



Ембі Мұнай Газ  
АКЦИОНЕРЛІК ҚОҒАМЫ

# Corporate Governance

# 04



## Corporate Governance

1. **supreme body** – Sole Shareholder
2. **managing body** – Board of Directors
3. **executive body** – Management Board

**GOVERNING BODIES**

### Board of Directors

#### Changes in the Board of Directors

By Resolution of the Sole Shareholder of Embamunaigas JSC, the powers of the Members of the Board of Directors Abdulgafarov D.Ye., Salimgereyev M.Zh. and Kuandykov B.M. were early terminated during the reporting period. The powers of Chairman of the Board of Directors Iskaziyeu Kurmangazy Oryngazievich were also terminated.

Marabayev Zh.N. (Deputy Chairman of the Management Board on Production of KazMunayGas NC JSC) and Khasanov D.K. (Managing Director on HR Management of KazMunayGas NC JSC) were elected as representatives of the Sole Shareholder, Marabayev Zhakyp Nasibkaliyevich was elected Chairman of the Board of Directors of Embamunaigas JSC, M. Sh. Izbasov was elected as an independent director.

Starting February 03, 2020, Esen Kairzhan was appointed a member of the Board of Directors by the decision of the Management Board of KazMunayGas National Company JSC, instead of

Zhaksybekov Anuar Yerkinovich who had vacated his post.

As of December 31, 2019, the Board of Directors consisted of eight members:

Full name	Position
Marabayev Zhakyp Nasibkaliyevich	Chairman of the Board of Directors
Iskaziyeu Kurmangazy Oryngazievich	Member of the Board of Directors
Khasanov Dauletzhan Kenesovich	Member of the Board of Directors
Beknazarova Aigul Zhaksykulovna	Member of the Board of Directors
Zhaksybekov Anuar Yerkinovich	Member of the Board of Directors
Yertlesova Zhannat Dzhurgaliyevna	Independent director
Izbasov Maksim Shafikhovich	Independent director
Ukrasin Igor Aleksandrovich	Independent director

## Corporate Governance [continued]

### Board of Directors

#### Members of the Board of Directors as of December 31, 2019



#### **Marabayev Zhakyp Nasibkaliyevich**

**Chief Operations Officer of KazMunayGas National Company JSC. Chairman of the Board of Directors of Embamunaigas JSC, Ozenmunaigas JSC, Mangistaumunaigas JSC, Karazhanbasmunai JSC. The Chair of the Tengizchevroil LLP Council.**

Zhakyp Nasibkaliyevich graduated from Gubkin Russian State University of Oil and Gas, majoring in Mining (1984), Moscow State University of Management (2002).

Has a Ph.D. in Economics. Completed an international internship in the top management of Total, having worked in France, the UK and Africa. Completed a course at the INSEAD French Institute and an MBA course at the French Institute of Petroleum (IFP).

Started his career in 1984 as an operator of Komsomolskneft NGDU. 1985–1990 – Master, Deputy Head of Workover Department, Shift Supervisor of Central Despatch Office, Head of Central Research Laboratory for Petroleum Technology, Head of Technical Department Komsomolskneft NGDU.

- November 1990 – March 1991 – Director for commercial service of the Sphinx State Corporation.
- March 1991 – March 1993 – Head of hydrocarbon raw materials and petrochemicals department, Deputy Head of department, Chief Engineer of RoK Ministry of Foreign Economic Relations.
- March 1993–June 1993– Head of the marine operations department for RoK Ministry of Energy and Fuel Resources.
- June 1993 – June 1997 – Vice President and General Director for KazakhstanCaspianShelf JSC.
- June 1997 – January 1999 – Director for Investments and New Projects, Commercial Director, Vice President for Gas Projects, KazakhOil NC CJSC.
- January 1999 – March 1999 – Deputy Chairman – Member of the Board of Halyk Bank of Kazakhstan CJSC.
- March 1999 – September 1999 – Vice President for Operations of KazTransOil JSC.
- September 1999 – September 2001 – Vice President of KazakhOil NC CJSC.

## Corporate Governance [continued]

### Board of Directors

- September 2001 – March 2002 – Deputy General Director of the Oil and Gas Transportation National Company.
- March 2002 – March 2004 – Managing Director for KazMunayGas NC JSC, Chairman of the authorized body for managing shares in PSA projects of Karachaganak Petroleum Operating B.V. (KPO B.V.).
- March 2004 – June 2006 – General Director for KazMunayGas Exploration Production JSC.
- June 2006 – November 2006 – Managing Director for KazMunay-Gas NC JSC, Chairman of the Board of Directors for KazMunayGas Exploration Production JSC.
- November 2006 – December 2008 – Chairman of the Coordinating Council of the KAZENERGY Association.
- December 2008 – February 2019 – Deputy Managing Director for North Caspian Operating Company (NCOC B.V.).
- February 2019 – currently – Deputy Chairman of the Management Board for Production of National Company KazMunayGas JSC.

Zhakyp Nasibkaliyevich was awarded “Parasat” and “Qurmet” orders, “Yeren Yenbegi Ushin”, “10 years of independence of the Republic of Kazakhstan”, “The 10th anniversary of the KAZENERGY Association”, “Qazaqstan munayyna 120 zhyl” anniversary medals, as well as the Order of Queen Victoria awarded by the European Business Association. Has the Badge of the RoK Ministry of Energy – “Honored Worker of the Oil and Gas Industry of the Republic of Kazakhstan”, badge of the Committee of Geology – “Discoverer of Deposit of the Republic of Kazakhstan”.

Ph.D. in Economics

### Iskaziye Kurmangazy Oryngazievich

**Member of the Board of Directors of Embamunaigas JSC, Deputy Chairman of the Management Board on Geology and Exploration for KazMunayGas NC JSC**

Kurmangazy Oryngazievich graduated from the V.I. Lenin Kazakh Polytechnic Institute as Mining Engineer-Geologist.

He started his career as a collector operator at the Balykshy Exploration Drilling Department, then worked as a geological engineer of the Thematic Party, as a cementing operator of the plug-back operation office of Embaneft PA.

- In 1991–1993, he was a geologist of Drilling Expedition No. 1 of the Balykshy Exploration Drilling Department, and in 1993–1995 he



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was a geologist of the Central Dispatch Office of the Atyrau Drilling Operations Department of Embamunaigas JSC.

- From 1995 to 2004, he was the Chief Geologist, Deputy Director of the Atyrau Department of Enhanced Oil Recovery and Well Overhaul (ADEOR & WO), Director of the Department of Geology and Oil and Gas Field Development of Embamunaigas OJSC.
- In 2004–2008, he worked at KazMunayGas Exploration Production JSC as Deputy Director and then Director of the Geology and Development Department.
- From 2008 to 2015, he worked at KazMunayGas NC JSC as Executive Director for Oil and Gas Production, Managing Director for Geology, Geophysics and Reservoirs, Chief Geologist, Deputy Chairman of the Management Board for Geology and Prospective Projects, Managing Director for Non-Operating Assets (Tengiz, Kashagan, Karachaganak), Managing Director for Geology.
- From January to September 2015 – CEO (Chairman of the Board) of Embamunaigas JSC.
- From September 23, 2015 till now – General Director (Chairman of the Management Board) of KazMunayGas Exploration and Production JSC.
- From June 2018 to February 2019 he has been the Deputy Chairman of the Management Board for Exploration, Production and Oilfield Services for KazMunayGas NC JSC.
- Since February 2019 – Deputy Chairman of the Management Board on Geology and Exploration of KazMunayGas NC JSC.

