Draft

Resolution of the General Meeting of Shareholders of
JSC NC "KazMunayGas"
On validation of the 2024 annual financial statements of
JSC NC "KazMunayGas"

In accordance with subparagraph 1) paragraph 2 of Article 35, subparagraph 7) paragraph 1 of Article 36, paragraph 3 of Article 76 of the Joint-Stock Companies Law of the Republic of Kazakhstan dated May 13, 2003 No. 415-II, subparagraph 12) of paragraph 98 of Article 12, paragraph 143 of Article 17 of the Charter of the JSC NC "KazMunayGas", approved by the decision of the annual General Meeting of Shareholders of JSC NC "KazMunayGas" dated May 30, 2023 (minutes No. 2/2023, issue No. 5), as amended and supplemented by the resolution of the annual General Meeting of Shareholders of JSC NC "KazMunayGas" dated May 28, 2024 (Minutes No. 1/2024, issue No. 8) subparagraph 13) of paragraph 32 of Chapter 7 of the Regulations on General Meeting of Shareholders of the JSC NC "KazMunayGas", approved by the decision of the person owning all voting shares of JSC NC KazMunayGas, dated December 2, 2022 (minutes of the meeting of the Board of JSC "Samruk-Kazyna" No. 66/22, issue No. 5) ,

having considered the presented materials, the General Meeting of Shareholders of JSC NC "KazMunayGas"

RESOLVED:

1. Validate the standalone annual financial statements of JSC NC "KazMunayGas" for 2024 in accordance with Appendix No. 1 hereto.
2. Validate the consolidated annual financial statements of JSC NC "KazMunayGas" for 2024 in accordance with Appendix No. 2 hereto.
3. Assign A. Khassenov, Chairman of the Management Board of JSC NC "KazMunayGas", to take the necessary measures arising out of this resolution.

Chairman

Secretary **D. Sharipov**

Annex No.1
to the resolution on item No.4
of the agenda of the
Annual General Meeting of
Shareholders of NC KazMunayGas JSC
dated "___" _____ 2025
(Minutes No._____)

Joint Stock Company
"National Company "KazMunayGas"

Consolidated financial statements

For the year ended December 31, 2024
with independent auditor's report

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Independent auditor’s report

March 5, 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Revenue and other income			
Revenue from contracts with customers	7	**8,330,261**	8,319,543
Share in profit of joint ventures and associates, net	8	**531,230**	534,177
Gain from disposal of subsidiary	5	**16,410**	186,225
Interest revenue calculated using the effective interest method	15	**184,392**	139,449
Other finance income	15	**123,290**	7,332
Other operating income		**52,377**	55,378
Total revenue and other income		**9,237,960**	9,242,104
Costs and expenses			
Cost of purchased oil, gas, petroleum products and other materials	9	**(4,347,011)**	(4,621,881)
Production expenses	10	**(1,398,604)**	(1,219,722)
Taxes other than income tax	11	**(592,984)**	(594,080)
Depreciation, depletion and amortization	36	**(642,666)**	(599,543)
Transportation and selling expenses	12	**(267,824)**	(245,525)
General and administrative expenses	13	**(254,148)**	(165,897)
Impairment of property, plant and equipment, intangible assets, non–current advances for fixed assets and exploration expenses	14	**(69,733)**	(248,140)
Finance costs	15	**(346,096)**	(321,630)
Foreign exchange gain, net		**185,459**	25,222
Expected credit losses		**(8,316)**	(11,874)
Other expenses		**(38,703)**	(42,564)
Total costs and expenses		**(7,780,626)**	(8,045,634)
Profit before income tax		**1,457,334**	1,196,470
Income tax expenses	32	**(363,087)**	(269,792)
Net profit for the year		**1,094,247**	926,678

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	2024	2023 (restated)*
Other comprehensive income/(loss)			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods			
Hedging effect		**(1,463)**	849
Exchange differences on translation of foreign operations		**1,492,858**	(176,614)
Net (loss)/gain on hedge of a net investment	27	**(358,847)**	46,152
Tax effect		**(90,712)**	11,101
Net other comprehensive income/(loss) to be reclassified to profit or loss in the subsequent periods, net of tax		**1,041,836**	(118,512)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods			
Actuarial gain on defined benefit plans of the Group		**870**	341
Actuarial gain on defined benefit plans of the joint ventures		**114**	651
Tax effect		**1**	(327)
Net other comprehensive income not to be reclassified to profit or loss in the subsequent periods, net of tax		**985**	665
Net other comprehensive income/(loss) for the year, net of tax		**1,042,821**	(117,847)
Total comprehensive income for the year, net of tax		**2,137,068**	808,831
Net profit/(loss) for the year attributable to:			
Equity holders of the Parent Company		**1,094,438**	962,700
Non-controlling interests		**(191)**	(36,022)
		1,094,247	926,678
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Parent Company		**2,136,253**	845,194
Non-controlling interests		**815**	(36,363)
		2,137,068	808,831
Earnings per share** − tenge thousands			
Basic and diluted	26	**1.794**	1.578

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.*

** *The number of ordinary shares as of December 31, 2024 and 2023 equaled to 610,119,493.*

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

In millions of tenge	Note	**December 31, 2024**	December 31, 2023 (restated)*
Assets			
Non-current assets			
Exploration and evaluation assets	17	**216,448**	174,187
Property, plant and equipment	16	**7,834,160**	7,171,242
Investment property		**12,374**	19,383
Intangible assets	18	**943,156**	883,283
Right-of-use assets	19	**122,991**	101,765
Investments in joint ventures and associates	21	**5,378,513**	4,821,427
VAT receivable		**30,396**	30,360
Advances for non-current assets		**88,216**	50,954
Other non-current non-financial assets		**7,767**	4,192
Loans and receivables due from related parties	24	**121,673**	94,334
Other non-current financial assets		**48,249**	23,217
Long-term bank deposits	20	**74,329**	63,891
Deferred income tax assets	32	**50,705**	65,829
		14,928,977	13,504,064
Current assets			
Inventories	22	**413,741**	376,444
Trade accounts receivable	23	**443,057**	561,258
VAT receivable		**48,408**	60,523
Income tax prepaid	32	**41,170**	33,051
Other current non-financial assets	23	**180,754**	157,257
Loans and receivables due from related parties	24	**84,240**	125,569
Other current financial assets	23	**63,528**	74,870
Short-term bank deposits	20	**1,513,816**	997,012
Cash and cash equivalents	25	**1,216,451**	1,050,873
		4,005,165	3,436,857
Assets classified as held for sale		**505**	180
		4,005,670	3,437,037
Total assets		**18,934,647**	16,941,101

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	Note	December 31, 2024	December 31, 2023 (restated)*
Equity and liabilities			
Equity			
Share capital	26	**916,541**	916,541
Additional paid-in capital		**1,142**	1,142
Other equity		**(2,373)**	(910)
Currency translation reserve		**5,132,868**	4,090,281
Retained earnings		**5,985,894**	5,488,964
Attributable to equity holders of the Parent Company		**12,034,072**	10,496,018
Non-controlling interests	26	**(109,788)**	(99,404)
Total equity		**11,924,284**	10,396,614
Non-current liabilities			
Borrowings	27	**3,644,111**	3,365,736
Lease liabilities	28	**103,334**	87,880
Other non-current financial liabilities	30	**7,096**	18,743
Provisions	29	**308,129**	306,219
Employee benefit liabilities		**75,999**	70,975
Other non-current non-financial liabilities	30	**36,175**	37,777
Deferred income tax liabilities	32	**1,391,836**	1,122,939
		5,566,680	5,010,269
Current liabilities			
Trade accounts payable	30	**598,787**	663,930
Borrowings	27	**323,290**	391,358
Lease liabilities	28	**20,882**	17,400
Other current financial liabilities	30	**169,150**	145,953
Provisions	29	**19,524**	33,576
Employee benefit liabilities		**6,516**	5,703
Income tax payable	32	**15,600**	28,285
Other taxes payable	31	**83,631**	116,500
Other current non-financial liabilities	30	**206,303**	131,513
		1,443,683	1,534,218
Total liabilities		**7,010,363**	6,544,487
Total equity and liabilities		**18,934,647**	16,941,101
Book value per ordinary share** − tenge thousands	26	**17.998**	15.593

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.*

** *The average number of ordinary shares as of December 31, 2024 and 2023 equaled to 610,119,493. Presentation of Book value per ordinary share is a non-IFRS measure required by KASE.*

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

In millions of tenge	Note	2024	2023 (restated)*
Cash flows from operating activities			
Profit before income tax		**1,457,334**	1,196,470
Adjustments:			
Depreciation, depletion and amortization	36	**642,666**	599,543
Impairment of property, plant and equipment, intangible assets, non-current advances for fixed assets and exploration expenses	14	**69,733**	248,140
Gain on disposal of subsidiary	5	**(16,410)**	(186,225)
Realized gain from derivatives on petroleum products	10	**(19,502)**	(69)
Interest revenue calculated using the effective interest method	15	**(184,392)**	(139,449)
Other finance income	15	**(123,290)**	(7,332)
Finance costs	15	**346,096**	321,630
Loss on disposal of joint venture		**1,928**	90
Share in profit of joint ventures and associates, net	8	**(531,230)**	(534,177)
Movements in provisions		**(15,912)**	(6,158)
Net foreign exchange gain		**(184,029)**	(29,107)
Write-off of inventories to net realizable value		**942**	4,646
Loss on disposal of property, plant and equipment, intangible assets, investment property and assets held for sale, net		**5,241**	501
Impairment/(reversal of impairment) of VAT receivable	13	**7,063**	(282)
Change in financial guarantees		**1,765**	344
VAT non-recoverable	13	**1,237**	5,811
Allowance of expected credit loss		**8,316**	11,874
Operating profit before working capital changes		**1,467,556**	1,486,250
Change in VAT receivable		**6,180**	(37,306)
Change in inventory		**36,690**	(76,763)
Change in trade accounts receivable and other current assets		**199,936**	4,630
Change in trade and other payables and contract liabilities		**(142,667)**	78,727
Change in other taxes payable		**(134,049)**	(127,565)
Cash generated from operations		**1,433,646**	1,327,973
Dividends received from joint ventures and associates	21	**701,104**	619,826
Income taxes paid		**(182,227)**	(147,166)
Interest received		**138,511**	123,389
Interest paid	27, 28	**(247,182)**	(256,408)
Net cash flow from operating activities		**1,843,852**	1,667,614

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Note	2024	2023 (restated)*
Cash flows from investing activities			
Placement of bank deposits		**(2,068,061)**	(1,460,352)
Withdrawal of bank deposits		**1,734,453**	1,614,940
Acquisition of subsidiary, net of cash acquired	6	**–**	(156,388)
Deferred consideration paid for the acquisition of subsidiary	26, 33	**(1,520)**	(163,770)
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		**(644,752)**	(683,439)
Proceeds from sale of property, plant and equipment, exploration and evaluation assets and assets held for sale		**1,939**	3,317
Proceeds from disposal of subsidiary, net of cash disposed	5	**8,010**	94,624
Proceeds from disposal of share in joint venture		**12,995**	–
Additional contributions to joint ventures without changes in ownership	21	**(74,209)**	(20,117)
Loans given to related parties	33	**(67,980)**	(44,672)
Repayment of loans due from related parties	33	**45,023**	35,963
Acquisition of debt securities		**(18,041)**	(7,063)
Proceeds from sale of debt securities		**13,736**	289
Guaranteed and other payments receivable from a joint venture participant		**9,905**	–
Redeem of notes of the National Bank of RK	33	**308,147**	451,598
Acquisition of notes of the National Bank of RK	33	**(302,600)**	(425,263)
Other		**–**	697
Net cash flows used in investing activities		**(1,042,955)**	(759,636)
Cash flows from financing activities			
Proceeds from borrowings	27	**214,894**	385,304
Repayment of borrowings	27	**(647,409)**	(666,232)
Dividends paid to shareholders	26	**(300,002)**	(300,002)
Dividends paid to non-controlling interests	26	**(2,759)**	(1,572)
Distribution of net assets of KazMunayGas Exploration Production JSC to non-controlling interest		**(5,901)**	–
Distributions to Samruk-Kazyna	26	**(2,059)**	(120)
Contribution from the related party	26	**–**	14,155
Payment of principal portion of lease liabilities	28	**(26,118)**	(26,933)
Proceeds from the repo agreements		**22,074**	–
Repayment of the repo agreements		**(22,074)**	–
Other operations with Samruk-Kazyna	26	**(6,652)**	(8,962)
Other		**(4,554)**	–
Net cash flows used in financing activities		**(780,560)**	(604,362)
Effects of exchange rate changes on cash and cash equivalents		**145,268**	(15,942)
Change in allowance for expected credit losses		**(27)**	14
Net change in cash and cash equivalents		**165,578**	287,688
Cash and cash equivalents, at the beginning of the year		**1,050,873**	763,185
Cash and cash equivalents, at the end of the year		**1,216,451**	1,050,873

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.*

Non-cash transactions

For the year ended December 31, 2024, accounts payable for purchases of property, plant and equipment decreased by 12,851 million tenge (2023: increased by 69,734 million tenge).

Deputy Chairman of the Management Board — *D.A. Aryssova*

Chief accountant — *A.S. Yesbergenova*

The accounting policies and explanatory notes on pages 9 through 87 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity holders of the Parent Company							
In millions of tenge	**Share capital**	**Additional paid-in capital**	**Other equity**	**Currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
As at December 31, 2022	916,541	1,142	(1,759)	4,209,612	4,803,431	9,928,967	(61,541)	9,867,426
Net profit/(loss) for the year (restated)*	–	–	–	–	962,700	962,700	(36,022)	926,678
Other comprehensive income/(loss)	–	–	849	(119,331)	976	(117,506)	(341)	(117,847)
Total comprehensive income/(loss) (restated)*	–	–	849	(119,331)	963,676	845,194	(36,363)	808,831
Dividends *(Note 26)*	–	–	–	–	(300,002)	(300,002)	(1,500)	(301,502)
Distributions to Samruk-Kazyna *(Note 26)*	–	–	–	–	(120)	(120)	–	(120)
Other operations with Samruk-Kazyna *(Note 26)*	–	–	–	–	(17,925)	(17,925)	–	(17,925)
Acquisition of Polimer Production LLP under common control *(Note 26)*	–	–	–	–	(1,520)	(1,520)	–	(1,520)
Transactions with Samruk-Kazyna *(Note 26)*	–	–	–	–	26,597	26,597	–	26,597
Contribution from the related party *(Note 26)*	–	–	–	–	14,827	14,827	–	14,827
As at December 31, 2023 (restated)*	916,541	1,142	(910)	4,090,281	5,488,964	10,496,018	(99,404)	10,396,614

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Parent Company							
In millions of tenge	Share capital	Additional paid-in capital	Other equity	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total
As at December 31, 2023 (restated) *	**916,541**	**1,142**	**(910)**	**4,090,281**	**5,488,964**	**10,496,018**	**(99,404)**	**10,396,614**
Net profit/(loss) for the year	–	–	–	–	**1,094,438**	**1,094,438**	**(191)**	**1,094,247**
Other comprehensive (loss)/income	–	–	**(1,463)**	**1,042,587**	**691**	**1,041,815**	**1,006**	**1,042,821**
Total comprehensive income/(loss)	–	–	**(1,463)**	**1,042,587**	**1,095,129**	**2,136,253**	**815**	**2,137,068**
Dividends *(Note 26)*	–	–	–	–	**(300,002)**	**(300,002)**	**(2,820)**	**(302,822)**
Distributions to Samruk-Kazyna *(Note 26)*	–	–	–	–	**(16)**	**(16)**	–	**(16)**
Other operations with Samruk-Kazyna *(Note 26)*	–	–	–	–	**(1,989)**	**(1,989)**	–	**(1,989)**
Transactions with Samruk-Kazyna *(Note 26)*	–	–	–	–	**(296,192)**	**(296,192)**	–	**(296,192)**
Effect of liquidation of KazMunaiGas Exploration Production JSC	–	–	–	–	–	–	**(8,379)**	**(8,379)**
As at December 31, 2024	**916,541**	**1,142**	**(2,373)**	**5,132,868**	**5,985,894**	**12,034,072**	**(109,788)**	**11,924,284**

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.*

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. GENERAL

Joint stock company "National Company "KazMunayGas" (further the Company, JSC NC "KazMunayGas" or Parent Company) is oil and gas enterprise of the Republic of Kazakhstan (further RK), which was established on February 27, 2002 as a closed joint stock company pursuant to the Decree No. 811 of the President of the RK dated February 20, 2002 and the resolution of the Government of the RK (further the Government) No. 248 dated February 25, 2002. The Company was formed as a result of the merger of closed joint stock companies "National Oil and Gas Company Kazakhoil" and "National Company Transport Nefti i Gaza". As the result of the merger, all assets and liabilities, including ownership interest in all entities owned by these companies, have been transferred to the Company. The Company was reregistered as a joint stock company in accordance with the legislation of the RK in March 2004.

Starting from June 8, 2006, the sole shareholder of the Company was joint stock company "Kazakhstan Holding Company for State Assets Management "Samruk", which in October 2008 was merged with the state owned Sustainable Development Fund "Kazyna" and formed joint stock company "National Welfare Fund Samruk-Kazyna", now renamed to joint stock company "Sovereign Wealth Fund Samruk-Kazyna" (further Samruk-Kazyna). The Government is the sole shareholder of Samruk-Kazyna.

On August 7, 2015, the National Bank of RK (further NB RK) purchased 9.58% plus one share of the Company from Samruk-Kazyna. From December 8, 2022, 3.00% of shares of the Company are freely available on the Astana International Exchange (further AIX) and the Kazakhstan Stock Exchange (further KASE) stock exchanges.

On December 22, 2023, 20.00% of the Company's shares owned by Samruk-Kazyna were transferred to the Ministry of Finance of the Republic of Kazakhstan.

As at December 31, 2024, the Company has interest in 64 operating companies (as of December 31, 2023: 61) (jointly "the Group").

The Company has its registered office in the RK, Astana, Dinmukhamed Kunayev, 8.

The principal activity of the Group includes, but is not limited, to the following:

- Participation in the development and implementation of the uniform public policy in the oil and gas sector;
- Representation of the state interests in subsoil use contracts through interest participation in those contracts; and
- Corporate governance and monitoring of exploration, development, production, oil servicing, processing, petrochemistry, transportation and sale of hydrocarbons and the designing, construction and maintenance of oil-and-gas pipeline and field infrastructure.

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries *(Note 3)*.

These consolidated financial statements of the Group were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on March 5, 2025.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the notes to these consolidated financial statements. All values in these consolidated financial statements are rounded to the nearest millions, except when otherwise indicated.

Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standards Board (IASB).

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group consolidated financial statements are disclosed in *Note 4*.

2. BASIS OF PREPARATION (continued)

Statement of compliance (continued)

The Group has prepared these consolidated financial statements on the basis that it will continue to operate as a going concern. The Management of the Group consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entities operate (the functional currency). The consolidated financial statements are presented in Kazakhstani tenge (tenge or KZT), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in foreign operation. These are recognized in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Group Companies

The results and financial position of all of the Group's subsidiaries, joint ventures and associates (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at that reporting date;
- Income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the date of the transaction); and
- All resulting exchange differences are recognized as a separate component of other comprehensive income.

Exchange rates

Weighted average currency exchange rates established by KASE are used as official currency exchange rates in the Republic of Kazakhstan. The currency exchange rate of KASE as at December 31, 2024 was 525.11 tenge to 1 United States dollar (US dollar). This rate was used to translate monetary assets and liabilities denominated in US dollar as at December 31, 2024 (December 31, 2023: 454.56 tenge to 1 US dollar). The currency exchange rate of KASE as at March 5, 2025 was 496.71 tenge to 1 US dollar. For the year ended December 31, 2024, the Group had net foreign exchange gain of 185,459 million tenge due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Changes in accounting policies and disclosures

New and amended standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

The Group presented only the list of standards effective and applicable for the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to *IAS 7 Statement of Cash Flows* and *IFRS 7 Financial Instruments*: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to *IFRS 16* to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to *paragraphs 69 to 76 of IAS 1* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements. The Group disclosed the information on compliance with covenants under the terms of the loan agreements in *Note 27*.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Standards issued but not yet effective

There are new pronouncements issued as at December 31, 2024:

- *Lack of exchangeability* – Amendments to IAS 21 (issued in August 2023);
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued in April 2024);
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued in May 2024);
- *Contracts Referencing Nature-dependent Electricity* – Amendments to IFRS 9 and IFRS 7 (issued in December 2024);
- Annual Improvements Volume 11 (issued in July 2024);
- *Amendments to the Classification and Measurement of Financial Instruments* – Amendments to IFRS 9 and IFRS 7 (issued in May 2024).

The amendments are not expected to have a material impact on the Group's consolidated financial statements, except for IFRS 18 *Presentation and Disclosure in Financial Statements*. The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Amended standards the Group applied the exception to recognizing and disclosing information in 2023

Pillar 2

International Tax Reform – Pillar II Model Rules - Amendments to IAS 12 Income Taxes

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar II rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar II model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar II income taxes arising from that legislation, particularly before its effective date.

The Group is part of Samruk-Kazyna Group that is a multinational enterprise with revenue in excess of 750 million Euro per consolidated financial statements of the international group for the financial year, immediately preceding the reporting financial year, using the arithmetic average market exchange rate determined in accordance with the tax legislation of the Republic of Kazakhstan for the respective financial year.

Samruk-Kazyna is a parent entity of the international group. Entities of the multinational enterprise are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), entering into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes in 2023.

In 2024, the Group, based on operational financial information for 2024, assessed the preliminary potential impact associated with the implementation of the Pillar II Model Rules at the legislative level.

Based on the results of its assessment, the Group has identified that preliminary potential income tax risk on profits determined under the Pillar II model rules and earned by certain companies with above-mentioned jurisdictions is not material to the consolidated financial statements of the Group.

The Group continues to progress on the assessment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has: power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee, and; the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the contractual arrangement with the other vote holders of the investee; rights arising from other contractual arrangements; the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Profit or loss and each component of other comprehensive income are attributable to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Subsidiaries

As at December 31, 2024 and 2023, the following direct significant subsidiaries were included in these consolidated financial statements:

			Percentage ownership	
Significant entities	**Main activity**	**Country of incorporation**	**December 31, 2024**	December 31, 2023
KazMunayTeniz LLP	Exploration and production	Kazakhstan	**100%**	100%
KMG Karachaganak LLP	Exploration and production	Kazakhstan	**100%**	100%
Kazakhturkmunay LLP	Exploration and production	Kazakhstan	**100%**	100%
KMG Kashagan B.V.	Exploration and production	Netherlands	**100%**	100%
Ozenmunaigas JSC	Exploration and production	Kazakhstan	**100%**	–
Embamunaigas JSC	Exploration and production	Kazakhstan	**100%**	–
Dunga Operating GmbH *(Note 6)*	Production	Kazakhstan	**100%**	100%
KazTransOil JSC (further KTO)	Oil transportation	Kazakhstan	**90%**	90%
KazMorTransFlot LLP	Oil transportation and construction	Kazakhstan	**100%**	100%
Cooperative KazMunayGas PKI U.A.	Refinery and marketing of oil products	Netherlands	**100%**	100%
Atyrau Refinery LLP (further Atyrau Refinery)	Refinery	Kazakhstan	**99.53%**	99.53%
Pavlodar oil chemistry refinery LLP (further Pavlodar refinery)	Refinery	Kazakhstan	**100%**	100%
KMG International N.V. (further KMGI)	Refinery and marketing of oil products	Romania	**100%**	100%
KMG Drilling&Services LLP	Drilling services	Kazakhstan	**100%**	100%
KazMunayGas Exploration Production JSC (further KMG EP)	Exploration and production	Kazakhstan	**–**	99.72%

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with changes in fair value recognized in the statement of profit or loss in accordance with IFRS 9. If the contingent consideration is not within the scope of IFRS 9, it is measured at fair value through profit and loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Acquisition of subsidiaries from parties under common control

Acquisitions of subsidiaries from parties under common control are accounted for using the pooling of interest method.

The assets and liabilities of the subsidiary transferred under common control are recorded in the consolidated financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. Related goodwill, if any, inherent in the Predecessor's original acquisition is also recorded in the consolidated financial statements. Any difference between the total book value of net assets, including the Predecessor's goodwill, and the consideration paid is accounted for in the consolidated financial statements as an adjustment to equity.

The consolidated financial statements, including corresponding figures, are presented as if the subsidiary had been acquired by the Group on the date it was originally acquired by the Predecessor.

Acquisition of joint ventures and associates from parties under common control

Acquisition of joint ventures and associates from parties under common control are accounted for using the pooling of interest method.

The Group's share in the assets and liabilities of the joint ventures and associates transferred under common control is recorded in the consolidated financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. Any difference between the Group's share in the total book value of net assets, and the consideration paid is accounted for in the consolidated financial statements as an adjustment to equity.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in associates and joint ventures

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint venture and associates are accounted for using the equity method.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the joint venture or associate. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the joint venture or associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the joint venture or associate are eliminated to the extent of the interest in the joint venture or associate.

The aggregate of the Group's share in profit or loss of a joint venture and an associate is shown on the face of the consolidated statement of comprehensive income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the joint venture or associate. The financial statements of the joint venture or associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its joint venture or associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture or associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss under the item "Share in profit of joint ventures and associates, net" in the consolidated statement of comprehensive income.

Upon loss of joint control over the joint venture or significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Oil and natural gas exploration, evaluation and development expenditure

Costs incurred before obtaining subsoil use rights (licenses)

Costs incurred before obtaining full subsoil use rights (licenses) are expensed in the period in which they are incurred, except when costs are incurred after signing preliminary agreements with the Government of RK, in such cases costs incurred after this date are capitalized in exploration and evaluation assets.

Subsoil use rights and property acquisition costs

Exploration and production subsoil use rights and related property acquisition costs are capitalized within exploration and evaluation assets and subclassified as intangible. Each property under exploration and appraisal is reviewed on an annual basis to confirm that drilling activity is planned and it is not impaired. If no future activity is planned, the carrying amount of the exploration subsoil use right and related property acquisition costs is written off. Upon determination of economically recoverable reserves ('proved reserves' or 'commercial reserves') and internal approval of development, the carrying amount of the subsoil use right and related property acquisition costs held on a field-by-field basis is aggregated with exploration and evaluation assets and transferred to oil and gas assets or intangible assets.

Exploration and evaluation costs

Once the legal right to explore has been acquired, geological and geophysical exploration costs and costs directly associated with exploration and appraisal wells, including unsuccessful development or delineation wells are capitalized as exploration and evaluation intangible or tangible assets, according to the nature of the costs, until the drilling of the well is complete and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If no expected reserves are found, the exploration and evaluation asset is tested for impairment. If extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, are likely to be developed commercially; the costs continue to be carried as an asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbon reserves.

All such carried costs are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the discovery.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration, evaluation and development expenditure (continued)

Exploration and evaluation costs (continued)

When proved reserves of hydrocarbons are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas assets after impairment is assessed and impairment loss recognized, if any.

When this is no longer the case, and the Group decides to relinquish the contract territory to the Government and terminate the subsoil use contracts, the assets are written off.

Development costs

Expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, are capitalized within oil and gas assets.

Oil and gas assets and other property, plant and equipment

Oil and gas assets and other property, plant and equipment are stated at cost less accumulated depreciation, depletion and impairment.

The initial cost of an asset comprises its purchase price or construction cost, borrowing cost for long-term construction or development project, if recognition criteria is met, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligation, if there is any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Oil and gas assets are depreciated using a unit-of-production method, whereas tangible assets are depreciated over proved developed reserves and intangible assets − over proved reserves. Certain oil and gas assets with useful lives less than the remaining life of the fields or term of the subsoil use contracts are depreciated on a straight-line basis over useful lives.

Property, plant and equipment other than oil and gas assets and land principally comprise buildings, machinery and equipment, vehicles and others that are depreciated on a straight-line basis over the expected remaining useful average lives as follows:

Refinery assets	4-100 years
Pipelines	2-30 years
Buildings and improvements	2-100 years
Machinery and equipment	2-30 years
Vehicles	3-35 years
Other	2-20 years
Land	Not depreciated

The expected useful lives of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively.

The carrying value of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment, inclusive of production wells which stop producing commercial quantities of hydrocarbons and are scheduled for abandonment, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognized.

Intangible assets

Intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets include expenditure on acquiring subsoil use rights for oil and natural gas exploration, evaluation and development, computer software and goodwill. Intangible assets acquired separately from a business are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Intangible assets (continued)

Intangible assets, except for goodwill and subsoil use rights, are amortized on a straight-line basis over the expected remaining useful life. The expected useful lives of the assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively. Computer software costs have an estimated useful life of 3 to 7 years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to oil and gas development tangible and intangible assets or whenever facts and circumstances indicate impairment.

One or more of the following facts and circumstances indicate that the Group should test exploration and evaluation assets for impairment (the list is not exhaustive):

- The period for which the Group entity has the right to explore and appraise in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on the further exploration for and evaluation of hydrocarbon resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of hydrocarbon resources in the specific area have not led to the discovery of commercially viable quantities of hydrocarbon resources and the Group entity has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Asset retirement obligation (decommissioning)

Provision for decommissioning is recognized in full, on a discounted cash flow basis, when the Group has an obligation to dismantle and remove a facility or an item of plant, property and equipment and to restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment of an amount equivalent to the provision is also created. This asset is subsequently depreciated as part of the capital costs of the production and transportation facilities based on the appropriate depreciation method.

Changes in the measurement of an existing decommissioning provision that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or change in the discount rate, is accounted for so that:

(a) Changes in the provision are added to, or deducted from, the cost of the related asset in the current period;

(b) The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in the consolidated statement of comprehensive income; and

(c) If the adjustment results in an addition to the cost of an asset, the Group considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the Group tests the asset for impairment by estimating its recoverable amount, and accounts for any impairment loss, in accordance with IAS 36.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a debt financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through profit or loss.

The Group does not have financial assets at fair value through other comprehensive income.

Derecognition

A financial asset is primarily derecognized (removed from the consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition (continued)

Impairment of financial assets (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Leases

The Group assesses at contract inception whether a contract is, or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If the ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in Finance lease liabilities.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Inventories

Inventories are stated at the lower of cost and net realizable value on a first-in first-out (FIFO) basis. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the cost of production, including the appropriate proportion of depreciation, depletion and amortization and overheads based on normal capacity. Net realizable value of crude oil and refined products is based on estimated selling price in the ordinary course of business less any costs expected to be incurred to complete the sale.

Cash and cash equivalents

Cash and cash equivalents include cash in bank and cash on hand, demand deposits with banks with original maturities of three months or less.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans borrowings and payables, or as derivatives financial instruments.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Trade and other payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs.

The Group does not have financial liabilities at fair value through profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the expected credit losses allowance calculated under IFRS 9 and the amount recognized less cumulative amortization, if any.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or a foreign exchange gains and losses for a non-derivative is recognized in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivatives is recognized immediately in profit or loss. The amount recognized in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for obligations to the Government

The Government assigns various sponsorship and financing obligations to the Group. Management of the Group believes that such Government's assignments represent constructive obligations of the Group and require recognition on the basis of respective resolution of the Government. Furthermore, as the Government is acting as the ultimate controlling party of the Group, the expenditures on these assignments are recognized as other distributions to the Shareholders directly in the equity, in the consolidated financial statements.

Employee benefits

Pension scheme

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state − managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligations under the scheme are equivalent to those arising in a defined contribution retirement benefit plan.

Long-term employee benefits

The Group provides long-term employee benefits to employees before, on and after retirement, in accordance with the collective agreements between the Group entities and their employees. The collective agreement provides for certain one-off retirement payments, financial aid for employees' disability, anniversaries, funeral and other benefits. The entitlement to benefits is usually conditional on the employee remaining in service up to retirement age.

The expected costs of the benefits associated with one-off retirement payments are accrued over the period of employment using the same accounting methodology as used for defined benefit post-employment plans with defined payments upon the end of employment. Actuarial gains and losses arising in the year are taken to other comprehensive income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. Other movements are recognized in the current period, including current service cost, any past service cost and the effect of any curtailments or settlements.

The most significant assumptions used in accounting for defined benefit obligations are discount rate and mortality assumptions. The discount rate is used to determine the net present value of future liabilities and each year the unwinding of the discount on those liabilities is charged to the consolidated statement of comprehensive income as finance costs. The mortality assumption is used to project the future stream of benefit payments, which is then discounted to arrive at a net present value of liabilities.

Employee benefits other than one-off retirement payments are considered as other long-term employee benefits. The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for the defined benefit plan. Actuarial gains and losses on other long-term employee benefits are recognized in the profit or loss. These obligations are valued by independent qualified actuaries on an annual basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition

Revenues are recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset, which usually occurs when the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured. Specifically, domestic sales of crude oil and gas, as well as petroleum products and materials are usually recognized when title passes. For export sales, title generally passes at the border of the RK. Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts, volume rebates and reimbursable taxes.

Sales of support services are recognized as services are performed provided that the service price can be determined and no significant uncertainties regarding the receipt of revenues exist.

The Group mainly recognizes revenue for the following types:

Revenue from sale of crude oil and oil products

Revenue from the sale of oil and oil products is recognized when control of the goods is transferred to the customer and is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for such goods or services.

Revenue from transportation services

Revenue from transportation services is recognized when services are provided based on the actual volumes of oil transported in the reporting period.

Revenue from oil and oil products refinery services

Revenue from oil and oil products refinery services is recognized if it is probable that the economic benefits will flow to the Group and if the revenue can be measured reliably, regardless of the timing of payment.

Interest income and expense

For all financial instruments measured at amortized cost, and interest income and interest expense are recorded using the effective interest rate. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income and interest expense is included in finance costs in the consolidated statement of comprehensive income.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Income taxes

Income tax for the year comprises current income tax, excess profit tax and deferred tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax (CIT) relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes (continued)

Alternative mineral extraction tax (AMET) is treated as an income tax and forms part of income tax expense. In accordance with the applicable tax legislation, the Group accrues and pays AMET in respect of each subsoil use contract, at varying rates based on the ratio of aggregate annual income to deductions for the year for a particular subsoil use contract. The ratio of aggregate annual income to deductions in each tax year triggering the application of AMET is 1.24:1. AMET rates are applied to the part of the taxable income (taxable income after corporate income tax and allowable adjustments) related to each subsoil use contract.

Deferred tax is calculated with respect to both CIT and AMET. Deferred AMET is calculated on temporary differences for assets allocated to subsoil use contracts at the expected rate of AMET to be paid under the contract.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Equity

Non-controlling interest

Non-controlling interests are initially recognized in proportion to identifiable net assets at the acquisition date.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the Company's owners. Total comprehensive income is attributed to the Company's owners and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are declared before the reporting date or after the reporting date but before the consolidated financial statements are authorized for issue.

Presentation of information

The consolidated statement of comprehensive income has been restated to present Interest revenue calculated using the effective interest method separately from finance income and, Expected credit losses separately from General and administrative expenses, Finance income and Finance costs. The Group believes that this separation allows for the presentation of information that is more relevant to users of the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and assets, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Impairment testing assumptions

The Group assessed the existence of impairment indicators of non-current assets and where impairment indicators were identified, the Group performed the impairment tests.

The Group's long-term assumptions for Brent oil prices, KZT/USD exchange rate and inflation projections have been revised and are based on externally sourced forecasts and rates of the independent research organizations considering long-tern market expectations. Production volumes estimates are based on proved developed and undeveloped reserves for subsidiaries, and on proved and probable reserves for significant investments in joint ventures and associates. Production period is either based on subsoil use contracts' expiration date or on extended license period, to which the Group has strong intention to extend its licenses. Estimated production volumes are based on the Group's production plans that are mostly used for the purposes of application filing for extension of subsoil use contracts.

Discount rates were estimated on the weighted average cost of capital of the individual cash generating unit and ranged between 11.22-16.42% depending on the functional currency, production period, size, equity risk premium, beta and gearing ratio of the relevant CGU.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Impairment testing assumptions (continued)

The long-term price assumptions applied were derived from Bloomberg consensus; so did the near-term commodity price assumptions, a summary of which, in real 2024 terms, is provided below:

	2025	2026	2027	2028	2029
Brent oil (ICE Brent $/bbl)	73.25	71.00	73.00	72.00	72.30

For 2024 in *"Exploration and production of oil and gas"* segment net impairment charges were 57,100 million tenge, which mainly relate to the impairment of a seawater desalination plant and supply infrastructure in Zhanaozen city in the amount of 53,197 million tenge *(Note 14)*.

For 2024 in "*Corporate*" segment net impairment charges were 40,678 million tenge, which mainly relate the exploration and evaluation assets of Abai project in the amount of 17,703 million tenge *(Note 14)*.

For 2024 in *"Other"* segment net impairment charges were 11,609 million tenge, which mainly relate to a reversal of a previously recognized impairment loss in the amount of the excess of the value in use of the Jack-up rig over its carrying amount in the amount of 16,189 million tenge *(Note 14)*.

For 2023 in *"Exploration and production of oil and gas"* segment net impairment charges were 107,725 million tenge, which mainly relate to the exploration and evaluation assets of Aktoty and Kairan project in the amount of 74,255 million tenge *(Note 14)*.

For 2023 in "*Corporate*" net impairment charges were 40,337 million tenge, which mainly relate the exploration and evaluation assets of Jenis project in the amount of 40,244 million tenge *(Note 14)*.

For 2023 in "*Refining and trading of crude oil and refined products*" net impairment charges were 97,854 million tenge, which mainly relate to the CGU KMGI in the amount of 97,636 million tenge *(Note 14)*.

Headroom of the majority of oil and refining assets are sensitive to changes in price or other assumptions. The changes within next financial periods may result in recoverable amount of these assets above or below the current carrying amounts and therefore there is a risk of impairment reversals or charges in those periods.

Oil and gas reserves

Oil and gas reserves are a material factor in the Group's computation of depreciation, depletion and amortization expenses. The Group estimates its oil and gas reserves in accordance with the methodology of the Society of Petroleum Engineers (SPE). In estimating its reserves under SPE methodology, the Group uses long-term planning prices. Using planning prices for estimating proved reserves removes the impact of the volatility inherent in using year-end spot prices. Management believes that long-term planning price assumptions, which are also used by management for their business planning and investment decisions are more consistent with the long-term nature of the upstream business and provide the most appropriate basis for estimating oil and gas reserves.

All reserve estimates involve some degree of uncertainty. The uncertainty depends mainly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of this data.

The relative degree of uncertainty can be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Proved reserves are more certain to be recovered than unproved reserves and may be further sub-classified as developed and undeveloped to denote progressively increasing uncertainty in their recoverability.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Oil and gas reserves (continued)

Estimates are reviewed and revised annually. Revisions occur due to the evaluation or re-evaluation of already available geological, reservoir or production data, availability of new data, or changes to underlying price assumptions. Reserve estimates may also be revised due to improved recovery projects, changes in production capacity or changes in development strategy. Proved developed reserves are used to calculate the unit of production rates for depreciation, depletion and amortization in relation to oil and gas production assets. The Group has included in proved reserves only those quantities that are expected to be produced during the initial subsoil use contract period. This is due to the uncertainties surrounding the outcome of such renewal procedures, since the renewal is ultimately at the discretion of the Government. An increase in the Group's subsoil use contract periods and corresponding increase in reported reserves would generally lead to lower depreciation, depletion and amortization expense and could materially affect earnings. A reduction in proved developed reserves will increase depreciation, depletion and amortization expense (assuming constant production), reduce income and could also result in an immediate write-down of the property's book value. Given the relatively small number of producing fields, it is possible that any changes in reserve estimates year on year could significantly affect prospective charges for depreciation, depletion and amortization.

Please refer *Note 14* for details on annual impairment test results.

Recoverability of oil and gas assets, downstream, refining and other assets

The Group assesses assets or CGU for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices, discount rates, future capital requirements, operating performance (including production and sales volumes) that are subject to risk and uncertainty. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered to be impaired and is written down to its recoverable amount. In assessing recoverable values, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

KMGI CGU, including goodwill

As at December 31, 2024 and 2023, the Group performed its annual impairment tests for goodwill and downstream, refining and other assets due to existence of impairment indicators at the CGUs of KMGI. For the detailed discussion of KMGI CGU impairment test refer to *Note 14*.

Pavlodar refinery, including goodwill

As of December 31, 2024, and 2023 the Group has goodwill of 88,553 million tenge related to acquisition of Pavlodar refinery *(Note 18).* In December 2024 and 2023 the Group performed annual impairment test for the Pavlodar refinery goodwill. In assessing the recoverable amount, the fair value less the cost of sale was calculated, determined using a marketing scheme. The Group considered the forecast for oil tolling volumes, oil tolling tariffs, capital expenditures, among other factors, when reviewing for indicators of impairment. The recoverable amount is calculated using a discounted cash flow model. In 2024, the discount rate of 14.12% (2023: 16.02%) was calculated based on the pre-tax weighted average cost of capital. The inherent risk was included by applying an individual beta factor. The beta factor was estimated based on the publicly available market data. Forecasted cash flows till to 2032 were based on five-years business plan of Pavlodar refinery 2025-2029 (2023: 2024-2028 years), which assumes current management estimates on potential changes in operating and capital costs. As at December 31, 2024 and 2023 the recoverable amount of goodwill, which was determined based on fair value less cost to sell, exceeded its book value, as such no impairment of Pavlodar refinery goodwill was recognized.

Sensitivity to changes in assumptions

Results of the assessment of recoverable amount of Pavlodar refinery goodwill are sensitive to changes in key assumptions, in particular, assumptions related to changes in discount rate and target EBITDA in terminal period. Increase in discount rates by 1.0% to 15.12% (2023: 17.02%) and decrease of target EBITDA in terminal period by 1% would not result decrease of the recoverable amount of CGU Pavlodar refinery to its carrying value.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Recoverability of oil and gas assets, downstream, refining and other assets (continued)

Other CGUs

Revision to the Group's commodity price and other assumptions have not resulted in impairment charges in any other CGUs of the *Refining and trading of crude oil and refined products segment*.

Assets retirement obligations

Oil and gas production facilities

Under the terms of certain subsoil use contracts, legislation and regulations the Group has legal obligations to dismantle and remove tangible assets and restore the land at each production site. Specifically, the Group's obligation relates to the ongoing closure of all non-producing wells and final closure activities such as removal of pipes, buildings and recultivation of the contract territories, and also obligations to dismantle and remove tangible assets and restore territory at each production site. Since the subsoil use contract terms cannot be extended at the discretion of the Group, the settlement date of the final closure obligations has been assumed to be the end of each subsoil use contract period. The extent of the Group's obligations to finance the abandonment of wells and for final closure costs depends on the terms of the respective subsoil use contracts and current legislation.

