

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. When preparing the Ombudsman's annual report to the Board of Directors, KMG's Ombudsman Office makes suggestions for addressing systemic issues. The Ombudsman's objectives are:

- collecting and analysing information on the local social environment, developing systemic prevention and response measures to eliminate social tensions;

- assessing the development of situation in the regions of KMG's operation and developing specific solutions for and recommendations on issues based on the results of the assessment.

After their appointment in July 2022, KMG's Ombudsman met with the management, heads of departments and representatives of trade unions of KMG subsidiaries and associates – Ozenmunaigas, Karazhanbasmunai, Kazakhoil Aktobe in order to learn about the requirements of the Code of Business Ethics, their own functions and objectives.

In accordance with the Regulations on the Ombudsman Office approved by a resolution of KMG's Board of Directors of 19 September 2019, the Ombudsman Office organised work on reviewing, registering reports, including via the Hotline. In 2022, the Ombudsman reviewed five reports.

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 addition, social tensions and unrest at Karazhanbasmunai and KMG-Kumkol were prevented.

The main reasons for reporting to the Ombudsman Office are:

- violation of the standards of KMG's Code of Business Ethics;
- discrimination and rude treatment of subordinates by the management.

In 2022, KMG received 226 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:

1. acquiring high-quality audit services for financial statements and related services;
2. ensuring transparency of the selection process, control and responsibility for the decisions made;
3. 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

When the external auditor provides non-audit consulting services, the external auditor is required to obtain approval from the Audit Committee to do so. 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. According to the Auditor Engagement Policy, the share of fees for non-audit

services may not exceed 50% of the total cost of audit services provided by the external auditor. Non-audit services rendered by an external auditor in 2022 amounted to 2.1% 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.