditor to KMG Group for three consecutive previous reporting years. KMG annually submits to the Audit Committee for approval the information on non-audit services authorised for the external auditor and the audit and non-audit services provided by the external auditor during the reporting year. Non-audit services rendered by an external auditor in 2023 amounted to 3.4% of the total cost of audit services.

According to the resolution of shareholders represented by the Management Board of Samruk-Kazyna dated 20 January 2022, an independent audit firm Ernst & Young

LLP was selected as the external auditor of KMG's financial statements for 2022–2024.

## Risk management and internal control

### Corporate Risk Management System

KMG has implemented and effectively operates a corporate risk management system (CRMS) that is integrated into its key business and management processes. Its purpose is to ensure an optimal balance between the Company's value growth, profitability, and risks.

The Company's Risk Management Policy relies on the following key principles:

- continuity: functioning on an ongoing basis;
- adaptability: continuous improvement;
- comprehensiveness: addressing all types of risks across all areas of the Company's activities;

- rationality: efficient utilisation of risk management resources;
- active leadership participation: active involvement of and support from the Company's management in implementing and enhancing the risk management system across KMG Group.

The CRMS is a key component of KMG's corporate governance system, which has vertically-structured risk management processes at all governance levels:

### CRMS organisational structure