Where neither subsoil use contracts nor legislation include an unambiguous obligation to undertake or finance such final abandonment and closure costs at the end of the subsoil use contract term, no liability has been recognized. There is some uncertainty and significant judgment involved in making such a determination. Management's assessment of the presence or absence of such obligations could change with shifts in policies and practices of the Government or in the local industry practice.

The Group calculates asset retirement obligations separately for each contract. The amount of the obligation is the present value of the estimated expenditures expected to be required to settle the obligation adjusted for expected inflation and discounted using average long-term risk-free interest rates for emerging market sovereign debt adjusted for risks specific to the Kazakhstan market.

At each reporting date the Group reviews site restoration provisions, and adjusts them to reflect the current best estimate in accordance with IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*.

Estimating the future closure costs involves significant estimates and judgments by management. Most of these obligations are many years in the future and, in addition to ambiguities in the legal requirements, the Group's estimate can be affected by changes in asset removal technologies, costs and industry practice. The Group estimates future well abandonment cost using current year prices and the average long-term inflation rate.

The long-term inflation and discount rates used to determine the obligation in the consolidated statement of financial position across the Group entities at December 31, 2024 were in the range from 2.24% to 8.60% and from 6.85% to 12.15%, respectively (December 31, 2023: from 2.03% to 14.54% and from 6.20% to 11.37%, respectively). As at December 31, 2024 the carrying amounts of the Group's asset retirement obligations relating to decommissioning of oil and gas facilities were 142,009 million tenge (December 31, 2023: 123,785 million tenge) *(Note 29)*.

Major oil and gas pipelines

According to the Law of the RK *On Major Pipelines* which was made effective on July 4, 2012 KazTransOil JSC (further KTO) has legal obligation to decommission its major oil pipelines at the end of their operating life and to restore the land to its original condition. Asset retirement obligation is calculated based on estimate of the work to decommission and rehabilitate. As at December 31, 2024, the carrying values of the Group's asset retirement obligations relating to decommissioning of pipelines and land were 37,405 million tenge (December 31, 2023: 45,649 million tenge) *(Note 29)*.

Environmental remediation obligations provision

The enforcement of environmental regulation in Kazakhstan is evolving and subject to ongoing changes. In accordance with the amendments to the Environmental Code of the RK effective from July1, 2021, the management believes that there are possible liabilities that may have an impact on the Group's financial position and results of operations.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Environmental remediation obligations provision (continued)

At the date of issuance of the consolidated financial statements the Group has analyzed the changes and, accordingly, estimated the amount of additional potential liabilities related to the asset retirement and land recultivation. As at December 31, 2024, the carrying amount of the Group's assets retirement obligations were in total amount of 41,778 million tenge (31 December, 2023: 39,271 million tenge), which is equal to the present value of future cash outflows *(Notes 29 and 35)*.

The Group continues to monitor this matter and will adjust for new facts and circumstances, and any clarification provided by the State body in regards to the application of the Environmental Code of the RK.

The Group also makes judgments and estimates in establishing provisions for environmental remediation obligations. Environmental expenditures are capitalized or expensed depending upon their future economic benefit. Expenditures that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Liabilities are determined based on current information about costs and expected plans for remediation and are recorded on discounted basis. The Group's environmental remediation provision represents management best estimate based on an independent assessment of the anticipated expenditure necessary for the Group to remain in compliance with the current regulatory regime in Kazakhstan and Europe. The Group has classified this obligation as non-current except for the portion of costs, included in the annual budget for 2024. For environmental remediation provisions, actual costs can differ from estimates because of changes in laws and regulations, public expectations, discovery and analysis of site conditions and changes in clean-up technology. Movements in the provision for environmental remediation obligations are disclosed in *Note 29*.

Employee benefits

The cost of defined long-term employee benefits payable before, on and after retirement and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Taxation

In assessing tax risks, management considers to be probable obligations the known areas of tax positions which the Group would not appeal or does not believe it could successfully appeal, if assessed by tax authorities. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments to the taxation terms of the Group's subsoil use contracts, the determination of expected outcomes from pending tax proceedings and current outcome of ongoing compliance audits by tax authorities. The provision for tax risks other than on income tax are disclosed under provisions for taxes in *Note 29*. Contingent liabilities for tax risks other than on income tax are disclosed in *Note 35*. Provisions and contingent liabilities related to income tax are included or disclosed as income tax liabilities or contingencies (see *Note 32* and *35*).

Useful lives of property, plant and equipment

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for prospectively as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments presented in the consolidated financial statements. Further details are disclosed in *Note 34*.

5. LOSS OF CONTROL

Karaton Operating Ltd. (further Karaton)

On February 21, 2024, the Company and Tatneft PJSC signed a purchase and sale agreement for a 50% share of Karaton, subsidiary of the Company, holder of a contract for the production of hydrocarbons at Karaton subsoil blocks located in Atyrau region. As a result, on February 21, 2024, the Group lost control over Karaton.

The sale price of a 50% share in Karaton was 18.2 million US dollars (equivalent to 8,255 million tenge at the date of disposal of subsidiary).

On March 13, 2024, Tatneft PJSC made a payment of cash consideration in the amount of 18.2 million US dollars (equivalent to 8,188 million tenge at the date of payment).

The investment retained in the former subsidiary is accounted as an investment in joint venture accounted for using the equity method and with initial fair value of 8,255 million tenge at the date of loss of control.

The Company and Tatneft PJSC have joint control over the Karaton where decisions about the relevant activities of Karaton require unanimous consent.

The net cash flows incurred by Karaton for the period from January 1, 2024 through the date of loss of control are as follows:

In millions of tenge

Investing	(118)
Net decrease in cash and cash equivalents	**(118)**

At the date of loss of control net assets of Karaton were as follows:

In millions of tenge

Assets	
Exploration and evaluation assets *(Note 17)*	291
Property, plant and equipment *(Note 16)*	28
Other assets	21
Cash and cash equivalents	178
Total assets	**518**
Liabilities	
Trade accounts payable	5
Other current liabilities	413
Total liabilities	**418**
Net assets directly associated with the disposal group	**100**
Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture *(Note 21)**	8,255
Gain from disposal of subsidiary	**16,410**

* *The Group recognized 50% investment in a joint venture for the corresponding share at a fair value of identifiable net assets of Karaton*.

The business of Karaton represented in the Group's *Exploration and production of oil and gas* segment.

KALAMKAS-KHAZAR OPERATING LLP (further KKO)

On February 9, 2023, the Company and Lukoil PJSC signed a purchase and sale agreement for a 50% share of KKO, subsidiary of the Company, holder of a contract for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea. On September 11, 2023, KKO was re-registered after the parties fulfilled the suspensive conditions of a purchase and sale agreement. As a result of the transaction, the Group lost control over KKO.

5. LOSS OF CONTROL (continued)

KALAMKAS-KHAZAR OPERATING LLP (further KKO) (continued)

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (further the Additional consideration). The Group recognized this Additional consideration as a financial asset measured at fair value through profit or loss in the amount of 29 million US dollars (equivalent to 14,154 million tenge) within other non-current financial assets in the consolidated statement of the financial position. As at December 31, 2024, the fair value of the Additional consideration was 33 million US dollars (equivalent to 17,461 million tenge) (December 31, 2023: 30 million US dollars (equivalent to 13,860 million tenge).

On September 21, 2023, Lukoil PJSC made payment of cash consideration in the amount of 200 million US dollars (equivalent to 94,644 million tenge at the date of payment).

The investment retained in the former subsidiary is an investment to a joint venture accounted for using the equity method and its fair value is 93,258 million tenge at the date of loss of control. The Company and Lukoil PJSC have joint control over the KKO where decisions about the relevant activities of KKO require unanimous consent.

The results of KKO for the period from January 1, 2023 through the date of loss of control are presented below:

In millions of tenge

Finance income	**7**
General and administrative expenses	**(108)**
Finance costs	**(33)**
Net foreign exchange loss	**(98)**
Income tax expenses	**(1)**
Loss for the period	**(233)**

The net cash flows incurred by KKO for the period from January 1, 2023 through the date of loss of control are as follows:

In millions of tenge

Operating	**(102)**
Investing	**(16,937)**
Financing	**17,059**
Net increase in cash and cash equivalents	**20**

At the date of loss of control net assets of KKO were as follows:

In millions of tenge

Assets	
Property, plant and equipment *(Note 16)*	5,185
Exploration and evaluation assets *(Note 17)*	14,678
Cash and cash equivalents	20
Other assets	626
Total assets	**20,509**
Liabilities	
Borrowings	2,511
Trade accounts payable	3,548
Other liabilities	5
Total liabilities	**6,064**
Net assets directly associated with the disposal group	**14,445**

5. LOSS OF CONTROL (continued)

KALAMKAS-KHAZAR OPERATING LLP (further KKO) (continued)

In millions of tenge

Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary	14,154
Fair value of 50% retained interest in a joint venture *(Note 21)**	93,258
Gain from disposal of subsidiary	**186,225**

* *The Group recognized 50% investment in a joint venture for the corresponding share at a fair value of identifiable net assets of KKO.*

The business of KKO represented in the Group's *Exploration and production of oil and gas* segment.

6. BUSINESS COMBINATION

Acquisition of Dunga Operating GmbH

On October 9, 2023 KMG signed a purchase agreement with TOTALENERGIES EP DENMARK A/S for the acquisition of a 100% of the shares of Total E&P Dunga GmbH (renamed to Dunga Operating GmbH in December 2023), engaged in the exploration and production of crude oil and natural gas in Dunga field. The base consideration comprises of 358.5 million US dollars (equivalent to 165,913 million tenge). The agreement contains certain closing conditions precedent, which were met on October 30, 2023 and on November 20, 2023, the transaction was completed after the re-registration of Dunga Operating GmbH shares to KMG. KMG has obtained control over Dunga Operating GmbH, a subsidiary, increasing the KMG share in the hydrocarbon resource base and production of the crude oil and natural gas on the RK market.

At the date of issue consolidated financial statements for the year ended December 31, 2023, the initial accounting for the business combination was not completed and the Group assessed the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at provisional amounts being the fair value of the consideration given of 358.5 million US dollars (equivalent to 165,913 million tenge) in accordance with *IFRS 3 Business Combinations.*

In 2024 the Group completed the valuation of the fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition to complete the initial accounting for the business combination.

The fair value of the net identifiable assets and liabilities of Dunga Operating GmbH at the date of acquisition was 156,099 million tenge, a decrease of 9,814 million tenge over the provisional value. These leads to decrease in depreciation charge of property, plant and equipment and corporate income tax of 1,661 and 556 million tenge, respectively, from the acquisition date to 31 December 2023.

The 2023 comparative information was restated to reflect these adjustments.

6. BUSINESS COMBINATION (continued)

Acquisition of Dunga Operating GmbH (continued)

The fair values of the identifiable assets and liabilities of *Dunga Operating GmbH* as at the date of acquisition are as presented below:

In millions of tenge	**At the date of acquisition**
Assets	
Non-current assets	
Property, plant and equipment *(Note 16)*	181,462
Intangible assets *(Note 18)*	5,481
Long-term bank deposits	5,413
Other non-current assets	3,132
Current assets	
Inventories	6,387
Trade accounts receivable	5,870
Income tax prepaid	2,284
Other current non-financial assets	5,601
Other current financial assets	55
Cash and cash equivalents	8,288
Total assets	**223,973**
Non-current liabilities	
Provisions *(Note 29)*	4,346
Deferred income tax liabilities *(Note 32)*	48,752
Other non-current financial liabilities	447
Current liabilities	
Trade accounts payable	8,802
Other current financial liabilities	5,527
Total liabilities	**67,874**
Total identifiable net assets at fair values	**156,099**
Purchase consideration transferred, including withholding tax	**165,913**
Goodwill arising on acquisition	**9,814**

6. BUSINESS COMBINATION (continued)

Acquisition of Dunga Operating GmbH (continued)

The business of Dunga Operating GmbH is represented in the Group's *Exploration and production of oil and gas* segment in these consolidated financial statements.

The acquisition date fair value of the trade accounts receivable amounts to 5,870 million tenge, that is the gross amount of trade accounts receivable. It is expected that the full contractual amounts can be collected.

The deferred income tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The Goodwill of 9,814 million tenge arising on acquisition represents the Group's future benefits from the exploration and production of crude oil and natural gas in the Dunga field. None of the goodwill recognised is expected to be deductible for income tax purposes.

There was no recognized contingent liability at the date of acquisition.

From the date of acquisition, Dunga Operating GmbH contributed 2,872 million tenge of revenue and 1,172 million tenge to profit before tax from continuing operations of the Group in 2023. If the combination had taken place at the beginning of the 2023, revenue from continuing operations would have been 34,032 million tenge and profit before tax from continuing operations for the Group would have been 21,468 million tenge.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

In millions of tenge	**2024**	2023
Type of goods and services		
Sales of crude oil and gas	**4,695,223**	4,628,125
Sales of refined products	**2,697,812**	2,848,921
Refining of oil and oil products	**258,530**	248,058
Oil transportation services	**240,728**	226,142
Other revenue	**437,968**	368,297
	8,330,261	8,319,543
Geographical markets		
Switzerland	**1,852,928**	1,677,575
UAE	**1,850,402**	223,586
Kazakhstan	**1,602,854**	1,454,546
Romania	**1,198,203**	1,334,646
The Netherlands	**741,826**	2,500,126
Other countries	**1,084,048**	1,129,064
	8,330,261	8,319,543
Timing of revenue recognition		
At a point in time	**8,093,554**	8,121,191
Over time	**236,707**	198,352
	8,330,261	8,319,543

8. SHARE IN PROFIT OF JOINT VENTURES AND ASSOCIATES, NET

In millions of tenge	**2024**	2023
Joint ventures		
Tengizchevroil LLP	**303,480**	340,884
Mangistau Investments B.V. Group (MMG)	**35,726**	38,255
KC Energy Group LLP *	**27,288**	–
PETROSUN LLP *	**26,238**	46,567
KazGerMunay LLP	**25,336**	20,983
Kazakhstan-China Pipeline LLP	**20,844**	18,720
KazRosGas LLP	**19,157**	32,324
Kazakhoil-Aktobe LLP	**5,986**	(1,869)
Valsera Holdings B.V. Group (PKOP)	**(177)**	17,296
Teniz Service LLP	**(1,742)**	116
Kazakhstan Petrochemical Industries Inc. LLP	**(5,210)**	(12,339)
Ural Group Limited	**(8,961)**	(47,006)
Other	**(2,185)**	3,896
	445,780	457,827
Associates		
Caspian Pipeline Consortium	**81,525**	64,358
PetroKazakhstan Inc.	**2,253**	4,889
Other	**1,672**	7,103
	85,450	76,350
	531,230	534,177

* *KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN LLP will be gradually transferred to KC Energy Group LLP.*

9. COST OF PURCHASED OIL, GAS, PETROLEUM PRODUCTS AND OTHER MATERIALS

In millions of tenge	**2024**	2023
Purchased oil for resale	**3,380,238**	3,402,819
Materials and supplies	**561,039**	416,851
Cost of oil for refining	**338,490**	687,792
Purchased petroleum products for resale	**67,244**	90,108
Purchased gas for resale	**–**	24,311
	4,347,011	4,621,881

10. PRODUCTION EXPENSES

In millions of tenge	**2024**	2023
Payroll	**606,560**	510,927
Repair and maintenance	**272,584**	212,500
Transportation costs	**156,399**	123,310
Energy	**125,666**	117,957
Short-term lease expenses	**92,377**	102,385
Environmental protection	**15,015**	17,930
Write-off of inventories to net realizable value	**1,485**	1,590
Realized gain from derivatives on petroleum products	**(19,502)**	(69)
Others	**148,020**	133,192
	1,398,604	1,219,722

11. TAXES OTHER THAN INCOME TAX

In millions of tenge	**2024**	2023
Rent tax on crude oil export	**139,656**	138,986
Export customs duty	**124,941**	113,248
Excise	**120,114**	112,320
Mineral extraction tax	**99,446**	142,900
Social tax	**50,921**	44,863
Property tax	**33,345**	31,505
Turnover tax	**14,472**	–
Other taxes	**10,089**	10,258
	592,984	594,080

As per Law no 296/2023 of Romania, the companies in the oil and gas sector with turnover of more than 50 million euro will have to pay an additional 0.5% turnover tax to the corporate income tax for 2024-2025. In 2024 KMGI paid turnover tax in the amount of 28.5 million Euro (equivalent to 14,472 million tenge).

12. TRANSPORTATION AND SELLING EXPENSES

In millions of tenge	**2024**	2023
Transportation	**200,844**	184,940
Payroll	**21,552**	19,990
Other	**45,428**	40,595
	267,824	245,525

13. GENERAL AND ADMINISTRATIVE EXPENSES

In millions of tenge	**2024**	2023
Payroll	**93,824**	80,672
Trust management expenses	**53,276**	–
Consulting services	**16,531**	17,828
Maintenance	**8,926**	6,845
Impairment/(reversal of impairment) of VAT receivable	**7,063**	(282)
Social payments	**6,825**	6,037
Communication	**2,218**	2,080
VAT non-recoverable	**1,237**	5,811
Other	**64,248**	46,906
	254,148	165,897

For 2024, the total payroll amounted to 721,936 million tenge (2023: 611,589 million tenge) and was included in production expenses, transportation and selling expenses and general and administrative expenses in the consolidated statement of comprehensive income.

For 2024, the Group recognized remuneration to JSC NC QazaqGaz, a subsidiary of Samruk-Kazyna, for the services of trust management of a 50% interest in KazRosGaz LLP, a joint venture, in the amount of 53,276 million tenge as trust management expenses in these consolidated financial statements.

14. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND EXPLORATION EXPENSES

In millions of tenge	**2024**	2023
Impairment charge and reversal		
Property, plant and equipment *(Note 16)*	**65,401**	101,782
Intangible assets *(Note 18)*	**–**	483
Non – current advances for fixed assets	**(17,324)**	17,560
	48,077	119,825
Exploration expenses (impairment and write-off) *(Note 17)*		
Abai project	**17,703**	–
Aktoty and Kairan project	**3,953**	74,255
Jenis project	**–**	40,244
Liman project	**–**	8,847
Urikhtau project	**–**	4,876
Isatay project	**–**	93
	21,656	128,315
	69,733	248,140

Impairment charge and reversal was recognized for the following CGUs:

In millions of tenge	**2024**	**2023**
Seawater desalination plant	**53,197**	17,560
CGUs of KMGI	**1,010**	97,636
Drilling jack-up rig	**(16,189)**	-
Others	**10,059**	4,629
	48,077	119,825

Impairment of property, plant and equipment

Impairment of a seawater desalination plant and supply infrastructure

As part of the Comprehensive Plan for the Social and Economic Development of Mangistau region for 2021-2025, in order to provide drinking water to the population of the city of Zhanaozen, Ak Su KMG LLP, a subsidiary of Ozenmunaigas JSC, began construction of a seawater desalination plant and supply infrastructure in Zhanaozen city. The Group estimates that the recoverable amount of this property is nil and, accordingly, as at 31 December 2024, recognized an impairment charge for construction costs incurred in the amount of 70,521 million tenge, and reversed the reserve accrued in 2023 for the advances for the construction of this desalination plant in the amount of 17,324 million tenge

Reversal of impairment of Drilling jackup rig

As of December 31, 2024, KMG Drilling & Services LLP, a subsidiary of the Company, conducted an impairment test for the jack-up rig and recognized a reversal of a previously recognized impairment loss in the amount of the excess of the value in use of the jack-up rig over its carrying amount in the amount of 16,189 million tenge.

Value in use was determined by discounting the expected future cash flows from the operation of the jack-up rig under a three-year contract with Dragon Oil (Turkmenistan) Ltd for drilling operations in the Turkmen sector of the Caspian Sea, with an option to extend it for two years.

14. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND EXPLORATION EXPENSES (continued)

The following significant assumptions were made in calculating value in use:

Discount rate	17.7%
Daily operating rate for the operation of a jack-up rig	130 thousand USD
Daily operating expenses	68 thousand USD
Number of operating days per year during which the jack-up rig will be used	365
Load factor including idle days	95%

Reversals of impairment are limited so that the carrying amount of the asset as at December 31, 2024 does not exceed its recoverable amount, and does not exceed the carrying amount at which Drilling jackup rig would have been recognized in case of had no impairment loss been recognized in prior years.

Impairment of KMGI CGU

For the year ended December 31, 2023, the Group performed its impairment tests for goodwill and downstream, refining and other assets due to existence of impairment indicators at the CGUs of KMGI: CGU Refining, CGU Petrochemicals and CGU Downstream. As the result of the impairment test, recoverable amount of KMGI CGUs were lower than its carrying values. The total impairment loss for the analyzed KMGI's CGUs was 94,962 million tenge, of which CGU Refining was estimated at 80,761 million tenge, for CGU Petrochemicals at 340 million tenge and for CGU Downstream at 13,861 million tenge.

The main impairment indicators have been i) the increased oil & gas market refining margins volatility and decreased market demand in the context of strict decarbonization regulations and geopolitical instability, ii) lack of a long-term decarbonization plan of KMGI, iii) the change in the tax environment in Romania, in particular the introduction at the end of 2023 of a turnover tax in the oil and gas sector in the amount of 0.5%, starting from 2024 to 2025, and further 1% or more depending on the turnover of enterprises.

The Group considered forecasted refining margins and production volumes, among other factors, when analyzing the impairment indicators. The recoverable amount of KMGI CGU Refining was determined based on fair value less costs of disposal (FVLCD), which was calculated using the discounted cash flow method. The key assumptions used in the FVLCD calculations for the CGU were operating profit, including the assumption that KMGI will be able to recover, through an increase in the final selling price, the costs of turnover tax from 2026, discount rates and growth rate used to extrapolate cash flows beyond the budgeted period.

In addition, KMGI applied the assumption that introduced in 2024 an additional tax burden on KMGI turnover will be recovered by a phased increase in the price for the final users.

As of 31 December 2024, KMGI retested for impairment and no additional impairment or reversal of previously recognized impairment was identified.

In June 2023, an incident occurred at the Petromedia Refinery, a subsidiary of KMGI, which led to the temporary decommissioning of the Mild Hydrocracker installation. Petromedia Refinery conducted assessments to estimate the incident consequences and recognized impairment of property, plant and equipment for 2,674 million tenge.

Exploration expenses

For the year ended December 31, 2024, the Group recognized impairment loss of 17,703 million tenge on exploration and evaluation assets relating to Abai project due to negative drilling results and the absence of signs of hydrocarbon reserves in the well.

For the year ended December 31, 2023, the Group recognized impairment loss of 40,244 million tenge on exploration and evaluation assets relating to Jenis project due to negative drilling results (the absence of hydrocarbons in the well).

For the year ended December 31, 2023, the Group recognized impairment loss of 74,255 million tenge on exploration and evaluation assets relating to Aktoty and Kairan project, due to the notification of termination of the subsoil use right for the mentioned mining areas received from the Ministry of Energy of RK.

For the year ended December 31, 2023, the Group has recognized impairment of exploration and evaluation assets in the amount of 4,876 million tenge of the Urikhtau, due to the expiration of the Contract for the use of Devonian sediments.

15. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COST

Interest revenue calculated using the effective interest method

In millions of tenge	**2024**	2023
Interest income on bank deposits, financial assets, loans and bonds	**182,627**	139,105
Amortization of issued financial guarantees	**1,765**	344
	184,392	139,449

Other finance income

In millions of tenge	**2024**	2023
Recognition of a change in the fair value of a financial instrument due to its modification *(Note 27)*	**59,769**	–
Derecognition of loan *(Note 27)*	**48,442**	4,377
Revaluation of financial assets at fair value through profit or loss	**6,806**	827
Other	**8,273**	2,128
	123,290	7,332

Finance costs

In millions of tenge	**2024**	2023
Interest expense on loans and bonds *(Note 27)*	**279,227**	271,785
Interest expense on lease liabilities *(Note 28)*	**8,444**	7,420
Unwinding of discount on payables to Samruk-Kazyna for exercising the Option	**–**	3,256
Interest expense	**287,671**	282,461
Unwinding of discount on asset retirement obligations, for environmental obligation and other provisions *(Note 29)*	**18,870**	13,398
Discount on long-term accounts receivable *(Note 33)*	**8,741**	–
Unwinding of discount on employee benefits obligations	**7,648**	7,157
Other	**23,166**	18,614
	346,096	321,630

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. PROPERTY, PLANT AND EQUIPMENT

In millions of tenge	Oil and gas assets	Pipelines	Refinery assets	Buildings and improve-ments	Machinery and equip-ment	Vehicles	Other	Capital work in progress	Total
Net book value as at December 31, 2022	4,598,235	266,566	1,075,385	235,465	268,052	74,540	115,090	360,668	6,994,001
Business combination *(Note 6)*	159,727	–	–	6,020	854	49	104	14,708	181,462
Foreign currency translation	(72,146)	(749)	(5,719)	(2,769)	(525)	(494)	(1,418)	(3,864)	(87,684)
Change in estimate	8,755	793	–	365	–	–	–	(1,572)	8,341
Additions	52,199	2,042	63,802	3,527	6,308	11,212	3,714	575,509	718,313
Disposals	(18,295)	(559)	(7,751)	(1,566)	(3,641)	(2,533)	(5,055)	(3,473)	(42,873)
Loss of control over subsidiaries *(Note 5)*	–	–	–	–	–	–	–	(5,185)	(5,185)
Depreciation charge	(354,521)	(10,666)	(102,767)	(15,290)	(26,001)	(11,145)	(9,543)	–	(529,933)
Accumulated depreciation and impairment on disposals	17,150	438	7,735	912	3,520	2,508	4,763	1,641	38,667
(Impairment)/reversal of impairment *(Note 14)*		(28)	(83,187)	(13,749)	(1,595)	(888)	149	(2,484)	(101,782)
Transfers from/to assets classified as held for sale	–	–	–	208	–	(4)	2	–	206
Transfers from exploration and evaluation assets *(Note 17)*	21	–	–	–	–	–	–	19	40
Transfers to investment property	–	–	(702)	(1,742)	–	–	–	–	(2,444)
Other changes	16	(25)	–	133	44	(2)	19	(72)	113
Transfers	256,521	3,950	61,857	31,593	128,416	4,852	6,586	(493,775)	–
Net book value as at December 31, 2023 (restated)	4,647,662	261,762	1,008,653	243,107	375,432	78,095	114,411	442,120	7,171,242
At cost	7,523,664	417,598	2,856,817	610,240	782,754	234,741	261,453	513,875	13,201,142
Accumulated depreciation and impairment	(2,876,002)	(155,836)	(1,848,164)	(367,133)	(407,322)	(156,646)	(147,042)	(71,755)	(6,029,900)
Net book value as at December 31, 2023 (restated)	**4,647,662**	**261,762**	**1,008,653**	**243,107**	**375,432**	**78,095**	**114,411**	**442,120**	**7,171,242**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. PROPERTY, PLANT AND EQUIPMENT (continued)

In millions of tenge	Oil and gas assets	Pipelines	Refinery assets	Buildings and improve-ments	Machinery and equip-ment	Vehicles	Other	Capital work in progress	Total
Net book value as at December 31, 2023 (restated)	**4,647,662**	**261,762**	**1,008,653**	**243,107**	**375,432**	**78,095**	**114,411**	**442,120**	**7,171,242**
Foreign currency translation	**571,416**	**6,245**	**33,626**	**13,340**	**9,007**	**4,495**	**12,631**	**35,800**	**686,560**
Change in estimate	**(8,763)**	**(7,341)**	**(2,770)**	**(3,197)**	**687**	**–**	**–**	**–**	**(21,384)**
Additions	**56,890**	**59**	**69,497**	**947**	**7,706**	**10,187**	**3,910**	**519,302**	**668,498**
Disposals	**(38,605)**	**(59)**	**(5,681)**	**(6,650)**	**(7,267)**	**(3,124)**	**(7,612)**	**(2,217)**	**(71,215)**
Loss of control over subsidiaries *(Note 5)*	**–**	**–**	**–**	**–**	**–**	**–**	**(28)**	**–**	**(28)**
Depreciation charge	**(390,800)**	**(11,358)**	**(100,757)**	**(13,150)**	**(32,356)**	**(14,141)**	**(10,424)**	**–**	**(572,986)**
Accumulated depreciation and impairment on disposals	**31,438**	**59**	**5,607**	**6,439**	**7,046**	**3,069**	**6,349**	**1,857**	**61,864**
(Impairment)/reversal of impairment *(Note 14)*	**–**	**–**	**(3,671)**	**(2,942)**	**15,985**	**(2,200)**	**12**	**(72,585)**	**(65,401)**
Transfers from exploration and evaluation assets *(Note 17)*	**58**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**58**
Transfers to investment property	**–**	**–**	**(425)**	**(6,273)**	**(27)**	**–**	**(3)**	**–**	**(6,728)**
Other changes	**51**	**(4)**	**174**	**(301)**	**59**	**(1)**	**485**	**(16,783)**	**(16,320)**
Transfers	**231,203**	**4,322**	**50,335**	**36,164**	**26,561**	**7,687**	**7,487**	**(363,759)**	**–**
Net book value as at December 31, 2024	**5,100,550**	**253,685**	**1,054,588**	**267,484**	**402,833**	**84,067**	**127,218**	**543,735**	**7,834,160**
At cost	**8,656,287**	**425,890**	**3,205,635**	**681,123**	**840,291**	**259,995**	**292,885**	**710,089**	**15,072,195**
Accumulated depreciation and impairment	**(3,555,737)**	**(172,205)**	**(2,151,047)**	**(413,639)**	**(437,458)**	**(175,928)**	**(165,667)**	**(166,354)**	**(7,238,035)**
Net book value as at December 31, 2024	**5,100,550**	**253,685**	**1,054,588**	**267,484**	**402,833**	**84,067**	**127,218**	**543,735**	**7,834,160**

16. PROPERTY, PLANT AND EQUIPMENT (continued)

For the year ended December 31, 2024, the Group capitalized to the carrying amount of property, plant and equipment borrowing costs in the amount of 3,718 million tenge related to the construction of those property, plant and equipment at the range of capitalized interest rate from 5.71% to 15.75% (as at December 31, 2023: 9,794 million tenge at the range of capitalized interest rate from 6.86% to 18,25%).

As at December 31, 2024, the cost of fully depreciated but still in use property, plant and equipment was 404,898 million tenge (as at December 31, 2023: 370,497 million tenge).

As at December 31, 2024, property, plant and equipment with the net book value of 163,170 million tenge were mainly pledged as collateral to secure borrowings of the Group (as at December 31, 2023: 168,214 million tenge).

Capital commitments are disclosed in *Note 35*.

17. EXPLORATION AND EVALUATION ASSETS

In millions of tenge	**Tangible**	**Intangible**	**Total**
Net book value as at December 31, 2022	239,002	12,278	251,280
Additions	39,905	29,590	69,495
Foreign currency translation	(3,378)	−	(3,378)
Transfer to property, plant and equipment *(Note 16)*	(40)	−	(40)
Impairment *(Note 14)*	(118,462)	(9,853)	(128,315)
Loss of control over subsidiaries *(Note 5)*	−	(14,678)	(14,678)
Write-off	(2)	(175)	(177)
Net book value as at December 31, 2023	157,025	17,162	174,187
Additions	**26,063**	**13,058**	**39,121**
Foreign currency translation	**21,217**	**−**	**21,217**
Change in estimate	**4,008**	**−**	**4,008**
Transfer to property, plant and equipment *(Note 16)*	**(58)**	**−**	**(58)**
Impairment *(Note 14)*	**(20,647)**	**(1,009)**	**(21,656)**
Loss of control over subsidiaries *(Note 5)*	**(191)**	**(100)**	**(291)**
Other transfers	**84**	**(84)**	**–**
Write-off	**–**	**(80)**	**(80)**
Net book value as at December 31, 2024	**187,501**	**28,947**	**216,448**

As at December 31, 2024 and 2023, the exploration and evaluation assets are represented by the following projects:

In millions of tenge	**December 31, 2024**	December 31, 2023
North Caspian project	**161,838**	140,098
KMG Barlau LLP	**27,199**	14,346
Embamunaigas JSC	**2,711**	1,509
Turgai paleozoi project	**14,604**	–
Other	**10,096**	18,234
	216,448	174,187

18. INTANGIBLE ASSETS

In millions of tenge	Licenses	Subsoil use rights (under production)	Goodwill	Marketing related intangible assets	Software	Other	Total
Net book value as at December 31, 2022	524,701	212,220	100,656	27,286	18,254	35,144	918,261
Foreign currency translation	(9,038)	(3,637)	(212)	(477)	(314)	(274)	(13,952)
Additions	148	68	–	–	1,056	14,457	15,729
Disposals	(699)	–	–	–	(1,198)	(297)	(2,194)
Amortization charge	(33,763)	(11,004)	–	–	(6,027)	(1,007)	(51,801)
Accumulated amortization and impairment on disposals	695	–	–	–	1,198	267	2,160
Business combination *(Note 6)*	–	667	–	–	3,098	1,716	5,481
Goodwill arising on acquisition *(Note 6)*	–	–	9,814	–	–	–	9,814
Impairment *(Note 14)*	–	–	–	–	–	(483)	(483)
Other changes	–	62	–	–	230	(24)	268
Transfers	1,265	–	–	–	969	(2,234)	–
Net book value as at December 31, 2023 (restated)	483,309	198,376	110,258	26,809	17,266	47,265	883,283
Foreign currency translation	**71,153**	**29,423**	**1,846**	**4,161**	**882**	**2,243**	**109,708**
Additions	**1,100**	**151**	**–**	**–**	**3,619**	**3,752**	**8,622**
Disposals	**(319)**	**–**	**–**	**–**	**(1,736)**	**(219)**	**(2,274)**
Amortization charge	**(32,175)**	**(10,115)**	**–**	**–**	**(5,472)**	**(1,539)**	**(49,301)**
Accumulated amortization and impairment on disposals	**319**	**–**	**–**	**–**	**1,720**	**56**	**2,095**
Other changes	**1,002**	**–**	**–**	**–**	**1,320**	**(2,322)**	**–**
Transfers	**–**	**387**	**–**	**–**	**83**	**(9,447)**	**(8,977)**
Net book value as at December 31, 2024	**524,389**	**218,222**	**112,104**	**30,970**	**17,682**	**39,789**	**943,156**
At cost	**795,467**	**306,196**	**220,849**	**79,497**	**94,036**	**114,224**	**1,610,269**
Accumulated amortization and impairment	**(271,078)**	**(87,974)**	**(108,745)**	**(48,527)**	**(76,354)**	**(74,435)**	**(667,113)**
Net book value as at December 31, 2024	**524,389**	**218,222**	**112,104**	**30,970**	**17,682**	**39,789**	**943,156**
At cost	687,462	265,055	219,003	68,816	85,944	112,936	1,439,216
Accumulated amortization and impairment	(204,153)	(66,679)	(108,745)	(42,007)	(68,678)	(65,671)	(555,933)
Net book value as at December 31, 2023 (restated)	483,309	198,376	110,258	26,809	17,266	47,265	883,283

18. INTANGIBLE ASSETS (continued)

As at December 31, 2024 and 2023, marketing related intangible assets were represented by trademarks of KMGI.

Carrying amount of goodwill is allocated to each of the group of cash-generating units as follows:

Cash-generating unit	December 31, 2024	December 31, 2023 (restated)
Pavlodar refinery CGU	**88,553**	88,553
CGUs of KMGI	**13,737**	11,891
CGU Dunga *(Note 6)*	**9,814**	9,814
Total goodwill	**112,104**	110,258

In 2024 and 2023, based on the impairment test results, no impairment of Pavlodar refinery, KMGI or Dunga goodwill was recognized. For the detailed discussion of Pavlodar refinery goodwill impairment test refer to *Note 4*.

19. RIGHT-OF-USE ASSETS

In millions of tenge	Oil and gas assets	Refinery assets	Buildings and improve-ments	Machinery and equip-ment	Vehicles	Other	Total
Net book value as at December 31, 2022	27,643	6,336	13,143	3,593	809	25,043	76,567
Foreign currency translation	(517)	(103)	(225)	15	88	(596)	(1,338)
Change in estimate	2,057	19	335	228	336	963	3,938
Additions	1,447	–	6,028	32	7,601	40,634	55,742
Disposals	(20,711)	–	(2,337)	(115)	(4,763)	(26)	(27,952)
Depreciation charge	(5,319)	(363)	(2,788)	(3,149)	(2,185)	(4,363)	(18,167)
Accumulated depreciation and impairment on disposals	6,195	–	2,012	–	4,701	67	12,975
Net book value as at December 31, 2023	10,795	5,889	16,168	604	6,587	61,722	101,765
Foreign currency translation	**1,509**	**816**	**2,010**	**66**	**28**	**10,381**	**14,810**
Change in estimate	**–**	**88**	**1,135**	**1,866**	**(382)**	**4,679**	**7,386**
Additions	**3,343**	**–**	**2,060**	**2,281**	**3,517**	**12,589**	**23,790**
Disposals	**(6,662)**	**(18)**	**(2,215)**	**(582)**	**(925)**	**(5,165)**	**(15,567)**
Depreciation charge	**(6,714)**	**(371)**	**(3,311)**	**(3,172)**	**(2,063)**	**(6,101)**	**(21,732)**
Accumulated depreciation and impairment on disposals	**5,880**	**18**	**644**	**379**	**525**	**5,093**	**12,539**
Net book value as at December 31, 2024	**8,151**	**6,422**	**16,491**	**1,442**	**7,287**	**83,198**	**122,991**
At cost	23,936	7,754	28,912	16,187	9,112	76,628	162,529
Accumulated depreciation and impairment	(13,141)	(1,865)	(12,744)	(15,583)	(2,525)	(14,906)	(60,764)
Net book value as at December 31, 2023	10,795	5,889	16,168	604	6,587	61,722	101,765
At cost	**20,844**	**8,941**	**34,042**	**22,545**	**11,544**	**101,156**	**199,072**
Accumulated depreciation and impairment	**(12,693)**	**(2,519)**	**(17,551)**	**(21,103)**	**(4,257)**	**(17,958)**	**(76,081)**
Net book value as at December 31, 2024	**8,151**	**6,422**	**16,491**	**1,442**	**7,287**	**83,198**	**122,991**

20. BANK DEPOSITS

In millions of tenge	**December 31, 2024**	December 31, 2023
Denominated in US dollar	**1,582,708**	1,055,456
Denominated in tenge	**5,662**	5,628
Less: allowance for expected credit losses	**(225)**	(181)
	1,588,145	1,060,903

As at December 31, 2024, the weighted average interest rate for long-term bank deposits was 3.54% in US dollars and 6.85% in tenge (December 31, 2023: 2.73% in US dollars and 6.23% in tenge).

As at December 31, 2024, the weighted average interest rate for short-term bank deposits was 4.88% in US dollars and 0.49% in tenge (December 31, 2023: 5.65% in US dollars and 1.38% in tenge).

In millions of tenge	**December 31, 2024**	December 31, 2023
Maturities under 1 year	**1,513,816**	997,012
Maturities between 1 and 2 years	**1,977**	279
Maturities over 2 years	**72,352**	63,612
	1,588,145	1,060,903

As at December 31, 2024 bank deposits include those pledged as collateral with carrying value of 74,329 million tenge (December 31, 2023: 63,891 million tenge), which are represented mainly by 71,273 million tenge at restricted bank accounts designated as a liquidation fund per requirements of subsoil use contracts (December 31, 2023: 60,573 million tenge).

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

In millions of tenge	Main activity	Place of business	December 31, 2024 Carrying value	December 31, 2024 Percentage ownership	December 31, 2023 Carrying value	December 31, 2023 Percentage ownership
Joint ventures						
Tengizchevroil LLP (TCO)[1]	Oil and gas exploration and production	Kazakhstan	**3,987,223**	**20.00%**	3,598,510	20.00%
Mangistau Investments B.V. Group (MMG)	Oil and gas development and production	Kazakhstan	**196,938**	**50.00%**	203,614	50.00%
KALAMKAS-KHAZAR OPERATING LLP (KKO)	Oil and gas development and production	Kazakhstan	**88,018**	**50.00%**	93,258	50.00%
Ural Group Limited (UGL)	Oil and gas exploration and production	Kazakhstan	**67,860**	**50.00%**	7,641	50.00%
KazRosGas LLP (KRG)	Processing and sale of natural gas and refined gas products	Kazakhstan	**66,539**	**50.00%**	69,479	50.00%
Kazakhstan-China Pipeline LLP (KCP)	Oil transportation	Kazakhstan	**66,202**	**50.00%**	53,358	50.00%
Silleno LLP (Silleno)[2]	Construction of the first integrated gas-chemical complex	Kazakhstan	**65,079**	**40.00%**	17,552	60.00%
KazGerMunay LLP (KGM)	Oil and gas exploration and production	Kazakhstan	**44,264**	**50.00%**	36,506	50.00%
Valsera Holdings B.V. Group (PKOP)	Oil refining	Kazakhstan	**37,688**	**50.00%**	41,515	50.00%
KC Energy Group (KCEG)[3]	Sale of liquefied gas and oil products	Kazakhstan	**27,749**	**49.00%**	–	–
Kazakhoil-Aktobe LLP (KOA)	Production of crude oil	Kazakhstan	**24,028**	**50.00%**	18,042	50.00%
PETROSUN LLP (Petrosun)[3]	Sale of liquefied gas and oil products	Kazakhstan	**8,978**	**49.00%**	31,740	49.00%
Karaton Operating Ltd. (Karaton)	Oil and gas development and production	Kazakhstan	**8,907**	**50.00%**	–	–
Teniz Service LLP (Teniz Service)	Design, construction and operation of infrastructure facilities, offshore oil operations support	Kazakhstan	**6,468**	**48.996%**	8,210	48.996%
Other			**57,916**		40,793	
Associates						
Caspian Pipeline Consortium (CPC)	Transportation of liquid hydrocarbons	Kazakhstan / Russia	**484,247**	**20.75%**	451,913	20.75%
PetroKazakhstan Inc. (PKI)	Exploration, production and processing of oil and gas	Kazakhstan	**82,175**	**33.00%**	94,887	33.00%
Other			**58,234**		54,409	
			5,378,513		4,821,427	

[1]*The share of 20% provides the Group the joint control over TCO where decisions about the relevant activities require unanimous consent.*

[2]*The share of 40% and 60% as at December 31, 2024 and 2023, respectively, provided the Group the joint control over Silleno where decisions about the relevant activities require unanimous consent.*

[3]*KC Energy Group LLP was founded under conditions similar to the current activities of PETROSUN LLP with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN LLP will be gradually transferred to KC Energy Group LLP.*

All of the above joint ventures and associates are strategic for the Group's business.

