

REMUNERATION REPORT

REMUNERATION OF THE BOARD OF DIRECTORS

The Resolution of JSC Samruk-Kazyna's Management Board dated 26 September 2016 approved the Guidelines on Forming Boards of Directors at Companies of JSC Samruk-Kazyna, which provide, inter alia, for a procedure for remuneration payable to members of such Boards of Directors. Remuneration reflects the duties of the respective member of the Board of Directors, the scale of the company's operations and its long-term goals and objectives. Remuneration is also paid to independent directors. The level of remuneration payable to representatives of JSC Samruk-Kazyna on such boards is determined by a resolution of JSC Samruk-Kazyna's Management Board.

Total remuneration paid to members of the Board of Directors in 2018–2020

Members of the Board of Directors	2018	2019	2020
Total remuneration paid to members of the Board of Directors, paid in USD	884,292	1,418,097	819,020
Total remuneration paid to members of the Board of Directors, paid in KZT	56,053,998	18,559,956	15,799,427

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

KMG's Board of Directors determines the remuneration policy and the procedure for assessing performance of members of KMG's Management Board in line with the Corporate HR Management Standard of Samruk-Kazyna Group that was approved by the decision of the Management Board of Samruk-Kazyna JSC dated 14 December 2017.

Remuneration paid to members of the Management Board for the reporting period (year) is performance-related to encourage them towards the strategic and priority goals outlined in measurable, interrelated, consistent, and balanced motivational KPI scorecards.

A motivational KPI scorecard outlines corporate and functional KPIs.

Remuneration is determined to provide a reasonable and justified ratio of the fixed and variable parts, depending on KMG's performance and the employee's personal contribution.

The Nomination and Remuneration Committee of the Board of Directors pre-reviews matters related to building an effective and transparent remuneration framework.

When building the remuneration framework and determining the specific remuneration for members of KMG's Management Board, the actual amounts payable are expected to be sufficient to engage, motivate, and retain persons with skills and expertise required for KMG.

The total remuneration paid to members of KMG's Management Board for 2019 amounted to KZT 317,527,424.77, including all salaries and financial benefits paid by KMG to members of the Management Board for serving on the Board in 2020, under the Remuneration Rules for Members of the Management Board (executives) and Remuneration Rules for employees of internal audit services, the Corporate Secretary, Compliance and Ombudsman of KazMunayGas, approved by Resolution of KMG's Board of Directors dated 10 September 2020.