

within the framework of improvement of corporate governance, and some direct activities of the unit were postponed due to insufficient resources. Activities on development of an induction and succession planning programme in relation to the Corporate Secretary are included in the Corporate Secretary Service's work plan for 2021.

In line with item 7 of Chapter 6 of Section 2 of the Code "The Board of Directors in cooperation with the Audit Committee are responsible for annual assessment of risk management and internal control system's efficiency."

This requirement of the Code was generally complied with in KMG during the reporting period. In accordance with Section 6.2.7 of the Policy on the Corporate Risk Management System of JSC NC "KazMunayGas" and its subsidiaries and affiliates approved by resolution of the Board of Directors of KMG dated 13 December 2016 (Minutes No. 17/2016), the Internal Audit Service of KMG assesses the effectiveness of the risk management process, notifies the Board of Directors of KMG of significant deficiencies in the corporate risk management system of KMG, and develops recommendations for improving the risk management process. As part of the ongoing monitoring of the implementation of KMG's Internal Audit Service recommendations, from December 21, 2020 to January 22, 2021 a post-audit was carried out on the results of the audit of the risk management process of KMG and its subsidiaries and affiliates conducted in 2016.

## MAJOR AND INTERESTED-PARTY TRANSACTIONS

### MAJOR TRANSACTIONS<sup>1</sup>

In the reporting period, no transactions recognised as major transactions under the Law of the Republic of Kazakhstan On Joint Stock Companies and KMG's internal documents were made by the Board of Directors or the General Shareholders' Meeting.

### INTERESTED PARTY TRANSACTIONS<sup>2</sup>

In the reporting period, no transactions recognised as interested party transactions under the Law of the Republic of Kazakhstan On Joint Stock Companies and KMG's internal documents were made by the Board of Directors or the General Shareholders' Meeting. In the second half of 2020, KMG made an interested party transaction whose terms remain a trade secret.

<sup>1</sup> In accordance with the Law On Joint-Stock Companies of the Republic of Kazakhstan, a major transaction is a transaction or a series of interrelated transactions resulting in the (potential) acquisition or disposal of property by a company, the value of which amounts to twenty-five percent or more of the total book value of such company's assets

<sup>2</sup> In accordance with the Law On Joint Stock Companies of the Republic of Kazakhstan, interested-party transactions are transactions resulting in the acquisition or disposal of property that values ten percent or more of the total book value of the company's assets