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

As at December 31, 2024, the Group's share in unrecognized losses of joint ventures and associates was equal to 112,808 million tenge (December 31, 2023: 7,145 million tenge).

The following table summarizes the movements in the investments in 2024 and 2023:

In millions of tenge	**2024**	2023
On January 1	**4,821,427**	4,947,403
Share in profits of joint ventures and associates, net *(Notes 8)*	**531,230**	534,177
Recognition of investment in joint ventures *(Note 5)*	**8,255**	93,258
Disposal of share in joint venture without losing joint control	**(6,393)**	–
Dividends received	**(701,104)**	(619,826)
Change in dividends receivable	**(58,263)**	(107,633)
Other changes in the equity of the joint venture	**57,997**	41,764
Additional contributions without change in ownership	**74,209**	20,117
Disposals, net	**–**	(8,621)
Eliminations and adjustments*	**(322)**	(2,140)
Foreign currency translation	**651,477**	(78,088)
Other changes	**–**	1,016
On December 31	**5,378,513**	4,821,427

* *Equity method eliminations and adjustments represent capitalized borrowing costs on the loans provided by the Company and subsidiaries to joint ventures.*

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2024:

In millions of tenge	**TCO**	**MMG**	**KKO**	**UGL**	**KRG**	**KCP**	**Silleno**
Non-current assets	**26,176,361**	**453,936**	**31,962**	**242,666**	**19,368**	**119,017**	**132,833**
Current assets, including	**2,664,463**	**237,009**	**6,307**	**23,706**	**127,977**	**49,543**	**1,918**
Cash and cash equivalents	***1,142,568***	***84,851***	***6,301***	***15,317***	***75,084***	***39,103***	***1,884***
Non-current liabilities, including	**(7,086,258)**	**(140,577)**	**(43,328)**	**(47,481)**	**(403)**	**(22,936)**	**–**
Non-current financial liabilities	***(3,675,770)***	**–**	**–**	***(24,832)***	**–**	**–**	**–**
Current liabilities, including	**(1,818,449)**	**(159,532)**	**(5,819)**	**(19,923)**	**(13,864)**	**(13,220)**	**(5,623)**
Current financial liabilities	**(1,050,220)**	**–**	**–**	**–**	**–**	**–**	**–**
Equity	**19,936,117**	**390,836**	**(10,878)**	**198,968**	**133,078**	**132,404**	**129,128**
Share of ownership	**20%**	**50%**	**50%**	**50%**	**50%**	**50%**	**40%**
Impairment of the investment	**–**	**–**	**–**	**(20,000)**	**–**	**–**	**–**
Equity method adjustments	**–**	**1,520**	**–**	**(11,624)**	**–**	**–**	**13,428**
Recognition of investment	**–**	**–**	**93,258**	**–**	**–**	**–**	**–**
Accumulated unrealized losses	**–**	**–**	**199**	**–**	**–**	**–**	**–**
Carrying amount of the investments as at December 31, 2024	**3,987,223**	**196,938**	**88,018**	**67,860**	**66,539**	**66,202**	**65,079**
Revenue	**8,358,505**	**871,754**	**–**	**26,561**	**255,369**	**87,939**	**–**
Depreciation, depletion and amortization	***(2,615,840)***	***(94,355)***	**–**	***(6)***	***(312)***	***(10,267)***	***(31)***
Finance income	**116,985**	**1,800**	**139**	**–**	**6,602**	**2,688**	**800**
Finance costs	**(240,018)**	**(17,802)**	**(1,495)**	**(586)**	**–**	**(333)**	**(80)**
Income tax expenses	**(669,126)**	**(38,238)**	**–**	**9,581**	**(14,569)**	**(10,519)**	**–**
Profit/(loss) for the year from continuing operations	**1,517,402**	**71,452**	**(10,479)**	**(17,923)**	**38,314**	**41,688**	**(2,138)**
Other comprehensive income /(loss)	**2,693,108**	**4,365**	**–**	**33,036**	**20,455**	**(1)**	**–**
Total comprehensive income/(loss)	**4,210,510**	**75,817**	**(10,479)**	**15,113**	**58,769**	**41,687**	**(2,138)**
Dividends received	**389,991**	**44,584**	**–**	**–**	**53,276**	**8,000**	**–**

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2024:

In millions of tenge	KGM	PKOP	KCEG	KOA	Petrosun	Karaton	Teniz Service
Non-current assets	**83,427**	**414,933**	**133**	**30,963**	**–**	**6,272**	**6,332**
Current assets, including	**57,674**	**111,847**	**176,367**	**42,928**	**20,485**	**4,560**	**8,602**
Cash and cash equivalents	***45,346***	***48,361***	***42,673***	***33,661***	***18,020***	***295***	***7,270***
Non-current liabilities, including	**(18,375)**	**(278,761)**	**–**	**(16,468)**	**–**	**(8,130)**	**(736)**
Non-current financial liabilities	**–**	***(226,189)***	**–**	**–**	**–**	**–**	**–**
Current liabilities, including	**(34,198)**	**(120,536)**	**(119,870)**	**(9,366)**	**(2,162)**	**(1,399)**	**(998)**
Current financial liabilities	**–**	***(71,775)***	**–**	**–**	**–**	**–**	**–**
Equity	**88,528**	**127,483**	**56,630**	**48,057**	**18,323**	**1,303**	**13,200**
Share of ownership	**50%**	**50%**	**49%**	**50%**	**49%**	**50%**	**48.996%**
Accumulated unrealized losses	**–**	**(26,053)**	**–**	**–**	**–**	**–**	**–**
Equity method adjustments	**–**	**–**	**–**	**–**	**–**	**8,255**	**–**
Carrying amount of the investments as at December 31, 2024	**44,264**	**37,688**	**27,749**	**24,028**	**8,978**	**8,907**	**6,468**
Revenue	**148,440**	**256,007**	**791,620**	**77,345**	**707,668**	**–**	**2,077**
Depreciation, depletion and amortization	***(23,042)***	***(33,021)***	**–**	***(8,196)***	***(17)***	**–**	***(438)***
Finance income	**1,066**	**1,968**	**2,374**	**5,528**	**3,179**	**1,704**	**849**
Finance costs	**(1,096)**	**(29,742)**	**(1,170)**	**(2,344)**	**(2,622)**	**(383)**	**(68)**
Income tax expenses	**(25,528)**	**(7,484)**	**(13,918)**	**(2,814)**	**(13,687)**	**–**	**–**
Profit/(loss) for the year from continuing operations	**50,672**	**(353)**	**55,690**	**11,973**	**53,547**	**1,304**	**(3,556)**
Other comprehensive income/(loss)	**9,658**	**(86)**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income/(loss)	**60,330**	**(439)**	**55,690**	**11,973**	**53,547**	**1,304**	**(3,556)**
Dividends received	**23,389**	**3,285**	**–**	**–**	**49,000**	**–**	**–**

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2023:

In millions of tenge	**TCO**	**MMG**	**KKO**	**UGL**	**KRG**	**KCP**	**Silleno**
Non-current assets	24,831,196	462,565	9,192	193,637	33,032	127,038	36,284
Current assets, including	1,863,832	199,708	1,232	11,475	148,932	49,554	5,546
Cash and cash equivalents	*696,871*	*89,410*	*112*	*6,905*	*65,122*	*23,837*	5,516
Non-current liabilities, including	(7,434,076)	(132,981)	(10,376)	(145,798)	(238)	(23,107)	–
Non-current financial liabilities	*(4,091,040)*	–	–	*(119,188)*	–	–	–
Current liabilities, including	(1,268,404)	(119,109)	(324)	(4,033)	(42,769)	(46,768)	(18,222)
Current financial liabilities	–	–	–		–	*(32,843)*	–
Equity	17,992,548	410,183	(276)	55,281	138,957	106,717	23,608
Share of ownership	20%	50%	50%	50%	50%	50%	60%
Impairment of the investment	–	–	–	(20,000)	–	–	–
Equity method adjustments	–	(1,477)	–	–	–	–	3,560
Recognition of investment	–	–	93,258	–	–	–	–
Accumulated unrealized losses	–	–	138	–	–	–	(173)
Carrying amount of the investments as at December 31, 2023	3,598,510	203,614	93,258	7,641	69,479	53,358	17,552
Revenue	8,796,634	878,362	–	(352)	260,125	86,843	–
Depreciation, depletion and amortization	*(2,426,361)*	*(107,455)*	–	*(109)*	*(295)*	*(10,170)*	–
Finance income	86,023	784	2	–	2,243	585	(14)
Finance costs	(283,225)	(14,411)	(118)	(606)	–	(3,628)	215
Income tax expenses	(730,465)	(47,354)	–	8,206	(13,996)	(9,341)	–
Profit/(loss) for the year from continuing operations	1,704,419	76,510	(44)	(94,011)	64,648	37,440	(992)
Other comprehensive (loss)/income	(325,499)	1,285	–	(3,243)	(305)	1	–
Total comprehensive income/(loss)	1,378,920	77,795	(44)	(97,254)	64,343	37,441	(992)
Dividends received	426,893	–	–	–	553	2,500	–

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of material joint ventures, based on financial statements of these entities for 2023:

In millions of tenge	KGM	PKOP	KOA	Petrosun	Teniz Service
Non-current assets	64,031	431,261	41,969	17	8,898
Current assets, including	52,764	114,561	23,956	137,202	16,907
Cash and cash equivalents	*44,840*	*66,459*	*10,794*	*6,440*	*14,619*
Non-current liabilities, including	(14,966)	(304,590)	(18,608)	–	(545)
Non-current financial liabilities	–	*(258,338)*	–	–	–
Current liabilities, including	(28,817)	(106,740)	(11,233)	(72,443)	(8,504)
Current financial liabilities	–	*(80,398)*	–	–	–
Equity	73,012	134,492	36,084	64,776	16,756
Share of ownership	50%	50%	50%	49%	48.996%
Impairment of the investment	–	–	–	–	–
Equity method adjustments	–	–	–	–	–
Accumulated unrealized losses	–	(25,731)	–	–	–
Carrying amount of the investments as at December 31, 2023	36,506	41,515	18,042	31,740	8,210
Revenue	145,728	250,435	80,064	1,336,888	13,994
Depreciation, depletion and amortization	*(20,007)*	*(41,216)*	*(10,365)*	*(14)*	*(632)*
Finance income	1,292	6,013	851	3,258	313
Finance costs	(1,667)	(36,390)	(375)	(1,006)	(56)
Income tax expenses	(27,450)	(12,954)	(11,617)	(23,812)	(3,390)
Profit/(loss) for the year from continuing operations	41,965	34,592	(3,737)	95,034	237
Other comprehensive loss	(1,729)	16	–	–	–
Total comprehensive income/(loss)	40,236	34,608	(3,737)	95,034	237
Dividends received	15,793	–	7,000	39,200	2,303

The following tables illustrate summarized financial information of material associates, based on their financial statements for 2024:

	December 31, 2024	
In millions of tenge	CPC	PKI
Non-current assets	**2,109,714**	**174,833**
Current assets	**288,618**	**139,072**
Non-current liabilities	**(8,147)**	**(16,382)**
Current liabilities	**(299,418)**	**(27,971)**
Equity	**2,090,767**	**269,552**
Share of ownership	**20.75%**	**33%**
Goodwill	**50,413**	**–**
Impairment of the investment	**–**	**(6,778)**
Carrying amount of the investment	**484,247**	**82,175**
Revenue	**1,063,100**	**132,943**
Depreciation, depletion and amortization	**(221,309)**	**(25,378)**
Finance income	**15,676**	**2,011**
Finance costs	**(1,558)**	**(1,269)**
Income tax expenses	**(95,835)**	**(9,368)**
Profit for the year	**392,890**	**6,828**
Other comprehensive loss	**334,726**	**20,354**
Total comprehensive income	**727,616**	**27,182**
Dividends received	**105,910**	**17,920**

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarized financial information of material associates, based on their financial statements for 2023:

	December 31, 2023	
In millions of tenge	**CPC**	**PKI**
Non-current assets	1,969,703	206,008
Current assets	295,663	138,626
Non-current liabilities	(18,722)	(20,063)
Current liabilities	(279,064)	(16,497)
Equity	1,967,580	308,074
Share of ownership	20.75%	33%
Goodwill	43,640	–
Impairment of the investment	–	(6,778)
Carrying amount of the investment	451,913	94,887
Revenue	1,039,509	128,343
Depreciation, depletion and amortization	(245,423)	(25,990)
Finance income	14,080	926
Finance costs	(1,519)	(1,172)
Income tax expenses	(118,490)	(7,009)
Profit for the year	310,160	14,814
Other comprehensive loss	(42,915)	(4,927)
Total comprehensive income	267,245	9,887
Dividends received	113,892	2,864

The following tables illustrate aggregate financial information of individually immaterial joint ventures (the Group's proportional share):

In millions of tenge	**December 31, 2024**	December 31, 2023
Group share in:		
Non-current assets	**70,182**	46,566
Current assets	**30,806**	19,485
Non-current liabilities	**(27,553)**	(16,170)
Current liabilities	**(17,652)**	(10,560)
Goodwill	**172**	172
Accumulated unrecognized share of losses	**1,961**	1,300
Carrying amount of the investments as at December 31	**57,916**	40,793
Profit for the year from continuing operations	**2,497**	4,286
Other comprehensive loss	**(118)**	(844)
Total comprehensive income	**2,379**	3,442
Unrecognized share of loss	**(761)**	(204)

21. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate aggregate financial information of individually immaterial associates (the Group's proportional share):

In millions of tenge	**December 31, 2024**	December 31, 2023
Group share in:		
Non-current assets	**65,590**	60,636
Current assets	**85,423**	92,172
Non-current liabilities	**(12,685)**	(17,916)
Current liabilities	**(80,094)**	(81,358)
Accumulated unrecognized share of losses	**–**	875
Carrying amount of the investments as at December 31	**58,234**	54,409
Profit for the year from continuing operations	**1,672**	7,103
Other comprehensive income	**3,066**	375
Total comprehensive income	**4,738**	7,478

22. INVENTORIES

In millions of tenge	**December 31, 2024**	December 31, 2023
Materials and supplies (at cost)	**231,205**	232,469
Crude oil (at cost)	**92,028**	61,621
Refined products (at lower of cost and net realizable value)	**90,508**	82,354
	413,741	376,444

As at December 31, 2024 carrying value of inventories under pledge as collateral amounted to 225,073 million tenge (December 31, 2023: 186,378 million tenge).

23. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT FINANCIAL AND NON-FINANCIAL ASSETS

In millions of tenge	**December 31, 2024**	December 31, 2023
Trade accounts receivable		
Trade accounts receivable	**472,143**	593,448
Less: allowance for expected credit losses	**(29,086)**	(32,190)
	443,057	561,258
Other current financial assets		
Other receivables	**117,313**	97,771
Dividends receivable	**7,997**	20,952
Less: allowance for expected credit losses	**(61,782)**	(43,853)
	63,528	74,870
Other current non-financial assets		
Advances paid and prepaid expenses	**137,553**	91,769
Taxes receivable, other than VAT	**37,414**	63,188
Other	**6,643**	5,659
Less: impairment allowance	**(856)**	(3,359)
	180,754	157,257
Total other current assets	**244,282**	232,127

As at December 31, 2024 and 2023, the above assets were non-interest bearing.

23. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT FINANCIAL AND NON-FINANCIAL ASSETS (continued)

As at December 31, 2024, trade accounts receivable with a carrying value of 181,246 million tenge are pledged as collateral (December 31, 2023: 197,546 million tenge).

As of December 31, 2024 and 2023, trade accounts receivable is denominated in the following currencies:

In millions of tenge	**December 31, 2024**	December 31, 2023
US dollars	**280,970**	364,490
Tenge	**94,420**	121,165
Romanian Leu	**63,296**	68,896
Euro	**2,770**	3,324
Other currency	**1,601**	3,383
	443,057	561,258

Movements in the allowance for expected credit losses and impairment were as follows:

	Individually impaired	
In millions of tenge	**Trade accounts receivable and other current financial assets**	**Other current non-financial assets**
As at December 31, 2022	71,494	157
Charge for the year, net	8,691	3,204
Written-off	(4,336)	–
Foreign currency translation	194	(2)
As at December 31, 2023	76,043	3,359
Charge for the year, net	**8,134**	**(2,545)**
Written-off	**(1,175)**	**–**
Foreign currency translation	**7,866**	**42**
As at December 31, 2024	**90,868**	**856**

Set out below is the information about credit risk exposure on the Group's trade receivables using a provision matrix:

	Days past due					
In millions of tenge	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
December 31, 2024						
Expected credit loss rate	**0.38%**	**0.96%**	**5.72%**	**3.64%**	**79.41%**	
Trade accounts receivable	**405,631**	**21,091**	**3,347**	**8,240**	**33,834**	**472,143**
Expected credit losses	**(1,524)**	**(202)**	**(191)**	**(300)**	**(26,869)**	**(29,086)**
December 31, 2023						
Expected credit loss rate	0.23%	12.18%	14.33%	5.84%	58.78%	
Trade accounts receivable	519,801	16,351	1,594	7,527	48,175	593,448
Expected credit losses	(1,214)	(1,991)	(229)	(439)	(28,317)	(32,190)

24. LOANS AND RECEIVABLES DUE FROM RELATED PARTIES

In millions of tenge	**December 31, 2024**	December 31, 2023
At amortized cost		
NB RK notes *(Note 33)*	**38,329**	43,709
Loans due from related parties *(Note 33)*	**35,074**	50,103
Bonds receivable from Samruk-Kazyna *(Note 33)*	**32,539**	21,021
Other	**6,933**	7,032
Less: allowance for expected credit losses	**(705)**	(1,863)
	112,170	120,002
At fair value through profit or loss		
Loans due from related parties *(Note 33)*	**82,945**	86,173
Guaranteed returns from shareholders of joint venture	**10,798**	13,728
	93,743	99,901
Total loans and receivables due from related parties	**205,913**	219,903

Loans and receivables due from related parties are denominated in the following currencies:

In millions of tenge	**December 31, 2024**	December 31, 2023
Tenge	**105,256**	114,939
US dollars	**100,657**	104,964
	205,913	219,903

In millions of tenge	**December 31, 2024**	December 31, 2023
Current portion	**84,240**	125,569
Non-current portion	**121,673**	94,334
	205,913	219,903

Movements in the allowance for expected credit losses of loans and receivables due from related parties were as follows:

In millions of tenge	
As at December 31, 2022	1,878
Charged, net	(17)
Foreign currency translation	2
As at December 31, 2023	1,863
Charged, net	**(73)**
Written off	**(1,086)**
Foreign currency translation	**1**
As at December 31, 2024	**705**

As at December 31, 2024 and 2023 for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). Since initial recognition of the loans and receivables due from related parties there have been no significant increases in credit risk.

25. CASH AND CASH EQUIVALENTS

In millions of tenge	**December 31, 2024**	December 31, 2023
Term deposits with banks − US dollar	**848,432**	580,214
Term deposits with banks − tenge	**172,922**	124,702
Term deposits with banks − other currencies	**60,346**	76,316
Current accounts with banks − US dollar	**78,600**	120,787
Current accounts with banks − tenge	**7,786**	13,321
Current accounts with banks − other currencies	**17,689**	10,409
The contracts of reverse repo with original maturities of three months or less	**26,395**	116,091
Cash in transit	**1,864**	5,463
Cash-on-hand and cheques	**2,487**	3,613
Less: allowance for expected credit losses	**(70)**	(43)
	1,216,451	1,050,873

Term deposits with banks are made for various periods of between one day and three months, depending on the immediate cash requirements of the Group.

As at December 31, 2024, the weighted average interest rate for time deposits with banks was 4.22% in US dollars, 14.53% in tenge and 5.18% in other currencies (December 31, 2023: 5.40% in US dollars, 15.45% in tenge and 5.99% in other currencies).

As at December 31, 2024 and 2023, cash and cash equivalents were not pledged as collateral for obligations of the Group.

26. EQUITY

Share capital

Total number of outstanding, issued and paid shares comprises:

	December 31, 2024 and 2023
Number of shares issued and paid, including	**610,119,493**
Par value of 27,726.63 tenge	137,900
Par value of 10,000 tenge	20,719,604
Par value of 5,000 tenge	59,707,029
Par value of 2,500 tenge	71,104,187
Par value of 2,451 tenge	1
Par value of 1,000 tenge	1
Par value of 921 tenge	1
Par value of 858 tenge	1
Par value of 838 tenge	1
Par value of 704 tenge	1
Par value of 592 tenge	1
Par value of 500 tenge	458,450,766
Share capital (thousands of tenge)	**916,540,545**

As at December 31, 2024 and 2023, the Company had only one class of issued shares. As at December 31, 2024 and 2023, common shares in the number of 239,440,103 were authorized, but not issued. In 2024, there was no issuance of any ordinary share.

Dividends

In 2024, based on the decision of Shareholders, the Company declared and paid off dividends for 2023 of 491.71 tenge per common share in the total of 300,002 million tenge (2023: declared and paid-off dividends for 2022 of 491.71 tenge per common share in the total of 300,002 million tenge).

26. EQUITY (continued)

Dividends (continued)

In 2024, the Group declared and paid-off dividends to the non-controlling interest holders of KTO, KMGI in the total amount of 2,820 million tenge and 2,759 million tenge, respectively (2023: 1,500 million tenge and 1,572 million tenge, respectively).

Transactions with Samruk-Kazyna

On March 20, 2024, the coupon rate of the bonds placed in 2022 by the Company and purchased by Samruk-Kazyna was increased from 3.00% to 9.30%. In accordance with IFRS 9 the increase in the nominal rate led to a significant modification of the financial instrument, namely the derecognition of bonds with a coupon rate of 3.00% and the recognition of bonds with a coupon rate of 9.30%.

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within finance income *(Note 15)* in these consolidated financial statements in the amount of 59,769 million tenge.

The negative difference of 293,288 million tenge between the fair value of the bond derecognized and the fair value of the newly recognized bond was presented as a transaction with Samruk-Kazyna in the consolidated statement of changes in equity.

In 2023, Samruk-Kazyna purchased the Company placed bonds for 70,000 million tenge. The difference between the fair value and nominal amount of bonds of 30,824 million tenge was recognized as an increase in equity within Transactions with Samruk-Kazyna in the consolidated statement of changes in equity *(Note 33)*.

In 2023, Samruk-Kazyna received a loan from KMG Karachaganak LLP, subsidiary of the Company, in the amount of 25,000 million tenge with maturity in December 2024. The difference between the fair value and nominal amount of bonds of 4,227 million tenge was recognized as a decrease in equity within Transactions with Samruk-Kazyna in the consolidated statement of changes in equity. In November 2024, the loan term was extended until December 2025. As a result, the Group recognized the effect of the loan modification in the amount of 2,904 million tenge as Transactions with Samruk-Kazyna in the consolidated statement of changes in equity.

Distributions to Samruk-Kazyna

In 2024, in accordance with the Government decree on the construction of social objects in Zhana-ozen town and housing for the residents, living in Zhana-ozen town, the Group accrued liabilities and paid liabilities for 16 million tenge and 2,059 million tenge, respectively (2023: 120 million tenge).

Contributions from the related party

In December 2023, the Company acquired 99.9% and 0.1% interest in Polimer Production LLP (further Polimer) from Samruk-Kazyna Ondeu LLP (further SKO), subsidiary of Samruk-Kazyna, and JSC UK MEZ HimPark Taraz, the third party, for consideration of 1,520 million tenge.

The Group has control over Polimer and recognized Polimer as a subsidiary. The acquisition accounted for as an acquisition of the subsidiary from the parties under common control and accounted for under the pooling of interest method based on the carrying value of assets and liabilities of Polimer based on Predecessor's accounting books.

The difference of 1,520 million tenge between the consideration and net assets of Polimer was recognized in equity.

In 2023, SKO, a previous shareholder of Polimer, made a contribution to the share capital of Polimer for 14,155 million tenge and repaid Polimer's debt to a third party in the amount of 672 million tenge. The Group recognized this as Contribution from the related party in the consolidated statement of changes in equity.

Other operations with Samruk-Kazyna

In 2023, in accordance with the Order of the President of the RK on the construction of the Sport Complex in the city of Uralsk as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Group recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge and recognized it in the consolidated statement of changes in equity. The Company made an advance payment in the amount of 8,962 million tenge. In 2024, the Group increased accrued liabilities for the construction of the Sports Complex in the city of Uralsk in the amount of 1,989 million tenge *(Note 29)*.

26. EQUITY (continued)

Other operations with Samruk-Kazyna (continued)

As of December 31, 2024, the Group completed the construction of the Sports Complex in the city of Uralsk, and on January 22, 2025, the Group carried out state registration of putting the facility into operation and ownership act. As of December 31, 2024, the Company offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sports Complex.

Book value per share

In accordance with the decision of KASE dated October 4, 2010 financial statements shall disclose book value per share (ordinary and preferred) as of the reporting date, calculated in accordance with the KASE rules.

In millions of tenge	**December 31, 2024**	December 31, 2023 (restated)
Total assets	**18,934,647**	16,941,101
Less: intangible assets	**943,156**	883,283
Less: total liabilities	**7,010,363**	6,544,487
Net assets	**10,981,128**	9,513,331
Number of ordinary shares	**610,119,493**	610,119,493
Book value per ordinary share (in thousand tenge)	**17.998**	15.593

Earnings per share

In thousand tenge	**2024**	2023
Weighted average number of common shares for basic and diluted earnings per share	**610,119,493**	610,119,493
Basic and diluted earnings per share	**1.794**	1.578

Non-controlling interests

The following tables illustrate information of subsidiaries in which the Group has significant non-controlling interests:

		December 31, 2024		December 31, 2023	
	Country of incorporation and operation	**Non-controlling shares**	**Carrying value**	Non-controlling shares	Carrying value
Rompetrol Downstream S.R.L.	Romania	**45.37%**	**82,724**	45.37%	67,535
KTO	Kazakhstan	**10.00%**	**63,870**	10.00%	59,156
Rompetrol Petrochemicals S.R.L.	Romania	**45.37%**	**22,120**	45.37%	18,572
Rompetrol Vega	Romania	**45.37%**	**(29,521)**	45.37%	(25,320)
KMG EP	Kazakhstan	**–**	**–**	0.28%	8,215
Rompetrol Rafinare S.A.	Romania	**45.37%**	**(310,421)**	45.37%	(253,347)
Other			**61,440**		25,785
			(109,788)		(99,404)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)

Non-controlling interests (continued)

The following tables illustrate summarized financial information of subsidiaries on a stand-alone basis, in which the Group has significant non-controlling interests as at December 31, 2024 and for the year then ended:

In millions of tenge	Rompetrol Downstream S.R.L.	KTO	Rompetrol Petrochemicals S.R.L.	Rompetrol Vega	Rompetrol Rafinare S.A.
Summarized statement of financial position					
Non-current assets	**133,296**	**840,928**	**2,897**	**27,976**	**118,375**
Current assets	**234,461**	**139,023**	**46,503**	**17,223**	**56,753**
Non-current liabilities	**(71,025)**	**(204,199)**	**(500)**	**(47,700)**	**(176,147)**
Current liabilities	**(114,409)**	**(112,191)**	**(147)**	**(62,563)**	**(683,150)**
Total equity	**182,323**	**663,561**	**48,753**	**(65,064)**	**(684,169)**
Attributable to:					
Equity holder of the Parent Company	**99,599**	**599,691**	**26,633**	**(35,543)**	**(373,748)**
Non-controlling interests	**82,724**	**63,870**	**22,120**	**(29,521)**	**(310,421)**
Summarized statement of comprehensive income					
Revenue	**889,308**	**311,900**	**–**	**87,742**	**1,522,309**
Profit/(loss) for the year from continuing operations	**8,990**	**65,092**	**1,312**	**402**	**(31,651)**
Total comprehensive income/(loss) for the year, net of tax	**33,477**	**72,136**	**7,821**	**(9,257)**	**(125,792)**
Attributable to:					
Equity holder of the Parent Company	**18,288**	**64,922**	**4,273**	**(5,057)**	**(68,718)**
Non-controlling interests	**15,189**	**7,214**	**3,548**	**(4,200)**	**(57,074)**
Dividends declared to non-controlling interests	**–**	**(2,500)**	**–**	**–**	**–**
Summarized cash flow information					
Operating activity	**7,648**	**90,771**	**–**	**22,895**	**495,168**
Investing activity	**(4,358)**	**(69,457)**	**–**	**(22,862)**	**(540,019)**
Financing activity	**(7,147)**	**(27,500)**	**–**	**(61)**	**16,742**
Net decrease in cash and cash equivalents	**(3,858)**	**(4,029)**	**–**	**(28)**	**(28,109)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. EQUITY (continued)

Non-controlling interests (continued)

The following tables illustrate summarized financial information of subsidiaries on a stand-alone basis, in which the Group has significant non-controlling interests as at December 31, 2023 and for the year then ended:

In millions of tenge	Rompetrol Downstream S.R.L.	KTO	Rompetrol Petrochemicals S.R.L.	KMG EP	Rompetrol Vega	Rompetrol Rafinare S.A.
Summarized statement of financial position						
Non-current assets	123,201	812,534	1,784	1,190,313	22,949	123,516
Current assets	216,576	132,793	39,749	1,546,121	11,676	76,687
Non-current liabilities	(66,489)	(216,157)	(433)	(91,794)	(42,739)	(148,648)
Current liabilities	(124,441)	(112,746)	(168)	(217,704)	(47,693)	(609,932)
Total equity	**148,847**	**616,424**	**40,932**	**2,426,936**	**(55,807)**	**(558,377)**
Attributable to:						
Equity holder of the Parent Company	81,312	557,268	22,360	2,418,721	(30,487)	(305,030)
Non-controlling interests	67,535	59,156	18,572	8,215	(25,320)	(253,347)
Summarized statement of comprehensive income						
Revenue	1,012,646	290,386	–	1,184,834	108,639	1,696,983
Profit/(loss) for the year from continuing operations	**5,439**	**69,508**	**3,125**	**37,360**	**(4,278)**	**(98,216)**
Total comprehensive income/(loss) for the year, net of tax	**2,352**	**70,146**	**2,440**	**34,250**	**(3,422)**	**(90,054)**
Attributable to:						
Equity holder of the Parent Company	1,285	63,131	1,333	34,154	(1,869)	(49,195)
Non-controlling interests	1,067	7,015	1,107	96	(1,553)	(40,859)
Dividends declared to non-controlling interests	–	(1,500)	–	–	–	–
Summarized cash flow information						
Operating activity	(44,926)	87,839	5	144,334	2,501	(988,089)
Investing activity	(3,264)	(160,028)	–	(319,182)	(2,470)	(64,948)
Financing activity	49,441	64,418	–	55,725	(31)	1,118,004
Net increase/(decrease) in cash and cash equivalents	**1,251**	**(8,485)**	**5**	**(124,491)**	**–**	**64,967**

27. BORROWINGS

In millions of tenge	**December 31, 2024**	December 31, 2023
Fixed interest rate borrowings	**3,396,818**	3,253,754
Weighted average nominal interest rates	**6.25%**	5.36%
Floating interest rate borrowings	**570,583**	503,340
Weighted average nominal interest rates *(Note 34)*	**8.41%**	8.93%
	3,967,401	3,757,094

As at December 31, 2024 and 2023, borrowings are denominated in the following currencies:

In millions of tenge	**December 31, 2024**	December 31, 2023
US dollar	**2,982,986**	3,018,895
Tenge	**937,610**	700,223
Euro	**35,601**	24,850
Other currencies	**11,204**	13,126
	3,967,401	3,757,094

In millions of tenge	**December 31, 2024**	December 31, 2023
Current portion	**323,290**	391,358
Non-current portion	**3,644,111**	3,365,736
	3,967,401	3,757,094

As at December 31, 2024 and 2023, the bonds comprised:

In millions of tenge	**Issuance amount**	**Redemption date**	**Effective Interest Rate**	**December 31, 2024**	December 31, 2023
Bonds					
KASE 2023	70 billion KZT	2033	11.74% (0.50% nominal interest rate)	**45,873**	41,375
KASE 2022	751.6 billion KZT	2035	12.105% (9.30% nominal interest rate)	**642,749**	392,158
Bonds LSE 2020	750 million USD	2033	3.50%	**396,299**	343,005
AIX 2019	150 million USD	2024	5.00%	**–**	19,800
Bonds LSE 2018	1.5 billion USD	2048	6.375%	**778,795**	673,677
Bonds LSE 2018	1.25 billion USD	2030	5.375%	**653,507**	569,892
Bonds LSE 2017	1.25 billion USD	2047	5.75%	**639,143**	552,309
Bonds LSE 2017	1 billion USD	2027	4.75%	**131,604**	454,062
Total				**3,287,970**	3,046,278

On March 20, 2024, the coupon rate of the bonds placed in 2022 by the Company and purchased by Samruk-Kazyna was increased from 3.00% to 9.30%. In accordance with IFRS 9 the increase in the nominal rate led to a significant modification of the financial instrument, namely the derecognition of bonds with a coupon rate of 3.00% and the recognition of bonds with a coupon rate of 9.30%.

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within other finance income *(Note 15)* in these consolidated financial statements in the amount of 59,769 million tenge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. BORROWINGS (continued)

The negative difference of 293,288 million tenge between the fair value of the bond derecognized and the fair value of the newly recognized bond was presented as a transaction with Samruk-Kazyna in the consolidated statement of changes in equity *(Note 26)*.

On September 12, 2024, the Company made a partial early repayment of bonds maturing in 2027 in the amount of 750 million US dollars (equivalent to 358,171 million tenge).

On April 26, 2023, the Company made an early repayment of Eurobonds in the amount of 501 million US dollars (equivalent to 227,520 million tenge), including premium for early repayment and coupon payment with an interest rate of 4.75% and maturity in 2025.

On April 27 and November 22, 2023, the Company placed bonds for 70,000 million tenge at a coupon interest rate of 0.50% per annum and due in 2033. Samruk-Kazyna purchased the bonds. The coupon rate of the bonds is below market rate. The difference between the fair value and nominal amount of bonds of 30,824 million tenge was recognized as a transaction with Samruk-Kazyna in the consolidated statement of changes in equity *(Note 26)*.

27. BORROWINGS (continued)

As at December 31, 2024 and 2023, the borrowings comprised:

In millions of tenge	**Issuance amount**	**Redemption date**	**Effective Interest Rate**	**December 31, 2024**	December 31, 2023
Loans					
The Syndicate of banks (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank, Alpha Bank, Garanti Bank, OTP Bank, Intesa Sanpaolo)	551.8 million USD[1]	2026	SOFR O/N+2.50% SOFR 1M+2.750% SOFR1M+2.50%	**149,937**	141,506
Bank of Tokyo-Mitsubishi UFJ, Ltd (London Branch)	200 million USD	2025	COF[2] (4.33%) + 1.50%	**91,405**	62,800
Halyk bank JSC (Halyk bank)	110 billion KZT	2025	11.00%	**64,883**	94,999
Cargill	100 million USD	2026	SOFR 3M+2.80%	**52,732**	46,176
Halyk Bank	169 billion KZT	2032	Base rate of NBRK + 1.50%	**49,219**	–
Development bank of Kazakhstan JSC (DBK)	79 billion KZT	2026	15.20% (7.99% nominal rate)	**43,892**	80,992
The European Bank for Reconstruction and Development (EBRD)	61 billion KZT	2028	CPI 6M + 4.00% CPI + 3.75%	**37,730**	11,822
Halyk bank	41.4 billion KZT	2032	Key Rate of National Bank of RK + 1.50%	**31,157**	47,391
The Syndicate of banks (BCR, Raiffeisen Bank, OTP, Alpha, Garanti)	83 million EUR	2029	EURIBOR 6M + 3.00%	**28,471**	24,844
Eni Isatay	–	After the start of commercial mining	CME TERM SOFR + 3.00%	**24,761**	5,751
The European Development Bank	21 billion KZT	2033	Base rate of NBRK – 2.00%	**22,107**	–
BCP	170 million USD	2025	COF (4.63%) + 2.00%	**21,181**	37,893
Banca Transilvania	57.96 million EUR	2025	SOFR 1M + 2.50% ROBOR 1M + 2.00%	**17,975**	15,710
OTP Bank	119 million RON	2030	ROBOR 3M + 1.10%	**10,087**	10,964
ING Bank NV	250 million USD	2025	COF (4,55%) + 1.80%	**7,714**	13,839
Halyk bank	41 billion KZT	2024	17.75 - 18.75%	**–**	31,487
Credit Agricole	150 million USD	2024	COF (5.6%) + 2.00%	**–**	26,936
Lukoil Kazakhstan Upstream	–	After the start of commercial mining	O/N SOFR + 2.85%	**–**	47,363
Other	–	–	–	**26,180**	10,343
Total				**679,431**	710,816

[1] *275.9 million USD with revolving credit facility;*

[2] *Cost of funding.*

27. BORROWINGS (continued)

In 2024, KMGI partially repaid a syndicated loan for a total amount of 71.88 million US dollars (equivalent to 33,735 million tenge), including interest.

In 2024, KMGI received a loan from Bank of Tokyo-Mitsubishi UFJ, Ltd. for a total amount of 35.91million US dollars (equivalent to 16,854 million tenge) at a COF rate of (4.33%) + 1.50% and maturing by the end of 2025 to finance working capital.

In 2024, Atyrau Refinery and Pavlodar partially repaid the loan of DBK for a total amount of 46,688 million tenge, including interest *(Note 33)*.

In 2024, Atyrau Refinery received a loan from the EBRD for a total amount of 26,600 million tenge at a rate of CPI + 3.75% and maturing until 2028 to refinance the loan from Halyk Bank.

In 2024, Atyrau Refinery and KTO partially repaid a loan from Halyk Bank totaling 21,000 million tenge, including interest.

In 2024, KMGI repaid a loan from ING Bank in the total amount of 29.21 million US dollars (equivalent to 13,709 million tenge).

In 2024, Kazakh Gas Processing Plant LLP, subsidiary of the Company, received a loan from Halyk Bank for a total amount of 48,246 million tenge at a Base rate of National Bank of RK + 1.50% and maturing by the end of 2032 for the construction of Oil and Gas Refinery plant.

In 2024, based on the notification of the Ministry of Energy of the RK on the termination of the contract for subsoil use under the Zhenis project, the Company derecognized the loan received from Lukoil Kazakhstan Upstream (carry-financing) in the amount of 48,432 million tenge *(Note 15)*.

In 2023, KMGI received Syndicated loan (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank) used to finance its working capital for the total amount of 307 million US dollars (equivalent to 140,232 million tenge), on a net basis.

In 2023, KMGI partially repaid a Syndicated Loan (Unicredit Tiriac Bank, ING Bank, BCR, Raiffeisen Bank) in the amount of 73.94 million US dollars (equivalent to 33,734 million tenge), including interest.

In 2023, KMGI received a loan from Bank of Tokyo-Mitsubishi UFJ. Ltd to finance working capital for 101 million US dollars (equivalent to 45,855 million tenge), on a net basis, at the rate of COF (5.37%) + 1.80% per annum and maturity in 2024.

In 2023, KMGI received a loan from BCP to finance working capital for 83 million US dollars (equivalent to 38,031 million tenge), on a net basis, at the rate of COF (5.7481%) + 1.50% per annum and maturity in 2024.

In 2023, Atyrau refinery made full repayment of the loan from VTB Bank (PJSC) for 42,371 million Rubles (equivalent to 213,729 million tenge), including accrued interest.

In 2023, Atyrau refinery partially repaid loans from Halyk Bank for a total amount of 102,674 million tenge, respectively, including interest.

In 2023, Atyrau refinery received a loan from Halyk Bank in the amount of 31,410 million tenge at an interest rate of 17.75-18.75% per annum and maturing in 2024 for the purpose of repayment of current liabilities.

In 2023, Atyrau refinery and Pavlodar refinery partially repaid a loan from the DBK in the total amount of 31,261 million tenge, including interest.

In 2023, based on the notification of the Ministry of Energy of the RK on the termination of the subsoil use contract, the Company derecognized the loan of Eni Isatai B.V. for the Isatai project in the amount of 4,377 million tenge (*Note 15*).

27. BORROWINGS (continued)

Changes in liabilities arising from financing activities:

	2024				2023			
In millions of tenge	**Short-term loans**	**Long-term loans**	**Bonds**	**Total**	Short-term loans	Long-term loans	Bonds	Total
On January 1	**214,457**	**496,360**	**3,046,277**	**3,757,094**	173,053	699,611	3,281,722	4,154,386
Received in cash	**34,975**	**179,919**	**–**	**214,894**	138,787	176,517	70,000	385,304
Repayment of principal in cash	**(118,862)**	**(145,496)**	**(383,051)**	**(647,409)**	(95,296)	(329,830)	(241,106)	(666,232)
Interest accrued *(Note 15)*	**19,383**	**41,729**	**218,115**	**279,227**	17,198	68,901	185,686	271,785
Interest paid*	**(19,422)**	**(34,195)**	**(192,286)**	**(245,903)**	(17,030)	(63,606)	(173,836)	(254,472)
Effect of loan modification	**–**	**–**	**233,519**	**233,519**	–	–	–	–
Effect of initial loan recognition	**–**	**–**	**–**	**–**	–	–	(30,824)	(30,824)
Foreign currency translation	**21,907**	**32,849**	**358,847**	**413,603**	(2,297)	(2,526)	(46,152)	(50,975)
Foreign exchange(gain)/loss	**(897)**	**2,245**	**6,549**	**7,897**	42	(53,380)	(1,520)	(54,858)
Derecognition of loan *(Note 15)*	**–**	**(48,442)**	**–**	**(48,442)**	–	(4,377)	–	(4,377)
Other	**–**	**2,921**	**–**	**2,921**	–	5,050	2,307	7,357
On December 31	**151,541**	**527,890**	**3,287,970**	**3,967,401**	214,457	496,360	3,046,277	3,757,094
Current portion	**151,541**	**122,729**	**49,020**	**323,290**	214,457	125,152	51,749	391,358
Non-current portion	**–**	**405,161**	**3,238,950**	**3,644,111**	–	371,208	2,994,528	3,365,736

***** *The repayment of the interest is classified in the consolidated statement of cash flows as operating cash flows.*

Covenants

The Group is required to comply with financial and non-financial covenants under the terms of all loan agreements. Under the terms of the loan agreements, failure to comply with covenants may result in the repayment of these long-term loans upon demand. As of December 31, 2024 and December 31, 2023, the Group complied with all financial and non-financial covenants.