He was awarded with Certificates of Merit of KMG NC, KMG EP, Geology and Subsoil Use Committee; commemorative medals: “Qazaqstan Konstitytsiasyna 20 jyl” (2015), “Qazaqstan Respyblikasynyn tayelsizdigine 25 jyl” (2016), “Qurmet” (2016), the Anniversary Medal of the Ministry of Energy of the Republic of Kazakhstan “The 95<sup>th</sup> Anniversary of Embamunaigas JSC” (2017).

Honored Explorer of the Republic of Kazakhstan, winner of the Al-Farabi Science and Technical State Award of the Republic of Kazakhstan for his series of works “Scientific Rationale of the Hydrocarbon Potential of Kazakhstan” (2015).

Doctor of Geological and Mineralogical Sciences, author of more than 12 scientific publications, co-author of the book “Geological Structure and Oil and Gas Prospects of the Northern and Middle Caspian Sea”.

## Corporate Governance [continued]

### Board of Directors

#### Khasanov Dauletzhan Kenesovich

**Member of the Board of Directors of Embamunaigas JSC,  
Managing Director of HR Management of KazMunayGas National  
Company JSC**

Dauletzhan Kenesovich graduated from West Kazakhstan Agricultural Institute majoring in Economics (1993), Atyrau Institute of Oil and Gas majoring in Mining Engineering (2007).

- He started his career as deputy chief accountant of Teniz JSC. Over the years, he worked as chief accountant of the Kurmangazy RUT, Kazakhtelecom OJSC, Deputy Chief Accountant of Ozenmunaigas OJSC, Embamunaigas OJSC, Chief Accountant of Caspian Oil – TME JSC, EuroAsia Group LLP, Deputy Director of Economics and Finance, Director of the Department of Finance, Deputy Chief Accountant of Embamunaigas MC, KazMunayGas Exploration and Production JSC, Deputy General Director of Economics and Finance of JV Kazgermunai LLP, Managing Director for management of shares in the KazMunayGas Exploration and Production JV JSC, Director of Technological Transport and Well Services Management LLP, President of Karazhanbasmunai JSC, General Director – Chairman of the Management Board of Ozenmunaigas JSC, Deputy General Director, Managing Director of Exploration and Production Assets Management of KazMunayGas Exploration and Production JSC, Chief Director of Economics and Finance of Tau-Ken Samruk NMC JSC.

- Since December 2018, he has been the Managing Director of HR Management of KazMunayGas National Company JSC.

He was awarded with “Qurmet” order, “The 20<sup>th</sup> anniversary of the Constitution of the Republic of Kazakhstan”, “The 20<sup>th</sup> anniversary of the maslikhat of the Mangistau region” medals, Certificate of Merit of the Ministry of Oil and Gas of the Republic of Kazakhstan, KazMunayGas NC JSC medal.

#### Esen Kairzhan

**Member of the Board of Directors (starting February 03, 2020),  
Chairman of the Management Board of Embamunaigas JSC**

In 1985 he graduated from the V.I. Lenin Kazakh Polytechnic Institute majoring in Machinery and Equipment of Oil and Gas Fields. In 2000 he graduated from the V.P. Goryachkin Moscow State Agroengineering University majoring in Business Economics and Management. In 2012 he graduated from the State Educational Institution of Higher Vocational Education of the Academy of National Economy attached to RF Government, MBA in Management – International Business majoring in Master of Business Administration.



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### Board of Directors

- From 1985 to 1992 – Breakdown Mechanic, Engineer, Senior Engineer, Zhetybaineft OGPO, Mangyshlakneft Union.
- From 1992 to 1994 – Rigging-Up Operations Foreman, Mangyshlak Rig Building Office.
- From 1994 to 1995 – Deputy Production Services Base Officer, Yuzhneftegas JSC, Kyzylorda.
- From 1995 to 2002 – Deputy General Director, Kumkol-Lukoil JSC.
- From 2002 to April 2016 – Deputy General Director, General Director, Turgai Petroleum JSC.
- From April 2016 to July 2017 – President, Karazhanbasmunay JSC.
- From July 2017 to November 2018 – Senior Deputy General Director, General Director Kazgermunai JV LLP.
- From November 2018 to January 2020 – Managing Director for Procurement and Supplies, NC KazMunayGas JSC.
- Since January 16, 2020 – Chairman of the Management Board of Embamunaigas JSC.

He was awarded “Yeren Yenbegi Ushin”, “Qurmet” and “Atameken” orders, “20 years of independence of the Republic of Kazakhstan” anniversary medal, “20 years of Turgai Petroleum JSC” commemorative medal, as well as a number of letters of acknowledgment and certificates of merit, including a Letter of Acknowledgment from the Chairman of the Committee on the Protection of Children’s Rights of the RoK MES, Letter of Acknowledgment from N.A. Nazarbayev, President of the Republic of Kazakhstan, Certificate of honor of the RoK Federation of Trade Unions.



#### **Zhaksybekov Anuar Yerkinovich**

**Member of the Board of Directors (up to February, 03, 2020),  
Chairman of the Management Board of Embamunaigas JSC**

In 1993, he graduated from the Patrice Lumumba Peoples’ Friendship University (Moscow), with a degree in Geology and Exploration of Oil and Gas Fields.

He started his career as an operator for oil and gas production at the Baichunas Oil and Gas Production Office (“OGPO”) of Dossorneft of KazakhOil Emba OJSC. After serving in the Red Banner Northern Fleet of the Marine Corps (1983–1985) he continued working as an operator at the Karsak oil and gas production workshop.

- After graduation he was a district geologist at the Atyrau Drilling Operations Department, a leading geologist, a deputy head of



## Corporate Governance [continued]

### Board of Directors

the oil recovery and well overhaul section in Makat District of Kazakhoil Emba OJSC.

- In 1999, he was appointed Chief Geologist at Makatneft OGPO of Kazakhoil Emba OJSC.
- In 2000–2004 he was invited to Kazakhoil NC JSC to the position of Chief Engineer of the Department of Production Management of Kazakhoil NC JSC. He worked as Chief Engineer, Manager, Deputy Director of the Geology and Development Department, Director of the Geology Department.
- From 2004 to 2009, he headed the Department of Geology and Geophysics of the Geological and Technological Service, Director of the Department of Geology, Geophysics and Reservoirs of the Exploration and Production Unit of KazMunayGas NC JSC.
- In 2009–2013, he was appointed as an exploration manager from KazMunayGas NC JSC at the founded N Operating Company LLP, Chairman of the Technical Subcommittee for Geological Exploration.
- In February 2013, he was appointed Deputy Director General for Geology and Development of KazMunayGas Exploration Production JSC, Chairman of the Technical Committee for Exploration, Chairman of the Supervisory Board of Exploration Assets of KMG EP JSC. He supervised joint ventures with the participation of KazMunayGas Exploration Production JSC, such as UralOilGas JV, interest with Chinese FIOC and Hungarian MOL, Karpovsky North JV.
- In 2013–2015, he was appointed Deputy Director General for Prospective Projects of Kashagan B.V. PCLLB.
- Since September 2015, he has been Deputy Director General for New Projects and Technologies at Embamunaigas JSC.
- From April 24, 2017 to January 16, 2020 – Chairman of the Management Board of Embamunaigas JSC.
- Starting February 03, 2020, by the decision of the Management Board of KazMunayGas National Company JSC he vacated his post of a member of the Board of Directors.

