

COMPLIANCE SERVICE

KMG conducts its business in a fair, honest and transparent manner while also paying special attention to the observance of these principles by our employees and partners. To this end, the Company has in place the Code of Business Ethics, Anti-Corruption Policy, Confidential Informing Policy, Conflict of Interest Policy, Counterparty Due Diligence Policy and Internal Control Rules for Granting Access Rights to Insider Information and Preventing Information Misuse by Insiders. In addition to the drafting of internal documents, KMG implements timely measures to ensure compliance with new anti-corruption laws and regulations. In 2022, KMG closely focused on strengthening its culture of compliance and looking into the trends affecting compliance processes.

In order to meet the standards of business conduct and ethics, KMG updated existing and developed new internal documents on compliance. In 2022, amendments were made to the Anti-Corruption Policy and the Confidential Informing Policy. The amendments related to the personal liability of the Chairman and Deputy Chairmen of the Management Board for corruption offences committed by their direct subordinates and responsibility to submit investigation materials

on received reports indicating criminal or administrative offences to authorised law enforcement bodies.

KMG is committed to the best global practices in corporate governance and focuses on continuous improvement of its corporate standards. The Company approved the Securities Transaction Policy.

Reporting tools

In order to support the respect for employee rights, we provide confidential and accessible means of real-time reporting of all unlawful acts both by employees and third parties. All reports, including anonymous ones, are received and processed by operators and then forwarded to KMG's Compliance Service, which ensures their professional and confidential review. In 2022, our Hotline received 109 reports, including 68 reports on bribery, corruption or inefficient use of funds, including procurement, theft or embezzlement, improperly receiving gifts or other benefits by an employee; 41 reports on unequal terms of employment and working conditions, including improper hiring, promotion, dismissal of an employee, labour conflicts, unethical behaviour. Of the reports received, 22 or 21%, were confirmed. On a quarterly basis, the Compliance

Service provides information to the Audit Committee and KMG's Board of Directors on the results of reviewing the received reports, on the measures taken to eliminate the issues, as well as measures taken by the management to prevent violations. The Company saw a 43.4% increase in the number of reports year-on-year. The dynamics of incoming reports to the Hotline demonstrates the growing confidence of stakeholders in this tool. The Company actively seeks to encourage employees and other persons to report any issues via the Hotline.

Compliance training and professional development

As part of promoting high ethical standards of business conduct and zero tolerance for any form of corruption and as part of cooperation with the authorised body (Anti-corruption Agency of the Republic of Kazakhstan), the Company participated in the Improving Business Integrity in Kazakhstan's Business Sector conference and in the International Standards and Measures for Corruption Prevention conference featuring participants from other countries. Similar events were also held in the regions. For example, in July and October a meeting was held between the Aktobe

Region's Department of the Anti-corruption Agency and the Prevention Service of the Anti-corruption Agency with the staff of Kazakhturkmunay. In November, a meeting was organised for employees of the Pavlodar Refinery with the head of the Prevention and Integrity Division of the Anti-Corruption Agency's Department for the Pavlodar Region. In October, KPI and Atyrau Refinery attended a forum on the role of compliance function in protecting the business reputation of government agencies and major companies organised by the Anti-Corruption Service of the Atyrau Region. At the end of the event, heads of Atyrau Refinery, Safi Utebayev University of Oil and Gas and the Anti-Corruption Service of the Atyrau Region signed a trilateral agreement on cooperation to improve compliance functions in the Atyrau Region.

In order to boost the performance of KMG's Compliance Service and its subsidiaries and associates, as well as to strengthen the Company's controls and to combat corruption and fraud, Anti-Corruption Compliance, Sanctions Compliance webinars and the Compliance and Security Forum supported by the Association of Compliance and Business Ethics were held in 2022 for KMG Group's compliance personnel.

In order to exercise control over access rights for insider information and prevent misuse of such information by insiders, a workshop on the topic of Insider Information: Regulation and Liability of the Company and its Insider Employees was held for KMG's staff.

Since 2020, the Company requires employees across the board to declare any conflicts of interest. This contributes to the efficiency of conflict of interest management and helps define the requirements for employee conduct to minimise the risks of decision-making affected by personal interests and connections.

The Compliance Service supports the development of professional competencies and expertise of KMG Group's compliance officers. Today, our compliance teams include holders of internationally acclaimed certificates from the Association of Certified Fraud Examiners and the International Compliance Association and their number keeps growing.

In addition, KMG's Compliance team received a special award from the head of Samruk-Kazyna's Compliance Service in 2022.

To sum up the results of KMG's activities in this realm, we can definitely state that in 2022

the Company's management demonstrated understanding that the speed of decision-making, speed of change and innovation is the key driver behind its success and prosperity in today's environment. This is confirmed by the fact that when Sustainalytics assigned an ESG rating to KMG, gave the highest score (out of a possible 100) to its corruption risk management and noted the high level of anti-bribery and anti-corruption policies.

Thus, our efforts in the area of compliance, as well as the high score from Sustainalytics, demonstrate the Company's conformity to the requirements of Kazakhstan's anti-corruption legislation and the expediency in the organisation and implementation of compliance risk monitoring.