27. BORROWINGS (continued)

Hedge of net investment in the foreign operations

As at December 31, 2024, certain borrowings denominated in foreign currency were designated as hedge instrument for the net investment in the foreign operations. These borrowings are being used to hedge the Group's exposure to the US dollar foreign exchange risk on these investments. In 2024, a loss of 358,847 million tenge (2023: gain of 46,152 million tenge) on the translation of these borrowings were transferred to other comprehensive income and offset against translation gains of the net investments in foreign operations.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the US Dollars borrowings. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the fixed rate borrowings. As at December 31, 2024 and 2023, there was no ineffective portion of the hedge.

28. LEASE LIABILITIES

Future minimum lease payments under leases together with the present value of the net minimum lease payments comprised the following:

	Minimum lease payments		**Present value of minimum lease payments**	
In millions of tenge	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Within one year	**26,471**	19,767	**20,882**	17,400
Two to five years inclusive	**56,149**	49,777	**29,308**	26,128
After five years	**102,326**	89,424	**74,026**	61,752
	184,946	158,968	**124,216**	105,280
Less: amounts representing finance costs	**(60,730)**	(53,688)	**–**	–
Present value of minimum lease payments	**124,216**	105,280	**124,216**	105,280
Less: amounts due for settlement within 12 months	**(26,471)**	(19,767)	**(20,882)**	(17,400)
Amounts due for settlement after 12 months	**158,475**	139,201	**103,334**	87,880

As at December 31, 2024, interest calculation was based on effective interest rates ranging from 2.95% to 25.29% (December 31, 2023: from 2.95% to 20.65%).

Changes in lease liabilities for the year ended December 31, 2024 and 2023:

In millions of tenge	**2024**	2023
On January 1	**105,280**	81,554
Additions of leases	**23,790**	55,740
Interest accrued *(Note 15)*	**8,444**	7,420
Repayment of principal	**(26,118)**	(26,933)
Interest paid	**(1,279)**	(1,936)
Foreign exchange (gain)/loss	**(4,611)**	1,964
Foreign currency translation	**14,842**	(1,442)
Modification	**7,386**	3,938
Early termination	**(2,661)**	(15,025)
Other	**(857)**	–
On December 31	**124,216**	105,280

29. PROVISIONS

In millions of tenge	Asset retirement obligations	Provision for environmental obligation	Provision for taxes	Other	Total
As at December 31, 2022	128,872	81,353	10,923	48,397	269,545
Foreign currency translation	(1,506)	(1,062)	(44)	(333)	(2,945)
Change in estimate	10,019	(1,198)	–	142	8,963
Unwinding of discount *(Notes 15)*	10,556	2,719	–	123	13,398
Provision for the year	57,996	416	482	31,608	90,502
Business combination *(Note 6)*	4,346	–	–	–	4,346
Unused amounts reversed *(Note 35)*	(356)	–	(4,319)	(28,364)	(33,039)
Use of provision	(1,222)	(5,167)	(68)	(4,518)	(10,975)
As at December 31, 2023	208,705	77,061	6,974	47,055	339,795
Foreign currency translation	**11,879**	**9,137**	**158**	**3,002**	**24,176**
Change in estimate	**(18,446)**	**(210)**	**–**	**(14)**	**(18,670)**
Unwinding of discount *(Note 15)*	**17,082**	**1,647**	**–**	**141**	**18,870**
Provision for the year	**4,225**	**–**	**61**	**6,601**	**10,887**
Transfers and reclassifications to other financial liabilities *(Note 35)*	**–**	**–**	**–**	**(4,742)**	**(4,742)**
Unused amounts reversed	**(788)**	**(2,377)**	**(4,305)**	**(131)**	**(7,601)**
Use of provision *(Note 26)*	**(1,465)**	**(6,139)**	**–**	**(27,458)**	**(35,062)**
As at December 31, 2024	**221,192**	**79,119**	**2,888**	**24,454**	**327,653**

Detailed description of significant provisions, including critical estimates and judgments used, is included in *Note 4*.

Current portion and long-term portion are segregated as follows:

In millions of tenge	Asset retirement obligations	Provision for environmental obligation	Provision for taxes	Other	Total
Current portion	**1,440**	**1,910**	**2,888**	**13,286**	**19,524**
Long-term portion	**219,752**	**77,209**	**–**	**11,168**	**308,129**
As at December 31, 2024	**221,192**	**79,119**	**2,888**	**24,454**	**327,653**
Current portion	2,847	3,751	6,974	20,004	33,576
Long-term portion	205,858	73,310	–	27,051	306,219
As at December 31, 2023	208,705	77,061	6,974	47,055	339,795

30. TRADE ACCOUNTS PAYABLE AND OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

In millions of tenge	**December 31, 2024**	December 31, 2023
Trade accounts payable	**598,787**	663,930
Other financial liabilities		
Due to employees	**78,950**	72,970
Other trade payables	**40,534**	42,562
Derivative financial instruments	**2,950**	114
Other	**53,812**	49,050
	176,246	164,696
Current portion	**169,150**	145,953
Non-current portion	**7,096**	18,743
	176,246	164,696
Other non-financial liabilities		
Contract liabilities	**227,046**	153,962
Other	**15,432**	15,328
	242,478	169,290
Current portion	**206,303**	131,513
Non-current portion	**36,175**	37,777
	242,478	169,290

As of December 31, 2024, and 2023, trade accounts payable were denominated in the following currencies:

In millions of tenge	**December 31, 2024**	December 31, 2023
US dollars	**389,492**	444,674
Tenge	**137,939**	153,016
Romanian Leu	**56,388**	51,244
Euro	**6,296**	8,157
Other currency	**8,672**	6,839
Total	**598,787**	663,930

As at December 31, 2024 and 2023, trade accounts payable and other financial liabilities were not interest bearing.

31. OTHER TAXES PAYABLE

In millions of tenge	**December 31, 2024**	December 31, 2023
VAT	**28,394**	23,233
Mineral Extraction Tax	**15,782**	30,485
Rent tax on crude oil export	**15,071**	37,557
Social tax	**7,436**	7,620
Individual income tax	**6,042**	9,424
Turnover tax	**4,847**	–
Excise tax	**1,871**	1,537
Withholding tax from non-residents	**59**	1,957
Other	**4,129**	4,687
	83,631	116,500

32. INCOME TAX EXPENSES

As at December 31, 2024 income taxes prepaid of 41,170 million tenge (2023: 33,051 million tenge) are mainly represented by corporate income tax. As at December 31, 2024 income taxes payable of 15,600 million tenge (2023: 28,285 million tenge) are mainly represented by corporate income tax.

Income tax expense comprised the following for the years ended December 31, 2024 and 2023:

In millions of tenge	**2024**	2023 (restated)
Current income tax		
Corporate income tax	**168,573**	117,003
Withholding tax on dividends and interest income	**81,138**	86,287
Alternative mineral extraction tax	**2,628**	–
Excess profit tax	**1,149**	691
Deferred income tax		
Corporate income tax	**131,419**	109,578
Alternative mineral extraction tax	**5,734**	(10,391)
Withholding tax on dividends	**(27,554)**	(33,376)
Income tax expenses	**363,087**	269,792

A reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2024 and 2023) to income tax expenses was as follows for the years ended December 31:

In millions of tenge	**2024**	2023 (restated)
Profit before income tax	**1,457,334**	1,196,470
Statutory tax rate	**20%**	20%
Income tax expense on accounting profit	**291,467**	239,294
Share in profit of joint ventures and associates	**(60,724)**	(55,703)
Other non-deductible expenses and non-taxable income	**28,874**	44,981
Effect of different corporate income tax rates	**61,780**	74,959
Alternative mineral extraction tax	**8,362**	(10,391)
Excess profit tax	**1,149**	691
Change in unrecognized deferred tax assets	**32,179**	(24,039)
Income tax expenses	**363,087**	269,792

KMG Kashagan B.V. and KMG Karachaganak have a Production Sharing Agreement and a Final Production Sharing Agreement, respectively, that provide for a stabilized tax regime under the 1997 Tax Code, which must be applied throughout the entire abovementioned agreements period. The most significant tax impact of the stabilized tax regime is the application of a 30% corporate income tax rate to taxable profit.

Income tax rates for companies operating in jurisdictions such as the Netherlands, Romania and Switzerland range from 11.89% to 25.8%.

32. INCOME TAX EXPENSES (continued)

Deferred tax balances, calculated by applying the statutory tax rates effective at the respective reporting dates to the temporary differences between the tax basis of assets and liabilities and the amounts reported in the consolidated financial statements, are comprised of the following at December 31:

	2024					2023 (restated)				
In millions of tenge	**Corporate income tax**	**Alternative mineral extraction tax**	**Withholding tax**	**Total**	**Recognized in profit and loss**	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total	Recognized in profit and loss
Deferred tax assets										
Property, plant and equipment	**23,894**	**–**	**–**	**23,894**	**875**	23,019	–	–	23,019	(934)
Tax loss carryforward	**608,820**	**–**	**–**	**608,820**	**(74,465)**	683,285	–	–	683,285	(2,191)
Employee benefits related accruals	**5,360**	**–**	**–**	**5,360**	**(2,268)**	7,628	–	–	7,628	1,004
Impairment of financial assets	**9,361**	**–**	**–**	**9,361**	**1,256**	8,105	–	–	8,105	8,104
Environmental liability	**2,070**	**–**	**–**	**2,070**	**(961)**	3,031	–	–	3,031	(728)
Other	**86,668**	**4,291**	**–**	**90,959**	**59,281**	105,081	10,334	–	115,415	68,186
Less: unrecognized deferred tax assets	**(583,520)**	**–**	**–**	**(583,520)**	**(32,179)**	(551,341)	–	–	(551,341)	24,039
Less: deferred tax assets offset with deferred tax liabilities	**(106,239)**	**–**	**–**	**(106,239)**	**117,074**	(223,313)	–	–	(223,313)	(35,364)
Deferred tax assets	**46,414**	**4,291**	**–**	**50,705**	**68,613**	55,495	10,334	–	65,829	62,116
Deferred tax liabilities										
Property, plant and equipment	**858,119**	**231**	**–**	**858,350**	**88,577**	769,233	540	–	769,773	204,863
Undistributed earnings of joint ventures and associates	**–**	**–**	**634,427**	**634,427**	**(27,554)**	–	–	571,270	571,270	(33,376)
Other	**5,298**	**–**	**–**	**5,298**	**115**	5,209	–	–	5,209	(8,196)
Less: deferred tax assets offset with deferred tax liabilities	**(106,239)**	**–**	**–**	**(106,239)**	**117,074**	(223,313)	–	–	(223,313)	(35,364)
Deferred tax liabilities	**757,178**	**231**	**634,427**	**1,391,836**	**178,212**	551,129	540	571,270	1,122,939	127,927
Net deferred tax liability	**710,764**	**(4,060)**	**634,427**	**1,341,131**		495,634	(9,794)	571,270	1,057,110	
Deferred tax expense					**109,599**					65,811

32. INCOME TAX EXPENSES (continued)

Deferred corporate income tax and excess profit tax are determined with reference to individual subsoil use contracts. Deferred corporate income tax is also determined for activities outside of the scope of subsoil use contracts. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax asset arising mainly from tax losses carry forward amounted to 583,520 million tenge as at December 31, 2024 (as at December 31, 2023: 551,341 million tenge).

Tax losses carry forward as at December 31, 2024 and 2023 in the RK expire for tax purposes after ten years from the date they are incurred.

The movements in the deferred tax liability/(asset) were as follows:

	2024				2023 (restated)			
In millions of tenge	**Corporate income tax**	**Alternative mineral extraction tax**	**Withholding tax**	**Total**	Corporate income tax	Alternative mineral extraction tax	Withholding tax	Total
Net deferred tax liability as at January 1, net	**495,634**	**(9,794)**	**571,270**	**1,057,110**	341,068	597	615,747	957,412
Foreign currency translation	**83,737**	**–**	**90,711**	**174,448**	(4,091)	–	(11,101)	(15,192)
Tax expense/(income) during the year recognized in profit and loss	**131,419**	**5,734**	**(27,554)**	**109,599**	109,578	(10,391)	(33,376)	65,811
Tax expense during the year recognized in other comprehensive income	**(26)**	**–**	**–**	**(26)**	327	–	–	327
Business combination *(Note 6)*	**–**	**–**	**–**	**–**	48,752	–	–	48,752
Net deferred tax liability as at December 31, net	**710,764**	**(4,060)**	**634,427**	**1,341,131**	495,634	(9,794)	571,270	1,057,110

33. RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties

Related party transactions were made on terms agreed between the parties that may not necessarily be at market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties. Outstanding balances at the year-end are mainly unsecured and interest free and settlement occurs in cash, except as indicated below. The Group recognizes allowances for ECL on debt from related parties in accordance with the same principles and policies for ECL applied to determine ECL on debt owed to third parties.

Transactions balances

The following table provides the balances of transactions with related parties as at December 31, 2024 and 2023:

In millions of tenge	**December 31,**	**Due from related parties***	**Due to related parties***	**Cash and deposits placed with related parties**	**Borrowings payable to related parties**	**Financial assets and loans due from related parties**
Samruk-Kazyna entities	**2024**	**57,787**	**2,716**	**56,849**	**688,622**	**54,489**
	2023	43,080	4,392	5,911	453,333	50,665
Associates	**2024**	**18,314**	**13,650**	**–**	**–**	**–**
	2023	8,681	2,962	–	–	
Other state-controlled parties	**2024**	**2,611**	**3,407**	**–**	**65,999**	**38,329**
	2023	3,188	1,419	–	80,992	43,709
Joint ventures	**2024**	**32,014**	**162,787**	**–**	**–**	**106,338**
	2023	68,413	235,725	–	–	104,706

* *The amounts are mainly classified as «Trade accounts receivables» and «Trade accounts payables»*

Due from/to related parties

Samruk-Kazyna entities

In 2024, the Company sold investment property to Samruk-Kazyna with a carrying value of 13,503 million tenge. According to the terms of the purchase and sale agreement, the sales price was 22,872 million tenge with deferred payment until June 2027. The difference between the sales price, which is the fair value, and the nominal amount of the debt of Samruk-Kazyna in the amount of 8,741 million tenge is reflected in these consolidated financial statements as finance expenses *(Note 15)*.

As at December 31, 2024, due from related parties are mainly represented by the sale of oil products of JSC "NC Kazakhstan Temir Zholy", subsidiary of Samruk-Kazyna, in the amount of 26,027 million tenge (December 31, 2023: 30,793 million tenge).

As at December 31, 2023, payable due to Samruk-Kazyna for exercising the option with a right to buy back 50% of shares of KMG Kashagan B.V. was fully repaid for 364 million US dollars (equivalent to 163,770 million tenge per exchange rate at the date of repayment).

Joint ventures

As at December 31, 2024 due to joint ventures were mainly represented by accounts payable for crude oil to TCO for 143,651 million tenge (December 31, 2023: 181,831 million tenge).

33. RELATED PARTY DISCLOSURES (continued)

Cash and deposits placed with related parties

Samruk-Kazyna entities

As at December 31, 2024, the Group has current accounts and time deposits consisting of cash in tenge and dollars on the accounts of Kazpost JSC, subsidiary of Samruk-Kazyna, in the total amount of 56,849 million tenge (December 31, 2023: 5,911 million tenge).

Borrowings payable to related parties

Samruk-Kazyna entities

As at December 31, 2024 the borrowings payable to related parties were mainly represented by the bonds placed by the Company in 2022 and acquired by Samruk-Kazyna for 642,749 million tenge (December 31, 2023: 392,158 million tenge) *(Note 27)*.

Other state-controlled parties

As at December 31, 2024 the borrowings payable to related parties include loans received from DBK by Atyrau refinery in the amount of 43,892 million tenge (December 31, 2023: loans received from DBK by Atyrau and Pavlodar refineries in the amount of 80,992 million tenge) *(Note 27)*.

Financial assets and loans due from related parties

Samruk-Kazyna entities

As at December, 31, 2024 financial assets and loans due from related parties were mainly represented by the bonds receivable from the Samruk-Kazyna of 22,461 million tenge, net of expected credit losses (December 31, 2023: 20,963 million tenge).

Other state-controlled parties

During 2024, the Group purchased short-term notes of NB RK in the total amount of 308,147 million tenge with an interest rate of 13.71%, as well as short-term notes of NB RK acquired in 2023 and 2024 in the amount of 302,600 million tenge were redeemed.

During 2023, the Group purchased short-term notes of NB RK in the total amount of 451,598 million tenge with an interest rate of 15.96%, as well as short-term notes of NB RK acquired in 2022 and 2023 in the amount of 425,263 million tenge were redeemed.

Joint ventures

As at December, 31, 2024 financial assets and loans due from related parties were mainly represented by loans issued to Ural Group Limited, KALAMKAS-KHAZAR OPERATING LLP and Kazakhstan Petrochemical Industries Inc. LLP for the total amount of 94,732 million tenge (December 31, 2023: 73,990 million tenge).

During 2024, the Group provided loans to related parties in the amount of 67,980 million tenge and received 45,023 million tenge as a loan repayment from related parties (2023: 44,672 million tenge and 35,963 million tenge, respectively).

33. RELATED PARTY DISCLOSURES (continued)

Transactions turnover

The following table provides the total amount of transactions, which have been entered into with related parties during 2024 and 2023:

In millions of tenge		Sales to related parties*	Purchases from related parties*	Interest earned from related parties	Interest incurred to related parties
Samruk-Kazyna entities	**2024**	**169,073**	**90,515**	**68,847**	**80,315**
	2023	158,392	33,705	4,058	39,795
Associates	**2024**	**43,888**	**84,599**	**154**	**–**
	2023	12,742	81,497	194	–
Other state-controlled parties	**2024**	**1,329**	**49,934**	**7,458**	**10,773**
	2023	346	31,349	5,421	12,475
Joint ventures	**2024**	**410,418**	**1,744,984**	**13,534**	**6,324**
	2023	439,502	1,709,923	17,540	–

* *The amounts are mainly classified as «Revenue from contracts with customers», «Cost of purchased oil, gas, petroleum products and other materials», «Production expenses», «Transportation and selling expenses» and «General and administrative expenses»*

Sales to related parties / purchases from related parties

Joint ventures

In 2024, sales to joint ventures were mainly represented by transportation and cargo servicing provided to TCO for 21,138 million tenge (2023: 22,613 million tenge), transportation charges and oil servicing provided to MMG for 67,770 million tenge and for 113,330 million tenge, respectively (2023: 67,755 million tenge and 137,855 million tenge, respectively).

In 2024, purchases from joint ventures were mainly attributable to purchases of crude oil from TCO to perform the oil delivery customer contract for 1,703,581 million tenge (2023: 1,602,095 million tenge).

Key management employee compensation

Total compensation to key management personnel (members of the Boards of directors and Management boards of the Group) included in general and administrative expenses in the accompanying consolidated statement of the comprehensive income was equal to 7,568 million tenge and 7,769 million tenge for the years ended December 31, 2024 and 2023, respectively. Compensation to key management personnel mainly consists of contractual salary and performance bonus based on operating results.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly consist of borrowings, loans given, financial guarantees, cash and cash equivalents, bank deposits as well as accounts receivable and accounts payable. The Group is exposed to interest rate risk, foreign currency risk and credit risk. The Group further monitors the market risk and liquidity risk arising from all financial instruments.

Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate, currency, and securities, all of which are exposed to general and specific market movements. The Group manages market risk through periodic estimation of potential losses that could arise from adverse changes in market conditions and establishing appropriate margin and collateral requirements. The sensitivity analyses in the following sections relate to the position as of December 31, 2024 and 2023.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Foreign currency risk

As a result of significant borrowings and accounts payable denominated in the US dollars, the Group's consolidated statement of financial position can be affected significantly by movement in the US dollar/tenge exchange rates. The Group also has transactional currency exposures. Such exposure arises from revenues in the US dollars. The Group has a policy on managing its foreign currency risk in US dollar by matching US dollar denominated financial assets with US dollar denominated financial liabilities. The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before income tax (due to changes in the cash flows of monetary assets and liabilities). The sensitivity of possible changes in exchange rates for other currencies are not considered due to its insignificance to the consolidated financial results of Group's operations.

In millions of tenge	**Increase/ (decrease) in tenge to US dollar exchange rate**	**Effect on profit before tax**
2024	**+9%**	**(100,651)**
	(7%)	**81,317**
2023	+14%	(224,731)
	(14%)	224,731

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowings with floating interest rates. The Group's policy is to manage its interest rate cost using a mix of fixed and variable rate borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before income tax (through the impact on floating rate borrowings). There is no significant impact on the Group's equity.

In millions of tenge	**Increase/ decrease in basis points**	**Effect on profit before tax**
2024	**+4.50**	**(25,680)**
SOFR	**+0.39**	**(2,226)**
2023		
SOFR	+3,97	(19,982)
	-3,97	19,982

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognized, creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in *Note 23*. There are no significant concentrations of credit risk within the Group.

With respect to credit risks arising on other financial assets of the Group, which comprise cash and cash equivalents, bank deposits, loans and receivables from related parties and other financial assets, the Group's exposure to credit risks arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The table below shows the risk profile of the Group's cash and cash equivalents, short-term and long-term deposits held in banks as at December 31, 2024 and 2023 using the Fitch credit ratings, or in their absence, using their equivalent rates in S&P and Moody's:

	As at December 31	
	2024	2023
AA- to A+	**18%**	19%
A to A-	**65%**	58%
BBB+ to BBB-	**11%**	18%
BB+ to BB-	**6%**	5%
B+ to B-	**–**	**–**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The table below summarizes the maturity profile of the Group's financial liabilities as at December 31, 2024 and 2023 based on contractual undiscounted payments.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

In millions of tenge	Due less than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due after 5 years*	Total
As at December 31, 2024						
Borrowings*	**8,311**	**4,279**	**508,247**	**1,760,405**	**5,449,825**	**7,731,067**
Trade accounts payable	**208,205**	**226,758**	**163,824**	**–**	**–**	**598,787**
Financial guarantees**	**–**	**59**	**32,269**	**14,991**	**–**	**47,319**
Lease liabilities	**2,788**	**4,488**	**19,195**	**56,149**	**102,326**	**184,946**
Other financial liabilities	**63,206**	**44,567**	**77,932**	**8,990**	**–**	**194,695**
	282,510	**280,151**	**801,467**	**1,840,535**	**5,552,151**	**8,756,814**
As at December 31, 2023						
Borrowings*	38,896	1,329	503,846	1,413,755	4,738,778	6,696,604
Trade accounts payable	122,306	340,634	200,991	–	–	663,931
Financial guarantees**	–	64	–	46,555	–	46,619
Lease liabilities	2,124	1,964	15,679	49,777	89,424	158,968
Other financial liabilities	71,323	24,605	69,792	20,067	–	185,787
	234,649	**368,596**	**790,308**	**1,530,154**	**4,828,202**	**7,751,909**

* *The Group excludes from the maturity profile table the borrowings payable to project partners under the carry-in financing agreements, due to the uncertainty of maturity of these loans. As of December 31, 2024, the borrowings due to partners were 31,926 million tenge (December 31, 2023: 57,656 million tenge).*

** *The Group includes financial guarantees to the maturity profile table, however, the cash outflow in relation to financial guarantees is subject to certain conditions. Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of specified debtor fails to make payment when due in accordance with the original or modified terms of debt instrument. In 2024 and 2023 there was no significant instances of financial guarantees execution.*

Capital management

The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital to ensure that Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company seeks to maintain a prudent capital structure to support its capital investment plans and maintain investment grade credit rating through the cycle. Maintaining sufficient financial flexibility is considered strategically important to mitigate industry cyclicality while also enabling the pursuit of organic and inorganic investment opportunities. The Company has a comprehensive and disciplined internal approval process for capital expenditures, new projects and debt incurrence.

For the purpose of the Group's capital management, the capital structure of the Group consists of borrowings (*Note 27)* less cash *(Note 25)* and short-term deposits *(Note 20)* and equity, comprising share capital, additional paid-in capital, other reserves and retained earnings (*Note 26).*

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

The Group's management regularly reviews the capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Also to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to borrowings that define capital structure requirements. There have been no breaches of the financial covenants of any borrowing in the years ended December 31, 2024 and 2023 *(Note 27)*.

In millions of tenge	**December 31, 2024**	December 31, 2023 (restated)
Borrowings	**3,967,401**	3,757,094
less: cash, cash equivalents and short-term bank deposits	**2,730,267**	2,047,885
Net debt	**1,237,134**	1,709,109
Equity	**11,924,284**	10,396,614
Capital and net debt	**13,161,418**	12,105,823

No changes were made in the overall strategy, objectives, policies or processes for managing capital during the years ended December 31, 2024 and 2023.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments

The carrying amount of the Group financial instruments as at December 31, 2024 and 2023 are reasonable approximation of their fair value, except for the financial instruments disclosed below:

	December 31, 2024					December 31, 2023				
	Carrying		Fair value by level of assessment			Carrying		Fair value by level of assessment		
In millions of tenge	**amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	amount	Fair value	Level 1	Level 2	Level 3
Bonds receivable from Samruk-Kazyna	**32,479**	**27,650**	**–**	**27,650**	**–**	20,963	16,797	–	16,797	–
NB RK notes	**38,329**	**38,329**	**–**	**38,329**	**–**	43,708	43,708	–	43,708	–
Loans and receivables due from related parties at fair value through profit and loss	**93,743**	**93,743**	**–**	**–**	**93,743**	99,901	99,901	–	–	99,901
Loans given to related parties at amortized cost	**34,445**	**36,700**	**–**	**21,838**	**14,862**	48,299	48,502	–	–	48,502
Fixed interest rate borrowings	**3,396,818**	**3,238,502**	**2,406,715**	**831,787**	**–**	3,253,754	3,051,997	2,452,370	599,627	–
Floating interest rate borrowings	**570,583**	**570,656**	**–**	**570,656**	**–**	503,340	503,340	–	503,340	–

The fair value of bonds receivable from the Samruk-Kazyna and other debt instruments have been calculated by discounting the expected future cash flows at market interest rates.

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 − quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 − valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 − valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Level 1 and Level 2 during the reporting period, and no transfers into or out of Level 3 category.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the year.

34. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Fair values of financial instruments (continued)

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy are shown below:

	Valuation technique	Significant unobservable inputs	Range as of December 31, 2024	Range as of December 31, 2023
Loans given to related parties at amortized cost	Discounted cash flow method	Interest and discount rate	**12.20-17.90%**	7.30-18.5%
Financial guarantee issued			**7.6%**	7.8%

35. CONTINGENT LIABILITIES AND COMMITMENTS

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

Commodity price risk

The Group generates most of its revenue from the sale of commodities, primarily crude oil and oil products. Historically, the prices of these products have been volatile and have fluctuated widely in response to changes in supply and demand, market uncertainty, the performance of the global or regional economies and cyclicality in industries. Prices may also be affected by the Government actions, including the imposition of tariffs and import duties, speculative trades, an increase in capacity or oversupply of the Group's products in its main markets. These external factors and the volatility of the commodity markets make it difficult to estimate future prices. A substantial or extended decline in commodity prices would materially and adversely affect the Group's business and the consolidated financial results and cash flows of operations. The Group mainly does not hedge its exposure to the risk of fluctuations in the price of its products.

Taxation

Tax legislation and regulatory framework of the Republic of Kazakhstan are subject to constant changes and allow for different interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Penalties are generally 80% of the taxes additionally assessed and interest is assessed at the refinancing rate established by the National Bank of the Republic of Kazakhstan multiplied by 1.25. As a result, penalties and interest can amount to multiples of any assessed taxes. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year of review.

Management believes that as at December 31, 2024 its interpretation of the relevant legislation is appropriate and that it is probable that the Group's tax positions will be sustained, except as provided for or otherwise disclosed in these consolidated financial statements.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. *The transfer pricing legislation* requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The law on transfer pricing came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Group's position, which could result in additional taxes, fines and interest. As at December 31, 2024 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Group's positions with regard to transfer pricing will be sustained.

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Comprehensive tax audit at oil refineries of the Group

All three major oil refineries in the Group, Atyrau refinery, Pavlodar refinery and PKOP were subject to a comprehensive tax audit covering periods of a few years (up to 2020) in 2020-2022. As a result of the audits, the total amount of additional charges for VAT for 37,728 million tenge, for income tax for 17,830 million tenge, for other taxes for 476 million tenge, including penalties for all additional charges of 8,959 million tenge and reduction in tax carry-forward losses for 119,871 million tenge.

Atyrau refinery, Pavlodar refinery and PKOP did not agree with the assessment and appealed to the Ministry of Finance of RK. The refineries' appeals are under consideration by the Ministry of Finance of the RK.

PKOP partially appealed one of the notifications regarding the amount of additional taxes and penalties for 3,694 million tenge. However, on February 15, 2024, the Civil Chamber of the Supreme Court canceled the decision in favor of PKOP made on November 15, 2021 by the Civil Chamber of the Shymkent City Court.

During 2024, PKOP took measures to appeal the decision of the Judicial Collegium for Civil Cases of the Supreme Court to the Prosecutor General's Office of the Republic of Kazakhstan. However, due to the lack of procedural opportunity, consideration of the petitions was refused. Accordingly, PKOP recognized a provision and paid tax and fine in the amount of 3,694 million tenge. However, the Group continues to work to appeal the decision.

The potential amount of additional value added tax (VAT) assessments for the period from 2020 to 2024 is calculated by applying the VAT rate of 12% to the amount of excise tax reimbursed by the toller, excluding potential fines and penalties as stipulated in accordance with the Administrative Code of the Republic of Kazakhstan.

The excise tax amount is determined by applying the excise tax rate per ton, established by Government Resolution of the Republic of Kazakhstan (hereinafter referred to as "GRRK") No. 173 dated April 6, 2018 (as amended by GRRK No. 841 dated November 25, 2021, and GRRK No. 155 dated March 24, 2022) to the volume of petroleum products (gasoline and diesel fuel) transferred to tollers annually. The total volume of petroleum products transferred to tollers from 2020 to 2024 amounted to 28,788 thousand tons, including 14,352 thousand tons of gasoline and 14,436 thousand tons of diesel fuel. Additionally, from January 1, 2022, to April 4, 2022 (before the amendments introduced by GRRK No. 155 dated March 24, 2022, took effect on April 5, 2022), the volume of transferred petroleum products amounted to 978 thousand tons of gasoline and 1,030 thousand tons of diesel fuel.

Legal issues and claims

The civil litigation at KMGI

Faber Invest & Trade Inc. (further Faber), the non-controlling shareholder of KMGI subsidiaries, resumed several previous civil filings in 2020, one of which challenged the increase in the Rompetrol Rafinare Constanta, the KMGI subsidiary, share capital in 2003-2005. The hearings have been held periodically. As of December 31, 2024, all Faber claims were dismissed and the case was closed.

Civil legal dispute between the National Mineral Resources Agency (NAMR) and Oilfield Exploration Business Solutions S.A (OEBS), subsidiary of KMGI, at the Focsani field

On December 17, 2019 OEBS has been noticed by the NAMR that a Request for Arbitration would have been filed in to ICC Paris for an alleged breach by OEBS of the Concession Agreement as regards the exploration block near Focsani. Starting from that period, OEBS was in dispute with NAMR. On July 29, 2022 the Court decided to oblige OEBS to pay 10.1 million U.S. dollars from a total NAMR claim of 20 million U.S. dollars. In 2022, the Group recognized a provision in the amount of 10.1 million dollars (equivalent to 4,673 million tenge).

On May 23, 2024, the court dismissed the appeal filed by OEBS, and obliged OEBS to pay 10.1 million U.S. dollars. OEBS approached NAMR and the Romanian fiscal authorities with a proposal to gradually pay the amount until 2026. As a result, OEBS was authorized to make the payment as follows: 30% of the liabilities will be paid by NAMR, while 70% will be paid in accordance with the debt Restructuring Plan with the Romanian tax authorities.

As of December 31, 2024, OEBS paid 30% directly to NAMR the remaining 70% was included in the restructuring plan and will be paid until 2026. The Group also reclassified the previously recognized provision into other financial liabilities *(Note 29 and 30).*

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Competition investigation in Moldova

Since the beginning of 2021, Rompetrol Moldova (further RPM), a subsidiary of KMGI operating in Moldova, is involved in an investigation and related court proceedings initiated by the Competition Council of Moldova (further CCM) alleging RPM agreed with other industry players on retail prices for petroleum products. RPM is challenging the competition report prepared by the CCM investigation division that forms the basis for the allegations in accordance with applicable regulations. A few attempts to dismiss the said report were unsuccessful with the latest ruling rejecting RPM's request to dismiss the report issued by the local court on May 26, 2022. RPM has filed an appeal and a first hearing is scheduled for March 21, 2023. In 2022, the Group recognized a provision in the amount of 12 million dollars (equivalent to 5,552 million tenge). During 2023, RPM filed in an appeal and the first hearing was scheduled for October 4, 2023, however, the court rejected the appeal. The second appeal was filed in on January 24, 2024. The first hearing was scheduled for October 16, 2024. However, on July 3, 2024, the SCM announced that RPM was found guilty. On August 1, 2024, RPM filed an appeal against the fine and requested a deferment of payment pending the resolution of the underlying case. On August 26, 2024, the court issued a decision suspending payment of the fine pending the resolution of the litigation. The CCM filed in an appeal and on December 9, 2024 the Court rejected the appeal of CCM regarding the suspension of payment until a final court decision on this dispute.

The case of arbitration between KazRosGas LLP, a joint venture of the company, (further KRG) and Karachaganak Petroleum Operating B.V. (further KPO)

On August 23, 2022, the Secretariat of the International Chamber of Commerce in Paris submitted to KRG a Notice of Initiation of Arbitration Proceedings by KPO, which is the operator under the Final Production Sharing Agreement for the contract area of the Karachaganak oil and gas condensate field dated January 27, 1997, with amendments and additions (further FPSA)**.** KPO intends to increase the gas sale price under the existing Karachaganak Gas Purchase and Sale Agreement. If the gas price is agreed later than October 1, 2022, KRG and KPO shall recalculate the gas price for the period from October 1, 2022 to the date of the price agreement.

In October 2022, a working group was established to develop a negotiating position of the Kazakh side on the peaceful settlement of the dispute over the arbitration process between the KRG and KPO, chaired by the First Vice Minister of Energy of RK. The working group also includes representatives of the Ministry of Energy of RK, JSC "NC "QazaqGaz", KMG and KRG.

In August 2023, the Tribunal approved the Procedural Timetable for the Arbitration (further Arbitration Timetable), according to which the final hearing is scheduled for the week of November 18, 2024, and the deadline for the Tribunal to make decision is until the end of March 2025.

In January 2024, a meeting was held between the Ministry of Energy of the Republic of Kazakhstan, KPO, KMG and the KRG to peacefully resolve the dispute. From 18 to 22 November 2024, an evidentiary hearing of the Tribunal was held, at which the parties and experts presented their final positions on the merits of the dispute to the Tribunal, and barristers, together with the Tribunal, cross-examined the experts. On 1 January 2025, legal representatives of both Parties notified the Tribunal and the Secretariat of the conclusion of an agreement on the settlement of the dispute and the termination of the arbitration proceedings. As a result, the price formula remains the same.

The case of an administrative offense of the Pavlodar refinery initiated by the Department of Agency for protection and development of competition of RK (hereafter – Antimonopoly agency) of the Pavlodar region

In 2022 the Prosecutor's Office of the Pavlodar region together with the Antimonopoly agency conducted an inspection of the Pavlodar refinery operations for compliance with the legislation of the RK in the field of oil and petroleum products turnover, labor, tax and antimonopoly legislation for 2020-2021. On March 16, 2022 Antimonopoly agency issued the Conclusion which stated that Pavlodar refinery set monopolistically high tariff for oil refining services. On July 25, 2022, Antimonopoly agency of the Pavlodar region initiated an administrative offence and issued a Protocol to the Specialized Court for Administrative Offenses of Pavlodar city for setting by the Pavlodar refinery monopolistically high tariff for oil refining services in 2021 and to confiscate revenue for 2021 of 21,961 million tenge and impose fine of 6,226 million tenge.

On June 9, 2023, Specialized Court for Administrative Offenses of Pavlodar city issued a resolution to terminate administrative proceedings. On June 30, 2023, Decree on the consumption of administrative proceedings and the cancellation of the protocol entered into legal force. As a result, as at December 31, 2023, administrative proceedings were closed, and Pavlodar refinery reversed a provision accrued in 2022 in the amount of 28,187 million tenge and recognized in other operating income *(Note 29).*

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Environmental issues

In 2021, a new Environmental Code came into force, which increases the responsibility of industrial enterprises for environmental pollution, and also provides for the introduction of a waste management hierarchy and the construction of waste energy recycling plants. According to the Environmental Code, facilities belonging to category I after the cessation of operation of facilities that have a negative impact on the environment must eliminate the consequences of the operation of such facilities and provide the authorized body in the field of environmental protection with financial security for obligations related to the elimination of the consequences of the activity within three years, starting July 1, 2029. In accordance with the Environmental Code of the Republic of Kazakhstan, the Company has legal obligations to dismantle and liquidate fixed assets and restore land plots. As of December 31, 2024, the carrying amount of the reserve for the largest oil refineries of the Group: Atyrau and Pavlodar Refineries amounted to 41,778 million tenge (as of December 31, 2023: 39,271 million tenge) *(Note 29)*, which is equal to the present value of future cash outflows associated with the dismantling of the plant and land reclamation. For tax purposes, the Company did not take into an account these expected expenses as part of deferred taxes, since it does not expect taxable profit after the liquidation of assets.

Environmental audits

The Department Ecology of the Atyrau Region of the Committee for Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan conducted an inspection of the land facilities of the North Caspian Operating Company N.V., which is the operator under the Production Sharing Agreement for the North Caspian Sea (further Operator). Based on the results of the inspection, an order was issued to the Operator to eliminate violations, including regarding the excessive placement of sulfur in the amount of 1,020 thousand tons. The Operator did not agree with the inspection results and filed an administrative claim to dispute the given order. On June 14, 2023, the Specialized Inter-District Administrative Court of the city of Astana ruled in favor of the Operator regarding the placement of sulphur. On February 27, 2024, the Judicial Panel for Administrative Cases of the Court the city of Astana annulled this decision. The dispute is now pending before the Supreme Court of the Republic of Kazakhstan. Should the Operator be held accountable as per the administrative ruling, the fine amount will be determined in line with the Administrative Code of the Republic of Kazakhstan. As at December 31, 2024, the Group did not recognize provisions for this case.

Cost recovery audits

KMG Kashagan B.V. has a share of 16.88% in the North Caspian Production Sharing Agreement dated November 18, 1997, as amended (further PSA).

KMG Karachaganak LLP, subsidiary of the Company, has a share of 10% in the Final Production Sharing Agreement in respect of the contract area of the Karachaganak oil and gas condensate field dated January 27, 1997, as amended (further FPSA).

Under the base principles of the PSA and FPSA, the RK transferred to the participants of these agreements (further Contractors) the exclusive rights to conduct activities in the subsurface areas, but did not transfer neither ownership rights, nor lease rights to these areas. Thus, all extracted and processed oil (i.e. the hydrocarbons produced) are the property of the RK.

Subsoil use operations are carried out on the basis of reimbursement of certain expenditures and the RK reimburses such expenditures to Contractors not in cash but in the form of the portion of oil production, thereby allowing Contractors to recover their expenditures (further Recoverable Costs) and earn profit.

PSA and FPSA provides for a procedure of expense reimbursement and determine the list of expenses that are not Recoverable Costs.

PSA LLP conducts audits of Recoverable Costs as an organization authorized to act on behalf of the RK within the framework of the PSA and FPSA (further the Authorized Body).

The RK and the Contractors under the PSA and FPSA (except for KMG Kashagan B.V. and KMG Karachaganak LLP) have a number of disputes concerning the application of certain PSA and FPSA provisions, which have been referred to arbitration under the PSA and FPSA.

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Kazakhstan local market obligation

The Government requires oil companies in the RK to supply a portion of the products to meet the Kazakhstan domestic energy requirement on an annual basis, mainly to maintain oil products supply balance on the local market and to support agricultural producers during the spring and autumn sowing and harvest campaigns.

Kazakhstan local market oil prices are significantly lower than export prices and even lower than the normal domestic market prices determined in an arm-length transaction. If the Government does require additional crude oil to be delivered over and above the quantities currently supplied by the Group, such supplies will take precedence over market sales and will generate substantially less revenue (not less than cost of production) than crude oil sold on the export market, which may materially and adversely affect the Group's business, prospects, consolidated financial position and performance.

In 2024, in accordance with its obligations, the Group delivered to the Kazakhstan market 8,146 thousand tons of crude oil, including its share in the joint ventures and associates in the total volume of 2,880 thousand tons (2023: 7,541 thousand tons, including its share in the joint ventures and associates of 2,560 thousand tons).

Commitments under subsoil use contracts

As at December 31, 2024, the Group had the following commitment (net of VAT) related to minimal working program in accordance with terms of licenses, production sharing agreements and subsoil use contracts, signed with the Government, including its share in joint ventures and associate:

In millions of tenge	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenses, including joint ventures and associates	Operational expenses of joint ventures and associates
Year				
2025	**360,885**	**33,962**	**83,986**	**57,911**
2026	**229,843**	**14,581**	**52,601**	**12,821**
2027	**144,476**	**10,771**	**19,501**	**13,309**
2028	**152,571**	**10,794**	**19,958**	**13,946**
2029-2049	**175,134**	**9,334**	**42,089**	**14,544**
Total	**1,062,909**	**79,442**	**218,135**	**112,531**

As at December 31, 2023 commitments (net of VAT) under subsoil use contracts included:

In millions of tenge	Capital expenditures, including joint ventures and associates	Capital expenditures of joint ventures and associates	Operational expenses, including joint ventures and associates	Operational expenses of joint ventures and associates
Year				
2024	342,291	25,633	76,014	69,296
2025	262,118	7,690	22,549	11,650
2026	285,609	10,933	20,392	12,330
2027	352,313	6,344	18,876	13,026
2028-2048	340,207	7,316	41,345	13,568
Total	**1,582,538**	**57,916**	**179,176**	**119,870**

Oil supply commitments

As of December 31, 2024, KMG Kashagan B.V. had commitments under the oil supply agreements in the total amount of 2.4 million tons (December 31, 2023: 3.0 million tons). The monetary equivalent is determined based on the market prices at the moment of realization.

35. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

Other contractual commitments

As at December 31, 2024, the Group, had other capital commitments related to acquisition and construction of long-term assets of approximately 136,221 million tenge, net of VAT, including its share in joint ventures commitments of 17,862 (as at December 31, 2023: 166,049 million tenge, net of VAT, including its share in joint ventures commitments of 15,465 million tenge).

As at December 31, 2024, the Group had commitments in the total amount of 58,483 million tenge (as at December 31, 2023: 93,919 million tenge) under the investment programs approved by the joint order of Ministry of Energy of RK and *Committee on Regulation of Natural Monopolies and Protection of Competition of the Ministry of National Economy of RK* to facilitate production units.

Non-financial guarantees

As of December 31, 2024 and 2023, the Group has outstanding performance guarantees issued in favour of third parties whereas it provides guarantee should its joint venture or associate fail to perform their obligations under the natural gas purchase-sale, transportation and other agreements.

As of December 31, 2024 and 2023, the management of the Group believes that there were no expected cases of non-performance from the guaranteed parties and, accordingly, no obligations related to the above stated non-financial contingencies were recognized.

36. SEGMENT REPORTING

The Group's operating segments have their own structure and management according to the type of the produced goods and services provided. Moreover, all segments are strategic directions of the business which offer different types of the goods and services in different markets. The functions have been defined as the operating segments of the Group because they are segments a) that engages in business activities from which revenues are generated and expenses incurred; b) whose operating results are regularly reviewed by the Group's chief operating decision makers to make decisions.

The Group's activity consists of three main operating segments: exploration and production of oil and gas, oil transportation, and refining and trading of crude oil and refined products. The Group presents the Company's activities separately in Corporate segment, since the Company performs not only the functions of the parent company, but also carries out operational activities. The remaining operating segments have been aggregated and presented as other operating segment due to their insignificance.

Disaggregation of revenue by types of goods and services is presented in *Note 7* to the consolidated financial statements.

As at December 31, 2024 and 2023 disaggregated revenue mainly represents sales and services made to the external parties by the following operating segments:

	December 31, 2024					
In millions of tenge	Exploration and production of oil and gas	Oil transpor-tation	Refining and trading of crude oil and refined products	Corporate	Other	Total
Sales of crude oil and gas	**767,376**	**–**	**3,927,847**	**–**	**–**	**4,695,223**
Sales of refined products	**4,999**	**–**	**1,805,243**	**871,374**	**16,196**	**2,697,812**
Refining of oil and oil products	**–**	**–**	**258,530**	**–**	**–**	**258,530**
Oil transportation services	**–**	**237,475**	**1,595**	**1,466**	**192**	**240,728**
Other revenue	**26,573**	**55,342**	**164,607**	**1,845**	**189,601**	**437,968**
Total	**798,948**	**292,817**	**6,157,822**	**874,685**	**205,989**	**8,330,261**

36. SEGMENT REPORTING (continued)

	December 31, 2023					
In millions of tenge	**Exploration and production of oil and gas**	**Oil transporta-tion**	**Refining and trading of crude oil and refined products**	**Corporate**	**Other**	**Total**
Sales of crude oil and gas	887,301	–	3,740,824	–	–	4,628,125
Sales of refined products	4,948	–	2,008,452	823,828	11,693	2,848,921
Refining of oil and oil products	–	–	248,058	–	–	248,058
Oil transportation services	–	218,890	1,892	5,172	188	226,142
Other revenue	17,519	48,112	145,168	1,668	155,830	368,297
Total	**909,768**	**267,002**	**6,144,394**	**830,668**	**167,711**	**8,319,543**

Segment performance is evaluated based on revenues, net profit and adjusted EBITDA, which are measure on the same basis as in the consolidated financial statements.

EBITDA is a supplemental non-IFRS financial measure used by management to evaluate segments performance, and is defined as earnings before depreciation, depletion and amortization, impairment of property, plant and equipment, exploration and evaluation assets, intangible assets and assets classified as held for sale, exploration expenses, impairments of joint ventures and associates, finance income and expense, income tax expenses.

EBITDA, % is calculated as EBITDA of each reporting segment divided by the total EBITDA.

Eliminations and adjustments represent the exclusion of intra-group turnovers. Inter-segment transactions were made on terms agreed to between the segments that may not necessarily comply with market rates, except for certain regulated services, which are provided based on the tariffs available to related and third parties.

Geographic information

The Group's property, plant and equipment *(Note 16)* are located in the following countries:

In millions of tenge	**2024**	2023 (restated)
Kazakhstan	**7,155,527**	6,617,819
Other countries	**678,633**	553,423
	7,834,160	7,171,242

36. SEGMENT REPORTING (continued)

The following represents information about profit and loss for 2024 and assets and liabilities as at December 31, 2024 of operating segments of the Group:

In millions of tenge	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
Revenues from sales to external customers	**798,948**	**292,817**	**6,157,822**	**874,685**	**205,989**	**–**	**8,330,261**
Revenues from sales to other segments	**1,687,114**	**156,087**	**197,018**	**104,826**	**186,154**	**(2,331,199)**	**–**
Total revenue	**2,486,062**	**448,904**	**6,354,840**	**979,511**	**392,143**	**(2,331,199)**	**8,330,261**
Cost of purchased oil, gas, petroleum products and other materials	**(53,766)**	**(20,815)**	**(5,447,383)**	**(553,840)**	**(63,400)**	**1,792,193**	**(4,347,011)**
Production expenses	**(639,251)**	**(254,754)**	**(387,897)**	**(236,265)**	**(299,386)**	**418,949**	**(1,398,604)**
Taxes other than income tax	**(397,851)**	**(21,315)**	**(33,173)**	**(128,808)**	**(11,837)**	**–**	**(592,984)**
Transportation and selling expenses	**(210,806)**	**(19,094)**	**(108,751)**	**(13,041)**	**–**	**83,868**	**(267,824)**
General and administrative expenses	**(52,639)**	**(17,651)**	**(61,045)**	**(113,171)**	**(27,673)**	**18,031**	**(254,148)**
Share in profit of joint ventures and associates, net	**359,311**	**104,204**	**55,150**	**–**	**12,565**	**–**	**531,230**
EBITDA	**1,491,060**	**219,479**	**371,741**	**(65,614)**	**2,412**	**(18,158)**	**2,000,920**
EBITDA, %	**74%**	**11%**	**19%**	**(3%)**	**–**	**(1%)**	
Depreciation, depletion and amortization	**(453,254)**	**(44,489)**	**(130,315)**	**(3,346)**	**(11,262)**	**–**	**(642,666)**
Interest revenue calculated using the effective interest method	**27,165**	**11,553**	**40,522**	**208,689**	**14,247**	**(117,784)**	**184,392**
Other finance income	**2,451**	**1,088**	**225**	**113,374**	**6,152**	**–**	**123,290**
Finance costs	**(45,579)**	**(19,788)**	**(109,221)**	**(237,334)**	**(12,421)**	**78,247**	**(346,096)**
(Impairment)/reversal of impairment of property, plant and equipment, intangible assets, non–current advances for fixed assets and exploration expenses	**(57,100)**	**(2,475)**	**(4,064)**	**(40,678)**	**11,609**	**22,975**	**(69,733)**
Gain from disposal of subsidiary	**–**	**–**	**–**	**16,410**	**–**	**–**	**16,410**
Foreign exchange gain, net	**20,602**	**1,799**	**2,922**	**160,363**	**651**	**(878)**	**185,459**
Excepted credit losses	**(16,787)**	**(782)**	**3,210**	**(458)**	**(260)**	**6,761**	**(8,316)**
Other operating income	**11,431**	**5,350**	**4,451**	**26,492**	**7,993**	**(3,340)**	**52,377**
Other expenses	**37,483**	**(2,079)**	**(3,884)**	**(6,017)**	**(12,404)**	**(51,802)**	**(38,703)**
Income tax expenses	**(220,400)**	**(9,426)**	**(38,129)**	**(90,576)**	**(4,556)**	**–**	**(363,087)**
Profit/(loss) for the year from continuing operations	**797,072**	**160,230**	**137,458**	**81,305**	**2,161**	**(83,979)**	**1,094,247**
Other segment information							
Investments in joint ventures and associates	**4,503,070**	**582,045**	**134,681**	**–**	**158,717**	**–**	**5,378,513**
Capital expenditures	**433,140**	**63,777**	**154,161**	**32,512**	**32,651**	**–**	**716,241**
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	**(30,523)**	**(7,554)**	**(54,589)**	**(31,966)**	**(10,170)**	**–**	**(134,802)**
Assets of the segment	**11,643,803**	**1,550,949**	**3,238,703**	**2,254,912**	**601,821**	**(355,541)**	**18,934,647**
Liabilities of the segment	**1,967,848**	**362,981**	**1,814,519**	**5,747,682**	**220,781**	**(3,103,448)**	**7,010,363**

36. SEGMENT REPORTING (continued)

The following represents information about profit and loss for 2023 and assets and liabilities as at December 31, 2023 of operating segments of the Group:

In millions of tenge	Exploration and production of oil and gas	Oil transportation	Refining and trading of crude oil and refined products	Corporate	Other	Eliminations and adjustments	Total
Revenues from sales to external customers	909,768	267,002	6,144,394	830,668	167,711	–	8,319,543
Revenues from sales to other segments	1,415,539	165,242	180,601	81,526	145,221	(1,988,129)	–
Total revenue*	2,325,307	432,244	6,324,995	912,194	312,932	(1,988,129)	8,319,543
Cost of purchased oil, gas, petroleum products and other materials*	(47,394)	(19,317)	(5,434,056)	(544,457)	(44,900)	1,468,243	(4,621,881)
Production expenses	(534,569)	(252,477)	(394,240)	(212,249)	(245,707)	419,520	(1,219,722)
Taxes other than income tax	(424,909)	(19,181)	(17,571)	(122,151)	(10,268)	–	(594,080)
Transportation and selling expenses	(191,482)	(10,514)	(99,054)	(10,505)	(2)	66,032	(245,525)
General and administrative expenses	(40,731)	(16,826)	(53,752)	(44,229)	(25,109)	14,750	(165,897)
Share in profit of joint ventures and associates, net	356,257	85,161	70,926	–	21,833	–	534,177
EBITDA*	**1,442,479**	**199,090**	**397,248**	**(21,397)**	**8,779**	**(19,584)**	**2,006,615**
EBITDA, %*	**72%**	**10%**	**20%**	**(1%)**	**–**	**(1%)**	
Depreciation, depletion and amortization*	(414,098)	(39,611)	(132,820)	(3,549)	(9,465)	–	(599,543)
Interest revenue calculated using the effective interest method	16,764	10,528	37,772	114,743	14,105	(54,463)	139,449
Other finance income	121	172	316	5,180	2,062	(519)	7,332
Finance costs	(28,732)	(8,773)	(113,789)	(190,867)	(9,227)	29,758	(321,630)
Impairment of property, plant and equipment, intangible assets, non–current advances for fixed assets and exploration expenses	(107,725)	(1,658)	(97,854)	(40,337)	(566)	–	(248,140)
Gain from disposal of subsidiary	–	–	–	186,225	–	–	186,225
Foreign exchange gain, net	(6,842)	643	47,910	(17,396)	(135)	1,042	25,222
Excepted credit losses	(2,403)	(627)	(2,171)	(8,061)	(141)	1,529	(11,874)
Other operating income	5,334	2,341	37,567	5,277	13,417	(8,558)	55,378
Other expenses	(5,001)	(2,219)	(11,564)	(12,068)	(12,031)	319	(42,564)
Income tax expenses*	(154,329)	(9,307)	(36,967)	(67,780)	(1,409)	–	(269,792)
Profit/(loss) for the year from continuing operations*	**745,568**	**150,579**	**125,648**	**(50,030)**	**5,389**	**(50,476)**	**926,678**
Other segment information							
Investments in joint ventures and associates	4,056,464	536,576	129,442	–	98,945	–	4,821,427
Capital expenditures*	389,846	193,008	153,989	44,097	22,597	–	803,537
Allowances for obsolete inventories, expected credit losses on trade receivables, loans and receivables from related parties, other current financial assets and impairment of other current non-financial assets	(14,486)	(7,365)	(49,875)	(35,150)	(11,337)	–	(118,213)
Assets of the segment*	**11,573,073**	**1,475,597**	**3,091,573**	**1,857,357**	**430,184**	**(1,486,683)**	**16,941,101**
Liabilities of the segment*	**1,626,832**	**370,240**	**1,844,550**	**4,546,456**	**137,282**	**(1,980,873)**	**6,544,487**

* *Certain numbers shown here do not correspond to the consolidated financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 6.*

37. SUBSEQUENT EVENTS

On February 17, 2025, the civilian industrial facility of the international Caspian Pipeline Consortium, the Kropotkinskaya oil pumping station, was attacked by unmanned aerial vehicles of the aircraft type. As a result of the attack, the facility was damaged and decommissioned. As at the date of this report oil is pumped from the Republic of Kazakhstan without any restrictions.

Annex No.2
to the resolution on item No.4
of the agenda of the
Annual General Meeting of
Shareholders of NC KazMunayGas JSC
dated "___" _____ 2025
(Minutes No._____)

"National Company "KazMunayGas" JSC

Separate financial statements

For the year ended December 31, 2024
with independent auditor's report

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Independent auditor's report

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SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2024

In millions of tenge	Note	For the years ended December 31, 2024	2023 (restated)*
Revenue from contracts with customers	8	**960,184**	898,847
Cost of sales	9	**(890,892)**	(855,680)
Gross profit		**69,292**	43,167
General and administrative expenses	10	**(117,255)**	(48,651)
Transportation and selling expenses	11	**(20,362)**	(18,914)
Loss on impairment of investments in subsidiaries	16	**(90,120)**	(40,343)
Loss on impairment and disposal of exploration and evaluation assets	15	**(40,678)**	(40,512)
Interest revenue calculated using the effective interest method	12	**211,922**	95,468
Other finance income	12	**110,140**	24,456
Finance costs	12	**(237,334)**	(190,867)
Share in profit and loss of subsidiaries	13	**573,311**	584,830
Share in profit and loss of joint ventures and associates	14	**476,649**	491,011
Gain on sale of subsidiary, net	5	**16,410**	186,225
Loss on sale of joint venture, net	17	**(1,928)**	(90)
Gain on sale of investment property, net	19	**9,369**	–
Foreign exchange (loss)/gain, net		**(198,484)**	28,757
Expected credit losses		**(901)**	(8,344)
Other income		**19,637**	5,447
Other expenses		**(6,537)**	(12,335)
Profit before income tax		**773,131**	1,099,305
Income tax expense	25	**(63,021)**	(34,404)
Profit for the year		**710,110**	1,064,901

SEPARATE STATEMENT OF COMPREHENSIVE INCOME (continued)

In millions of tenge	Note	For the years ended December 31 2024	2023 (restated)*
Other comprehensive income/(loss)			
Other comprehensive income/(loss) for the year to be reclassified to profit or loss in subsequent periods			
Hedging effect of subsidiaries		**(1,463)**	849
Exchange differences on translation of foreign operations	16, 17	**1,351,686**	(216,378)
Tax effect	25	**(90,711)**	11,101
Other comprehensive income/(loss) for the year to be reclassified to profit or loss in subsequent periods, net of tax		**1,259,512**	(204,428)
Other comprehensive income/(loss) for the year not to be reclassified to profit or loss in subsequent periods			
Share in income of subsidiaries from revaluation of actuarial liabilities on defined benefit plans		**749**	331
Share in loss of subsidiary and joint venture from fair value adjustments to the carrying amount of equity instruments, classified as financial assets at fair value through other comprehensive income	16, 17	**–**	(3,182)
Share in actuarial gain on defined benefit plans of subsidiaries, net of tax		**157**	643
Tax effect		**1**	(321)
Net other comprehensive income/(loss) for the year not to be reclassified to profit or loss in subsequent periods, net of tax		**907**	(2,529)
Net other comprehensive income/(loss) for the year, net of tax		**1,260,529**	(206,957)
Total comprehensive income for the year, net of tax		**1,970,529**	857,944
Earnings per share** – tenge thousands			
Basic and diluted		**1.164**	1.745

* *Certain numbers shown here do not correspond to the separate financial statements for the year ended December 31, 2023 and reflect adjustments made, refer to Note 3.*

** *The number of ordinary shares as of December 31, 2024 and 2023 equaled to 610,119,493.*

Deputy Chairman of the Management Board _____ *D.A. Aryssova*

Chief accountant _____ *A.S. Yesbergenova*

SEPARATE STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

In millions of tenge	Note	As at December 31 **2024**	2023
Assets			
Non-current assets			
Exploration and evaluation assets	15	**19,219**	12,596
Property, plant and equipment		**19,665**	21,875
Investment property	19	**14,339**	22,123
Intangible assets		**5,959**	13,866
Investments in subsidiaries	16	**10,942,615**	11,388,887
Investments in joint ventures and associates	17	**4,821,728**	4,342,921
Other non-current non-financial assets	19	**100**	9,126
Loans due from related parties	26	**420,237**	332,411
Other non-current financial assets	19	**38,212**	13,860
Long-term bank deposits	18	**309**	504
Deferred tax asset	25	**8,371**	18,958
		16,290,754	16,177,127
Current assets			
Inventories		**17,803**	24,475
Trade accounts receivables	19	**72,639**	92,114
VAT receivable		**5,673**	3,318
Income tax prepaid		**244**	740
Other current non-financial assets	19	**18,612**	17,555
Loans due from related parties	26	**156,749**	128,732
Dividends receivable from subsidiaries and joint ventures	26	**13,752**	24,202
Other current financial assets	19	**22,376**	19,061
Short-term bank deposits	18	**1,117,141**	511,126
Cash and cash equivalents	20	**303,511**	596,546
		1,728,500	1,417,869
Total assets		**18,019,254**	17,594,996

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

In millions of tenge	Note	As at December 31 **2024**	2023
Equity			
Share capital	21	**916,541**	916,541
Additional paid-in capital		**1,136**	1,136
Other capital reserves		**(7,828)**	(7,272)
Foreign currency translation reserve		**5,658,015**	4,397,040
Fair value reserve of financial assets at fair value through other comprehensive income		**9,504**	9,504
Retained earnings		**7,271,589**	7,156,774
Total equity		**13,848,957**	12,473,723
Non-current liabilities			
Borrowings and bonds	22	**3,276,442**	3,053,528
Provisions	21	**–**	17,925
Other non-current financial liabilities	15	**25,418**	–
Deferred tax liabilities	25	**634,849**	571,920
		3,936,709	3,643,373
Current liabilities			
Trade accounts payable	24	**36,655**	55,516
Borrowings and bonds	22	**50,509**	1,173,718
Loan commitment	26	**68,693**	102,204
Financial guarantee obligations	23	**22,969**	13,340
Income tax payable		**399**	751
Other current financial liabilities	24	**29,391**	111,452
Other current non-financial liabilities	24	**24,972**	20,919
		233,588	1,477,900
Total equity and liabilities		**18,019,254**	17,594,996

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

SEPARATE STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

In millions of tenge	Note	For the years ended December 31 **2024**	2023
Cash flows from operating activities			
Receipts from customers		**1,090,564**	992,610
Dividend received from subsidiaries, joint ventures and associates	16, 17	**708,241**	708,425
Interest received on loans due from related parties		**6,426**	10,569
Interest received on bank deposits		**61,721**	48,184
Payments to suppliers of goods and services		**(1,109,186)**	(976,935)
Salary and other related payments to employees		**(9,757)**	(8,434)
Interest paid	22	**(191,817)**	(172,358)
Sponsorship	10	**(10,504)**	(10)
Income tax paid		**(2,002)**	(2,114)
Other taxes and payments to the budget		**(24,483)**	(24,555)
Other receipts/(payments)		**9,263**	(11,340)
Net cash flows from operating activities		**528,466**	564,042
Cash flows from investing activities			
Placement of bank deposits		**(1,565,819)**	(797,194)
Withdrawal of bank deposits		**1,085,068**	991,458
Purchase of property, plant and equipment, intangible assets and exploration and evaluation assets		**(30,604)**	(56,298)
Acquisition of subsidiary	6, 7	**(1,520)**	(164,349)
Acquisition of joint venture		**(2,279)**	–
Contributions to share capital of subsidiaries and joint ventures	16, 17	**(146,183)**	(75,949)
Loans given to related parties		**(167,527)**	(436,544)
Proceeds from sale of exploration and evaluation assets		**90**	196
Proceeds from loans due from related parties		**97,649**	125,164
Proceeds from sale of investments in subsidiaries and share in joint venture	5, 17	**21,184**	94,644
Cash withdrawal from share capital	16	**484,329**	522,403
Acquisition of notes of the National Bank of RK and Eurasian development bank	26	**(51,000)**	(265,047)
Redeem of notes of the National Bank of RK and Eurasian development bank	26	**51,000**	335,047
Net cash flows (used in)/from investing activities		**(225,612)**	273,531

SEPARATE STATEMENT OF CASH FLOWS (continued)

In millions of tenge	Note	For the years ended December 31 **2024**	2023
Cash flows from financing activities			
Proceeds from borrowings and bonds	22	**28,072**	152,106
Redemption of bonds	22	**(358,284)**	(227,520)
Dividends paid	21	**(300,002)**	(300,002)
Proceeds from the repo agreements		**(22,074)**	–
Redemption of the repo agreements		**22,074**	–
Other operations	21	**(6,652)**	(8,962)
Other payments		**(72)**	(109)
Net cash flows used in financing activities		**(636,938)**	(384,487)
Effects of exchange rate changes on cash and cash equivalents		**41,062**	(3,318)
Change in allowance for expected credit losses		**(13)**	(9)
Net (decrease)/increase in cash and cash equivalents		**(293,035)**	449,759
Cash and cash equivalents, at the beginning of the year		**596,546**	146,787
Cash and cash equivalents, at the end of the year		**303,511**	596,546

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

In millions of tenge	Share capital	Additional paid-in capital	Other capital reserves	Currency translation reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Total
At January 1, 2023	916,541	1,136	(8,774)	4,602,317	12,686	6,379,096	11,903,002
Net income for the year	–	–	–	–	–	1,064,901	1,064,901
Other comprehensive loss	–	–	1,502	(205,277)	(3,182)	–	(206,957)
Total comprehensive income	–	–	1,502	(205,277)	(3,182)	1,064,901	857,944
Dividends *(Note 21)*	–	–	–	–	–	(300,002)	(300,002)
Transactions with Samruk-Kazyna *(Note 21)*	–	–	–	–	–	30,824	30,824
Other operations *(Note 21)*	–	–	–	–	–	(18,045)	(18,045)
At December 31, 2023	**916,541**	**1,136**	**(7,272)**	**4,397,040**	**9,504**	**7,156,774**	**12,473,723**

SEPARATE STATEMENT OF CHANGES IN EQUITY (continued)

In millions of tenge	Share capital	Additional paid-in capital	Other capital reserves	Currency translation reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained earnings	Total
At January 1, 2024	**916,541**	**1,136**	**(7,272)**	**4,397,040**	**9,504**	**7,156,774**	**12,473,723**
Net income for the year	–	–	–	–	–	**710,110**	**710,110**
Other comprehensive income	–	–	**(556)**	**1,260,975**	–	–	**1,260,419**
Total comprehensive income	–	–	**(556)**	**1,260,975**	–	**710,110**	**1,970,529**
Dividends *(Note 21)*	–	–	–	–	–	**(300,002)**	**(300,002)**
Transactions with Samruk-Kazyna *(Notes 21, 22)*	–	–	–	–	–	**(293,288)**	**(293,288)**
Other operations *(Note 21)*	–	–	–	–	–	**(2,005)**	**(2,005)**
At December 31, 2024	**916,541**	**1,136**	**(7,828)**	**5,658,015**	**9,504**	**7,271,589**	**13,848,957**

Deputy Chairman of the Management Board

D.A. Aryssova

Chief accountant

A.S. Yesbergenova

The accounting policies and explanatory notes on pages 9-54 form an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2024

1. GENERAL

Joint stock company "National Company "KazMunayGas" (further the Company) is oil and gas enterprise of the Republic of Kazakhstan (further RK), which was established on February 27, 2002 as a closed joint stock company pursuant to the Decree No. 811 of the President of the RK dated February 20, 2002 and the resolution of the Government of the RK (further the Government) No. 248 dated February 25, 2002. The Company was formed as a result of the merger of closed joint stock companies "National Oil and Gas Company "Kazakhoil" and "National Company "Transport Nefti i Gaza". As the result of the merger, all assets and liabilities, including ownership interest in all entities owned by these companies, have been transferred to the Company. The Company was reregistered as a joint stock company in accordance with the legislation of the RK in March 2004.

Starting from June 8, 2006, the sole shareholder of the Company was joint stock company "Kazakhstan Holding Company for State Assets Management "Samruk", which in October 2008 was merged with the state-owned Sustainable Development Fund "Kazyna" and formed joint stock company "National Welfare Fund "Samruk-Kazyna" (further Samruk-Kazyna). The Government is the sole shareholder of Samruk-Kazyna.

On August 7, 2015, the National Bank of RK (further NB of RK) purchased 9.58% plus one share of the Company from Samruk-Kazyna. From December 8, 2022, 3.00% of shares of the Company are freely available on the Astana International Exchange and the Kazakhstan Stock Exchange (further KASE) stock exchanges.

On December 22, 2023, 20.00% of the Company's shares owned by Samruk-Kazyna were transferred to the Ministry of Finance of the RK.

As at December 31, 2024, the Company has interest in 64 operating companies (as of December 31, 2023: 61).

The Company has its registered office in the RK, Astana, Dinmukhamed Kunayev, 8.

The principal activity of the Company includes, but is not limited, to the following:

- Participation in the development and implementation of the uniform public policy in the oil and gas sector;
- Representation of the state interests in subsoil use contracts through interest participation in those contracts; and
- Corporate governance and monitoring of exploration, development, production, oil servicing, processing, petrochemistry, transportation and sale of hydrocarbons and the designing, construction and maintenance of oil-and-gas pipeline and field infrastructure.

These separate financial statements of the Company were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on March 26, 2025.

These separate financial statements of the Company have been issued in addition to the consolidated financial statements of the Company and its subsidiaries for the same reporting period. The consolidated financial statements of the Company were approved for issue by the Deputy Chairman of the Management Board and the Chief accountant on March 5, 2025. The consolidated financial statements can be obtained on the Company's official website or in the Company's office.

2. BASIS OF PREPARATION

These separate financial statements have been prepared on a historical cost basis, except as described in the accounting policies and the Notes to these separate financial statements. All values in these separate financial statements are rounded to the nearest millions, except when otherwise indicated.

Statement of compliance

These separate financial statements of the Company have been prepared in accordance with IFRS accounting standards as issued by International Accounting Standards Board.

The preparation of the separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policy. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these separate financial statements are disclosed in *Note 4*.

In course of preparation of these separate financial statements the Company's management considered the current international economic and geopolitical environment in the world, considering the presence of a number of uncertainties. The separate financial statements were prepared on a going concern basis.

2. BASIS OF PREPARATION (continued)

Going concern principle

These separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future.

Foreign currency translation

Functional and presentation currency

These separate financial statements are presented in Kazakhstan tenge, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the separate statement of comprehensive income in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange rates

Weighted average currency exchange rates established by KASE are used as official currency exchange rates in the RK.

The currency exchange rate of KASE as at December 31, 2024 was 525.11 tenge to 1 US dollar. This rate was used to translate monetary assets and liabilities denominated in United States dollars (US dollar) as at December 31, 2024 (December 31, 2023: 454.56 tenge to 1 US dollar). The currency exchange rate of KASE as at March 26, 2025 was 501.81 tenge to 1 US dollar. For the year ended December 31, 2024, the Company had a net foreign exchange loss of 198,484 million tenge due to fluctuations in foreign exchange rates to tenge.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Changes in accounting policies and disclosures

New and amended standards and interpretations

The accounting policies adopted in the preparation of the separate financial statements are consistent with those followed in the preparation of the Company's annual separate financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the separate financial statements of the Company.

The Company presented only the list of standards effective and applicable for the Company.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's separate financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's separate financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs *69 to 76 of IAS 1* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's separate financial statements. The Company disclosed its compliance with covenants regarding long-term obligations in *Note 22*.

Standards issued but not yet effective

There are new pronouncements issued as at 31 December 2024:

- *Lack of exchangeability* – Amendments to IAS 21 (issued in August 2023);
- IFRS 18 *Presentation and Disclosure in Financial Statements* (issued in April 2024);
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued in May 2024);
- *Contracts Referencing Nature-dependent Electricity* – Amendments to IFRS 9 and IFRS 7 (issued in December 2024);
- Annual Improvements Volume 11 (issued in July 2024);
- *Amendments to the Classification and Measurement of Financial Instruments* – Amendments to IFRS 9 and IFRS 7 (issued in May 2024).

The amendments are not expected to have a material impact on the Company's separate financial statements, except for IFRS 18 *Presentation and Disclosure in Financial Statements*. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the separate financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Amended standards the Company applied the exception to recognizing and disclosing information in 2023

International Tax Reform – Pillar II Model Rules - Amendments to IAS 12 Income Taxes

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar II rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar II model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar II income taxes arising from that legislation, particularly before its effective date.

The Company is part of Samruk-Kazyna Group that is a multinational enterprise with revenue in excess of 750 million Euro per consolidated financial statements of the international group for the financial year, immediately preceding the reporting financial year, using the arithmetic average market exchange rate determined in accordance with the tax legislation of the RK for the respective financial year.

Samruk-Kazyna is a parent entity of the international group. Entities of the multinational enterprise are presented in the following jurisdictions where Pillar II Model Rules have been enacted (or substantially enacted), entering into force in tax years 2024 and beyond: the Republic of Bulgaria, Federal Republic of Germany, Kingdom of the Netherlands, Romania, the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland.

The Company has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes in 2023.

In 2024, the Company, based on operational financial information for 2024, assessed the preliminary potential impact associated with the implementation of the Pillar II Model Rules at the legislative level.

Based on the results of its assessment, the Company has identified that preliminary potential income tax risk on profits determined under the Pillar II model rules and earned by certain companies with above-mentioned jurisdictions. The preliminary potential effect of Pillar II on Company is not material. The Company continues to progress on the assessment.

Business combinations

Acquisition of subsidiaries from parties under common control

Acquisitions of subsidiaries from parties under common control are accounted for using the pooling of interest method.

The assets and liabilities of the subsidiary transferred under common control are recorded in the separate financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. Any difference between the total book value of net assets and the consideration paid is accounted for in the separate financial statements as an adjustment to equity.

Acquisition of joint ventures and associates from parties under common control

Acquisition of joint ventures and associates from parties under common control are accounted for using the pooling of interest method.

The Company's share in the assets and liabilities of the joint ventures and associates transferred under common control is recorded in the separate financial statements at the carrying amounts of the transferring entity (the Predecessor) at the date of the transfer. The difference between the Company's share in the total book value of net assets and the consideration paid is accounted for in the separate financial statements as an adjustment to equity.

Segment reporting

Operating segments at the consolidated level are determined based on the type of the produced goods and services provided in different markets. For management purposes, the Company has three main operating segments: "Exploration and production of oil and gas", "Oil transportation", and "Refining and trading of crude oil and refined products". The Management Board is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment disclosures are presented in *Note 36* to the consolidated financial statements for the year ended December 31, 2024 in accordance with IFRS 8.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in a subsidiary, a joint venture or an associate is initially recognized at cost.

The separate statement of comprehensive income reflects the Company's share of the financial results of a subsidiary, a joint venture or an associate. Changes in other comprehensive income of such investment objects are included in other comprehensive income of the Company. In addition, when there has been a change directly recognized in the equity of the subsidiary, joint venture or associate, the Company recognizes its share of any changes, when applicable, in the separate statement of changes in equity.

The financial statements of subsidiaries, joint ventures and associates are prepared for the same reporting period as the separate financial statements of the Company. If necessary, adjustments are made to bring the accounting policy of subsidiaries, joint ventures and associates in compliance with the accounting policy of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an additional impairment loss on its investment in a subsidiary, a joint venture or an associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary, joint venture or associate is impaired. If there is such evidence, the Company calculates the amount of the impairment as the difference between the recoverable amount of the subsidiary, joint venture or associate and its carrying value, and then recognizes that amount in a separate statement of comprehensive income.

In accordance with IFRS 3 and IFRS 10, upon loss of control over the subsidiary, joint control over the joint venture or significant influence over the associate, the Company measures and recognizes any retained investments at its fair value. Any difference between the carrying amount of the investment in the subsidiary, joint venture or associate upon loss of control, joint control or significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss in the period when loss of control occurs.

Donated assets to subsidiaries, joint ventures and associated, as investments, are initially recognized at fair value.

Oil and natural gas exploration and development expenditures

The costs incurred before obtaining subsoil use right (licenses)

Costs incurred before obtaining full subsoil use rights (licenses) are expensed in the period in which they are incurred. Costs incurred after signing preliminary agreements with the Government, are capitalised.

Subsoil use rights acquisition costs

Subsoil use rights acquisition costs are capitalised and classified as intangible assets. Each property under exploration and evaluation is reviewed on an annual basis to confirm that drilling activity is planned, and it is not impaired. If no future activity is planned, the current amount of the exploration subsoil use right and related property acquisition costs is written off. Upon determination of economically recoverable reserves ('proved reserves' or 'commercial reserves') and internal approval of development, the carrying amount of the subsoil use right and related property acquisition costs held on a field-by-field basis is aggregated with exploration and evaluation assets and transferred to oil and gas exploration assets as development costs.

Exploration and evaluation costs

Once the legal right to explore has been acquired, geological and geophysical exploration costs and costs directly associated with exploration and appraisal wells are capitalised as exploration and evaluation intangible or tangible assets, according to the nature of the costs, until the drilling of the well is complete, and the results have been evaluated. These costs include employee remuneration, materials and fuel used, rig costs and payments made to contractors. If no expected reserves are found, the exploration and evaluation asset is tested for impairment. If extractable hydrocarbons are found and, subject to further appraisal activity, which may include the drilling of further wells, are likely to be developed commercially; the costs continue to be carried as an intangible or tangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbon reserves.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Oil and natural gas exploration and development expenditures (continued)

Exploration and evaluation costs (continued)

All such carried costs are subject to technical, commercial and management review as well as review for impairment at least once a year to confirm the continued intent to develop or otherwise extract value from the field. When this is no longer the case, the assets are written off.

When proved reserves of hydrocarbons are determined and development is sanctioned, the relevant expenditure is transferred to oil and gas development assets after impairment is assessed and any resulting impairment loss is recognized.

When this is no longer the case, and the Company decides to relinquish the contract territory to the Government and terminate the subsoil use contract, the assets are written off.

Development costs

Costs of construction, installation or completion of infrastructure facilities such as platforms, pipelines and drilling of producing wells, including non-producing development wells or delineation wells, are capitalised within oil and gas development assets.

Borrowing costs

As the future economic benefits from exploration and evaluation assets are not probable, the Company does not capitalise borrowing costs into the cost of exploration and evaluation assets.

Intangible assets

Intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets include expenditure on acquiring subsoil use rights for oil and natural gas exploration, evaluation and development, computer software. Intangible assets acquired are carried initially at cost. The initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Intangible assets are amortized on a straight-line basis over the expected remaining useful life. The expected useful lives of the assets are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively. Computer software costs and licenses have an estimated useful life of 3 to 7 years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Property, plant and equipment

Property, plant and equipment are initially recognized at cost less accumulated depreciation, depletion and impairment.

The initial cost of an asset comprises its purchase price or construction cost, borrowing cost for long-term construction or development project, if recognition criteria is met, any costs directly attributable to bringing the asset into operation and the initial estimate of decommissioning obligation, if there is any. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciated on a straight-line basis over the expected remaining useful average lives as follows:

Buildings and improvements	2-100 years
Machinery and equipment	3-30 years
Other	2-20 years
Land	Not depreciated

Derecognition of previously recognized property, plant and equipment or their significant component occurs when they are disposed of or if no economic benefits are expected in the future from the use or disposal of these assets. Income or expense arising from the derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in the profit and loss for the reporting year in which the asset was derecognized.

The residual value, useful life and depreciation methods for fixed assets are analysed at the end of each annual reporting period and, if necessary, adjusted on a prospective basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investment properties

Investment property is initially measured at cost. Transaction costs shall be included in the initial cost.

After initial recognition, investment property is accounted for in accordance with the cost model.

The calculation of depreciation and provision for impairment of investment property is similar to the calculation as for property, plant and equipment.

The Company transfers a property to or from a category of investment property if and only if there is a change in the nature of its use. Examples of evidence of a change in usage patterns include the following:

- When the Company commences the use of the property previously leased out under operating leases or property held for unidentified use for its own purposes − for cases when investment property is transferred to property occupied by the owner;
- When the Company commences the redevelopment of property with a review for subsequent sale − for cases when investment property is transferred to the property inventory;
- When operating lease contract has been signed with a lessee − for cases when the assets is transferred from the property occupied by owner to the investment property category.

The transfer of assets in the categories of "investment property", "property occupied by the owner" and "property inventory" does not lead to a change in the book value of assets.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible oil and gas assets or whenever facts and circumstances indicate impairment of those assets.

One or more of the following facts and circumstances indicate that the Company should test exploration and evaluation assets for impairment (the list is not exhaustive):

- The period for which the Company has the right to explore and evaluate in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on the further exploration for and evaluation of hydrocarbon resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of hydrocarbon resources in the specific area have not led to the discovery of commercially viable quantities of hydrocarbon resources and the Company has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cashflows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through profit or loss.

The Company does not have financial assets at fair value through other comprehensive income.

Derecognition

A financial asset is primarily derecognized (removed from the separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit losses). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit losses).

For trade and other receivables, the Company applies a simplified approach in calculating expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in first-out (FIFO) basis. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the cost of production, including the appropriate proportion of depreciation, depletion and amortization and overheads based on normal capacity.

Net realisable value of crude oil and refined products is based on estimated selling price in the ordinary course of business less any costs expected to be incurred to complete the sale.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash on demand deposits, other short-term highly liquid investments with original maturities of three months or less.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, financial guarantee contracts, or as derivatives financial instruments.

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables, less directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Trade and other payables

After initial recognition trade and other payables are recognized at amortized cost using the effective interest rate. Gain and losses from such financial liabilities are recognized in profit or loss on derecognition and as depreciation is charged using the effective interest rate.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the separate statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method amortization process. Amortized cost is calculated by taking into account any discount or premium on initial recognition and fee or costs that are an integral part of the effective interest rate method. The effective interest rate method amortization is included in finance costs in the separate statement of comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount initially recognized less cumulative amortization recognized in the profit or loss, and the expected credit losses provision.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss within the separate statement of comprehensive income in profit or loss.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Revenue recognition

Revenues are recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset, which usually occurs when the title is passed, provided that the contract price is fixed or determinable and collectability of the receivable is reasonably assured. Specifically, domestic sales of petroleum products are usually recognized when title passes. For export sales, title generally passes at the border. Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts, volume rebates and reimbursable taxes.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Expense recognition

Expenses are recognized as incurred and are reported in the separate financial statements in the period to which they relate on an accrual basis.

Interest and similar income and expenses

For all financial instruments measured at amortized, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. Interest income is included in finance income and interest expense is included in finance costs in the separate statement of comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income taxes

Income tax for the year comprises current income tax, alternative subsoil use tax and deferred tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax (further CIT) relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Alternative subsoil use tax (further ASUT) is treated as an income tax and forms part of income tax expense. In accordance with the applicable tax legislation, the Company accrues and pays ASUT in respect of each subsoil use contract, at varying rates based on the ratio of aggregate annual income to deductions for the year for a particular subsoil use contract. The ratio of aggregate annual income to deductions in each tax year triggering the application of ASUT is 1.25:1. ASUT rates are applied to the part of the taxable income (taxable income for ASUT and allowable adjustments) related to each subsoil use contract.

Deferred tax is calculated with respect to both CIT and ASUT. Deferred ASUT is calculated on temporary differences for assets allocated to subsoil use contracts at the expected rate of ASUT to be paid under the contract.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Dividends

Dividends are recognized as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Information on dividends are disclosed when they are declared after the reporting date but before the separate financial statements are authorized for issue.

Presentation of information

The separate statement of comprehensive income has been restated to present Interest revenue calculated using the effective interest method separately from finance income and, Expected credit losses separately from General and administrative expenses, Finance income and Finance costs. The Company believes that this separation allows for the presentation of information that is more relevant to users of the financial statements.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities and assets, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Taxation

In assessing tax risks, management considers as probable obligations the known areas of non-compliance with tax legislation, which the Company cannot appeal or does not believe it could successfully appeal, if additional taxes are charged by tax authorities. Such determinations inherently involve significant judgment and are subject to change as a result of changes in tax laws and regulations, amendments in terms of taxation of Company's subsoil use contracts, the determination of expected outcomes from pending tax proceedings and the outcome of ongoing compliance audits by tax authorities.

Deferred tax assets

Deferred tax assets are recognized for all allowances and unused tax losses to the extent that it is probable that taxable profit will be available against which deferred tax assets may be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at December 31, 2024 unrecognized deferred tax assets amounted to 580,952 million tenge (2023: 531,927 million tenge) *(Note 25)*.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the separate statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the fair value of financial instruments reported in the separate financial statements. Detailed information is disclosed in *Note 27*.

Recoverability of investments in subsidiaries, joint ventures and associates

The Company assesses, at each reporting date, whether there is an indication that investments in subsidiaries, joint ventures and associates may be impaired. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices, discount rates, future capital requirements, operating performance (including production and sales volumes) that are subject to risk and uncertainty. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered to be impaired and is written down to its recoverable amount.

In assessing recoverable amount the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at December 31, 2024 and 2023 the Company performed its annual impairment tests of investments in subsidiaries, joint ventures and associates due to existence of impairment indicators. As a result of the impairment analysis of the recoverable amount of investments in subsidiaries, joint ventures and associates impairment charges were recognized in the separate financial statements for the year ended December 31, 2024 and 2023 *(Notes 16, 17)*.

Impairment of exploration and evaluation assets

Exploration and evaluation assets are tested by the Company for impairment when reclassified to development tangible and intangible oil and gas assets or whenever facts and circumstances indicate impairment of these assets. Impairment loss is recognized at the amount by which the current amount of exploration and evaluation assets exceeds its recoverable amount. The recoverable amount is determined as the greater of: fair value of exploration and evaluation assets less selling costs and value in use.