He was awarded the Certificate of Merit of the USSR Ministry of Petroleum Industry; Certificate of Merit of KazMunayGas NC JSC; Certificate of Merit of Samruk-Kazyna NWF JSC; Letter of Acknowledgment of the Committee of Geology and Mineral Protection of MEMR RK; Badge of Honor of the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan “The 90<sup>th</sup> Anniversary of Makat field”; Badge of Honor of the Ministry of Oil and Gas of the Republic of Kazakhstan “The 100<sup>th</sup> Anniversary of the Dossor Field” (2011); “The 50<sup>th</sup> Anniversary of Prorva field”; a diploma and a badge “Honored Explorer of the Republic of Kazakhstan” of the Ministry of Industry and New Technologies of the Republic of Kazakhstan (2012); the medal “For the Contribution to the Development of the Oil and Gas Industry of the Republic of Kazakhstan” of the Ministry of Oil and Gas of the Republic

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### Board of Directors

of Kazakhstan (2014); Letter of appreciation from Akim of Atyrau region to the 25<sup>th</sup> anniversary of independence of the Republic of Kazakhstan (2016), a commemorative medal of the Ministry of Energy of the Republic of Kazakhstan “The 95<sup>th</sup> Anniversary of Embamunaigas JSC” (2017), “Qurmets” order (2017), “Qazaqstan munayyna 120 zhyl” anniversary medal (2019), “Atyrau oblysy maslikattaryna 25 zhyl” anniversary medal (2019), Honorary citizen of Makat region (2019), Letter of appreciation from the Akim of Kyzylkoginskiy region (2019).



#### **Yertlesova Zhannat Dzhurgaliyevna**

**Independent Director of the Board of Directors of Embamunaigas JSC, Director of Expert Kazakhstan LLP**

She started her career as a research assistant at the Research Institute of Economics and Market Relations under the State Planning Committee of the Kazakh SSR. In 1992, she was appointed Deputy Director of the Institute. Then she was invited to the Ministry of Economy of the Republic of Kazakhstan to head the Department of Financial and Credit Policy.

In 1994, she became the First Deputy Minister of Economy of the Republic of Kazakhstan. She worked in various positions, such as Head of the Center for Economic Reforms under the Cabinet of Ministers of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, First Vice Minister of Finance, Vice President of Kazakhtelecom JSC, Deputy Head of the Presidential Administration, Deputy Minister of Defense of the Republic of Kazakhstan, First Deputy Chairman of the Agency on Regulation of Natural Monopolies and Protection of Competition, the Chairman of the Governing Board of the Taxpayers Association of Kazakhstan, the Deputy Chairman of the Board of the National Chamber of Entrepreneurs, etc. She is currently Director of Expert Kazakhstan LLP.

## Corporate Governance [continued]

### Board of Directors

#### Izbasov Maksim Shafikhovich

##### Independent Director of the Board of Directors of Embamunaigas JSC

Maksim Shafikhovich graduated from V.I. Lenin Kazakh Polytechnic Institute (1976) majoring in Technology and Complex Mechanization of the Development of Oil and Gas Fields, Almaty Institute of Political Science and Management (1991).

- He started his career in 1976 as an oil and gas extraction operator of Kulsary oil field of OGPO Kulsaryneft. Then he worked as a senior engineer in the production and technological department, head of the underground repair workshop, head of production department of the Kulsary field.
- 1985–1989 – Secretary of the party committee of Kulsaryneft OGPO. Over the years, he served as head of planning and economic department, chief engineer of Kulsaryneft, head of production and technological department, chief engineer, and the first vice president of Tengizmunaigas PA. Due to the merger of two joint-stock companies, Embamunaigas and Tengizmunaigas, in 1999 he was appointed head of Kulsarymunaigas OGPO.
- In 2004, he was appointed director of the Embamunaigas production branch of KazMunayGas Exploration and Production Joint Stock Company. Later on, he worked as head of Kulsarymunaigas OGPO, the chief engineering manager of KazMunayGas Exploration Production – Embamunaigas MC JSC, Senior Advisor for local government relations, Atyrau Branch of North Caspian Operating Company. 2012 – 2017 – akim of Zhylyoi district of Atyrau region.

He was awarded the “Qurmet” order (1999), “10 years of the Constitution of the Republic of Kazakhstan” (2005), “20 years of independence of the Republic of Kazakhstan” (2011), “Qazaqstan munayyna 120 zhyl” (2019) medals, Certificate of Merit of the President of the RK for cultural and humanitarian charitable and sponsorship activities (2006), Letters of Acknowledgment of the President of the RK (2001, 2005) and akims of Atyrau region (2001, 2005, 2007), Certificates of Merit of the USSR Ministry of Oil Industry (1980), Ministry of Energy and Mineral Resources of the RK (2004) and Ministry of Oil and Gas of the RK (2010), Certificates of Merit of the regional council and the regional maslikhat, badges in honor of the 100<sup>th</sup> anniversary of oil and oil fields. Holder of the International Confederation of Trade Unions of the Oil and Gas Industry Award (2005). Honorary citizen of Zhylyoiskiy (2004) and Kyzylkoginskiy districts of Atyrau region (2007). “Zhyl munayshysy” (Person of the year) title (2001). Member of the regional maslikhat of two convocations (1999–2003, 2003–2007).



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## Corporate Governance [continued]

### Board of Directors | Independent decisions of Directors



#### **Ukrasin Igor Aleksandrovich**

**Independent Director of the Board of Directors of Embamunaigas JSC, Managing Director of SBERBANK (Switzerland) AG, Head of the Corporate Banking Department**

- In 1994–1996, he was the Head of Sales Planning Division of Operations Department of PEPSI-COLA INTERNATIONAL.
- In 1998–2013, he was Managing Director of the Investment Banking Division of the European Energy Group CREDIT SUISSE SECURITIES LIMITED.
- In 2013–2015, Managing Director of SBERBANK CIB.



#### **Beknazarova Aigul Zhaksykulovna**

**Member of the Board of Directors of Embamunaigas JSC, Managing Director – Financial Controller of KazMunayGas NC JSC**

Aigul Zhaksykulovna has been the Managing Director – Financial Controller of KazMunayGas NC JSC since June 2018. Previously, she held the position of Vice President – Financial Controller of KazMunayGas NC JSC.

Over the years, she worked as head of the structural financing department, director of the international department of Halyk Bank of Kazakhstan JSC, managing director of financial institutions of KazInvestBank JSC, director of the corporate financing department of KazMunayTeniz JSC, director of corporate financing of KazMunayGas NC JSC. She graduated the Kazakh State Academy of Management majoring in International Monetary and Financial Relations (1997), PACE University (New York) majoring in Financial Management (1999).

