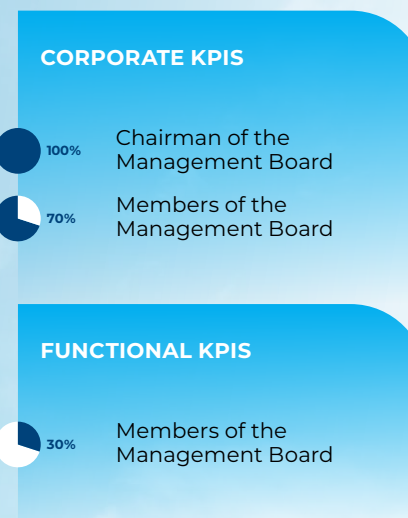


KPI SYSTEM

Weights of corporate and functional KPIs for the final performance evaluation of the Management Board



The performance evaluation system is among the Company's strategic and day-to-day management tools to ensure that the Company's business processes are aligned with its strategic goals.

The KPI system relies on the following principles:

- a balanced approach where production, financial and economic KPIs come along with sustainability and ESG KPIs;
- a top-down approach with the breakdown of strategic KPIs into operational KPIs and the top-down cascading of strategic KPIs through the organisational structure and by type of activity.

Corporate KPIs are the same for all employees and are based on KMG's priorities for the reporting period. Functional KPIs are individual KPIs of the Company's Management Board members and are based on their individual strategic targets.

KPIs and targets for members of KMG's Management Board are approved annually by KMG's Board of Directors. Performance evaluation for awarding bonuses is carried out after the Company has analysed its financial and economic results for the reporting year.

Corporate KPIs for 2022 were developed based on the sustained need for the management to focus on operational efficiency improvements and on ESG aspects of the Company's operations.

PERFORMANCE UNDER INVESTMENT PROJECTS

Investment portfolio overview

In line with the KMG Development Strategy for 2022–2031, the Company's investment portfolio includes projects both in conventional areas (exploration, transportation and refining of oil) and new realms (petrochemicals and sustainability). KMG is also considering new projects

with a focus on alternative energy and reduction of carbon footprint across its existing operating assets. Sources of project financing are determined on a case-by-case basis, with the Company relying insofar as possible on its own funds and raising debt solely for certain new projects.

To improve investment and financial discipline, KMG seeks to raise debt mostly at the project level with the lowest recourse to the Company.

In 2022, the investment portfolio totalled KZT 47.030 bln, including KZT 16.713 bln attributable to KMG.

Performance against corporate KPIs in 2022

Nº	KPI	Unit	Actual ¹
1	Oil and gas condensate production ²	thous. tonnes	22.012
2	Free Cash Flow (FCF) ³	KZT bln	1.116
3	Lost Time Incident Rate (LTIR)	Ratio	0.36
4	ESG risk rating	Rating	28.4
5	Preparation for IPO	%	100
6	Performance under investment projects	%	60

Performance against KMG corporate KPIs in 2021

Nº	KPI	Unit	Actual
1	Performance under investment projects	%	43
2	Operational efficiency improvement	%	98
3	FCF available for development and distribution as dividends ⁴	KZT bln	-31
4	Net Asset Value (NAV) ⁵	KZT bln	10.255
5	Debt/EBITDA ⁶	Ratio	2.4
6	ESG rating	Rating	72
7	Local content across KMG Group ⁷	%	78

1 — The final approval by the KMG Board of Directors of the actual values for 2022 is expected in July 2023, and therefore the values indicated in the table may be slightly adjusted.
 2 — KMG Kashagan B.V.'s oil and gas production volumes are included at 50% until 15 September 2022 and 100% after 15 September 2022.
 3 — Free Cash Flow = Net cash flow from operating activities minus Purchase of property, plant and equipment, intangible assets, investment property and exploration and evaluation assets. Dividends received from JVs and associates are included in cash flow from operating activities.
 4 — Cash flow from operating activities (excluding joint ventures and associates) less maintenance CAPEX
 5 — On November 9, 2021, KMG transferred 100% of the shares of QazaqGaz NC JSC in favor of Samruk-Kazyna JSC. Therefore, QazaqGaz NC JSC was excluded from the consolidation perimeter. However, the actual figure includes QazaqGaz NC.
 6 — As per approved methodology of JSC Samruk-Kazyna.
 7 — A composite indicator reflecting performance against local content targets set across KMG Group.

Oil and gas exploration and production

In 2022, in order to strengthen the investment case for the country's oil and gas industry, the Government of Kazakhstan together with foreign investors and KMG developed an improved model contract offering a number of regulatory and fiscal benefits for complex projects that require additional support (new complex onshore, offshore and gas projects). In December 2022, the President of Kazakhstan signed a relevant set of amendments to the national Code on Subsoil and Subsoil Use and Tax Code. These amendments will impact several KMG's projects helping intensify work both on the Caspian Sea shelf and on a number of complex and gas projects onshore.

In early December 2022, the Company launched the mobilisation stage and commenced the drilling of a 3.300 m deep exploration well for the Zhenis block in Kazakhstan's part of the Caspian Sea. We expect to complete the drilling in 2023.

Портфель инвестиционных проектов

Project type	Total investment portfolio, KZT bln	Share of investment portfolio attributable to KMG, KZT bln
Oil and gas exploration and production	39.809	12.058
Infrastructure projects	371	371
Oil transportation	410	149
Refining and marketing of oil products	208	123
Petrochemicals	6.096	3.926
Other	137	86
Total	47.030	16.713

In early 2023, the Company signed a subsoil use contract for the Kalamkas-Sea-Khazar-Auezov block, which has proven reserves. The next step is to agree on the field development concept with LUKOIL, our partner.

KMG also conducts active onshore exploration. In 2022, we proceeded with preparations to drill an exploration well for the Turgai Palaeozoic block, with plans to drill a 5.500 m deep well there in 2023.