5. LOSS OF CONTROL

Karaton Operating Ltd. (further Karaton)

On February 21, 2024, the Company and Tatneft PJSC signed a purchase and sale agreement for a 50% share of Karaton, subsidiary of the Company, holder of a contract for the production of hydrocarbons at Karaton subsoil blocks located in Atyrau region. As a result, on February 21, 2024, the Company lost control over Karaton.

The sale price of a 50% share in Karaton was 18.2 million US dollars (equivalent to 8,255 million tenge at the date of disposal of subsidiary).

On March 13, 2024, Tatneft PJSC made a payment of cash consideration in the amount of 18.2 million US dollars (equivalent to 8,188 million tenge at the date of payment).

The investment retained in the former subsidiary is accounted as an investment in joint venture accounted for using the equity method and its' initial fair value equalled 8,255 million tenge at the date of loss of control (*Note 17*).

The Company and Tatneft PJSC have joint control over the Karaton where decisions about the relevant activities of Karaton require unanimous consent.

5. LOSS OF CONTROL (continued)

Karaton Operating Ltd. (further Karaton) (continued)

At the date of loss of control, the carrying value of the investment was:

In millions of tenge

Carrying value of investment at the date of loss of control	**100**
Cash consideration received at the date of disposal of subsidiary	8,255
Fair value of 50% retained interest in a joint venture	8,255
Gain from disposal of subsidiary	**16,410**

Liquidation of KazMunayGas Exploration and Production JSC (further KMG EP)

In August-September 2024, in connection with the completion of the voluntary liquidation procedure, KMG EP, a subsidiary of the Company, distributed the assets among the shareholders of the Company. As a result, the Company became the legal successor of net assets liquidated by KMG EP with total value of 2,570,085 million tenge (*Note 16*), which is equal to their carrying value based on Predecessor's accounting books. The main net assets transferred are:

- 100% share of OzenMunayGas JSC (further OMG) and 100% share of EmbaMunayGas JSC (further EMG) valued at 792,548 million tenge and 312,009 million tenge, respectively. Assets were recognized as investments in the Company's subsidiaries (*Note 16*);
- 87.65% interest in Cooperatieve KMG EP U.A. valued at 208,942 million tenge and 95.10% interest in KMG EP NETHERLANDS ENERGY Cooperatieve U.A. valued at 15,237. Assets were recognized as investments in the Company's subsidiaries (*Note 16*);
- 6.12% interest in KazMunayGas-Service LLP (further KMGS), a subsidiary of the Company, valued at 164 million tenge. As a result of the liquidation of KMG EP, the Company's ownership interest in KMGS amounted to 100% (*Note 16*);
- The right of claim under the loan agreement issued to the Company in the amount of 1,147,602 million tenge (*Note 22*) and the right of claim for accounts receivable from the Company in the amount of 86,724 million tenge (*Note 24*). As the result, the Company offset the debts and derecognized mentioned financial instruments.

KALAMKAS-KHAZAR OPERATING LLP (further KKO)

On February 9, 2023, the Company and Lukoil PJSC signed a purchase and sale agreement for a 50% share of KKO, a subsidiary of the Company, holder of a contract for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea. On September 11, 2023, KKO was re-registered after the parties fulfilled the suspensive conditions of a purchase and sale agreement. As a result of the transaction, the Company lost control over KKO.

The sale price of a 50% share was 200 million US dollars (equivalent to 93,258 million tenge at the date of disposal of subsidiary). According to the terms of the sale and purchase agreement, the sale price may be adjusted by 100 million US dollars if certain conditions are met (further the Additional consideration). The Company recognized this Additional consideration as a financial asset measured at fair value through profit or loss. As at December 31, 2024, the fair value of this Additional consideration was 33 million US dollars (equivalent to 17,461 million tenge), that was recognized within other non-current financial assets (December 31, 2023: 30 million US dollars (equivalent to 13,860 million tenge) (*Notes 19, 27*).

On September 21, 2023, Lukoil PJSC made payment of cash consideration in the amount of 200 million US dollars (equivalent to 94,644 million tenge at the date of payment).

The investment retained in the former subsidiary is an investment to a joint venture accounted for using the equity method and its fair value at the date of loss of control is 93,258 million tenge.

In millions of tenge

Carrying value of investments at the date of loss of control	**14,445**
Cash consideration received at the date of disposal of subsidiary	93,258
Fair value of the Additional consideration at the date of disposal of subsidiary	14,154
Fair value of 50% retained interest in a joint venture *(Note 17)*	93,258
Gain from disposal of subsidiary	**186,225**

6. BUSINESS COMBINATION

Acquisition Dunga Operating GmbH (further Dunga)

On October 9, 2023 the Company signed a purchase agreement with TOTALENERGIES EP DENMARK A/S for the acquisition of a 100% of the shares of Total E&P Dunga GmbH (renamed to Dunga in December 2023), engaged in the exploration and production of crude oil and natural gas in Dunga field. The base consideration comprises of 358.5 million US dollars (equivalent to 165,913 million tenge). The agreement contains certain closing conditions precedent, which were met on October 30, 2023 and on November 20, 2023, the transaction was completed after the re-registration of shares to the Company. The Company has obtained control over Dunga, a subsidiary, increasing the Company share in the hydrocarbon resource base and production of the crude oil and natural gas on the RK market.

Since as of December 31, 2023, the initial accounting for the business combination was not completed and the Company assessed the fair value of the net identifiable assets and liabilities of Dunga at provisional amounts being the fair value of the consideration given of 358.5 million US dollars (equivalent to 165,913 million tenge) in accordance with IFRS 3 *Business Combinations.*

As of December 31, 2024, the Company completed the valuation of the fair value of the net identifiable assets and liabilities of Dunga at the date of acquisition.

The fair value of the net identifiable assets and liabilities of Dunga at the date of acquisition was 156,099 million tenge, which is lower than the provisional value by 9,814 million tenge.

The fair values of the identifiable assets and liabilities of Dunga as at the date of acquisition are as presented below:

In millions of tenge	**At the date of acquisition**
Assets	
Non-current assets	
Property, plant and equipment	181,462
Intangible assets	5,481
Long-term bank deposits	5,413
Other non-current assets	3,132
Current assets	
Inventories	6,387
Trade accounts receivable	5,870
Income tax prepaid	2,284
Other current non-financial assets	5,601
Other current financial assets	55
Cash and cash equivalents	8,288
Total assets	**223,973**
Non-current liabilities	
Provisions	4,346
Deferred tax liabilities	48,752
Other non-current financial liabilities	447
Current liabilities	
Trade accounts payable	8,802
Other current financial liabilities	5,527
Total liabilities	**67,874**
Total identifiable net assets at preliminary fair value	**156,099**
Company's share in net assets	**156,099**
Goodwill arising on acquisition	**9,814**
Investment value at the date of acquisition of control	**165,913**

7. ACQUISITION UNDER COMMON CONTROL

Acquisition of subsidiaries under common control

Polimer Production LLP (further Polimer)

In December 2023, the Company acquired 99.9% and 0.1% interest in Polimer from Samruk-Kazyna Ondeu LLP, subsidiary of Samruk-Kazyna, and UK MEZ HimPark Taraz JSC, the third party, for consideration of 1,520 million tenge, which were paid in 2024.

The Company has control over Polimer and recognized as a subsidiary. The acquisition accounted for as an acquisition of the subsidiary from the parties under common control and accounted for under the pooling of interest method based on the carrying value of assets and liabilities of Polimer based on Predecessor's accounting books.

8. REVENUE FROM CONTRACTS WITH CUSTOMERS

In millions of tenge	**2024**	2023
Sales of refined products on domestic markets	**858,788**	795,043
Sales of refined products on export	**100,843**	103,235
Freight forwarding fee	**553**	569
Total revenue from contracts with customers	**960,184**	898,847
Geographical markets		
RK	**859,341**	795,612
Other countries	**100,843**	103,235
Total revenue from contracts with customers	**960,184**	898,847
Revenue recognition		
Goods are transferred at a point in time	**959,631**	898,278
Services are rendered over a period of time	**553**	569
Total revenue from contracts with customers	**960,184**	898,847

For the year ended December 31, 2024 revenue from major customers of refined products PetroRetail LLP, VITOL S.A., Sinooil LLP, Helios LLP and KTZ-Freight transportation LLP amounted to 147,213 million tenge, 99,243 million tenge, 98,799 million tenge, 83,328 million tenge and 79,959 million tenge, respectively (2023: revenue from major customers of refined products PetroRetail LLP, Sinooil LLP, Helios LLP, VITOL S.A. and KTZ-Freight transportation LLP amounted to 172,652 million tenge, 100,469 million tenge, 96,071 million tenge, 94,898 million tenge and 94,813 million tenge, respectively).

9. COST OF SALES

In millions of tenge	**2024**	2023
Crude oil	**549,052**	539,902
Operational works and services	**216,938**	198,903
Excise taxes	**120,114**	112,320
Fuel additive	**4,788**	4,555
	890,892	855,680

10. GENERAL AND ADMINISTRATIVE EXPENSES

In millions of tenge	**2024**	2023
Trust management services	**53,276**	553
Professional services	**11,900**	10,409
Payroll and other employee costs	**11,222**	10,370
Sponsorship	**10,504**	10
Outsources and outstaffing services	**6,653**	5,572
Repair and maintenance	**4,000**	1,643
Depreciation and amortization	**3,155**	3,282
Information and reference assistance services	**2,514**	1,651
Communication services	**1,440**	1,316
Taxes other than income tax	**1,373**	1,423
Business trip expenses	**803**	959
Transportation services	**605**	497
VAT non-recoverable	**172**	4,922
Other	**9,638**	6,044
	117,255	48,651

In 2024, the Company recognized remuneration to NC QazaqGaz JSC, a subsidiary of Samruk-Kazyna, for the services of trust management of a 50% interest in KazRosGas LLP (further KRG), a joint venture, in the amount of 53,276 million tenge as trust management expenses in this separate financial statement (*Note 26*).

In 2024, the Company provided sponsorship to flood-affected regions of RK in the amount of 10,000 million tenge.

11. TRANSPORTATION AND SELLING EXPENSES

In millions of tenge	**2024**	2023
Transportation	**12,656**	9,412
Export customs duty	**7,315**	8,404
Other	**391**	1,098
	20,362	18,914

12. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COSTS

Interest revenue calculated using the effective interest method

In millions of tenge	**2024**	2023
Interest income on loans and bonds due from related parties *(Note 26)*	**78,643**	49,287
Recognition of a change in the fair value of a financial instrument due to its modification *(Notes 21, 26)*	**59,769**	–
Interest income on bank deposits	**70,958**	46,181
Interest income on bank deposits from related parties (*Note 26*)	**1,325**	–
Interest income on non-current accounts receivable due from related parties *(Note 26)*	**1,227**	–
	211,922	95,468

Other finance income

In millions of tenge	**2024**	2023
Derecognition of loans due from related parties *(Note 26)*	**49,649**	–
Derecognition of loan *(Note 22)*	**48,442**	4,377
Amortization of financial guarantee *(Note 23)*	**8,114**	19,796
Other	**3,935**	283
	110,140	24,456

12. INTEREST REVENUE, OTHER FINANCE INCOME / FINANCE COSTS (continued)

Finance costs

In millions of tenge	**2024**	2023
Interest expenses on loans and bonds received from third parties *(Note 22)*	**147,918**	152,748
Interest expenses on loans and bonds received from related parties *(Notes 22, 26)*	**71,876**	37,833
Interest expenses on long-term receivable from related parties (*Notes 19, 26*)	**8,741**	–
Effect of initial recognition of loan due from related party (*Note 26*)	**6,402**	–
Interest expenses on long-term payable to related parties *(Note 26)*	**2,296**	–
Total interest expenses	**237,233**	190,581
Other	**101**	286
Total finance costs	**237,334**	190,867

13. SHARE IN PROFIT AND LOSS OF SUBSIDIARIES

In millions of tenge	**2024**	2023
Cooperatieve KazMunaiGaz U.A.	**354,944**	324,133
KazTransOil JSC (KTO)	**58,583**	62,557
KMG EP	**57,855**	37,233
OOC KazMunayTeniz LLP (KMT)	**45,959**	–
Atyrau Refinery LLP (Atyrau Refinery)	**31,920**	91,339
EMG	**31,436**	–
KMG Karachaganak LLP (KMG Karachaganak)	**27,889**	45,036
Pavlodar oil chemistry refinery LLP (Pavlodar Refinery)	**18,789**	48,404
Dunga	**16,596**	(16)
KMG International N.V. (KMGI)	**11,526**	(51,659)
Kazmortransflot LLP (KMTF)	**9,967**	9,051
KazakhTurkMunay LLP (KTM)	**7,404**	3,670
Ken-Kurylys-Service LLP (KKS)	**5,876**	676
KMG EP NETHERLANDS ENERGY Cooperatieve U.A.	**4,627**	–
KMG-Aero LLP (KMG-Aero)	**3,542**	4,916
OMG	**(62,873)**	–
Cooperatieve KMG EP U.A.	**(27,127)**	–
OzenMunayService LLP (OMS)	**(10,811)**	(2,974)
Kazakh Gaz Processing Plant LLP (KazGPP)	**(4,096)**	(4,048)
KMG Systems & Services LLP (KMG SS)	**(1,423)**	1,792
TH KazMunaiGaz N.V. (TH N.V.)	**(100)**	17,212
Others	**(7,172)**	(2,492)
	573,311	584,830

14. SHARE IN PROFIT AND LOSS OF JOINT VENTURES AND ASSOCIATES

In millions of tenge	**2024**	2023
Joint ventures		
Tengizchevroil LLP (TCO)	**303,480**	340,884
KC Energy Group LLP (KCEG)	**27,288**	–
PETROSUN LLP (PETROSUN)	**26,238**	46,568
JV Kazgermunai LLP (KGM)	**25,336**	20,983
KRG	**19,157**	32,323
Kazakhoil Aktobe LLP (KOA)	**5,986**	(1,869)
Kazakhstan Pipeline Ventures LLC (KPV)	**4,099**	4,503
KKO	**(5,240)**	–
Kazakhstan Petrochemical Inductries Inc. LLP (KPI)	**(5,210)**	(12,339)
TenizService LLP (TenizService)	**(1,742)**	116
Others	**1,357**	(316)
Associates		
Caspian Pipeline Consortium (CPC)	**74,649**	58,930
Others	**1,251**	1,228
	476,649	491,011

15. EXPLORATION AND EVALUATION ASSETS

In millions of tenge	**Total**
Net book value at December 31, 2022	25,284
Additions	42,602
Disposals	(14,953)
Impairment	(40,337)
Net book value at December 31, 2023	12,596
Additions	**47,381**
Disposals	**(80)**
Impairment	**(40,678)**
Net book value at December 31, 2024	**19,219**

As at December 31, 2024 and 2023 the net book value of the exploration and evaluation assets are represented by the following projects:

In millions of tenge	**2024**	2023
Project "Turgai Paleozoic"	**14,604**	3,767
Project "Becturly Vostochny"	**4,615**	3,437
Project "Abay"	**–**	5,392
	19,219	12,596

In 2024, the Company acquired from KMT 50% interest in the rights and obligations under the Production Sharing Agreement (further PSA) on the "Kurmangazy" structure located in the Caspian Sea, concluded on July 6, 2005 (further "Kurmangazy" project).

The acquisition cost was 47,972 million tenge with deferred payment by the end of 2029. The Company recognized the "Kurmangazy" project at the present value of future cash payments in the amount of 22,974 million tenge and the corresponding accounts payable was reflected as part of other long-term financial liabilities.

According to the terms of the PSA, the first exploration period was completed on July 31, 2011. Currently, the Company is working on obtaining an additional exploration period of 6 years with the possibility of further extension for 4 years and an increase in the contract territory. Accordingly, for the year ended December 31, 2024, the Company recognized an impairment loss on the "Kurmangazy" project in the amount of 22,974 million tenge.

15. EXPLORATION AND EVALUATION ASSETS (continued)

In 2024, the Company recognized an impairment loss of exploration and evaluation assets on "Abay" project in the amount of 17,703 million tenge due to the lack of evidence of hydrocarbons in the well.

In 2023, the Company recognized an impairment loss of exploration and evaluation assets on "Zhenis" project in the amount of 40,244 million tenge due to the obtained drilling results that there were no hydrocarbons in the well. The Company recognized impairment loss as part of exploration and evaluation expenses.

In 2023, the Company entered into a contract with the Ministry of Energy of the RK for the production of hydrocarbons at the Kalamkas-Sea, Khazar and Auezov subsoil blocks located in the Kazakhstani sector of the Caspian Sea (further Contract), under which paid the signature bonus in the amount of 14,678 million tenge (*Note 16*). In April 2023, the Company transferred 100% of the subsoil use rights under the Contract, including the signature bonus, to KKO for 1 tenge.

16. INVESTMENTS IN SUBSIDIARIES

As at December 31, 2024 and 2023, investments in subsidiaries are as follows:

In millions of tenge	**December 31 2024**	December 31 2023
Cooperatieve KazMunaiGaz U.A.	**6,641,271**	6,220,632
KMG Karachaganak	**824,596**	730,488
OMG	**729,672**	–
KTO	**603,976**	561,555
Atyrau Refinery	**377,467**	344,316
EMG	**343,445**	–
Pavlodar Refinery	**334,259**	320,617
KMGI	**290,444**	260,187
Dunga	**198,030**	163,539
Cooperatieve KMG EP U.A.	**187,306**	–
KMTF	**71,572**	64,195
TH N.V.	**63,916**	67,444
KMG PetroChem LLP (KMG PetroChem)	**62,602**	31,572
KMG Green Energy LLP (KMG Green Energy)	**49,257**	30,137
KTM	**42,633**	35,229
KazGPP	**28,121**	12,243
KMG Engineering LLP (KMG Engineering)	**27,438**	18,095
KMG EP NETHERLANDS ENERGY Cooperatieve U.A.	**21,770**	–
KMG-Aero	**11,342**	11,799
KKS	**10,282**	4,646
KMG SS	**7,899**	11,621
KMG Kumkol LLP (KMG Kumkol)	**7,474**	7,454
KMG Security LLP (KMG Security)	**3,412**	3,687
Water Production and Transport Department LLP (WPTD)	**2,499**	2,661
OMS	**1,337**	5,626
Polimer	**595**	1,521
KMG EP	**–**	2,479,523
Karaton	**–**	100
	10,942,615	11,388,887

16. INVESTMENTS IN SUBSIDIARIES (continued)

The following table demonstrates activities, country of registration or location of subsidiaries of the Company as at December 31, 2024 and 2023 as well as share of the Company in these subsidiaries:

Company	Type of activity	Country	2024	2023
KMG EP (*Note 5*)	Oil and gas exploration and production	Kazakhstan	–	99.72%
KMT	Oil and gas exploration and production	Kazakhstan	**99.81%**	99.81%
Urikhtau Operating LLP (Urikhtau Operating)	Oil and gas exploration and production	Kazakhstan	**100.00%**	100.00%
KMG Karachaganak	Oil and gas exploration and production	Kazakhstan	**100.00%**	100.00%
KTM	Oil and gas exploration and production	Kazakhstan	**100.00%**	100.00%
Karaton (*Note 5*)	Oil and gas exploration and production	Kazakhstan	–	100.00%
Dunga (*Note 6*)	Exploration and production of crude oil and natural gas	Germany	**100.00%**	100.00%
OMG (*Note 5*)	Production of crude oil, associated and natural gas, except methane	Kazakhstan	**100.00%**	–
EMG (*Note 5*)	Production of crude oil, associated and natural gas, except methane	Kazakhstan	**100.00%**	–
KazGPP	Oil and natural gas production	Kazakhstan	**100.00%**	100.00%
Atyrau Refinery	Refining of oil	Kazakhstan	**99.53%**	99.53%
Pavlodar Refinery	Refining of oil	Kazakhstan	**100.00%**	100.00%
KMGI	Refining and sale of refined products	Romania	**100.00%**	100.00%
TH N.V.	Sale of oil and oil products	Netherlands	**100.00%**	100.00%
KMG-Aero	Sale of aviation fuel and related refined products	Kazakhstan	**100.00%**	100.00%
KTO	Oil transportation	Kazakhstan	**90.00%**	90.00%
KMTF	Marine transportation of oil and other cargo	Kazakhstan	**100.00%**	100.00%
KMG Barlau LLP (KMG Barlau)	Conducting geological exploration and surveys	Kazakhstan	**100.00%**	100.00%
Kurmangazy Petroleum LLP	Operator on subsoil use operations	Kazakhstan	**100.00%**	100.00%
Zhambyl Petroleum LLP	Operator on subsoil use operations	Kazakhstan	**100.00%**	100.00%
KMG Engineering	Scientific and research works	Kazakhstan	**100.00%**	100.00%
Cooperatieve KazMunaiGaz U.A.	Holding company	Netherlands	**99.74%**	99.79%
KMG Green Energy	Holding company	Kazakhstan	**100.00%**	100.00%
KMG EP NETHERLANDS ENERGY Cooperatieve U.A. *(Note 5)*	Holding company	Netherlands	**95.10%**	–
Cooperatieve KMG EP U.A. *(Note 5)*	Holding company	Netherlands	**88.70%**	–
KMG SS	Leasing of Northern Caspian Environmental Response to Oil Spill Base	Kazakhstan	**100.00%**	100.00%
KMGS (*Note 5*)	Services	Kazakhstan	**100.00%**	93.88%
Oil Construction Company LLP (OCC)	Oil services	Kazakhstan	**100.00%**	100.00%
Oil Service Company LLP (OSC)	Oil services	Kazakhstan	**100.00%**	100.00%
Oil Transport Corporation LLP (OTC)	Oil services	Kazakhstan	**100.00%**	100.00%
Mangystauenergomunai LLP	Oil services	Kazakhstan	**100.00%**	100.00%
Munaitelekom LLP	Oil services	Kazakhstan	**100.00%**	100.00%
KMG – Security	Security services	Kazakhstan	**100.00%**	100.00%
KMG Drilling & Services LLP (KMG DS)	Drilling services	Kazakhstan	**99.72%**	99.71%
KMG-Kumkol	Shared Services Center for information technology services	Kazakhstan	**100.00%**	100.00%
OMS	Maintenance and workover of wells	Kazakhstan	**100.00%**	100.00%
WPTD	Production and transportation of water	Kazakhstan	**100.00%**	100.00%
KKS	Construction of oil and gas trunk pipelines	Kazakhstan	**100.00%**	100.00%
KMG EP-Catering LLP	Services	Kazakhstan	**100.00%**	100.00%
KMG PetroChem	Construction of the first integrated gas chemical complex	Kazakhstan	**100.00%**	100.00%
Polimer (*Note 7*)	Production and sale of petrochemical polymer products	Kazakhstan	**100.00%**	100.00%

16. INVESTMENTS IN SUBSIDIARIES (continued)

The following table demonstrates movements of investment in subsidiaries in 2024 and 2023:

In millions of tenge	**2024**	2023
At January 1	**11,388,887**	11,134,077
Share in profits of subsidiaries, net *(Note 13)*	**573,311**	584,830
Dividends received	**(86,418)**	(106,510)
Change in dividends receivable	**(10,030)**	(3,781)
Acquisitions (*Notes 6, 7*)	**–**	167,433
Acquisitions as a result of liquidation of KMG EP (*Note 5*)	**1,328,900**	–
Additional contributions to share capital by cash	**103,485**	65,529
Additional contribution to share capital by property	**8,774**	–
Transfer of the subsoil use rights (*Note 15*)	**–**	14,778
Cash withdrawal from share capital	**(484,329)**	(522,403)
Guarantee issued *(Note 23)*	**17,005**	1,716
Disposals (*Note 5*)	**(100)**	(14,438)
Liquidation of KMG EP (*Note 5*)	**(2,570,085)**	–
Discount on financial aid and loans given to subsidiaries	**35,527**	250,277
Acquisition as a result of liqudation of KMG EP *(Note 5)*	**1,081,462**	–
Impairment, net	**(90,120)**	(40,343)
Distributions to Samruk-Kazyna *(Note 21)*	**(16)**	(120)
Foreign currency translation	**728,380**	(141,103)
Other changes	**(556)**	(1,055)
At December 31	**10,942,615**	11,388,887

Accumulated unrecognized losses of subsidiaries as at December 31, 2024, amounted to 240,011 million tenge (December 31, 2023: 237,698 million tenge).

In 2024, unrecognized losses were mainly presented by losses of subsidiaries OSC, OTC, KMG DS and Urikhtau Operating in the amount of 62,254 million tenge, 59,610 million tenge, 44,145 million tenge and 33,694 million tenge, respectively (2023: OSC, OTC, KMG DS and Urikhtau Operating in the amount of 58,571 million tenge, 57,494 million tenge, 52,461 million tenge and 20,021 million tenge, respectively).

Dividends

In 2024, the Company received dividends in the total amount of 86,418 million tenge, including from KMG Karachaganak, KTO and KMTF for 45,257 million tenge, 22,501 million tenge and 7,360 million tenge, respectively (2023: in the total amount of 106,510 million tenge, including from KMG Karachaganak, KTO, Pavlodar Refinery and KMGI for 65,323 million tenge, 13,501 million tenge, 10,000 million tenge and 8,936 million tenge, respectively).

As at December 31, 2024, changes in dividends receivable are mainly represented by receivable from KMGI in the amount of 9,624 million tenge and positive exchange rate difference in the amount of 406 million tenge (December 31, 2023: receivable from KTM in the amount of 3,250 million tenge and positive exchange rate difference in the amount of 531 million).

Contributions to share capital of subsidiaries by cash

In 2024, the Company made additional contributions in cash to the share capital of subsidiaries in the total amount of 103,485 million tenge, including KMG PetroChem, KMG Green Energy, KMG Barlau, OSC, OMS, KMG DS and KazGPP for 32,524 million tenge, 19,082 million tenge, 15,250 million tenge, 12,903 million tenge, 6,500 million tenge, 4,476 million tenge and 4,265 million tenge, respectively.

In 2023, the Company made additional contributions in cash to the share capital of subsidiaries in the total amount of 65,529 million tenge, including KMG Barlau, KMG Green Energy, OSC, KMTF, KMG PetroChem and KazGPP for 15,954 million tenge, 14,000 million tenge, 7,911 million tenge, 7,050 million tenge, 6,740 million tenge and 4,591 million tenge, respectively.

16. INVESTMENTS IN SUBSIDIARIES (continued)

Contribution to share capital by property

In 2024, the Company made additional contribution to the share capital of KMG Engineering by property in the form of the information system ABAI with the carrying value of 8,774 million tenge (the fair value equals the carrying value at the date of contribution).

Withdrawals from share capital

In 2024, Cooperatieve KazMunaiGaz U.A. and TH N.V. returned the share capital in cash in the amount of 1,000 million US dollars (equivalent to 480,590 million tenge) and 7.3 million US dollars (equivalent to 3,739 million tenge), respectively.

In 2023, Cooperatieve KazMunaiGaz U.A. and TH N.V. returned the share capital in cash in the amount of 1,137 million US dollars (equivalent to 520,351 million tenge) and 4.6 million US dollars (equivalent to 2,052 million tenge), respectively.

Guarantees issued

In 2024, the Company has increased investments in KazGPP by recognizing the fair value of the issued guarantee in the amount of 15,718 million tenge to ensure financing obligations for "Construction of a new gas processing plant in Zhana-ozen town" project.

In 2024, the Company has increased investments in Atyrau Refinery by recognizing the fair value of the issued guarantee in the amount of 1,287 million tenge to ensure financing obligations for "Tazalyk" project (2023: 443 million tenge).

In 2023, the Company has increased investments in KTO by recognizing the fair value of the issued guarantee in the amount of 1,273 million tenge to ensure obligations of Main Waterline LLP, a 100% subsidiary of KTO.

Discount of financial aid and loans given

In 2024, the Company provided loans to KMG DS, OMG, OTC and Polimer with the interest rate lower than the market rate. Discount in the total amount of 12,228 million tenge, calculated as the difference between the fair value of the bonds and their nominal value, was recognized as increase in the investment in these subsidiaries.

In 2024, the Company recognized additional loan commitments to OMG, Atyrau Refinery, Urikhtau Operating, OTS, KMG DS and Polimer at a discount in the total amount of 23,299 million tenge, calculated as the difference between the fair value of these loans and their nominal value, and recognized it as increase in investments in these subsidiaries (2023: 91,130 million tenge). As at December 31, 2024, the total amount of unused credit limit on loans within the terms of loan agreements concluded with subsidiaries amounted to 181,822 million tenge (2023: 252,325 million tenge). At the same time, as at December 31, 2024, loan commitments recognized at a discount amounted to 68,649 million tenge (2023: 91,130 million tenge).

In 2023, the Company purchased coupon bonds of Main Waterline LLP in the amount of 70,000 million tenge, maturing in 2033 at a rate of 0.50% per annum (Note 26). At the same time, a discount in the total amount of 30,824 million tenge, calculated as the difference between the fair value of the bonds and their nominal value, was recognized as increase in the investment in KTO (*Notes 21, 22 and 26*).

In 2023, the Company provided loans to Atyrau Refinery, OMG, subsidiary of KMG EP, Urikhtau Operating, KMG DS, OSC, KMT and OTC with the interest rate lower than the market rate. Discount in the total amount of 128,323 million tenge was calculated as the difference between the fair value of loans given and their nominal value and recognized as increase in investments in these subsidiaries.

Impairment

In 2024, the Company recognized impairment loss of investments in subsidiaries for the total amount of 90,120 million tenge, including KMT, KMG Barlau, OSC, KMG DS and OTC in the amount of 45,959 million tenge, 15,250 million tenge, 12,903 million tenge, 8,365 million tenge и 7,437 million tenge, respectively.

In 2023, the Company recognized impairment loss of investments in subsidiaries for the total amount of 40,343 million tenge, including KMG Barlau, OSC, Urikhtau Operating, KMG DS and OTC in the amount of 15,954 million tenge, 9,190 million tenge, 8,336 million tenge, 4,068 million tenge and 3,615 million tenge, respectively.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

			December 31			
			2024		2023	
In millions of tenge	**Type of activity**	**Place of business**	**Carrying value**	**Percentage ownership***	Carrying value	Percentage ownership*
Joint ventures						
TCO[1]	Oil and gas exploration and production	Kazakhstan	**3,987,223**	**20.00%**	3,598,510	20.00%
KKO	Oil and gas development and production	Kazakhstan	**88,018**	**50.00%**	93,258	50.00%
KRG	Processing and sale of natural gas and processed products	Kazakhstan	**66,539**	**50.00%**	69,479	50.00%
KPV	Oil transportation	Netherlands	**50,106**	**49.90%**	44,062	49.90%
Silleno LLP (Silleno)	Production of polyethylene	Kazakhstan	**48,647**	**29.90%**	14,597	49.90%
KGM	Oil and gas exploration and production	Kazakhstan	**44,264**	**50.00%**	36,506	50.00%
KCEG[2]	Sale of liquefied gas and oil products	Kazakhstan	**27,749**	**49.00%**	–	–
KOA	Crude oil production and sale	Kazakhstan	**24,028**	**50.00%**	18,042	50.00%
PETROSUN[2]	Sale of liquefied gas and oil products	Kazakhstan	**8,978**	**49.00%**	31,740	49.00%
Karaton	Oil and gas exploration and production	Kazakhstan	**8,907**	**50.00%**	–	–
TenizService	Design, construction, facilities and offshore oil operations support	Kazakhstan	**6,468**	**48.99%**	8,210	48.99%
Other			**5,987**		5,853	
Associates						
CPC	Transportation of liquid hydrocarbons	Kazakhstan/ Russia	**443,406**	**19.00%**	413,799	19.00%
Other			**11,408**		8,865	
			4,821,728		4,342,921	

***** *Under the terms of an agreement providing for joint control the Company may own less than 50% of shares in joint ventures. In this case, all decisions are made unanimously by all parties exercising joint control. Under the terms of an agreement providing for a significant influence, the Company may own less than a 20% interest in associates.*

[1] *The share of 20% provides the Company the joint control over TCO where decisions about the relevant activities require unanimous consent.*

[2] *KCEG was founded under conditions similar to the current activities of PETROSUN with the same composition of participants and the same management mechanisms. It is planned that the activities of PETROSUN will be gradually transferred to KCEG.*

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following table summarises the movements in the investments in joint ventures and associates in 2024 and 2023:

In millions of tenge	**2024**	2023
As at January 1	**4,342,921**	4,523,406
Share in profits, net *(Note 14)*	**476,649**	491,011
Dividends received	**(621,823)**	(601,915)
Acquisitions (*Note 5*)	**8,255**	93,258
Change in dividends receivable	**(49,114)**	(104,761)
Share in loss of joint venture from fair value adjustment to the carrying amount of equity instruments, classified as financial assets at fair value through other comprehensive income	**–**	(1,588)
Additional contributions by cash without change in ownership	**42,698**	10,420
Discount of financial aid provided to joint venture	**4,472**	14,756
Guarantees given (*Note 23*)	**738**	2,230
Disposal	**(6,374)**	(8,621)
Foreign currency translation	**623,306**	(75,275)
As at December 31	**4,821,728**	4,342,921

Dividends

In 2024, the Company received dividends in the total amount of 621,823 million tenge, including from TCO, CPC, KRG, PETROSUN and KGM of 389,991 million tenge, 100,989 million tenge, 53,276 million tenge, 49,000 million tenge and 23,389 million tenge, respectively.

In 2023, the Company received dividends in the total amount of 601,915 million tenge, including from TCO, CPC and PETROSUN of 426,893 million tenge, 104,901 million tenge and 39,200 million tenge, respectively.

Contributions in cash without change in ownership

In 2024, the Company made additional contributions in cash to the share capital of joint ventures in the total amount of 42,698 million tenge, including Silleno for 40,945 million tenge.

In 2023, the Company made additional contribution in cash to the share capital of Silleno in the amount of 10,420 million tenge.

Discount of loans given

In 2024, the Company provided loan to KPI with the interest rate lower than the market rate. Discount in the amount of 4,428 million tenge was calculated as the difference between the fair value of loan given and its nominal value and recognized as increase in investments in this joint venture.

As at December 31, 2024, the total amount of unused credit limit on loans within the terms of loan agreements concluded with KPI and Silleno amounted to 152 million tenge (2023: 45,255 million tenge). At the same time, as at December 31, 2024, loan commitments recognized at a discount amounted to 44 million tenge (2023: 11,074 million tenge).

In 2023, the Company provided loans to KPI and Silleno with the interest rate lower than the market rate. Discount in the total amount of 3,682 million tenge was calculated as the difference between the fair value of loans given and their nominal value and recognized as increase in investments in these joint ventures.

Disposal

In 2024, the Company sold to Sinopec Overseas Investment Holding 20% of 49.9% interest in joint venture Silleno with a carrying value of 6,374 million tenge for 4,446 million tenge, by recognizing a loss on disposal of interest in joint venture in the amount of 1,928 million tenge. As a result of transaction, the Company retained its joint control over Silleno.

In 2023, the Company sold its 25% interest in Butadien with a carrying value of 8,621 million tenge to Samruk-Kazyna for a consideration of 8,531 million tenge, which were paid in 2024 (*Note 26*). As a result, the Company lost its joint control over Butadien.

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of material joint ventures, based on financial statements of these entities for 2024:

In millions of tenge	TCO	KKO	KRG	KPV	Silleno	KGM	KCEG	KOA	PETROSUN	Karaton	KPI	Teniz-Service
Non-current assets	26,176,361	31,962	19,368	86,392	132,833	83,427	133	30,963	–	6,272	988,585	6,332
Current assets, including	2,664,463	6,307	127,977	6,668	1,918	57,674	176,367	42,928	20,485	4,560	77,935	8,602
Cash and cash equivalents	1,142,568	6,301	75,084	1,315	1,884	45,346	42,673	33,661	18,020	295	50,580	7,270
Non-current liabilities, including	(7,086,258)	(43,328)	(403)	–	–	(18,375)	–	(16,468)	–	(8,130)	(1,092,836)	(736)
Non-current financial liabilities	(3,675,770)	–	–	–	–	–	–	–	–	–	–	–
Current liabilities, including	(1,818,449)	(5,819)	(13,864)	(661)	(5,623)	(34,198)	(119,870)	(9,366)	(2,162)	(1,399)	(197,214)	(998)
Current financial liabilities	(1,050,220)	–	–	–	–	–	–	–	–	–	–	–
Equity	19,936,117	(10,878)	133,078	92,399	129,128	88,528	56,630	48,057	18,323	1,303	(223,530)	13,200
Share of ownership	20.00%	50.00%	50.00%	49.90%	29.90%	50.00%	49.00%	50.00%	49.00%	50.00%	49.50%	48.996%
Equity accounting adjustment	–	–	–	–	10,038	–	–	–	–	8,255	–	–
Recognition of investment	–	93,258	–	–	–	–	–	–	–	–	–	–
Accumulated unrealized share of losses	–	199	–	–	–	–	–	–	–	–	110,647	–
Adjustments	–	–	–	3,999	–	–	–	–	–	–	–	–
Carrying amount of the investments as at December 31, 2024	3,987,223	88,018	66,539	50,106	48,647	44,264	27,749	24,028	8,978	8,907	–	6,468
Revenue	8,358,505	–	255,369	–	–	148,440	791,620	77,345	707,668	–	–	2,077
Depreciation and amortization	(2,615,840)	–	(312)	–	–	(23,042)	–	(8,196)	(17)	–	(4,407)	(438)
Finance income	116,985	139	6,602	114	–	1,066	2,374	5,528	3,179	1,704	188	849
Finance costs	(240,018)	(1,495)	–	(1,459)	–	(1,096)	(1,170)	(2,344)	(2,622)	(383)	(63,802)	(68)
Income tax expense	(669,126)	–	(14,569)	–	–	(25,528)	(13,918)	(2,814)	(13,687)	–	–	–
Profit/(loss) for the year from continuing operations	1,517,402	(10,479)	38,314	8,214	(2,138)	50,672	55,690	11,973	53,547	1,304	(225,649)	(3,556)
Other comprehensive loss	2,693,108	–	20,455	–	–	9,658	–	–	–	–	–	–
Total comprehensive income/(loss)	4,210,510	(10,479)	58,769	8,214	(2,138)	60,330	55,690	11,973	53,547	1,304	(225,649)	(3,556)
Dividends received	389,991	–	53,276	4,203	–	23,389	–	–	49,000	–	–	–

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of material joint ventures, based on financial statements of these entities for 2023:

In millions of tenge	TCO	KKO	KRG	KPV	Silleno	KGM	KOA	PETROSUN	KPI	TenizService
Non-current assets	24,831,196	9,192	33,032	74,785	36,284	64,031	41,969	17	1,008,345	8,898
Current assets, including	1,863,832	1,232	148,932	5,503	5,546	52,764	23,956	137,202	55,898	16,907
Cash and cash equivalents	696,871	112	65,122	1,302	5,516	44,840	10,794	6,440	42,279	14,619
Non-current liabilities, including	(7,434,076)	(10,376)	(238)	–	–	(14,966)	(18,608)	–	(920,981)	(545)
Non-current financial liabilities	(4,091,040)	–	–	–	–	–	–	–	–	–
Current liabilities, including	(1,268,404)	(324)	(42,769)	–	(18,222)	(28,817)	(11,234)	(72,443)	(145,571)	(8,504)
Current financial liabilities	–	–	–	–	–	–	–	–	–	–
Equity	17,992,548	(276)	138,957	80,288	23,608	73,012	36,083	64,776	(2,309)	16,756
Share of ownership	20%	50%	50%	49.90%	49.90%	50%	50%	49%	49.50%	48.996%
Equity accounting adjustment	–	–	–	–	2,961	–	–	–	–	–
Recognition of investment	–	93,258	–	–	–	–	–	–	–	–
Accumulated unrealized share of losses	–	138	–	–	(144)	–	–	–	1,143	–
Adjustments	–	–	–	3,999	–	–	–	–	–	–
Carrying amount of the investments as at December 31, 2023	**3,598,510**	**93,258**	**69,479**	**44,062**	**14,597**	**36,506**	**18,042**	**31,740**	**–**	**8,210**
Revenue	8,796,634	–	260,125	–	–	145,728	80,064	1,336,888	–	13,994
Depreciation and amortization	(2,426,361)	–	(295)	–	–	(20,007)	(10,365)	(14)	(1,295)	(632)
Finance income	86,023	2	2,243	100	–	1,292	851	3,258	188	313
Finance costs	(283,225)	(118)	–	(1,587)	–	(1,667)	(375)	(1,006)	(59,460)	(56)
Income tax expense	(730,465)	–	(13,996)	–	–	(27,450)	(11,617)	(23,812)	–	(3,390)
Profit/(loss) for the year from continuing operations	1,704,419	(44)	64,648	9,025	(992)	41,965	(3,737)	95,034	(24,927)	237
Other comprehensive loss	(325,499)	–	(305)	–	–	(1,729)	–	–	–	–
Total comprehensive income/(loss)	**1,378,920**	**(44)**	**64,343**	**9,025**	**(992)**	**40,236**	**(3,737)**	**95,034**	**(24,927)**	**237**
Dividends received	426,893	–	553	3,842	–	15,793	7,000	39,200	–	2,303

17. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following tables illustrate summarised financial information of material associate, based on its financial statements for 2024 and 2023:

In millions of tenge	**2024 CPC**	2023 CPC
Non-current assets	**2,109,714**	1,969,703
Current assets	**288,618**	295,663
Non-current liabilities	**(8,147)**	(18,722)
Current liabilities	**(299,418)**	(279,064)
Equity	**2,090,767**	1,967,580
Share of ownership	**19.00%**	19.00%
Adjustments	**46,160**	39,959
Carrying amount of the investment as at December 31	**443,406**	413,799
Revenue	**1,063,100**	1,039,509
Depreciation and amortization	**(221,309)**	(245,423)
Finance income	**15,676**	14,080
Finance costs	**(1,558)**	(1,519)
Income tax expense	**(95,835)**	(118,490)
Profit for the year	**392,890**	310,160
Other comprehensive income/(loss)	**334,726**	(42,915)
Total comprehensive income	**727,616**	267,245
Dividends received	**100,989**	104,901

18. BANK DEPOSITS

As at December 31, 2024 and 2023 bank deposits are presented as follows:

In millions of tenge	**December 31, 2024**	December 31, 2023
Bank deposits in US dollars	**1,117,169**	511,049
Bank deposits in tenge	**345**	600
Less: allowance for expected credit losses	**(64)**	(19)
	1,117,450	511,630
Less: current portion	**(1,117,141)**	(511,126)
Non-current portion	**309**	504

As at December 31, 2024, the weighted-average interest rate for long-term bank deposits was 0.45% in tenge (2023: 0.42% in tenge).