### Independent decisions of Directors

In accordance with the requirements of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, the Board of Directors established that the Directors are independent and believes that Yertlesova Zhannat Dzhurgaliyevna, Izbasov Maksim Shafikhovich, Ukrasin Igor Aleksandrovich

are independent in making decisions. The Board of Directors has established that there are no relations or circumstances that have or can have a significant impact on the independent decisions of these Directors.

# Corporate Governance [continued]

## Board of Directors | Report on the Activities of the Board of Directors

### Report on the Activities of the Board of Directors

The powers of the Board of Directors are described in the Articles of Association of Embamunaigas JSC. The Board of Directors is responsible to the Sole Shareholder for effective management and proper control over the activities of Embamunaigas JSC and operates in accordance with the approved decision-making system. The most important functions of the Board of Directors include identifying areas of strategic development and policies of the Company, approving the budget and material internal documents of Embamunaigas JSC, and other significant issues.

The Board of Directors meets on a regular basis and as necessary.

In 2019, the Board of Directors held 53 meetings, including four meetings by in-person voting, 49 meetings by absentee voting.

Over the year, the Board of Directors considered, among other things, the following issues:

- Approval of the structure and staff list of employees of the management staff and indexation payments to employees of Embamunaigas JSC for 2019.
- Approval of KPIs of Embamunaigas JSC for 2019.
- Increasing the amount of annual remuneration for 2018.
- Making changes in the staffing table of employees and the organizational chart of the management staff of Embamunaigas JSC.
- Approval of the adjustment of the 2019 Budget of Embamunaigas JSC.
- Payment of remuneration to top managers of Embamunaigas JSC for 2018.
- Approval of the 2018 Annual Report of Embamunaigas JSC.
- Approval of the 2018 Report on the Activities of the Board of Directors and the Management Board of Embamunaigas JSC.

- Determination of the number of Members of the Management Board of Embamunaigas JSC.
- Approval of 2020 Budget and the 2020–2024 Business Plan of Embamunaigas JSC.
- Report on the Company's Performance for 9 months of 2019 and expected results for 2019.
- Report on the Company's Occupational Safety and Environmental Protection for 9 months of 2019 and the expected results for 2019.
- Report on the Implementation of the Plan for Procurement of Goods, Works and Services for 9 months of 2019 and the expected results for 2019.
- Report on the Activities of the Internal Audit Service of KazMunayGas NC JSC in respect of Embamunaigas JSC.
- The Committees of the Board of Directors of Embamunaigas JSC.
- Conclusion of transactions in which Embamunaigas JSC has an interest in the amount of more than 500 mln KZT, but does not exceed 1 bln KZT.
- Approval of issues, decisions on which are taken by the Sole Shareholder according to the Articles of Association.

The Board of Directors approved the following documents in 2019:

- Regulation on key risk indicators of Embamunaigas JSC EMG-PO-103-03 (version 1).
- Regulation on risk appetite, risk limits and tolerance levels of Embamunaigas JSC EMG-PO-103-02 (version 1).
- Regulation on the Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaigas JSC EMG-PO-103-01 (version 1).
- Risk appetite statements of Embamunaigas JSC for 2019.
- Recognition of the "Money Management Policy of Embamunaigas JSC" as invalid.

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### Board of Directors | Report on the Activities of the Board of Directors

- Regulation on formation and application of the KPIs of members of the Management Board and management staff of Embamunaigas JSC EMG-PO-119-02 (version 3).
- Regulation on the procedure and conditions for payment of remuneration based on annual results for members of the Management Board and management staff of Embamunaigas JSC EMG-PO-119-03 (version 3).
- Rules for remuneration of employees of Embamunaigas JSC EMG-P-119-03 (version 1).

#### The attendance rate of the Members of the Board of Directors and Members of the Committees at the meetings of the Board of Directors and the Committees:

BoD	Number of meetings held in 2019	Internal Audit Committee	Strategic Planning and Risk Management Committee	Production and Technical Committee
Marabayev Zhakyp Nasibkaliyevich	40			
Iskazyev Kurmangazy Oryngazievich	53			
Abdulgafarov Dastan Yelemesovich	13			
Zhaksybekov Anuar Yerkinovich	53			
Salimgereyev Malik Zhanabayevich	23			
Beknazarova Aigul Zhaksykulovna	51			
Khasanov Dauletzhan Kenesovich	30			
Yertlesova Zhannat Dzhurgaliyevna	52	6	7	6
Kuandykov Baltabek Mukhanovich	35	2	1	2
Izbasov Maksim Shafikhovich	18	2	2	2
Ukrasin Igor Aleksandrovich	53	4	6	4

#### General Activities Information for 2019

Managing body	Number of meetings	Issues considered in total	Decisions made
Meeting of the Board of Directors, including:	53	74	74
In-person meetings	4	23	23
Absentee meetings	49	51	51

## Corporate Governance [continued]

### Committees of the Board of Directors | Internal Audit Committee

#### Information on instructions of the Board of Directors adopted at in-person meetings in 2019

Indicator	Number
Total, instructions	10
In progress	10
Accepted for execution	10
Executed	10

## Committees of the Board of Directors

### Internal Audit Committee

#### Members of the Committee

As of December 31, 2019, the Internal Audit Committee of the Board of Directors of Embamunaigas JSC consisted of four Members:

Full name	Title
Yertlesova Zhannat Dzhurgaliyevna	Chairman of the Internal Audit Committee
Ukrasin Igor Aleksandrovich	Member of the Internal Audit Committee
Izbasov Maksim Shafikhovich	Member of the Internal Audit Committee
Tasmagambetova Rysty Nurgaliyevna	Member of the Internal Audit Committee

#### Responsibilities of the Committee

The powers of the Internal Audit Committee of the Board of Directors of Embamunaigas JSC are described in the Regulation on the Internal Audit Committee. The Internal Audit Committee annually analyzes and evaluates the performance of the Committee and its members, including an analysis of the Committee's compliance with this Regulation and provides the information to the Board of Directors.

The Internal Audit Committee gives recommendations to the Board of Directors on

the procedure for the Internal Audit Service, its competence, functions, as well as the size and conditions of remuneration and bonuses for employees of the Internal Audit Service; reviews internal audit reports; monitors the implementation of recommendations of the Internal Audit Service; monitors and controls the performance of internal audit functions and performs other functions.

The Internal Audit Committee of the Board of Directors holds meetings on a regular basis and as necessary.

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### Committees of the Board of Directors | Strategic Planning and Risk Management Committee

Over the year, the Board of Directors considered, among other things, the following issues:

- Review of the 2018 Report of the Internal Audit Service of KazMunayGas NC JSC in respect of Embamunaigas JSC.
- Review of the 2018 Report on the Implementation of Recommendations of the Internal Audit Service of KazMunayGas NC JSC by Embamunaigas JSC.
- Review of the audited annual financial statements of Embamunaigas JSC for 2018.
- Preliminary approval of the financial statements for 2018.
- Preliminary approval of proposals on the procedure for the distribution of the Company's net income and the amount of dividend per one ordinary share of the Company following the results of 2018.
- Approval of functional KPIs of Members of the Management Board of Embamunaigas JSC.
- Report on the Implementation of Recommendations of the Internal Audit Service.
- Approval of the Work Plan of the Internal Audit Service of KazMunayGas NC JSC in respect of Embamunaigas JSC.
- Approval of the Work Plan of the Internal Audit Committee of the Board of Directors of Embamunaigas JSC for the first six months of 2019.

