

Succession planning for the Board of Directors, induction and development

The Company has developed the Succession Policy and Succession Plan for Members of KMG's Board of Directors. A meeting of the Nomination and Remuneration Committee has resolved to review these documents based on the Board of Directors' performance evaluation.

KMG has in place an Induction Programme for new members of its Board of Directors, approved by the Board of Directors in 2017. In June 2020, the Board of Directors resolved to supplement the Programme with the requirement to hold meetings with heads of the Company's functional units, as well as meetings with Board Committee chairs. The Corporate Secretary monitors the Programme implementation, i.e. the actual completion of all relevant procedures by new members of the Board of Directors. During 2020, P.M. Holland and T.G. Miller, new members of the Board of Directors, completed the induction procedure in line with the Programme. As per their request, meetings with heads of the Company's functional units were arranged for them. In addition, Chairman of the Board of Directors C.J. Walton held a conference call with new members of the Board of Directors to discuss the Programme's organisational aspects.

Members of the Board of Directors continuously improve their qualifications and provide information about completed trainings to be posted on the Company's website¹.

of the Board members' self-evaluation results and a review of the skills and competencies scored below four points (out of a maximum of five) (the "Areas for Improvement"). Therefore, relevant amendments to the Detailed Action Plan to Improve Corporate Governance at KMG for 2019–2020 (the "Corporate Governance Plan") were developed and approved to enhance the performance of the Board of Directors in the Areas for Improvement.

The meeting of the Nomination and Remuneration Committee held on 8 December 2020 considered the results of the 2020 performance self-evaluation, with the Corporate Secretary presenting information on the progress of the Corporate Governance Plan in 2019.

In Q1 2021, the process of evaluating the performance of the Board of Directors, Board Committees, Board members, and the Corporate Secretary in 2020 by means of self-evaluation was completed, and its results were reviewed at the meeting of the Nomination and Remuneration Committee on 9 February 2021 (Minutes No. 1/2020). With this in mind, the Board of Directors will further discuss improvements to its activities.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In accordance with the Code, the Board of Directors, its committees and members of the Board of Directors should be evaluated every year as part of a structured process approved by the Board of Directors. The process needs to be in line with JSC Samruk-Kazyna's relevant methodology. In addition, at least once every three years the performance evaluation process is run with the involvement of an independent professional organisation.

A separate independent evaluation with the involvement of the independent consultant was conducted in 2017 and its results were taken into account when determining the new composition of the Board of Directors. On top of that, in 2018, an independent consultant was involved in conducting an independent diagnostics of KMG's corporate governance based on the Methodology, which included, among other things, performance evaluation of the Board of Directors.

The next independent performance evaluation of the Board of Directors is planned in 2021. In accordance with the Code's requirements, in 2020, members of the Board of Directors conducted a self-evaluation through questionnaires. The self-evaluation questionnaire was developed by the Chairman of the Nomination and Remuneration Committee in cooperation with the Chairman of the Board of Directors. The questionnaire comprised two sections (Composition and Processes, and Behaviour and Actions) and featured 30 questions. The self-evaluation results were previewed by the Nomination and Remuneration Committee before being presented and discussed at a closed meeting of the Board of Directors attended only by members of the Board of Directors and the Corporate Secretary. The discussion included an analysis

¹ https://www.kmg.kz/eng/kompaniya/korporativnoe_upravlenie/treningi_chlenov_soveta_direkt/