As at December 31, 2024, the weighted-average interest rate for short-term bank deposits was 4.93% in US dollars and 0.65% in tenge (2023: 5.71% in US dollars and 2.38% in tenge).

In millions of tenge	**December 31, 2024**	December 31, 2023
Maturities under 1 year	**1,117,141**	511,126
Maturities between 1 and 2 years	**46**	56
Maturities over 2 years	**263**	448
	1,117,450	511,630

19. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

In millions of tenge	**December 31, 2024**	December 31, 2023
Trade accounts receivable due from third parties	**37,942**	56,105
Trade accounts receivable due from related parties	**37,765**	40,696
Less: allowance for expected credit losses	**(3,068)**	(4,687)
Trade accounts receivable	**72,639**	92,114
Other non-current financial assets		
Other non-current receivable due from related parties	**20,659**	–
Other non-current receivable due from third parties	**3,193**	2,826
Other non-current financial asset	**17,632**	13,860
Less: allowance for expected credit losses	**(3,272)**	(2,826)
	38,212	13,860
Other non-current non-financial assets		
Advances provided to third parties	**100**	9,126
Total other non-current financial and non-financial assets	**38,312**	22,986
Other current financial assets		
Other current receivable due from third parties	**29,462**	26,092
Other current receivable due from related parties	**20,202**	6,787
Receivable from assets sale	**7,247**	14,804
Less: allowance for expected credit losses	**(34,535)**	(28,622)
	22,376	19,061
Other current non-financial assets		
Advances provided to related parties	**13,023**	13,116
Advances provided to third parties	**2,091**	1,198
Other taxes prepaid	**3,042**	2,408
Other	**456**	833
	18,612	17,555
Total other current financial and non-financial assets	**40,988**	36,616

In 2024, the Company sold investment property to Samruk-Kazyna with a carrying value of 13,503 million tenge. According to the terms of the purchase and sale agreement, the sales price was 22,872 million tenge with deferred payment until 2027. The difference between the sales price, which is the fair value, and the nominal amount of the debt of Samruk-Kazyna in the amount of 8,741 million tenge is reflected in separate statement of comprehensive income as finance expenses (*Note 12*).

The significant changes in trade accounts receivable due from related parties and advances provided to related parties are disclosed in the *Note 26*.

As at December 31, 2024 and 2023 trade accounts receivable are denominated in tenge.

19. TRADE ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS (continued)

Set out below is the information about the credit risk exposure on trade receivables using a provision matrix:

	Days past due					
In millions of tenge	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
December 31, 2024						
Expected credit loss rate	**0.07%**	**0.31%**	**1.04%**	**1.11%**	**32.16%**	
Trade accounts receivable	**47,915**	**8,759**	**2,384**	**7,642**	**9,007**	**75,707**
Allowance for expected credit losses	**(34)**	**(27)**	**(25)**	**(85)**	**(2,897)**	**(3,068)**

	Days past due					
In millions of tenge	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
December 31, 2023						
Expected credit loss rate	0.49%	0.61%	1.48%	2.19%	22.66%	
Trade accounts receivable	69,874	1,808	245	6,381	18,493	96,801
Allowance for expected credit losses	(342)	(11)	(4)	(140)	(4,190)	(4,687)

20. CASH AND CASH EQUIVALENTS

As at December 31, 2024 and 2023 cash and cash equivalents are presented as follows:

In millions of tenge	**December 31, 2024**	December 31, 2023
Time deposits with foreign banks − US dollars	**238,362**	483,149
Time deposits with Kazakhstani banks − tenge	**41,658**	8,860
Time deposits with Kazakhstani banks − US dollars	**2,603**	4,524
Current accounts with foreign banks − US dollars	**302**	9,798
Current accounts with Kazakhstan banks − US dollars	**496**	32
Current accounts with Kazakhstan banks − tenge	**113**	193
The contracts of reverse repo with original maturities of three months or less	**20,000**	90,000
Less: allowance for expected credit losses	**(23)**	(10)
	303,511	596,546

As at December 31, 2024, the weighted average rates for time deposits in US dollars and in tenge equaled to 4.77% and 15.05%, respectively (2023: for time deposits in US dollars and in tenge equaled to 5.64% and 15.47%, respectively).

As at December 31, 2024, the interest rates for current accounts varied from 0.00% to 13.00% in tenge (2023: from 0.00% to 13.00%) and from 0.00% to 4.45% in US dollars (2023: from 0.00% to 5.45%).

As at December 31, 2024 and 2023, no cash is pledged as collateral.

21. EQUITY

Share capital

The total number of outstanding, issued and paid shares includes:

	December 31, 2024 and 2023
Number of shares issued and paid, including	**610,119,493**
Par value of 27,726.63 tenge	137,900
Par value of 10,000 tenge	20,719,604
Par value of 5,000 tenge	59,707,029
Par value of 2,500 tenge	71,104,187
Par value of 2,451 tenge	1
Par value of 1,000 tenge	1
Par value of 921 tenge	1
Par value of 858 tenge	1
Par value of 838 tenge	1
Par value of 704 tenge	1
Par value of 592 tenge	1
Par value of 500 tenge	458,450,766
Share capital (in thousands of tenge)	**916,540,545**

As at December 31, 2024 and 2023, the Company had only one class of issued shares. As at December 31, 2024 and 2023, common shares in the number of 239,440,103 were authorised, but not issued. In 2024, there was no issuance of any ordinary share.

Dividends

In 2024, based on the decision of the general meeting of shareholders, the Company declared and paid-off dividends for 2023 of 491.71 tenge per common share in the total of 300,002 million tenge (2023: declared and paid-off dividends for 2022 of 491.71 tenge per common share in the total of 300,002 million tenge).

Transactions with Samruk-Kazyna

In 2024, the coupon rate of the bonds placed in 2022 by the Company and purchased by Samruk-Kazyna was increased from 3.00% to 9.30%. In accordance with IFRS 9 the increase in the nominal rate led to a significant modification of the financial instrument, namely the derecognition of bonds with a coupon rate of 3.00% and the recognition of bonds with a coupon rate of 9.30% (*Note 22*).

The difference between the carrying value and the fair value of the bond derecognized at the date of modification was recognized within finance income *(Note 12)* in separate statement of comprehensive income in the amount of 59,769 million tenge.

The difference of 293,288 million tenge between the fair value of the bond derecognized and the fair value of the newly recognized bond was recognized as transactions with Samruk-Kazyna in separate statement of changes in equity *(Note 22)*.

In 2023, the Company issued coupon bonds in the amount of 50,000 million tenge and 20,000 million tenge, maturing in 2033 at a rate of 0.50% per annum. Samruk-Kazyna purchased these bonds. The difference between the fair value and nominal value of the bonds of 22,145 million tenge and 8,679 million tenge, respectively, was recognized as transactions with Samruk-Kazyna in the separate statement of changes in equity (*Note 22*).

Distributions to Samruk-Kazyna

Financing of the construction of social facilities

In 2024, OMG in accordance with the Government decree on the construction of social objects in Zhana-ozen town and housing for the residents, living in Zhana-ozen town, accrued liabilities and paid for 16 million tenge and 2,059 million tenge, respectively (2023: 120 million tenge) and recognized as distribution to Samruk-Kazyna in the separate statement of changes in equity.

21. EQUITY (continued)

Distributions to Samruk-Kazyna (continued)

Other operations

In 2023, in accordance with the Order of the President of the RK on the construction of the Multifunctional Sport and Health Complex in Uralsk city (further Sport Complex) as a result of his working visit to the West Kazakhstan region dated March 9, 2023, the Company recognized an obligation for the construction of the Sport Complex for the total amount of 17,925 million tenge and recognized it as distribution to Samruk-Kazyna in the separate statement of changes in equity. The Company made an advance payment in the amount of 8,962 million tenge.

In 2024, the Company increased accrued liabilities for the construction of the Sport Complex in Uralsk city in the amount of 1,989 million tenge and recognized it in separate statement of changes in equity as other transactions.

As at December 31, 2024, the Company completed construction of the Sports Complex and on January 22, 2025, the Company performed state registration of the commissioning act and the Company's ownership right to the Sports Complex. As a result, as at December 31, 2024, the Company offset the accrued liability in the amount of 19,914 million tenge with the carrying amount of Sports Complex.

22. BORROWINGS AND BONDS

In millions of tenge	**December 31, 2024**	December 31, 2023
Fixed interest rate borrowings and bonds	**3,295,025**	4,169,590
Weighted average interest rates	**6.14%**	3.62%
Floating interest rate borrowings and bonds	**31,926**	57,656
Weighted average interest rates	**6.13%**	7.11%
	3,326,951	4,227,246

As at December 31, 2024 and December 31, 2023, all borrowings and bonds are denominated in the following currencies:

In millions of tenge	**December 31, 2024**	December 31, 2023
US Dollar	**2,636,840**	2,650,600
Tenge	**690,111**	1,576,646
	3,326,951	4,227,246

In millions of tenge	**December 31, 2024**	December 31, 2023
Current portion	**50,509**	1,173,718
Due from 1 to 2 years	**5,113**	5,494
Due from 2 to 5 years	**145,696**	464,095
Due over 5 years	**3,093,707**	2,526,283
Long-term portion	**3,244,516**	2,995,872
Borrowings under subsoil use projects	**31,926**	57,656
	3,326,951	4,227,246

22. BORROWINGS AND BONDS (continued)

As at December 31, 2024 and 2023, the bonds issued comprised the following:

In millions of tenge	**Issuance amount**	**Redemption date**	**Effective interest rate**	**December 31, 2024**	December 31, 2023
Bonds					
Bonds LSE 2017	1 billion USD	April 2027	4.75%	**131,604**	454,060
Bonds LSE 2017	1.25 billion USD	April 2047	5.75%	**639,143**	552,309
Bonds LSE 2018	1.25 billion USD	April 2030	5.375%	**659,073**	569,892
Bonds LSE 2018	1.5 billion USD	October 2048	6.375%	**778,795**	673,677
Bonds LSE 2020	0.75 billion USD	April 2033	3.50%	**396,299**	343,005
Bonds KASE 2022 *(Notes 21, 26)*	751.6 billion tenge	October 2035	12.105% (9.30% nominal interest rate)	**642,749**	392,158
Bonds KASE 2023 *(Notes 21, 26)*	50 billion tenge	April 2033	11.74% (0.50% nominal interest rate)	**33,187**	29,927
Bonds KASE 2023 *(Notes 21, 26)*	20 billion tenge	November 2033	11.57% (0.50% nominal interest rate)	**12,686**	11,448
				3,293,536	3,026,476

In 2024, the coupon rate of the bonds issued by the Company and acquired by Samruk-Kazyna in 2022 was increased from 3.00% to 9.30%. In accordance with IFRS 9, the increase in the nominal rate resulted in a material modification, namely derecognition of bonds with a coupon rate of 3.00% and recognition of bonds with a coupon rate of 9.30%.

The difference between the carrying amount and fair value of the bonds to be derecognized at the date of modification in the amount of 59,769 million tenge was recognized in finance income (*Note 12*) in the separate statement of comprehensive income.

The negative difference between the fair value of the bonds to be derecognized and the fair value of the newly recognized bonds in the amount of 293,288 million tenge is recorded as transactions with Samruk-Kazyna in the separate statement of changes in equity.

In 2024, the Company made an early partial repayment of bonds placed at the London Stock Exchange (further LSE) maturing in 2027 with nominal value of 1 billion US dollars in the amount of 750 million US dollars (equivalent to 358,171 million tenge).

In 2023, the Company made an early repayment of bonds placed at the LSE maturing in 2025 with nominal value of 0.5 billion US dollars in the amount of 500.9 million US dollars (equivalent to 227,941 million tenge), including coupon payment and consent fee of 0.9 million US dollars (equivalent to 421 million tenge).

The increase in carrying value of bonds in 2024 also is due to the effect of the foreign currency exchange rate on bonds placed at the LSE and denominated in US dollars for 365,436 million tenge.

22. BORROWINGS AND BONDS (continued)

As at December 31, 2024 and 2023, the borrowings other than bonds issued comprised the following:

In millions of tenge	**Issuance amount**	**Redemption date**	**Effective interest rate**	**December 31, 2024**	December 31, 2023
Borrowings					
Eni Isatay B.V.	Financing for share of KMG costs in execution of subsoil use contracts on project "Isatay" and "Abay"	From beginning of commercial exploration	CME TERM SOFR + 3.00%	**24,760**	5,751
Kokel Munay LLP	Financing for share of KMG costs in execution of subsoil use contraction project "Becturly"	From beginning of commercial exploration	O/N SOFR + 2.85%	**7,166**	4,542
KMGS	1.85 billion tenge	2025	0.01%	**1,489**	1,345
KMG EP (*Note 5*)	2 trillion tenge	2027	0.01%	**–**	1,141,769
Lukoil Kazakhstan Upstream LLP	Financing for share of KMG costs in execution of subsoil use contract on project "Zhenis"	From beginning of commercial exploration	O/N SOFR + 2.85%	**–**	47,363
				33,415	1,200,770

Changes in borrowings and bonds

In millions of tenge	**2024**	2023
As at January 1	**4,227,246**	4,367,446
Received in cash	**28,072**	152,106
Principal paid	**(358,284)**	(227,520)
Loan offset *(Note 5)*	**(1,151,840)**	–
Interest paid	**(191,817)**	(172,358)
Interest accrued *(Note 12)*	**219,794**	190,581
Discount recognition *(Note 21)*	**233,519**	(31,343)
Foreign exchange gain/(loss)	**368,703**	(47,289)
Derecognition of loan (*Note 12*)	**(48,442)**	(4,377)
As at December 31	**3,326,951**	4,227,246
Current portion	**50,509**	1,173,718
Non-current portion	**3,276,442**	3,053,528

As a result of liquidation of KMG EP (*Note 5*), the recognition of the loan received from KMG EP in the amount of 1,147,602 million tenge was terminated by offsetting with the right of claim of KMG EP transferred to the Company under this loan.

In 2024, the Company derecognized the loans from Lukoil Kazakhstan Upstream LLP on "Zhenis" project and Eni Isatay B.V. on "Isatay" project in the amount of 48,433 million tenge and 9 million tenge, respectively, including interest. The derecognition of the loans is related to the planned withdrawal of the Company from these projects and return of a contract territory to the Government.

In 2023, the Company recognized write-off of the loan payable to partners Eni Isatay B.V. on "Isatay" project in the amount of 4,377 million tenge, including interest. The derecognition of the loan is related to the planned withdrawal of the Company from "Isatay" project and return of a contract territory to the Government.

Covenants

The Company is required to comply with the financial and non-financial covenants under the terms of the loan agreements. Under the terms of loan agreements, failure to comply with covenants may result in the repayment of these long-term loans upon demand. As of December 31, 2024 and 2023, the Company complies with all financial and non-financial covenants.

23. FINANCIAL GUARANTEE OBLIGATIONS

The changes in financial guarantee obligations in 2024 and 2023 comprised the following:

In millions of tenge	**2024**	2023
As at January 1	**13,340**	29,190
Guarantees issued in respect of subsidiaries during the year *(Notes 16, 17)*	**17,743**	3,946
Amortization of financial guarantee obligations *(Note 12)*	**(8,114)**	(19,796)
As at December 31	**22,969**	13,340

24. TRADE ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

As at December 31, 2024 and 2023, trade accounts payable and other current liabilities are presented by the following:

In millions of tenge	**December 31, 2024**	December 31, 2023
Trade accounts payable to related parties	**36,654**	55,507
Trade accounts payable to third parties	**1**	9
Trade accounts payable	**36,655**	55,516
Other current financial liabilities		
Other payables to related parties	**17,816**	10,426
Other payables to third parties	**10,015**	8,381
Due to employees	**1,560**	2,121
Payable for the acquisition of a subsidiary and joint venture (*Note 5*)	**–**	90,524
	29,391	111,452
Other current non-financial liabilities		
Contract liabilities	**23,690**	20,357
Other	**1,282**	562
	24,972	20,919
Total other current financial and non-financial liabilities	**54,363**	132,371

As at December 31, 2024 and 2023 trade payables and other current liabilities are non-interest bearing.

As at December 31, 2024 and 2023 trade accounts payable denominated in tenge.

Contract liabilities movement:

In millions of tenge	**2024**	2023
At January 1	**20,357**	18,434
Deferred during the year	**473,952**	352,768
Recognized as revenue during the year	**(470,619)**	(350,845)
At December 31	**23,690**	20,357
Current portion	**23,690**	20,357
Non-current portion	**–**	–

As a result of liquidation of KMG EP (*Note 5*), recognition of the debt payable for acquisition of a subsidiary and a joint venture in the amount of 86,724 million tenge was terminated by offsetting with the right of claim of KMG EP transferred to the Company in respect of this debt.

25. INCOME TAX EXPENSE

The major components of income tax expense for the years ended December 31, 2024 and 2023 are as follows:

In millions of tenge	**2024**	2023
Income tax		
Current withholding tax on dividends and interest received	**79,501**	86,137
Current corporate income tax expense	**316**	336
Current alternative subsoil use tax expense	**399**	413
	80,216	86,886
Income tax expense/(benefit) of write-off of deferred assets	**59,096**	(34)
Deferred income tax benefit	**(82,025)**	(42,057)
Deferred alternative subsoil use tax expense/(benefit)	**5,734**	(10,391)
	(17,195)	(52,482)
Income tax expenses	**63,021**	34,404

Reconciliation of income tax expenses applicable to profit before income tax at the statutory income tax rate (20% in 2024 and 2023) to income tax expenses was as follows for the years ended December 31:

In millions of tenge	**2024**	2023
Profit before income tax	**773,131**	1,099,305
Statutory tax rate	**20%**	20%
Income tax expense on accounting profit	**154,626**	219,861
Change in unrecognized deferred tax assets	**59,095**	(36)
Share in profit of subsidiaries and joint ventures	**(164,470)**	(164,036)
Discounting and unwinding of discount on financial assets and liabilities	**(31,362)**	(7,035)
Impairment of investments in subsidiaries	**18,204**	9,737
Deferred alternative subsoil use tax	**5,734**	(10,391)
Non-deductible interest	**79**	68
Effect of the application of the requirements of the legislation on transfer pricing and on income received in countries with preferential taxation	**201**	(396)
Gain from disposal of subsidiary (*Note 5*)	**(1,651)**	(21,482)
Exploration and evaluation asset impairment and disposal expenses	**8,802**	8,259
Trust management services (*Note 10*)	**11,208**	–
Other changes	**2,555**	(145)
Income tax expense	**63,021**	34,404

In accordance with the requirements of the Tax Code regarding the transfer pricing and taxation of income received in countries with preferential taxation, income from financial aid provided to Samruk-Kazyna, as well as income received in countries with preferential taxation are included in the taxable profit.

25. INCOME TAX EXPENSE (continued)

Deferred income tax balances, calculated by applying the statutory tax rates in effect at the dates of respective statements of financial position to the temporary differences between the tax base of assets and liabilities and the amounts reported in the separate financial statements, are comprised of the following as at December 31:

	2024				2023			
In millions of tenge	**Corporate income tax**	**Withholding tax**	**Total**	**Recognized in profit or loss for 2024**	Corporate income tax	Withholding tax	Total	Recognized in profit or loss for 2023
Deferred tax assets								
Tax loss carryforward	**582,041**	**–**	**582,041**	**51,482**	530,559	–	530,559	(30,440)
Exploration and evaluation assets	**8,371**	**–**	**8,371**	**(10,587)**	18,958	–	18,958	18,958
Allowance for expected credit losses on accounts receivable	**1,514**	**–**	**1,514**	**(665)**	2,179	–	2,179	201
Property, plant and equipment	**588**	**–**	**588**	**(1,096)**	1,684	–	1,684	559
Provision for accrued liabilities to employees	**301**	**–**	**301**	**24**	277	–	277	(71)
Less: unrecognized deferred tax assets	**(580,952)**	**–**	**(580,952)**	**(49,025)**	(531,927)	–	(531,927)	32,517
Deferred tax assets	**11,863**	**–**	**11,863**	**(9,867)**	21,730	–	21,730	21,724
Deferred tax liabilities								
Undistributed earnings of joint venture and associate	**–**	**(634,427)**	**(634,427)**	**27,553**	–	(571,269)	(571,269)	33,376
Exploration and evaluation assets	**(422)**	**–**	**(422)**	**229**	(651)	–	(651)	148
Other non-current financial assets	**(3,492)**	**–**	**(3,492)**	**(720)**	(2,772)	–	(2,772)	(2,772)
Other	**–**	**–**	**–**	**–**	–	–	–	6
Deferred tax liabilities	**(3,914)**	**(634,427)**	**(638,341)**	**27,062**	(3,423)	(571,269)	(574,692)	30,758
Net deferred tax liabilities	**7,949**	**(634,427)**	**(626,478)**		18,307	(571,269)	(552,962)	
Deferred tax expenses				**17,195**				52,482

The movements in the deferred tax liability were as follows:

	2024			2023		
In millions of tenge	**Corporate income tax**	**Withholding tax**	**Total**	Corporate income tax	Withholding tax	Total
Net deferred tax liability as at January 1	**(18,307)**	**571,269**	**552,962**	799	615,746	616,545
Recognized in profit or loss	**10,358**	**(27,553)**	**(17,195)**	(19,106)	(33,376)	(52,482)
Recognized in other comprehensive income	**–**	**90,711**	**90,711**	–	(11,101)	(11,101)
Net deferred tax liability as at December 31	**(7,949)**	**634,427**	**626,478**	(18,307)	571,269	552,962

25. INCOME TAX EXPENSE (continued)

Represented in the separate statement of financial position as:	**December 31, 2024**	December 31, 2023
Deferred tax asset	**8,371**	18,958
Deferred tax liabilities	**(634,849)**	(571,920)
Net deferred tax liabilities	**(626,478)**	(552,962)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

As at December 31, 2024, the Company recognized deferred tax asset in the amount of 8,371 million tenge as a result of a temporary difference associated with the exploration and evaluation asset, project "Abay", for which the Company recognized an impairment loss in the reporting period (*Note 15*) (2023: 18,958 million tenge for project "Zhenis"). The Company expects to have taxable income in 2025 for which uses this deductible temporary difference.

As at December 31, 2024, the Company did not recognize deferred tax assets in the amount of 577,305 million tenge (2023: 528,754 million tenge) and 3,647 million tenge (2023: 3,173 million tenge) related to non-contract and contract activities, respectively, that could be offset against future taxable profit in future periods. Tax losses carried forward could be offset against taxable profit during the next 10 (ten) consecutive years. These deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profit from the Company's other activities. The Company performed an analysis and concluded that the recoverability of these assets is remote. The Company has neither taxable temporary differences, nor any tax planning opportunities available that could partly support the recognition of deferred tax assets.

Due to the expiration of the period of possible offset and the absence of taxable profit, the Company wrote off the unused loss for 2014 of 7,432 million tenge. Furthermore, according to the results of final submission of income tax return the Company adjusted deferred tax assets decreasing by 312 million tenge.

26. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions, which have been entered into with related parties during 2024 and 2023 and the related balances as at December 31, 2024 and 2023, respectively:

In millions of tenge	**2024**	2023
Revenue from contract with customers	**179,335**	174,458
Subsidiaries	**89,099**	75,385
Joint ventures	**3,393**	3,016
Associates	**449**	409
Entities under common control of Samruk-Kazyna	**86,394**	95,648
Other income	**9,863**	–
Associates (CPC)	**9,863**	–
Gain on sale of investment property, net	**9,369**	–
Samruk-Kazyna (*Note 19*)	**9,369**	–
Acquisition of goods and services	**879,690**	709,031
Subsidiaries	**796,900**	678,194
Joint ventures	**26,820**	26,670
Associates	**205**	1,975
Entities under common control of Samruk-Kazyna	**55,765**	2,192
Interest revenue, other finance income	**190,613**	49,287
Subsidiaries	**108,081**	35,371
Joint ventures	**17,166**	6,977
Samruk-Kazyna (*Notes 12, 21*)	**63,048**	1,911
Entities under common control of Samruk-Kazyna	**789**	917
Other related parties	**1,529**	4,111
Financial costs	**89,315**	37,833
Subsidiaries	**9,023**	126
Samruk-Kazyna	**80,292**	37,707

26. RELATED PARTY TRANSACTIONS (continued)

Revenue from contract with customers

In 2024, the sale of oil products to subsidiaries consisted mainly from sale of oil products to KMG-Aero, OMG, Pavlodar Refinery and Atyrau Refinery in the amount of 74,051 million tenge, 5,593 million tenge, 3,544 million tenge and 3,453 million tenge, respectively (2023: KMG-Aero, Atyrau Refinery, OMG and Pavlodar Refinery in the amount of 60,644 million tenge, 4,441 million tenge, 4,348 million tenge and 3,327 million tenge, respectively).

In 2024, the sale of oil products to Entities under common control of Samruk-Kazyna consisted mainly from sale of diesel fuel to KTZ-Freight transportation LLP in the amount of 79,959 million tenge (2023: 94,813 million tenge).

Other income

During 2024, CPC made payment to the Company of 22 million US dollars (equivalent to 9,863 million tenge at the date of receipt) under the settlement of disputes agreement.

Acquisition of goods and services

Acquisition of goods and services are mainly related to the Company's refining process of crude oil.

In 2024, the Company acquired crude oil from subsidiaries of OMG, EMG and KTM in the amount of 372,325 million tenge, 155,600 million tenge and 12,365 million tenge, respectively (in 2023: OMG and EMG, KTM and Urikhtau Operating in the amount of 330,304 million tenge, 137,980 million tenge, 12,138 million tenge and 1,749 million tenge, respectively).

In 2024, the Company acquired services for the processing of crude oil from the Atyrau Refinery and Pavlodar Refinery in the amount of 137,799 million tenge and 54,382 million tenge, respectively (in 2023: Atyrau Refinery and Pavlodar Refinery in the amount of 131,757 million tenge and 42,355 million tenge, respectively).

In 2024, the Company acquired services for the processing of crude oil from joint venture Petro Kazakhstan Oil Products LLP (PKOP) in the amount of 24,758 million tenge (in 2023: 24,568 million tenge).

In 2024, the Company was provided trust management services for a 50% interest in KRG, a joint venture, by NC QazaqGaz JSC, a member of group of companies of Samruk-Kazyna, in the amount of 53,276 million (*Note 10*).

Interest revenue, other finance income

During 2024, the Company wrote-off the obligations to provide loans to OMG and KPI in the amount of 29,389 million tenge and 7,470 million tenge, respectively, in connection with the termination of loan agreements, and recognized interest income on loans due from Atyrau Refinery and Urikhtau Operating in the amount of 33,476 million tenge and 19,502 million tenge, respectively, within finance income.

Financial costs

In 2024, interest accrued on financial liabilities of Samruk-Kazyna in the amount of 71,551 million tenge is represented by interest expense accrued on bonds issued by Samruk-Kazyna in the amount of 751,631 million tenge in 2022 and issued in 2023 in the amount of 50,000 million tenge and 20,000 million tenge (2023: 37,707 million tenge). Significant increase in accrued interest on the bonds is due to change in coupon rate from 3.00% to 9.30% (*Note 22*).

26. RELATED PARTY TRANSACTIONS (continued)

In millions of tenge	**December 31, 2024**	December 31, 2023
Assets		
Cash	**27,485**	–
Entities under common control of Samruk-Kazyna	**5**	–
Other related parties	**27,500**	–
Less: allowance for expected credit losses	**(20)**	–
Restricted cash	**172**	–
Entities under common control of Samruk-Kazyna	**172**	–
Less: allowance for expected credit losses	**–**	–
Loans due from related parties	**576,986**	461,143
Loans due from related parties at amortized cost	**506,343**	428,984
Subsidiaries	**429,720**	342,943
Joint ventures	**11,800**	18,698
Associates	**–**	1,086
Entities under common control of Samruk-Kazyna	**–**	8,018
Bonds receivable from Main Waterline LLP	**45,873**	41,375
Bonds receivable from Samruk − Kazyna	**22,519**	21,021
Less: allowance for expected credit losses	**(3,569)**	(4,157)
Loans due from related parties at fair value through profit or loss	**70,643**	32,159
Subsidiaries (Ak Su KMG)	**979**	966
Joint venture (PKOP, KKO, KPI)	**69,664**	31,193
Trade accounts receivable and other current assets	**84,382**	62,477
Subsidiaries	**29,612**	15,006
Joint ventures	**7,423**	7,164
Associates	**259**	81
Entities under common control of Samruk-Kazyna	**54,627**	46,860
Less: allowance for expected credit losses	**(7,539)**	(6,634)
Dividends receivable from subsidiaries and joint ventures	**13,752**	24,202
Liabilities		
Trade accounts payable and other liabilities	**80,399**	156,999
Subsidiaries	**78,334**	153,429
Joint ventures	**1,109**	260
Associates	**71**	638
Entities under common control of Samruk-Kazyna	**885**	2,672
Financial guarantee obligations (*Note 23*)	**22,969**	13,340
Subsidiaries and their subsidiaries and joint ventures	**22,110**	11,454
Joint ventures	**859**	1,886
Loan commitment	**68,693**	102,204
Subsidiaries	**68,649**	91,130
Joint ventures	**44**	11,074
Borrowings and bonds (*Note 22*)	**690,111**	1,576,646
Subsidiaries	**1,489**	1,143,113
Bonds of the Company, acquired by Samruk-Kazyna	**688,622**	433,533

26. RELATED PARTY TRANSACTIONS (continued)

Cash

As at December 31, 2024, cash is represented by a time deposit placed by the Company in Eurasian Bank JSC in the amount of 27,500 million tenge at a market rate of 15.05% (2023: nil).

Loans due from related parties

As of December 31, 2024, and 2023, loans due from related parties are as follows:

In millions of tenge	**Maturity**	**Effective interest rate**	**December 31, 2024**	December 31, 2023
Atyrau Refinery	2025-2032	12.00%-19.50%	**188,131**	191,878
Urikhtau Operating	2027	19.67%	**118,890**	98,197
OMG	2025	17.25%-19.10%	**87,491**	24,110
KPI	2025-2026	18.83% and SOFR+3.00%	**59,766**	13,873
Bonds receivable from Main Waterline LLP	2033	11.57%-11.74%	**45,873**	41,375
KMG DS	2026-2029	16.67%-18.50%	**32,182**	28,630
Bonds receivable from Samruk – Kazyna	2044	10.00%	**22,519**	21,021
KKO	2033	SOFR + 2.80%	**21,698**	5,218
PKOP	2024	3.50%	**–**	25,975
NC QazaqGaz JSC	2024	12.25%	**–**	8,018
Silleno	2024	19.75%	**–**	4,825
CPC	2020	6.30%	**–**	1,086
Other			**4,005**	1,094
Less: allowance for expected credit losses			**(3,569)**	(4,157)
			576,986	461,143
Less: current portion			**(156,749)**	(128,732)
Non-current portion			**420,237**	332,411

As at December 31, 2024 and 2023, all loans due from related parties are denominated in the following currencies:

In millions of tenge	**December 31, 2024**	December 31, 2023
Tenge	**507,322**	421,944
US dollar	**69,664**	39,199
	576,986	461,143

In 2024, the Company purchased and repurchased short-term notes of NB of RK and Eurasian development bank in the total amount of 51,000 million tenge. In 2023 the Company purchased short-term notes of NB of RK in the total amount of 265.047 million tenge, as well as short-term notes of NB of RK acquired in 2023 and 2022 in the amount of 335,047 million tenge were redeemed.

Trade accounts receivable and other assets

As at December 31, 2024, trade accounts receivable and other assets are represented mainly by trade accounts receivable of KTZ-Freight transportation LLP for the purchase of refined products in the amount of 25,296 million tenge and receivable from Samruk-Kazyna, mainly, for acquisition of investment property in the amount of 20,552 million tenge (*Note 19*) (2023: trade accounts receivable of KTZ-Freight transportation LLP for the purchase of refined products in the amount of 30,677 million tenge and receivable from Samruk-Kazyna for acquisition of 25% interest in share capital of Butadiene in the amount of 8,531 million tenge).

26. RELATED PARTY TRANSACTIONS (continued)

Trade accounts payable and other liabilities

As at December 31, 2024, trade payables and other liabilities are represented mainly by the Company's payables to KMT for the acquisition of 50% share in the rights and obligations under the PSA on the "Kurmangazy" structure in the amount of 25,155 million tenge (*Note 15*), as well as trade payables to OMG and EMG in the amount of 24,334 million tenge and 17,976 million tenge, respectively (2023: Company's payables to KMG EP for the acquisition of subsidiary and a joint venture in the total amount of 89,004 million tenge (*Notes 5, 24*), as well as trade payables to OMG and EMG in the amount of 41,316 million tenge and 18,910 million tenge, respectively).

Dividends receivable from subsidiaries and joint ventures

As at December 31, 2024, dividends receivable from subsidiaries and joint ventures are mainly presented by dividends receivable from KMGI and KTM in the amount of 10,502 million tenge and 3,250 million tenge, respectively (2023: KRG and KTM in the amount of 20,952 million tenge and 3,250 million tenge, respectively).

Loan commitment

As at December 31, 2024, the loan commitment is mainly presented by obligation of the Company to OMG in the amount of 42,210 million tenge (2023: 57,685 million tenge).

Compensation to the key management personnel

Key management personnel comprise members of the Management Board and the Board of Directors of the Company, totalling 18 persons as at December 31, 2024 (2023: 17 persons). Total compensation to the key management personnel included in general and administrative expenses in these separate financial statements amounted to 1,079 million tenge and 1,008 million tenge for 2024 and 2023, respectively. Compensation to key management personnel consists of contractual salary and performance bonus based on operating results of the Company.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, financial guarantee obligations, trade accounts payable, payable on purchase of interest in subsidiary. The main purpose of these financial liabilities is to raise finance for the Company's investing activities. The Company's financial assets comprise long-term and short-term bank deposits, cash and cash equivalents, loans due from related parties that arise directly from its operations.

The Company is exposed to interest rate risk, currency risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term loans with floating interest rates *(Note 22)*.

The Company's policy is to manage its interest rate risk using a mix of fixed and variable rates on borrowings.

The following table demonstrates the sensitivity of the Company's profit before income tax (through the impact on floating rate borrowings and bonds) to a reasonably possible change in interest rates, with all other variables held constant. There is no direct impact on the Company's equity.

In millions of tenge	**Increase/ decrease in basis points**	**Effect on profit before income tax**
2024	**+4.50**	**1,698**
SOFR	**-0.39**	**(147)**
2023	+3.82	(1,011)
SOFR	-3.82	1,011

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

It is the Company's policy to enter into financial instrument transactions with creditworthy counterparties. Maximum credit risk exposure equals to the carrying amount of each financial asset. The Company believes that the maximum risk amount is represented by loans from the related parties *(Note 26)*, long and short-term bank deposits *(Note 18)*, trade accounts receivable *(Note 19)*, cash and cash equivalents *(Note 20)*, net of expected credit losses, recorded at the reporting date.

The table below shows the risk profile of Company's cash and cash equivalents, short-term and long-term deposits held in banks as at December 31, 2024 and 2023 using the Fitch credit ratings, or in their absence, using their equivalent rates in S&P and Moody's:

	At December 31	
%	**2024**	2023
A+	**25%**	32%
A to A-	**71%**	59%
BBB to BBB-	**3%**	9%
BB+ to BB-	**2%**	0%
B+ to B-	**0%**	0%

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at a price close to its fair value.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

The tables below summarise the maturity profile of the Company's financial liabilities at December 31, 2024 and 2023, based on contractual undiscounted payments.

In millions of tenge	**Less than 1 month**	**From 1 to 3 months**	**3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
At December 31, 2024						
Borrowings and bonds	**–**	**–**	**241,117**	**1,419,138**	**5,350,210**	**7,010,465**
Financial guaranties*	**–**	**12,556**	**125,888**	**103,504**	**39,381**	**281,329**
Loan commitment	**181,974**	**–**	**–**	**–**	**–**	**181,974**
Trade payables	**32,096**	**4,559**	**–**	**–**	**–**	**36,655**
Other financial liabilities	**16,065**	**13,128**	**198**	**–**	**–**	**29,391**
	230,135	**30,243**	**367,203**	**1,522,642**	**5,389,591**	**7,539,814**

In millions of tenge	**Less than 1 month**	**From 1 to 3 months**	**3 months to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
At December 31, 2023						
Borrowings and bonds	–	–	163,087	1,103,611	4,658,259	5,924,957
Financial guaranties*	–	18,700	56,150	189,598	26,768	291,216
Loan commitment	297,580	–	–	–	–	297,580
Trade payables	55,516	–	–	–	–	55,516
Other financial liabilities	11,132	9,870	1,446	–	–	22,448
	364,228	**28,570**	**220,683**	**1,293,209**	**4,685,027**	**6,591,717**

* *A financial guarantee is a contract by which the issuer is required to make specified payments to reimburse the holder of the instrument for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or revised terms of a debt instrument. Under IFRS 7.B11C(c), under financial guarantee agreements issued by the Company, the maximum amount of the guarantee relates to the very first period in which the guarantee can be called. In the liquidity table above, the financial guarantee is represented by the maximum amount by maturity of the underlying debt instrument. Under financial guarantee agreements, in the event of a default or improper performance by the debtor, the Company unconditionally undertakes to pay the entire amount of principal and unpaid interest on demand of debtor. In 2024 and 2023, there were no cases of using financial guarantees.*

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's operations are carried out primarily in RK. Nevertheless, the Company's vast majority of cash inflows and outflows are denominated in US dollars.

The following table demonstrates the sensitivity of the Company's profit before income tax to a reasonably possible change in the US dollar exchange rate, with all other variables held constant. There is no direct impact on the Company's equity.

In millions of tenge	**Increase/ decrease in US dollar rate**	**Effect on profit before income tax**
2024	**9.09%**	**(107,108)**
	-7.34%	**86,534**
2023	14.15%	(224,752)
	-14.15%	224,752

Capital management

The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital to ensure that Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company seeks to maintain a prudent capital structure to support its capital investment plans and maintain investment grade credit rating through the cycle. Maintaining sufficient financial flexibility is considered strategically important to mitigate industry cyclicality while also enabling the pursuit of investment opportunities. The Company has a comprehensive and disciplined internal approval process for capital expenditures, new projects and debt incurrence.

The capital of the Company consists of debt, which includes borrowings (*Note 22)* less cash and cash equivalents, short-term deposits and equity, comprising share capital, additional paid-in capital, other reserves and retained earnings (*Note 21).*

The Company's management regularly reviews the capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Also, to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to borrowings that define capital structure requirements.

There have been no breaches of the financial covenants of any borrowing in the years ended December 31, 2024 and 2023 *(Note 22).*

In millions of tenge	**2024**	2023
Borrowings, bonds and loan commitment	**3,395,644**	4,329,450
Less: cash and short-term bank deposits	**(1,420,652)**	(1,107,672)
Net debt	**1,974,992**	3,221,778
Equity	**13,848,957**	12,473,723
Capital and net debt	**15,823,949**	15,695,501

No changes were made in the overall strategy, objectives, policies or processes for managing capital during the years ended December 31, 2024 and 2023.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value

The current value of financial instruments and investment property of the Company as at December 31, 2024 and 2023 is the reasonable approximation of their fair values except for the following financial instruments disclosed below:

	December 31, 2024				
			Fair value by level of assessment		
In millions of tenge	Current value	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost					
Bonds receivable from Samruk − Kazyna	**22,461**	**17,632**	**–**	**17,632**	**–**
Bonds receivable from Main Waterline LLP	**45,767**	**46,204**	**–**	**–**	**46,204**
Loans due from related parties	**438,115**	**446,521**	**–**	**–**	**446,521**
Other non-current receivable due from Samruk − Kazyna	**20,552**	**18,365**	**–**	**18,365**	**–**
Financial assets at fair value through profit or loss					
Loans due from related parties	**70,643**	**70,643**	**–**	**–**	**70,643**
Other non-current financial assets	**17,461**	**17,461**	**–**	**–**	**17,461**
Financial liabilities at amortized cost					
Fixed interest rate borrowings	**3,295,025**	**3,120,731**	**2,406,715**	**712,407**	**1,609**
Other non-current financial liabilities	**25,418**	**25,880**	**–**	**–**	**25,880**
Loan commitment					
Loan commitment	**68,693**	**68,693**	**–**	**–**	**68,693**
Financial guarantees					
Financial guarantees	**22,969**	**22,890**	**–**	**–**	**22,890**

	December 31, 2023				
			Fair value by level of assessment		
In millions of tenge	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortized cost					
Bonds receivable from Samruk − Kazyna	20,963	16,797	−	16,797	−
Bonds receivable from Main Waterline LLP	41,232	41,128	−	−	41,128
Loans due from related parties	366,789	369,789	−	−	369,789
Financial assets at fair value through profit or loss					
Loans due from related parties	32,159	32,159	−	−	32,159
Other non-current financial assets	13,860	13,860	−	−	13,860
Financial liabilities at amortized cost					
Fixed interest rate borrowings	4,169,590	3,976,180	2,452,370	1,522,480	1,330
Loan commitment					
Loan commitment	102,204	102,204	−	−	102,204
Financial guarantees					
Financial guarantees	13,340	10,933	−	−	10,933

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value (continued)

The table below provides a breakdown by expected credit losses level of financial assets:

	December 31, 2024			December 31, 2023		
In millions of tenge	**Gross carrying amount**	**Allowance for expected credit losses**	**Expected credit losses coverage**	Gross carrying amount	Allowance for expected credit losses	Expected credit losses coverage
Level 1	**598,016**	**(3,569)**	**0.60%**	479,160	(4,157)	0.87%
Level 2	**–**	**–**	**–**	–	–	–
Level 3	**–**	**–**	**–**	–	–	–
	598,016	**(3,569)**	**0.60%**	479,160	(4,157)	0.87%

The fair value of bonds receivable from the Samruk-Kazyna and other debt instruments have been calculated by discounting the expected future cash flows at market interest rates.

All financial instruments for which fair value is recognized or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 − quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 − valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 − valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between Level 1 and Level 2 during the reporting period, and no transfers into or out of Level 3 category.

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the year.