### Strategic Planning and Risk Management Committee

#### Members of the Committee

As of December 31, 2019, the Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaigas JSC consisted of seven Members:

Full name	Title
Ukrasin Igor Aleksandrovich	Chairman of the Strategic Planning and Risk Management Committee
Yertlesova Zhannat Dzhurgaliyevna	Member of the Strategic Planning and Risk Management Committee
Imandosov Aman Galimzhanovich	Member of the Strategic Planning and Risk Management Committee
Uralov Bolatbek Umerbekovich	Member of the Strategic Planning and Risk Management Committee
Yeralina Laura Asanovna	Member of the Strategic Planning and Risk Management Committee
Balzhanov Bauyrzhan Kuspanovich	Member of the Strategic Planning and Risk Management Committee
Balabayev Abat Amantayevich	Member of the Strategic Planning and Risk Management Committee

## Corporate Governance [continued]

### Committees of the Board of Directors | Strategic Planning and Risk Management Committee

#### Responsibilities of the Committee

The powers of the Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaigas JSC are described in the Regulation on the Strategic Planning and Risk Management Committee. The Committee annually analyzes and evaluates the performance of the Committee and its members, including an analysis of the Committee's compliance with this Regulation and provides the information to the Board of Directors.

The Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaigas JSC performs the following functions: considers and approves strategic goals aimed at the development of the Company in the long term; analyzes the concepts, programs and plans for the strategic development of the Company and gives its recommendations to the Board of Directors based on the results of the relevant analysis; prepares recommendations to the Board of Directors on making large transactions; prepares recommendations to the Board of Directors on the management of the Company's assets, and performs other functions.

The competence of the Committee in accordance with the tasks entrusted to it includes consideration of issues related to the management of the Company's risks, such as consideration and approval of the Company's risk management strategy; consideration and coordination of the Risk Management Policy, as well as other internal documents regulating the Company's risk management activities; consideration and discussion of the key risks faced by the Company and the risk appetite (risk appetite statements) of the Company; consideration and approval of reports on monitoring the status of key risks and risk appetite (risk appetite statements) of the Company; analysis of investment projects as for the Company's risk portfolio management;

monitoring of the effectiveness of the risk management system to achieve strategic goals, and other issues.

The Strategic Planning and Risk Management Committee of the Board of Directors holds meetings on a regular basis and as necessary.

Over the year, the Strategic Planning and Risk Management Committee of the Board of Directors considered, among other things, the following issues:

- 2018 Report on the Expected Performance of Key Performance Indicators of Embamunaigas JSC.
- Report on the Review of the Budget and Business Plan.
- Report on the Implementation of the 2018 Key Risk Management Plan, including issues of concern and a list of key risks for 2019.
- Preliminary approval of proposals on the procedure for the distribution of the Company's net income and the amount of dividend per one ordinary share of the Company following the results of 2018.
- Approval of functional KPIs for Members of the Management Board of Embamunaigas JSC.
- Approval of corporate and incentive KPIs for management staff (Members of the Management Board) of Embamunaigas JSC for 2019.
- Approval of the Regulation on the Procedure and Conditions for the Payment of Remuneration Based on the Results of the Year for Members of the Management Board and Managers of Embamunaigas JSC EMG-PO-119-03 in a new edition.
- The Work Plan of the Committee for the first six months of 2019.

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## Corporate Governance [continued]

### Committees of the Board of Directors | **Production and Technical Committee**

#### **Production and Technical Committee**

##### **Members of the Committee**

As of December 31, 2019, the Production and Technical Committee of the Board of Directors of Embamunaigas JSC consisted of five Members:

Full name	Title
Izbasov Maksim Shafikhovich	Chairman of the Production and Technical Committee
Kurmankulov Aidos Zhenisovich	Member of the Production and Technical Committee
Yeleusinov Marat Kairbekovich	Member of the Production and Technical Committee
Kutzhанov Abat Amangeldiyevich	Member of the Production and Technical Committee
Seitkaziyeв Bauyrzhan Adeubayevich	Member of the Production and Technical Committee

##### **Responsibilities of the Committee**

The powers of the Production and Technical Committee of the Board of Directors of Embamunaigas JSC are described in the Regulation on the Production and Technical Committee. The Committee annually analyzes and evaluates the performance of the Committee and its members, including an analysis of the Committee's compliance with this Regulation and provides the information to the Board of Directors.

The Production and Technical Committee of the Board of Directors of Embamunaigas JSC reviews and prepares materials for approval of the annual work program, budget, procurement plan related to the Company's production activities, as well as any changes thereto; analyzes and controls data of the current state of the drilling plan, controls the implementation progress of new drilling methods, techniques, technologies; analyzes data on the development and implementation of plans for the effective development of the fields; analyzes reports on the implementation of the production plan, production operations, collection and transportation of well products, data on the quality

control of work results and process indicators of wells; analyzes the introduction of new programs for the intensification of oil production and optimization of the system to maintain reservoir pressure, and performs other functions.

The Production and Technical Committee of the Board of Directors holds meetings on a regular basis and as necessary.

Over the year, the Board of Directors considered, among other things, the following issues:

- Approval of the adjustment of the Budget of Embamunaigas JSC.
- Report on the Review of the Budget and Business Plan.
- Smart Field Project.
- Report on the Company's Performance for 9 months of 2019 and expected results for 2019.
- Report on the Company's Occupational Safety and Environmental Protection for 9 months of 2019 and the expected results for 2019.
- Report on the Activities of the Internal Audit Service of KazMunayGas NC JSC in respect of Embamunaigas JSC.

## Corporate Governance [continued]

### Management Board | Changes in the Management Board

- Preliminary approval of the financial statements for 2018.
- Preliminary approval of proposals on the procedure for the distribution of the Company's net income and the amount of dividend per one ordinary share of the Company following the results of 2018.
- Approval of functional KPIs for Members of the Management Board of Embamunaigas JSC.
- Work Plan of the Committee for the first six months of 2019.

## Management Board

### Changes in the Management Board

On the basis of decisions of the Board of Directors of Embamunaigas JSC, the powers of Gabdullin Aibolat Gizatovich as a member of the Management Board of Embamunaigas JSC were terminated due to reaching retirement age; powers of Makashev Ruslan Beksultanovich and Balzhanov Bauyrzhan Kusanovich as members

of the Management Board of Embamunaigas JSC were early terminated.

Kasymgaliyev Kanatbek Makhmudovich and Tokmurziyev Askar Adilbekovich were elected as Members of the Management Board.

