

DEVELOPMENT OF THE CORPORATE GOVERNANCE FRAMEWORK



As a corporate centre that shapes and implements the development strategy, in particular by engaging in operations of subsidiaries through a divisional management structure, the Company is committed to best corporate governance practices and recognises high corporate governance standards and transparency as key drivers of investment appeal and operational efficiency, boosting confidence among potential investors, counterparties, and other stakeholders, mitigating the risk of inefficient use of corporate resources and increasing KMG's market value and wealth.

The Company's Board of Directors oversees the quality of KMG's corporate governance, and the Corporate Secretary coordinates its continuous improvement.

The KMG Corporate Governance Code (the "Code") adopted by resolution of Samruk-Kazyna's Management Board dated 27 May 2015 is the core document underpinning KMG's corporate governance framework and efforts to improve it. The Code was developed in accordance with Kazakhstan's laws and Samruk-Kazyna's internal documents to incorporate best national and global corporate governance practices, as well as the principles set out in Samruk-Kazyna's Transformation Programme.

The Code sets out the principles underlying the Company's corporate governance framework, which are identical to the corporate governance principles of the Samruk-Kazyna Group. The Board of Directors and the Audit Committee monitor compliance with the Code's regulations at KMG.

According to the Code, the Corporate Secretary annually reviews KMG's compliance with the Code's provisions and principles using a "comply or explain" approach. At present, most of the Code's provisions have been complied with. Isolated instances of partial non-compliance with certain provisions of the Code have been listed in the Corporate Governance Code Compliance Report, along with the reasons for non-compliance. For KMG's 2023 Corporate Governance Code Compliance Report, see the Appendix to this Annual Report.

Over a course of several years, the Company's Corporate Secretary Office has carried out consistent and systematic work coordinating KMG's efforts to improve its corporate governance practices. Since 2016, the Company has used the review methodology for corporate governance in legal entities in which 50% or more of the voting shares are owned directly or indirectly by Samruk-Kazyna (the "Methodology") to set goals and track the progress of improvements in corporate governance.

The Methodology involves the assignment of a rating to the Company based on the results of its corporate governance review (audit) by an independent party, which is carried out on a regular basis.

As required by the Methodology, the Corporate Secretary Office uses the review findings to develop a Corporate Governance Improvement Plan, with relevant progress against it regularly reported to the Company's Board of Directors and the Audit Committee.

Following the 2021 independent review of the Company's corporate governance by PricewaterhouseCoopers in line with the Methodology, KMG was assigned a BBB corporate governance rating (upward revision from the BB rating assigned in 2018), which testifies to the Company's progress in developing its corporate governance framework, ensuring its compliance in all material respects with most established criteria, and providing sufficient evidence to demonstrate its efficiency.

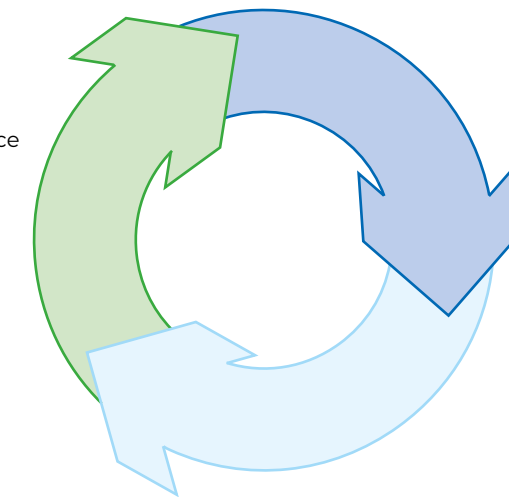
KMG followed the recommendations presented by the independent consultant following the 2021 corporate governance review and included them in the Corporate Governance Improvement Plan to further enhance its corporate governance practices in 2023 across such areas as transparency, shareholder rights, risk management, internal control and audit, performance of the Board of Directors and the executive body, and sustainable development. In accordance with the established practice, the Corporate Secretary monitors progress against the Corporate Governance Improvement Plan on a regular basis, with progress reports reviewed by the Audit Committee and the Board of Directors and feedback provided to KMG's management.

In general, the Company's efforts to enhance its corporate governance are continuous and cyclic, and the key objective

of the process is assigning a rating and issuing respective improvement recommendations by an independent party.



Reviewing the corporate governance framework, assigning a corporate governance rating, issuing improvement recommendations



Developing, approving and implementing the Corporate Governance Improvement Plan



Monitoring progress against the Corporate Governance Improvement Plan, reports for the Board of Directors and the Audit Committee

General Meeting of Shareholders

The General Meeting of Shareholders is the supreme body of KMG. The General Meeting of Shareholders scope of competencies and meeting convocation, holding and summarising procedures are set forth in laws and the Company's Charter. General Meetings of Shareholders can be annual and extraordinary. KMG's Annual General Meeting of Shareholders is convened by the Board of Directors. An Extraordinary General Meeting of Shareholders can be convened by either the Board of Directors or any shareholder of KMG.

The meeting's agenda is set by the Board of Directors and presents a comprehensive list of explicitly stated matters for discussion. In 2023, KMG held five General Meetings of Shareholders, deliberating on 14 matters, with five pertaining to the composition of KMG's Board of Directors:

1. On 6 April 2023, the Extraordinary General Meeting of Shareholders (Minutes No. 1\2023) of KMG terminated early the powers of Gibrat Auganov, a representative of Samruk-Kazyna, and Assel Khairova, an independent director.
2. At the Extraordinary General Meeting of Shareholders of KMG held on 6 April 2023 (Minutes No. 1\2023), Yernat Berdigulov was elected to the Board of Directors as a representative of Samruk-Kazyna, and Armanbai Zhubayev was elected to the Board as an independent director.

3. Furthermore, at the meeting dated 6 April 2023, resolutions were passed regarding the number of members and tenure of the Counting Commission of KMG's General Meeting of Shareholders, and its members were elected.
4. On 14 August 2023, by the resolution of the Extraordinary General Meeting of Shareholders (Minutes No. 4/2023) of KMG, Saya Mynsharipova was elected to the Board of Directors of KMG as an independent director.

The Annual General Meeting of Shareholders also addressed the approval of KMG's consolidated and standalone annual financial statements for 2022, discussed KMG's 2022 net profit distribution procedure and dividend per ordinary share, and reviewed shareholder submissions regarding KMG's and its officials' actions during the year.

Additionally, in 2023, a new version of KMG's Charter was approved along with a new version of the Regulations on KMG's Board of Directors, which subsequently saw more amendments.

For more details on interactions with minority shareholders and their rights, see the [Shareholder and Investor Relations](#) section