Management Board as of December 31, 2019:

Full name	Title
Zhaksybekov Anuar Yerkinovich	Chairman of the Management Board
Kasymgaliyev Kanatbek Makhmudovich	Deputy Chairman of the Management Board on Production
Tasmagambetova Rysty Nurgaliyevna	Deputy Chairman of the Management Board on Economics and Finance
Adilbekov Kairat Adilbekovich	Deputy Chairman of the Board on Geology and Development
Nakpayev Salimzhan Zhumashevich	Deputy Chairman of the Management Board on General Affairs
Tokmurziyev Askar Adilbekovich	Director of Legal Department

Starting January 16, 2020, Kayirzhan Yesen was appointed Chairman of the Management Board of of KazMunayGas NC JSC by the decision of

the Board of Directors, instead of Zhaksybekov Anuar Yerkinovich who had vacated his post.

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## Corporate Governance [continued]

### Management Board | **Members of the Management Board**



#### **Esen Kairzhan**

**Starting January 16, 2020, Chairman of the Management Board of Embamunaigas JSC**

In 1985 he graduated from the V.I. Lenin Kazakh Polytechnic Institute majoring in Machinery and Equipment of Oil and Gas Fields. In 2000 he graduated from the V.P. Goryachkin Moscow State Agroengineering University majoring in Business Economics and Management. In 2012 he graduated from the State Educational Institution of Higher Vocational Education of the Academy of National Economy attached to RF Government, MBA in Management – International Business majoring in Master of Business Administration.

- From 1985 to 1992 – Breakdown Mechanic, Engineer, Senior Engineer, Zhetybaineft OGPO, Mangyshlakneft Union.
- From 1992 to 1994 – Rigging-Up Operations Foreman, Mangyshlak Rig Building Office.
- From 1994 to 1995 – Deputy Production Services Base Officer, Yuzhneftegas JSC, Kyzylorda.
- From 1995 to 2002 – Deputy General Director, Kumkol-Lukoil JSC.
- From 2002 to April 2016 – Deputy General Director, General Director, Turgai Petroleum JSC.
- From April 2016 to July 2017 – President, Karazhanbasmunay JSC.
- From July 2017 to November 2018 – Senior Deputy General Director, General Director Kazgermunai JV LLP.
- From November 2018 to January 2020 – Managing Director for Procurement and Supplies, NC KazMunayGas JSC.
- Since January 16, 2020 – Chairman of the Management Board of Embamunaigas JSC.

#### **Honors and awards**

He was awarded “Yeren Yenbegi Ushin”, “Qurmet” and “Atameken” orders, “20 years of independence of the Republic of Kazakhstan” anniversary medal, “20 years of Turgai Petroleum JSC” commemorative medal, as well as a number of letters of acknowledgment and certificates of merit, including a Letter of Acknowledgment from the Chairman of the Committee on the Protection of Children’s Rights of the RoK MES, Letter of Acknowledgment from N.A. Nazarbayev, President of the Republic of Kazakhstan, Certificate of honor of the RoK Federation of Trade Unions.

## Corporate Governance [continued]

### Management Board | Members of the Management Board

#### Zhaksybekov Anuar Yerkinovich

**Chairman of the Management Board of Embamunaigas JSC up to January, 16, 2020**

In 1993, he graduated from the Patrice Lumumba Peoples' Friendship University (Moscow), with a degree in Geology and Exploration of Oil and Gas Fields.

He started his career as an operator for oil and gas production at the Baichunas Oil and Gas Production Office ("OGPO") of Dossorneft of Kazakhoil Emba OJSC. After serving in the Red Banner Northern Fleet of the Marine Corps (1983–1985) he continued working as an operator at the Karsak oil and gas production workshop.

- After graduation later he was a district geologist at the Atyrau Drilling Operations Department, a leading geologist, a deputy head of the oil recovery and well overhaul section in Makat District of Kazakhoil Emba OJSC.
- In 1999, he was appointed Chief Geologist at Makatneft OGPO of Kazakhoil Emba OJSC.
- In 2000–2004 he was invited to Kazakhoil NC JSC to the position of Chief Engineer of the Department of Production Management of Kazakhoil NC JSC. He worked as Chief Engineer, Manager, Deputy Director of the Geology and Development Department, Director of the Geology Department.
- From 2004 to 2009, he headed the Department of Geology and Geophysics of the Geological and Technological Service, Director of the Department of Geology, Geophysics and Reservoirs of the Exploration and Production Unit of KazMunayGas NC JSC.
- In 2009–2013, he was appointed as an exploration manager from KazMunayGas NC JSC at the founded N Operating Company LLP, Chairman of the Technical Subcommittee for Geological Exploration.
- In February 2013, he was appointed Deputy Director General for Geology and Development of KazMunayGas Exploration Production JSC, Chairman of the Technical Committee for Exploration, Chairman of the Supervisory Board of Exploration Assets of KMG EP JSC. He supervised joint ventures with the participation of KazMunayGas Exploration Production JSC, such as UralOilGas JV, interest with Chinese FIOC and Hungarian MOL, Karpovsky North JV.
- In 2013–2015, he was appointed Deputy Director General for Prospective Projects of Kashagan B.V. PCLLB.
- Since September 2015, he has been Deputy Director General for New Projects and Technologies at Embamunaigas JSC.
- From April 24, 2017 to January 16, 2020 – Chairman of the Management Board of Embamunaigas JSC.



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## Corporate Governance [continued]

### Management Board | **Members of the Management Board**

#### **Honors and awards**

He was awarded the Certificate of Merit of the USSR Ministry of Petroleum Industry; Certificate of Merit of KazMunayGas NC JSC; Certificate of Merit of Samruk-Kazyna NWF JSC; Letter of Acknowledgment of the Committee of Geology and Mineral Protection of MEMR RK; Badge of Honor of the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan “The 90<sup>th</sup> Anniversary of Makat field”; Badge of Honor of the Ministry of Oil and Gas of the Republic of Kazakhstan “The 100<sup>th</sup> Anniversary of the Dossor Field” (2011); “The 50<sup>th</sup> Anniversary of Prorva field”; a diploma and a badge “Honored Explorer of the Republic of Kazakhstan” of the Ministry of Industry and New Technologies of the Republic of Kazakhstan (2012); the medal “For the Contribution to the Development of the Oil and Gas Industry of the Republic of Kazakhstan” of the Ministry of Oil and Gas of the Republic of Kazakhstan (2014); Letter of appreciation from Akim of Atyrau region to the 25<sup>th</sup> anniversary of independence of the Republic of Kazakhstan (2016), a commemorative medal of the Ministry of Energy of the Republic of Kazakhstan “The 95<sup>th</sup> Anniversary of Embamunaigas JSC” (2017), “Qurmet” order (2017), “Qazaqstan munayyna 120 zhyl” anniversary medal (2019), “Atyrau oblysy maslikattaryna 25 zhyl” anniversary medal (2019), Honorary citizen of Makat region (2019), Letter of appreciation from the Akim of Kyzylkoginskiy region (2019).



#### **Kasymgaliyev Kanatbek Makhmudovich**

**Deputy Chairman of the Management Board on Production,  
Member of the Management Board**

Kanatbek Makhmudovich in 2001 graduated from I.M. Gubkin Oil and Gas University majoring in “Development and operation of oil and gas fields”.

In 2014, he mastered the Master of Business Administration program majoring in “Oil and Gas Business Management” developed by the I. Gubkin Russian State University of Oil and Gas jointly with “Samruk-Kazyna” Corporate University.

He started his career in 2001 as oil and gas production operator at Karaton field, OGPU Teren-Uzek, OGPO Kulsarymunaigas. He worked as technologist in OGPU Teren-Uzek, OGPO Kulsarymunaigas, deputy head of production and technology service, chief iengineer in OGPP

## Corporate Governance [continued]

### Management Board | Members of the Management Board

Zhylyoimunaigas, oil and gas production department manager, oil and gas production department director of Embamunaigas JSC, head of OGPU Zhylyoimunaigas, deputy production general director of Embamunaigas JSC, deputy Chairman of the Management Board on exploration and production of Embamunaigas JSC.

From September 2017 to August 2018 he held the position of Managing Director on development of Embamunaigas JSC. From August 2018 to August 2019 he served as oil and gas production department director of KMG NC.

#### Honors and awards

He was awarded with Certificates of Merit of Embamunaigas MC, Certificate of Merit of the RoK Ministry of Oil and Gas (2012), badge "Prorva oil: 50 years" (2013), anniversary medal from the RoK Ministry of Energy "Embamunaigas JSC: 95 years" (2017), "Qazaqstan munayyna 120 zhyl" anniversary medal (2019)

### Tasmagambetova Rysty Nurgaliyevna

**Deputy Chairman of the Management Board on Economics and Finance, Member of the Management Board**

Rysty Nurgaliyevna has two college degrees. In 1986 she graduated from A.S. Pushkin Ural Pedagogical Institute majoring in History and Pedagogy, in 2002 – Atyrau University of Oil and Gas majoring in Enterprise Economics and Management.

In 2014, she graduated from the Russian Presidential Academy of National Economy and Public Administration, majoring in MBA: International Business, qualification – Master of Business Administration.

Over the years of her career, she held the following management positions: Director of representative office of the research and production company EITEK (Moscow), Director of Atyrau Oil Corporation LLP, CFO of the Caspian Commercial Center LTD, Deputy General Director on Economics and Finance of KMG-Zhayik LLP.

From June 2009 to September 2012, she served as Deputy Director for Economics and Finance of Embamunaigas MC, KazMunayGas Exploration Production JSC.



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## Corporate Governance [continued]

### Management Board | **Members of the Management Board**

#### **Honors and awards**

She was awarded with “100 years of Dossor field” commemorative token (2011); Certificate of Merit of KazMunayGas EP JSC (2012); “50 years of Prorva Field” medal (2013), Certificate of Merit of Samruk-Kazyna NWF (2014), Certificate of Merit of KazMunayGas EP JSC (2014) and KAZENERGY (2015), anniversary medal of the Ministry of Energy of the Republic of Kazakhstan “The 95<sup>th</sup> Anniversary of Embamunaigas JSC” (2017), KAZENERGY medal (2018), Letter of appreciation from the Chairman of the Management Board of KazMunayGas NC JSC (2019), “Qazaqstan munayyna 120 zhy!” anniversary medal (2019).



#### **Adilbekov Kairat Adilbekovich**

**Deputy Chairman of the Management Board on Exploration,  
Member of the Management Board**

He graduated from I.M. Gubkin Moscow Institute of Petrochemical and Gas Industry majoring in Geology and Exploration of Oil and Gas Fields.

After graduation from the Institute, he started his career as a well testing operator at the Ural Oil and Gas Exploration Expedition of Uralskneftegazgeologia PGA.

In 1985–1993, he worked as a Senior Geologist, a Leading Geologist, Head of the Oil and Gas Reserves Estimation Party, a Chief Geologist of the Research Methodical Expedition, and Head of the Oil Extraction Operations Department at Uralskneftegazgeologia PGA. He participated in the exploration and estimation of hydrocarbon reserves of the Karachaganak oil and gas condensate field (in 1985 and 1988) and the Teplov-Tokarev Group of Fields (in 1991) and defense thereof at the State Reserves Commission of the USSR.

From 1993 to 2001, he held various management positions in commercial and consulting companies. From 2001 to 2005, he was the Coordinator of the Reserve Reestimation Project, Head of the Field Development Department at Tengizchevroil LLP. He coordinated preparation, coordination and approval of the reserves reestimation reports and process workflows for the development of the Tengiz (in 2002) and Korolev (in 2004) oil fields.

From 2005 to 2014, he served as Branch Manager, Deputy General Director for Development – Chief Geologist of Kozhan LLP, Technical Director of Kazakhstan Branch of Jupiter Energy Pte. Ltd. and Director of Azatpetrotrans LLP.

## Corporate Governance [continued]

### Management Board | Members of the Management Board

Since August 2014, he has been Director of the Department of Geology and Geophysics of Embamunaigas JSC.

Since September 2015, he has been Deputy General Director for Geological Exploration of Embamunaigas JSC. He is an independent expert of the State Commission on Mineral Reserves of the Republic of Kazakhstan (SCR RK).

#### Honors and awards

He was awarded with the badge “Excellent Subsoil Explorer of the Republic of Kazakhstan”; Certificate of Merit of Ural Oil and Gas Exploration Expedition (1986); Certificate of Merit of the Central Committee of the Leninist Young Communist League of Kazakhstan (1987); Certificate of Merit dedicated to the 70<sup>th</sup> anniversary of Great October Revolution Ural Oil and Gas Exploration Expedition (1987); Certificate of Merit dedicated into the Geologist Day of Ural Oil and Gas Exploration Expedition (1989); commemorative medal of the Ministry of Energy of the Republic of Kazakhstan “The 95<sup>th</sup> Anniversary of Embamunaigas JSC” (2017), “Qazaqstan munayyna 120 zhyl” anniversary medal (2019).

### Nakpayev Salimzhan Zhumashevich

#### Deputy Chairman of the Management Board on General Affairs, Member of the Management Board

He graduated from Almaty Institute of National Economy (1991) as an Economist and Atyrau Institute of Oil and Gas (2004) as a Mining Engineer.

He started his career as a process compressor operator in the Makat Line Production Department (1983). He was a specialist, senior economist at the Planning and Economic Commission of the Makat Regional Executive Committee.

In 1992–1995, he was Chairman of the Maksat small enterprise. Over the years, he held the positions of Akim of Makat, Zhylyoi Districts, Head of the Atyrau Region Akim Office, Atyrau Akim, Community Relations Manager of Agip KCO, Deputy Akim of Atyrau Region.

Since July 2018, he has held the position of Deputy Chairman of the Management Board on General Affairs of Embamunaigas JSC.



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## Corporate Governance [continued]

### Management Board | **Members of the Management Board**

#### **Honors and awards**

He was awarded with the commemorative medal “The 10<sup>th</sup> Anniversary of Independence of the Republic of Kazakhstan” (2001); “The 10<sup>th</sup> Anniversary of the Constitution of Kazakhstan” (2005); “Qurmet” order (2005); commemorative medal “The 10<sup>th</sup> Anniversary of Astana” (2008); “Atyrau oblysy maslikattaryna 25 zhyl” anniversary medal (2019); “Qazaqstan munayyna 120 zhyl” anniversary medal (2019).



#### **Tokmurziyev Askar Adilbekovich**

**Director of the Legal Department, Member of the Management Board**

In 2008, Askar Adilbekovich graduated from the Kazakh Humanitarian Law University with a degree in Law.

2008–2009 – lawyer at MANDARIN LTD LLP

2010–2013 – lawyer at Tulpar LLP, Bastau-S LLP

2013 – 2016 – legal adviser at Kazgermunai JV LLP

2016–2017 – lead legal adviser at Kazgermunai JV LLP

In 2017–2019, he was head of the legal support service of the Legal Department of Kazgermunai JV LLP.

Since November 2019 – Director of the Legal Department of Embamunaigas JSC.

## Corporate Governance [continued]

### Management Board | Performance Report of the Management Board

#### Performance Report of the Management Board

The powers of the Chairman of the Management Board of the Company are described in Articles of Association of Embamunaigas JSC.

The Management Board is the executive body and guides the daily operations of the Company. In 2019, 20 meetings of the Management Board were held on a regular basis and as required.

In 2019, the Management Board considered, inter alia, the following most important issues related to the Company's operating activities:

- Making transactions with Embamunaigas JSC's interest of up to 500 mln KZT.
- Approval of the Production Program of Embamunaigas JSC.
- Allocation of funds for student training (Kazakhstani specialists).
- Arrangement of dual training.
- Approval of the list of priority GWS procurement for 2020.
- Provision of social, charitable assistance to socially vulnerable groups of the population.
- Payment of the quarter bonus to the management staff in 2019 (except for Members of the Management Board and Corporate Secretary) of Embamunaigas JSC.
- Approval of staffing tables for employees of production structural units of Embamunaigas JSC.
- Approval of KPIs for managers of structural units of the management staff and production structural units of Embamunaigas JSC.
- Payment of financial aid to retired employees of Embamunaigas JSC.

Besides that, the following documents were considered:

- Rules for planning, organizing and conducting procurement of goods, works and services.
- Rules for energy planning, analysis and determination of energy performance indicators.
- Rules for planning and conducting audits.
- Rules for providing material assistance to employees of Embamunaigas JSC.
- Pre-approval of the Regulation on risk appetite, risk limits, and tolerance levels.
- Pre-approval of the Regulation on key risk indicators.
- Regulation on the business ethics commission of Embamunaigas JSC.
- Procedure for organizing wells routine repair and overhaul.
- Methodology for the operational oil accounting.
- Rules for crisis management communications.
- Pre-approval of Regulation on procedure and conditions for payment of remuneration based on the results of work for the year to Members of the Management Board and management staff of Embamunaigas JSC.
- Procedure for budget performance control.

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## Corporate Governance [continued]

### Internal Audit

#### Employment Contracts of Members of the Management Board

All Members of the Management Board have entered into employment contracts with the Company, under which they are generally provided with accident insurance during travels and reimbursement of expenses during business trips in accordance with the internal rules of the Company.

Save as aforesaid, any other employment contracts are not made and are not expected to be made between the Company and the Members of the Management Board.

#### Liability for the Report reliability

The Company's officials are liable for the reliability of the data in the Company's Annual Report.

### Internal Audit

The Audit and Assets Department is tasked with providing the Company's management with independent and unbiased information, advising on control and corporate governance, as well as submitting analytical reports and recommendations on how to improve existing procedures.

In carrying out its activities, A&AD is guided by norms of the current legislation of the Republic of Kazakhstan, the Articles of Association, relevant decisions of the Management Board, job descriptions and other internal documents of the Company that determine the procedure for its activities.

A&AD reports to the Chairman of the Management Board, which sets strategic directions and coordinates the work that determines the A&AD working procedures.

A&AD makes up an audit work plan for the year to be approved by the Chairman of the Company's Management Board.

In accordance with the approved work plan and tasks of the Company's management, A&AD audits any functions, operations and all types of

the Company's activities and, in close cooperation with managers at all levels, contributes to the improvement of control and corporate governance systems and solves the following tasks:

- assessing compliance of existing procedures and operations performed by the Company's SU/PSU with the current legislation and internal documents;
- assessing the state of internal control systems and procedures carried out in the process of preparing SU/PSU information and reporting;
- assessing effectiveness of operations and procedures carried out by SU/PSU and the Company's employees.

According to the A&AD work plan, a total of 4 audits were planned for Embamunaigas JSC, in fact 6 audits (2 unscheduled audits) were conducted, all audits were conducted in a timely manner.

Following the results of audits, 22 recommendations were submitted, 19 recommendations were implemented in a timely manner, deadline for implementation of 3 recommendations expires in 2020.

# Corporate Governance [continued]

## Risk Management

### Risk Management

The Company's Risk Management Strategy is aimed at ensuring the strategic and operational sustainability of the business, which is achieved through timely risk identification and assessment and proactive risk management, taking into account the Company's risk appetite, ensuring communication and coordination of employees at various levels.

The Company's Risk Management System is a set of interrelated elements combined into a single process, where the Board of Directors, management and employees, each at their own level, participate in identifying potential events that may affect the Company's business.

The risk management process is directly interconnected with and integrated into the processes of strategic planning, production and budget planning, investment activities and incentive system.

The risk management process in the Company is constant, cyclical (continuous), multidirectional and consists of the following components:

- goal setting;
- risk identification;
- risk assessment;
- risk control and management;
- monitoring;
- reporting.

The Company's Risk Management System operates with regard to the risk portfolio of the oil and gas production offices (OGPO) and other subsidiary offices of Embamunaigas JSC.

In 2018, during the works on risk identification, a risk register was compiled with an indication of the causes of risks and consequences of their realisation; in addition, a list of the most significant risks was identified, which includes both production and non-production risks. The Board of Directors reviewed and approved a list of 10 key risks, as well as an action plan for their management.

In order to ensure proper risk management, risks are insured in accordance with the Company's Insurance Coverage Policy. In addition to the mandatory types of insurance in accordance with the best international practices, the Company provides the insurance against property risks, risks of wells getting out of control as well as general third-party liability insurance.

In addition, since 2018, in line with the implementation of the project management system in the Company, a Project Committee has been established to review the Company's project portfolio. One of the main prerogatives of project management is risk management of the entire portfolio of projects, which allows identifying events that may affect the project.

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### Key Groups of Risks



#### Operational risks

Operational risks include risks associated with the Company's operating activities and business processes, which depend on internal factors, such as personnel, financial assets, production technologies, management technologies, information technologies and fixed assets.



#### Business risks

Business risks are risks associated with the business environment where the Company operates. The business environment is determined by external factors, such as the state, competitors, contractors, investors, owners, and the media. External factors can also include changes in the economic environment, availability and accessibility of monetary resources, political factors, changes in the legal environment, changes in the socio-cultural environment, and process factors. Business risks are less manageable and most material ones, and the Company takes reasonable steps to minimize such risks.



#### Project risks

Project risks are uncertain events or conditions, which, if any of them occurs, have an impact (positive or negative) on at least one of the project objectives, such as terms, cost, scope or quality.