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy are shown below:

	Valuation technique	**Significant unobservable inputs**	**Range as of December 31,**	
			2024	2023
Loans due from related parties at amortized cost	DCF method	Discount and interest rate	**11.45%-18.7%**	7.3%-19.5%
Financial guarantees			**7.6%-18.7%**	7.8%-19.5%
Loans due from related parties at fair value through profit or loss	DCF method	Discount and interest rate	**SOFR + 2.8%-SOFR + 3.0%**	SOFR + 2.8%-90 DAYS AVERAGE SOFR + 3.5%
Other non-current financial assets	DCF method	Discount and interest rate	**9.2%**	9.2%

28. FINANCIAL COMMITMENTS AND CONTINGENCIES

Operating environment

Kazakhstan continues economic reforms and development of its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Kazakhstan economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Legal proceedings

In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material negative effect on the separate financial results or financial position of the Company and which have not been accrued or disclosed in these separate financial statements.

28. FINANCIAL COMMITMENTS AND CONTINGENCIES (continued)

Taxation

Kazakhstan's tax legislation and regulations are subject to ongoing changes and varying interpretations. Instances of inconsistent opinions between local, regional and national tax authorities are not unusual, including opinions with respect to IFRS treatment of revenues, expenses and other items in the financial statements. The current regime of penalties and interest related to reported and discovered violations of Kazakhstan's tax laws are severe. Due to uncertainties associated with Kazakhstan's tax system, the ultimate amount of taxes, penalties and interest, if any, may be in excess of the amount expensed to date and accrued at December 31, 2024. As at December 31, 2024, Management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Company's tax positions will be sustained, except as provided for or otherwise disclosed in these separate financial statements.

Transfer pricing control

Transfer pricing control in Kazakhstan has a very wide scope and applies to many transactions that directly or indirectly relate to international business regardless of whether the transaction participants are related or not. The transfer pricing legislation (further Law) requires that all taxes applicable to a transaction should be calculated based on market price determined in accordance with the arm's length principle. The law came into force in Kazakhstan from January 1, 2009. The law is not explicit and there is little precedence with some of its provisions. Moreover, the law is not supported by detailed guidance for application of transfer pricing control to various types, as a result, there is a risk that the tax authorities may take a position that differs from the Company's position, which could result in additional taxes, fines and interest. As at December 31, 2024 management believes that its interpretation of the transfer pricing legislation is appropriate and that it is probable that the Company's positions with regard to transfer pricing will be sustained.

Commitments under subsoil use contract

According to the terms of subsoil use contracts signed by the Company with the Government of the RK, the Company has certain commitments on fulfilment of minimal work programs related to its oil and gas projects.

As at December 31, 2024, the Company failed to comply with work programs under some of its subsoil use contracts in full. Management believes that the outstanding amounts can be transferred to subsequent years and that such transfer will not result in termination of subsoil use contracts.

29. SUBSEQUENT EVENTS

Additional contribution to share capital

During January-March 2025, the Company made contributions in cash to the share capital of KMG PetroChem, a subsidiary, with eight tranches in the total amount of 3,289 million tenge.

Loans given

During January-March 2025, the Company provided OMG, a subsidiary, with ten additional tranches under loan agreement in the total amount of 29,416 million tenge, maturing in 2025 at a rate of 0.01%.

Other operations

On February 21, 2025, the Company received from Cooperatieve KazMunaiGaz U.A., a subsidiary, 860 million US dollars in cash (equivalent to 429,794 million tenge) as a withdrawal from share capital.

On February 24, 2025, the Company donated the Sports Complex to the State Institution Department of Public Procurement and Communal Property of the West Kazakhstan Region, a third party, under the deed of gift.

Dividends received

On January 10, 2025, the Company received dividends from KMGI, a subsidiary, in the amount of 20 million US dollars (equivalent to 10,495 million tenge).

On January 30, 2025, the Company received dividends from KOA, the joint venture, in the amount of 4,500 million tenge.

Annex to the draft resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated “___” May 2025 No. _____

Explanatory note on the matter of validation of the annual financial statements of JSC NC "KazMunayGas" for 2024 by the annual General Meeting of Shareholders on 29 May 2025

Astana **"__"_____2025**

1. Purpose and objective

The purpose is the validation of the 2024 annual financial statements of JSC NC "KazMunayGas" (KMG) by the KMG’s annual General Meeting of Shareholders. The objective is to provide the stakeholders with complete and reliable information on the financial position of KMG and the results of its financial and economic activities over 2024.

2. Economic effect

The financial statements contain information for assessing the property status, financial stability and solvency of KMG. The analysis of financial statements makes it possible to determine the need for financial resources, assess the efficiency of the capital structure, forecast the financial results of KMG's activities, as well as to accomplish other tasks related to the management of financial resources and financial and economic activities of KMG.

3. Brief description of the matter

In accordance with subparagraph 1) of paragraph 2 of Article 35 of the Joint-Stock Companies Law No 415-II of the Republic of Kazakhstan, the annual General Meeting of Shareholders approves the company's audited annual financial statements.

According to paragraph 3 of Article 76 of the Joint-Stock Companies Law of the Republic of Kazakhstan and paragraph 143 of Article 17 of the Charter JSC NC “KazMunayGas”, approved by the decision of the annual General Meeting of Shareholders of JSC NC “KazMunayGas” dated May 30, 2023 (minutes No. 2/2023, issue No. 5), as amended and supplemented by the resolution of the annual General Meeting of Shareholders of JSC NC "KazMunayGas" dated May 28, 2024 (minutes No. 1/2024, issue No. 8), (hereinafter referred to as the KMG Charter), the annual audited financial statements are subject to preliminary approval by the KMG Board of Directors no later than 30 days before the date of the annual General Meeting of KMG Shareholders, and the final approval of the annual audited financial statements of KMG is made at the annual General Meeting of KMG Shareholders.

In accordance with subparagraph 7) of paragraph 1 of Article 36 of the of the Joint-Stock Companies Law, subparagraph 12) of paragraph 98 of Article 12 of the KMG Charter, the exclusive competence of the KMG General Meeting of Shareholders includes the approval of audited annual financial statements.

Subparagraph 13) of paragraph 32 of Chapter 7 of the Regulations on the General Meeting of Shareholders of the JSC NC KazMunayGas, approved by the decision of the General Meeting of Shareholders of JSC NC KazMunayGas (Minutes No. 66/22 dated December 2, 2022), provides that the exclusive competence of The General Meeting of KMG Shareholders refers to the approval of KMG’s consolidated and separate annual financial statements.

The issue of approving the audited consolidated and audited separate annual financial statements of KMG for 2024 (hereinafter referred to as the KMG Financial Statements) is submitted for consideration at the annual General Meeting of KMG Shareholders.

KMG's financial statements have been prepared in accordance with the International Financial Reporting Standards and the legislation of the Republic of Kazakhstan on accounting and reporting. The audit of KMG's Financial Statements has been conducted by the audit company Ernst & Young LLP, which was designated as an external auditor of KMG in accordance with the resolution of the person holding all voting shares of KMG dated March 20, 2022 (Minutes No. 05/22).

In the opinion of the Auditor, the Financial Statements of KMG present fairly, in all material respects, the financial position as of December 31, 2024, and the financial results of KMG and KMG's cash flows for the year ended December 31, 2024, in accordance with International Financial Reporting Standards.

Based on the data from KMG's financial statements as of December 31, 2024, KMG's net profit at the end of 2024 amounted to 1,094,247 million tenge.

More detailed information on the financial results and cash flows of KMG for the year ended December 31, 2024 is presented in the appendices to the draft decision on this issue.

KMG's 2024 consolidated financial statements was approved by the Management Board of KMG on March 5, 2025 (Minutes No. 9, issue No 1) and preliminarily validated by the Board of Directors of KMG on March 19, 2025 (Minutes No. 4/2025, issue No 2).

KMG's standalone financial statements were approved by the Management Board of KMG on April 15, 2025 (Minutes No. 17, issue No 1) and preliminarily validated by the Board of Directors of KMG on April 24, 2025 (Minutes No. 7/2025, issue No 6).

4. Compliance with the legislation of the Republic of Kazakhstan

Adoption of a resolution on the matter of validating KMG's Financial Statements is not in conflict with the legislation of the Republic of Kazakhstan.

5. Main problems, risks, possible consequences in case of adoption of or a failure to adopt the resolution

Making decision on this issue does not entail risks, will meet the interests of KMG and will not cause harm or loss to KMG.

If the General Meeting of Shareholders fails to adopt an affirmative resolution on this matter, there is a risk of violating the requirements of the current legislation for the procedure for publishing annual financial statements.

Draft

Resolution of the General Meeting of Shareholders of NC KazMunayGas JSC

On the procedure for distributing the 2024 net income of NC KazMunayGas JSC and the dividend amount per one ordinary share of NC KazMunayGas JSC

Taking into account Article 23(1), Article 35(2)(2), Article 36(1)(8) of Republic of Kazakhstan's Joint-Stock Companies Law No. 415-II dated 13 May 2003, Article 9(47,48), Article 12(98)(13) of the Charter of NC KazMunayGas JSC, validated by the resolution of the General Meeting of KazMunayGas JSC's Shareholders dated 30 May 2023 (minutes No. 2\2023, item No. 5), as amended by the resolution of the annual General Meeting of Shareholders of KMG dated 28 May 2024 (minutes No. 1\2024, item No. 8), paragraph 3.1 of Chapter 3, paragraphs 5.1, 5.8 of Chapter 5 of the Dividend Policy of NC KazMunayGas JSC, validated by the resolution of the entity holding all voting shares of NC KazMunayGas JSC dated 27 October 2022 (meeting minutes No. 59/22 of the Management Board of Samruk-Kazyna JSC, item No. 7), paragraph 16(2) of Chapter 5, paragraph 32(14) of Chapter 7 of the Regulation on the General Meeting of KazMunayGas JSC's Shareholders, validated by the resolution of the person holding all voting shares of NC KazMunayGas JSC dated 2 December 2022 (meeting minutes No. 66/22 of the Management Board of Samruk-Kazyna JSC, item No. 5), decision of the Board of Directors of NC KazMunayGas JSC dated April 24, 2025 (minutes No. 7/2025, item No. 7) regarding the recommended amount of dividends to be distributed,

having reviewed the materials provided, the General Meeting of NC KazMunayGas JSC's Shareholders

RESOLVED as follows:

1. Validate:

1) the following procedure for distributing the consolidated net income of NC KazMunayGas JSC (located at: premises entry 1, 8 Dinmukhamed Kunayev Street, Yessil District, Astana, Z05H9E8, Republic of Kazakhstan, BIN 020240000555, IIC (IBAN) KZ356010111000002033 in Halyk Bank of Kazakhstan JSC, SWIFT (BIC): HSBKKZKX) for the reporting financial year 2024, in the amount of KZT1,094,438,000,000 (one trillion ninety-four billion four hundred thirty-eight million) tenge:

allocate the amount of KZT300,001,855,903.03 (three hundred billion one million eight hundred fifty-five thousand nine hundred three) tenge and 3 tiyn to pay dividends to NC KazMunayGas JSC's shareholders;

retain the remaining amount of KZT794,436,144,096.97 (seven hundred ninety-four billion four hundred thirty-six million one hundred forty-four thousand ninety-six) tenge and 97 tiyn at the disposal of NC KazMunayGas JSC;

2) the 2024 dividend amount per one ordinary share of NC KazMunayGas JSC shall be KZT491.71 (four hundred ninety-one tenge) and seventy-one tiyn.

2. Fix the list of NC KazMunayGas JSC's shareholders entitled to receive dividends for the year 2024, as of 12:00 a.m. on 30 May 2025.

3. Determine 24 June 2025 as the commencement date for payment of dividends on NC KazMunayGas JSC's ordinary shares for 2024.

4. Pay the dividends on NC KazMunayGas JSC's ordinary shares at the end of 2024 in money, by transferring it in due order to the accounts of NC KazMunayGas JSC's shareholders independently and through a paying agent, represented by Central Securities Depository JSC, no later than ninety (90) calendar days from the date following the date of this resolution.

Chair

Secretary **D. Sharipov**

Annex to draft resolution
No. _____ of the General Meeting of
NC KazMunayGas JSC's
Shareholders
29 May 2025

Explanatory note on the matter "On the procedure for distributing the 2024 net income of NC KazMunayGas JSC and the dividend amount per one ordinary share of NC KazMunayGas JSC"

Astana ___ _____2025

1. **Purpose and objective.**

Validate the procedure for distributing the 2024 net income of NC KazMunayGas JSC (**KMG**) and the dividend amount per one ordinary share of KMG, in pursuance of the requirements of the legislation of the Republic of Kazakhstan and the Charter of National Company "KazMunayGas" Joint-Stock Company, validated by the resolution of the annual General Meeting of KMG's Shareholders dated 30 May 2023 (minutes No. 2\2023, item No. 5), as amended by the resolution of the annual General Meeting of Shareholders of KMG dated 28 May 2024 (minutes No. 1\2024, item No. 8) (**KMG's Charter**).

2. **Economic effect**

The economic effect is achieved by fulfilling the requirement of Republic of Kazakhstan's Joint-Stock Companies Law No. 415-II dated 13 May 2003 (**JSC Law**) and the resolution of the annual General Meeting of KMG's Shareholders.

3. **Short description**

In accordance with NC KazMunayGas JSC's Dividend Policy, validated by the resolution of the person holding all voting shares of NC KazMunayGas JSC dated 27 October 2022 (meeting minutes No. 59/22 of the Management Board of Samruk-Kazyna JSC (**Fund**), item No. 7) (**Dividend Policy**), the dividend amount is calculated based on KMG's consolidated Free Cash Flow for the past financial year, depending on the level of KMG's debt burden, determined by the Net Debt-to-EBITDA ratio (total debt minus cash and cash equivalents minus bank deposits (short-term and long-term)) to EBITDA.

At the end of 2024, the Net Debt-to-EBITDA ratio was 0.5. In accordance with the Dividend Policy, KMG will make every effort to distribute no less than 50% of the

Free Cash Flow. For 2024, KMG's Free Cash Flow, calculated in line with the Dividend Policy, amounted to KZT 1,145,896 million.

According to the prospectus for KMG's share issue as part of the IPO held in December 2022, the benchmark for the amount of KMG's dividend payments was set at no less than KZT200-250 billion, provided that oil prices remain at least USD70 per barrel.

As of April 2025, the average price of Brent crude oil stands at approximately USD 66 per barrel. Meanwhile, Brent crude oil futures are trading at around USD 63 per barrel.

Moreover, according to the Dividend Policy, when determining the recommended dividend amount, the company has the right to take into account any factors, events and actions that are considered necessary, including, but not limited to:

- the requirement to finance capital investments and investment projects in the future;
- the need to service the debt;
- the need to maintain a sufficient level of funds to retain financial stability and investment-grade credit ratings;
- and others.

Based on the above, the KMG Management Board has proposed to allocate KZT 350,001,148,354.38 (three hundred fifty billion one million one hundred forty-eight thousand three hundred fifty-four) tenge 38 tiyn for dividend payments.

At the same time, based on the 2024 results, the KMG Board of Directors, on April 24, 2025 (Minutes No. 7/2025, item No. 7), recommended allocating KZT 300,001,855,903.03 (three hundred billion one million eight hundred fifty-five thousand nine hundred three) tenge and 3 tiyn for dividend payments.

It is proposed that the dividends are distributed per one ordinary share of KMG. The number of KMG's ordinary shares outstanding is 610,119,493. Taking into account rounding, the dividend per share is KZT491.71, the distribution amount will be KZT300,001,855,903.03 (three hundred billion one million eight hundred fifty-five thousand nine hundred three) tenge and 3 tiyn.

According to KMG's 2024 consolidated audited financial statement, the net income amounted to KZT1,094,438,000,000 (one trillion ninety-four billion four hundred thirty-eight million) tenge.

Thus, considering the above, it is proposed that the 2024 net income is distributed as follows:

1) allocate part of KMG's net profit in the amount of KZT300,001,855,903.03 (three hundred billion one million eight hundred fifty-five thousand nine hundred three) tenge and 3 tiyn to pay dividends to KMG's shareholders;

2) retain part of KMG's 2024 net profit remaining after the payment of dividends to KMG's shareholders at the disposal of KMG;

It is proposed that the 2024 dividend amount per one ordinary share is validated at KZT491.71.

Taking into account that, in accordance with the Republic of Kazakhstan's Securities Market Law No. 461-II dd 2 July 2003, Central Securities Depository JSC is the only organization within the Republic of Kazakhstan engaged in maintaining a

securities holder register system, as well as the presence of a large number of minority shareholders, it is advisable to pay dividends on KMG's shares, *inter alia*, through a paying agent. Thus, the dividends can be paid to the Fund, the Ministry of Finance of the Republic of Kazakhstan and the National Bank of Kazakhstan directly from KMG, and the dividends can be paid to minority shareholders through a paying agent.

4. Compliance with the law of the Republic of Kazakhstan.

The applicable law is the law of the Republic of Kazakhstan, the matter under consideration is in compliance therewith.

5. Main issues, risks, potentials effects in the event of adoption or failure to adopt a resolution.

Adopting an affirmative resolution on this matter entails no risks, will be in the best interests of KMG and will inflict no damage or loss to KMG.

Failure to adopt a resolution entails a risk of non-compliance with the provisions of the JSC Law and KMG's Charter.

Draft

Resolution
of the Annual General Meeting of Shareholders of
NC "KazMunayGas" JSC

On appeals of shareholders on actions of NC "KazMunayGas" JSC and its officials in 2024 and the results of their consideration

In compliance with sub-clause 3) of clause 2 of Article 35, sub-clause 18) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan "On Joint-Stock Companies" dated 13 May 2003, sub-clause 27) of clause 98 of Article 12 of the Charter of NC "KazMunayGas" JSC, as approved by the resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), sub-clause 3) of clause 16 of Chapter 5, sub-clause 36) of clause 32 of Chapter 7 of the Regulation on the General Meeting of Shareholders of NC "KazMunayGas" JSC approved by the resolution of the entity holding all the voting shares of NC "KazMunayGas" JSC dated 2 December 2022 (Minutes No.66/22 of the meeting of the Management Board of "Samruk-Kazyna" JSC, item No.5),

upon consideration of the submitted materials, the General Meeting of Shareholders of NC "KazMunayGas" JSC

RESOLVED as follows:

to take note of the information on appeals of shareholders on actions of NC "KazMunayGas" JSC and its officials in 2024 and the results of their consideration in line with the Annex hereto.

Chairman

Secretary **D. Sharipov**

Annex
to the resolution on item No.3 of the agenda
of the Annual General Meeting of
Shareholders of NC KazMunayGas JSC
dated '__' May 2025 (Minutes No.____)

Information on the number of shareholders' appeals on the actions of NC KazMunayGas JSC and its officials in 2024

In 2024, 1,084 letters on various topics were received by NC KazMunayGas JSC from JSC Samruk-Kazyna and the National Bank of the Republic of Kazakhstan , including 1,077 letters from the Fund (the content of 18 letters of which can be interpreted as an appeal by the Fund on the actions of KMG and its officials) and 7 letters from the NB (the content of 1 letter of which can be interpreted as an appeal by the NB on the actions of KMG and its officials).

No appeals regarding the actions of the Company and its officials were received from other shareholders of the Company.

No.	Name shareholder	Number of letters from specified recipients in 2024	Number of requests on the actions of KMG and officials in 2024
1	2	3	4
1.	JSC "Samruk-Kazyna"	1077	18
2.	RGU "National Bank of the Republic of Kazakhstan"	7	1
3.	State Institution "Ministry of Finance of the Republic of Kazakhstan"	0	0
4.	Minority shareholders	0	0
	Total:	**1084**	**19**

Thus, the total number of appeals from KMG shareholders regarding the actions of the Company and its officials received during 2024 is 19.

by KMG and responses were provided in accordance with the established procedure, or the provision of information on a systematic basis is under the control of the Company. This information is presented in more detail in the table below.

Appeals to the actions of KMG and officials in 2024

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
1	№06-3.2-13-06-3/29 dated 04.01.2024 Entrance No. 95-24 dated 04.01.2024	On sending a private ruling of the judicial panel for civil cases of the Astana city court in relation to JSC Mangistaumunaigas, which did not effectively use funds in 2021 during the procurement process, to take appropriate response measures against the guilty parties and prevent such incidents from occurring in the future.	№10/160 dated 09.01.2024	KMG sent a response to the Fund stating that since 2022, the management of JSC Mangistaumunaigas has changed, employment contracts with the administrators of budget programs who initiated the relevant purchases were terminated, and for violating the provisions of the Procedure for Procurement when announcing purchases on 02.11.2022, a disciplinary sanction in the form of a reprimand was applied to the head of the procurement department of JSC Mangistaumunaigas .
2	№03-1-03-03-1/84 dated 09.01.2024 Entrance No. 1597,11 dated 09.01.2024	On the need to bring to disciplinary responsibility persons guilty of failure by KMG to comply with the order of the First Deputy Prime Minister of the Republic of Kazakhstan No. 11-19 / 07-1121 clause 1.5 dated 04.01.2024 on the implementation of the recommendations of the working group issued based on the results of the audit of the safety system and control of production, storage, removal of products and other technological processes at ANPZ LLP, PNHZ LLP and PKOP LLP.	№25/750 dated 30.01.2024	KMG sent a response to the Fund stating that, given that KMG had begun implementing the recommendations of the working group in a timely manner, there were no guilty actions on the part of KMG officials and, accordingly, there were no grounds for holding them liable under disciplinary measures.
3	№04-1-09-04/330 dated 19.01.2024 Entrance No. 841-24 dated 19.01.2024	On the need to provide information on the consideration of the liability of officials (responsible employees) who committed violations, including the unjustified expenditure of funds on attracting in 2016 an independent consultant represented by the Consortium of companies Deloitte TSF LLP and Halyk Finance JSC during the	№18/521 dated 24.01.2024	possible to hold accountable KMG officials (responsible employees) who violated the Comprehensive Privatization Plans for 2016-2020 and 2021-2025 , because in accordance with paragraph 2 of Article 66 of the Labor Code of the Republic of Kazakhstan, a

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
		implementation of the Comprehensive Privatization Plan for 2016-2020, in accordance with Order No. 29-5-N and Audit Report No. 29-K		disciplinary sanction cannot be applied later than 6 months from the date of the disciplinary offense, and in cases established by the laws of the Republic of Kazakhstan, or the establishment of a disciplinary offense based on the results of an audit or inspection of the financial and economic activities of the employer - later than 1 year from the date of the disciplinary offense by the employee (the specified periods have expired), in addition, the responsible officials who made the decision in 2016 to engage independent consultants represented by the Consortium of Companies Deloitte TSF LLP and Halyk Finance JSC are not in an employment relationship with KMG.
4	№04-01-04/858 dated 15.02.2024 Entrance No. 13856,2 dated 15.02.2024	On improper execution of subparagraph 1) of paragraph 1 of Order No. 29-5-N – failure to provide data on the consideration of the liability of the guilty persons for the admitted facts of financial violations and ineffective use of assets.	№18/1247 dated 16.02.2024	KMG sent a response to the Fund that in response to the received Order No. 29-6-N, in terms of considering the responsibility of KMG officials (responsible employees) who committed violations during the implementation of the Comprehensive Privatization Plans for 2016-2020 and 2021-2025, KMG (by letter dated 24.01.2025 No. 18/521) reported that it is not possible to hold liable KMG officials (responsible employees) who committed violations of the Comprehensive Privatization Plans for 2016-2020 and 2021-2025, because in accordance with paragraph 2 of Article 66 of the Labor

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				Code of the Republic of Kazakhstan, a disciplinary sanction cannot be applied later than 6 months from the date of the disciplinary offense, and in cases established by the laws of the Republic of Kazakhstan, or the establishment of a disciplinary offense based on the results of an audit or inspection financial and economic activities of the employer - later than 1 year from the date of the employee's disciplinary offense (the specified periods have expired), in addition, the responsible officials who made the decision in 2016 to engage independent consultants represented by the Consortium of Companies Deloitte TSF LLP and Halyk Finance JSC are not in an employment relationship with KMG. By letter dated 08.02.2024 No. 2-1-10/302, VAP informed KMG about the removal from control of the implementation of subparagraph 1) of paragraph 1 of Order No. 29-6-N in terms of considering the responsibility of officials (responsible employees) of KMG.
5	No. 06-3.2-13-02/1242 dated 03/01/2024 In. No. 14269,4 dated 01.03.2024	On the failure to implement paragraph 9 of the protocol instruction of the Chairman of the Board of JSC Samruk-Kazyna, presented at the meeting on measures to implement the Message of the Head of State to the people of Kazakhstan dated 02.09.2023 (minutes No. 91-r)	№34/1838 dated 06.03.2024	KMG sent a response to the Fund stating that (in order to execute the order) KMG sent a letter to KMG's subsidiaries and affiliates on 05.03.2024 No. 34/1793, the execution of which was under KMG's control and was

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				executed by KMG's subsidiaries and affiliates on 07.03.2024.
6	No. 03-4-02-03-1/1410 dated 03/11/2024 Entrance No. 3231-24.2 dated 11.03.2024	On failure to execute the order to provide KMG with an assessment of the effect on financial and economic activities and possible risks in the event of the implementation of initiatives included in the draft Presidential Decree "On measures to liberalize the economy", with the aim of forming the position of the Fund's group at meetings at the site of the Administration of the Prime Minister of the Republic of Kazakhstan.	№24/2159 dated 15.03.2024	KMG sent a response to the Fund with proposals that, in KMG's opinion, should be included in the draft Presidential Decree "On measures to liberalize the economy."
7	№26-09-18/283 dated 11.03.2024 Entrance No. 3446-24 dated 11.03.2024	On the need to provide explanations on the possible violation by KMG of the Law of the Republic of Kazakhstan "On currency regulation and currency control" in terms of the period for applying for assignment currency agreement or account number in a foreign bank.	№28/2016 dated 13.03.2024	KMG sent a response to the Central Branch of the National Bank – a justification for the absence of violations on the part of KMG the period for applying for the assignment of an account number to a foreign exchange contract or account in a foreign bank.
8	№06-3.1-09-06-3.1/173 dated 28.03.2024 Entrance No. 3074-24.3 dated 28.03.2024	On KMG's failure to execute (as of 28.03.2024) the instruction provided for in paragraph 4.3 of the protocol following the working visit of the Prime Minister of the Republic of Kazakhstan to Pavlodar Region (instruction No. 11-09/09-165 dated 12.03.2024), concerning the submission of KMG's proposals for the purchase of goods, works and services from domestic companies related to technical maintenance, operation, major or current repairs for facilities classified as highly explosive and fire hazardous.	№25/2539 dated 01.04.2024	KMG sent a response to government agencies (the Ministry of Finance of the Republic of Kazakhstan and the AzRK), the Atameken National Chamber of Entrepreneurs and the Fund with proposals for changes to the Procedure implementation of procurement and the results of ineffective procurement.
9	№01-4-08-01-4/2885 dated 17.05.2024	On KMG's failure to comply within the established deadline with the order to submit to the Fund a	№22/3928 dated 21.05.2024	KMG sent a response to the Fund with an attached report on the results of the internal investigation conducted by the working group

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
	In. No. 6867-24 dated 17.05.2024	notification of the results of the internal investigation at Batumi Oil Terminal LLC.		of JSC KazTransOil and an indication that the materials on the results of the inspection of Batumi Oil Terminal LLC with the participation of KMG specialists will be sent to the Fund after the completion of the procedure for signing the conclusion by the company's management.
10	№01-4-07-01-4/3505 dated 10.06.2024 In. No. 6867-24,2 dated 10.06.2024	On the failure to submit to the Fund the results of the internal investigation at Batumi Oil Terminal LLC, conducted in accordance with the order of KMG dated 28.03.2024 No. 74 (namely, the materials on the results of the investigation with the participation of KMG specialists after the completion of the procedure for signing the conclusion by the management), according to the response letter of KMG for outgoing No. 22/3928 dated 21.05.2024.	No. 22/402-DSP dated 06/18/2024	KMG sent a corresponding response to the Fund.
11	No. 01-1-08-03-1/3938 dated 06/25/2024 Entrance No. 9228-24 dated 25.06.2024	On the forwarding to KMG of a letter received directly by the Fund from Ural Oil and Gas LLC dated 17.06.2024 No. 12/279 *(related to the timely commissioning of the Rozhkovskoye gas condensate field and containing a request for clarification on all possible negative legal consequences of the options proposed by Ural Oil and Gas LLC for the transfer of an additional volume of work on the construction of the central control room, to assess all risks and consequences in order to make a final decision)* and the Fund's request from KMG to provide an explanation as to why this letter was sent directly to the Fund and not through KMG.	№14/5261 dated 02.07.2024	KMG sent a response to the Fund stating that explanatory work had been carried out with the General Director of Ural Oil and Gas LLC regarding the prevention of sending any correspondence to the Fund without going through the KMG corporate center.
12	№01-1-08-03-1/4637 dated 24.07.2024	On the failure to fulfill the order stipulated by the Fund's letter dated 25.06.2024 No. 01-1-08-03-1/3938, and the	№14/6051	KMG sent a second response to the Fund stating that explanatory work had been carried

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
	Entrance No. 9228-24.2 dated 24.07.2024	need to provide the Fund with high-quality information and a response from KMG.	dated 29.07.2024	out with the General Director of Ural Oil and Gas LLC regarding the prevention of sending any correspondence to the Fund without going through KMG's corporate center.
13	№07-4-08-07/4777 dated 30.07.2024 Entrance No. 7325-24.2 dated 30.07.2024	On the failure of KMG to take necessary measures to implement the Strategy for the Development of the Industrial Safety Management System of Samruk-Kazyna JSC for 2024-2028 (hereinafter referred to as **the Strategy) approved by the decision of the in-person meeting of the Management Board of Samruk-Kazyna JSC dated 16.05.2024 (minutes No. 26/24**) and the need to bring the requirements of KMG's internal documents in the field of industrial safety in line with the approved Strategy, including providing for the establishment of long-term target values in the field of industrial safety.	№13/6622 dated 15.08.2024	KMG has sent a repeated response to the Fund stating that the metrics for tracking the development of the industrial safety management system, as provided for in the Strategy, development of the industrial safety management system of Samruk-Kazyna JSC for 2024-2028 will be included in the new version of the Roadmap for improving industrial safety, labor protection and the environment in the KMG group of companies, approved by the KMG Management Board. The roadmap for improving industrial safety, labor protection and the environment in the KMG group of companies was approved by the decision of the KMG Management Board dated 19.02.2025 (minutes No. 7).
14	No. 06-3.2-13-06-3/6908 dated 10/30/2024 In. No. 16398-24 dated 10/31/2024	On the provision of information on the measures taken to eliminate the identified violations of the law in procurement activities in the KMG group of companies, specified in paragraphs 1, 2 of the Submission on the elimination of violations of the law of the Prosecutor General's Office of the Republic of Kazakhstan dated October 29, 2024 No. 2-010345-24-86686.	№34/9404 dated 11.11.2024	KMG sent a response to the Fund stating that with regard to the elimination of the identified violations of the law, the causes and conditions that contributed to them, KMG and its subsidiaries and affiliates have taken measures to tighten control over the expenditure of funds with the personalization

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				of the responsibility of the top managers of KMG's subsidiaries and affiliates, namely, in 2024, on the instructions of the Chairman of the KMG Management Board, job descriptions were updated to strengthen the personal responsibility of the ABP, heads of structural divisions responsible for procurement, as well as CEO-1, CEO-2, supervising the ABP and procurement of KMG's subsidiaries and affiliates; in terms of revising the work on marketing price analysis, increasing the responsibility of KMG's subsidiaries and affiliates, as customers, for conducting marketing price analysis, determining the cost of purchased goods based on commercial offers from manufacturers when conducting price analysis, as well as excluding the acceptance of commercial offers from affiliated persons, it should be noted that when determining the marketing price for goods, KMG's subsidiaries and affiliates are guided by Annex No. 3 to the Procedure for Procurement; All other issues provided for by the Submission on the elimination of violations of the law of the Prosecutor General's Office of the Republic of Kazakhstan dated October 29, 2024 No. 2-010345-24-86686 were accepted

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
				by KMG and its subsidiaries and affiliates for work.
15	№07-4-05-07/7191 dated 11/13/2024 In. No. 17199-24 dated 11/13/2024	On the need to conduct an internal investigation and provide the Fund with the results and information on the measures taken to eliminate the identified violations on the issues specified in the appeal received by Samruk-Kazyna JSC through the e-Otinish system dated 07.11.2024 No. ЖТ-2024-05889152 from employees of Zeus Energo LLP (Zhetybay NPS, Kalamkas NPS, Aktau GNPS, Uzen GNPS, Karazhanbas GNPS), regarding violations by the employer of labor legislation requirements and regulatory legal acts in the field of fire safety.	№02/9703 dated 21.11.2024	KMG sent a response to the Fund (with an attachment) stating that, in accordance with the appeal of employees of Zeus Energo LLP, KazTransOil JSC conducted an internal investigation in relation to the contractor organization Zeus Energo LLP , based on the results of which a corresponding report was drawn up, indicating the conclusions and recommendations, attached to the response.
16	№03-2.2-07-03/7257 dated 11/15/2024 In. No. 17367-24 dated 11/15/2024	On the existence of cases of untimely provision (concealment of information) on technological incidents, accidents on the part of KMG, the need for immediate (within 1 hour) informing the Fund's management and supervising departments on technological incidents, accidents, including any types of violations in production processes, non-compliance with environmental requirements and other incidents, and determining the persons responsible for providing information on accidents.	№13/9612 dated 18.11.2024	KMG sent a response to the Fund that the KMG Security Management Center (24-hour duty service, smc@kmg.kz, tel. 789110) in the established manner and time frame (immediately and following the results of the duty day) sends operational and consolidated information on incidents and events to the Fund's security department and to the Nysana electronic message processing system in accordance with the Standard for the formation and submission to the Samruk-Kazyna JSC Security Monitoring and Management Center of information on events and incidents.

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
17	№01-4-09-01-4/7979 dated 20.12.2024 In. No. 16200-24.6 dated 20.12.2024	On the need to conduct and provide the Fund with the results of an audit on all the arguments set out in the appeals received at the address of JSC Samruk-Kazyna through the e- Otinish platform from the employee of OzenMunaiService LLP Taubaev Yeseta Akzholuly on illegal actions of employees of OzenMunaiService LLC .	№22/105 dated 08.01.2025	KMG sent a response (in one letter) to the author of the appeals Taubaev E.A. , and also to the Zhanaozen City Prosecutor's Office and the Fund that: based on the facts stated in the appeals by E.A. Taubaev ; in addition, OzenMunaiService LLP and KMG repeatedly sent responses to E.A. Taubaev regarding the results of the consideration of his appeals; based on the results of previously conducted inspections for violation of labor discipline, employees of OzenMunaiService LLP Akmurzaev S.I. and Uzakbaev R.A. were brought to disciplinary responsibility in accordance with the Labor Code of the Republic of Kazakhstan; other facts indicated in the appeals of Taubaev E.A. were not confirmed as a result of the inspections carried out.
18	№06-3.2-13-06-3/8091 dated 25.12.2024 In. No. 19690-24 dated 26.12.2024	On the fact of violations by KPI Inc. LLP of the norms and requirements of the Procedure for Carrying Out Purchases and the Rules for Conducting Control, as well as on the failure to comply with the Notification of the Centralized Service, which is mandatory for execution. (failure to comply), based on complaints from ZAMAN Disabled People's Society LLP and PALLETY.KZ LLP regarding electronic purchases conducted by KPI Inc. LLP through an open tender No. 1022460 "SR4 Pallets" and No. 1022226 "SR4 Pallets".	№34/10884 dated 26.12.2024 №34/346 dated 15.01.2025	KMG sent a letter to the Fund with a request to extend the deadline for the execution of the order until 15.01.2025 KMG sent a response to the Fund stating that: KPI Inc. LLP cancelled purchases No. 1060388 and No. 1060594 "Pallet" using the open tender method with limited participation; the issue of bringing guilty officials to disciplinary responsibility is under

No.	Number and date of access	Brief summary of the appeal	Response number and date	Summary of the answer
1	2	3	4	5
19	No. 06-3.2-13-06-3/8214 dated 12/31/2024 In . No. 19690-24.2 dated 12/31/2024	On failure to comply with the notification and re-announcement by KPI Inc. LLP of purchases No. 1060388 and No. 1060594 “Pallet” by open tender with limited participation.	№34/346 dated 15.01.2025	consideration by the KPI management *(as of 14.03.2025, the situation has not changed)* ; at the request of KPI Inc. LLP , PALLETY.KZ LLP was included in the List of Unreliable Potential Suppliers (Suppliers) of the Fund.

Abbreviations:

NC KazMunayGas JSC, Company, KMG – Joint Stock Company "National Company "KazMunayGas";

Fund, Samruk-Kazyna JSC – Joint Stock Company "National Welfare Fund "Samruk-Kazyna";

RK – Republic of Kazakhstan;

APr RK – Office of the Government of the Republic of Kazakhstan;

MF RK – Ministry of Finance of the Republic of Kazakhstan;

AZRK – Agency for the Protection and Development of Competition of the Republic of Kazakhstan;

NB – Republican State Institution “National Bank of the Republic of Kazakhstan”;

RSU – Republican State Institution;

SAC – Supreme Audit Chamber of the Republic of Kazakhstan;

NCE "Atameken" - National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken";

DZO – subsidiary and dependent organizations;

PKOP LLP - limited liability partnership "PetroKazakhstan Oil Products";

Plant LLC – Pavlodar Petrochemical Plant Limited Liability Partnership;

KPI Inc. LLP - limited liability partnership "Kazakhstan Petrochemical Industries Inc." / "Kazakhstan Petrochemical Industries Inc."/";

CEO (Chief Executive Officer) – the first head of the company;

CEO-1 (Chief Executive Officer-1) – a top manager who is responsible for a separate function in the company;

BPA – budget program administrators;

TC RK – Labor Code of the Republic of Kazakhstan dated November 23, 2015 No. 414-V;

Audit Report No. 29-K - Audit Report of the Supreme Audit Chamber of the Republic of Kazakhstan dated 21.12.2023 No. 29-K based on the results of the state audit of the effectiveness of state policy in the field of privatization, as well as the activities of state bodies and entities of the quasi-public sector in the formation and implementation of Comprehensive Privatization Plans for 2016-2020 and 2021-2025 (interim assessment);

Order No. 29-6-N - Order of the Supreme Audit Chamber of the Republic of Kazakhstan dated 21.12.2023 No. 29-5-N "On the results of the state audit of the effectiveness of state policy in the field of privatization, as well as the activities of state bodies and entities of the quasi-public sector in the formation and implementation of comprehensive privatization plans for 2016-2020 and 2021-2025 (interim assessment)";

Order implementation of procurement - the Procedure for implementation of procurement by the joint-stock company "National Welfare Fund "Samruk-Kazyna" and legal entities, fifty or more percent of voting shares (participatory interests) of which are directly or indirectly owned by JSC "Samruk-Kazyna" on the basis of ownership or trust management, approved by the decision of the Board of Directors of JSC "Samruk-Kazyna" dated 03.03.2022 (minutes No. 193);

DSP – for official use;

GNPS – main oil pumping station;

NPS – oil product pumping station.

Annex to the draft resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated "___" May 2025 No. _____

Explanatory note to the item
"On appeals of shareholders on actions of NC "KazMunayGas" JSC and its officials in 2024 and the results of their consideration"

Astana «__» _____2025

1. Purpose and objective

Consideration of the information on appeals of shareholders on actions of NC "KazMunayGas" JSC and its officials in 2024 and the results of their consideration at the Annual General Meeting of Shareholders of Joint-Stock Company "National Company "KazMunayGas" (hereinafter referred to as **the Company, KMG**) in order to inform KMG's shareholders and ensure compliance with the requirements of the legislation of the Republic of Kazakhstan.

2. Economic effect

Not provided.

3. Background

In accordance with sub-clause 3) of clause 2 of Article 35, sub-clause 18) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan "On Joint-Stock Companies" dated 13 May 2003 (hereinafter referred to as the **Law on JSC**), sub-clause 27) of clause 98 of Article 12 of the Charter of "National Company "KazMunayGas" Joint-Stock Company, as approved by the resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), (hereinafter referred to as the **Company Charter**), sub-clause 3) of clause 16 of Chapter 5, sub-clause 36) of clause 32 of Chapter 7 of the Regulation on the General Meeting of Shareholders of "National Company "KazMunayGas" Joint-Stock Company approved by the resolution of the entity holding all the voting shares of KMG dated 2 December 2022 (Minutes No.66/22 of the meeting of the Management Board of "Samruk-Kazyna" JSC, item No.5) (hereinafter referred to as the **Regulation on GMS**), the Annual General Meeting of Shareholders of KMG shall consider the issue of shareholders' appeals on actions of the Company and its officials and the results of their consideration, which is within the exclusive competence of the General Meeting of Shareholders.

On 10 – 11 April 2025, the Board of Directors of the Company resolved (Minutes No.6/2025, item No.2) to convene the Annual General Meeting of Shareholders of the Company (hereinafter referred to as the **AGM**) on 29 May 2025, one of the items on the agenda of which is the issue on appeals of shareholders on actions of NC "KazMunayGas" JSC and its officials in 2024 and the results of their consideration.

In 2024, the Company received 1,084 letters of different subjects (1,077 letters from the 'National Welfare Fund "Samruk-Kazyna" joint stock company (hereinafter - the **Fund**) and 7 letters from the republican state institution "National Bank of the

Republic of Kazakhstan" [hereinafter - the **NB**]) from the Fund and the republican state institution the NB, including regarding the actions of the Company and its officials: from the Fund - 18 and from the NB – 1.

The total number of appeals of KMG shareholders against the actions of KMG and its officials received during 2024 is 19.

All such appeals were considered by KMG and answered in accordance with the established procedure, or provision of information on a systematic basis is under the control of KMG.

Information on appeals of KMG's shareholders on actions of KMG and its officials received during 2024 is given in the Annex *'Information on the number of appeals of shareholders on actions of JSC NC KazMunayGas and its officials in 2024'* (see the Annex to the draft resolution of the AGM on this issue).

Based on the above, in accordance with the resolution of the Board of Directors of the Company dated 24 April 2025 (Minutes No.7/2025, item No.13), which preliminarily considered this issue and initiated its submission to the AGM pursuant to clause 61 of Article 11 of the Company's Charter, it is proposed to take note of the information on appeals of shareholders on actions of KMG and its officials in 2024 and the results of their consideration in line with the Annex to the draft resolution on this issue.

In accordance with clause 1 of Article 50 of the Law on JSC, clause 91 of Article 11 and clause 99 of Article 12 of the Company's Charter, clause 79 of Chapter 16 of the Regulations on the GMS, voting on this issue requires a simple majority of votes of the total number of voting shares of KMG participating in the voting, and voting is carried out on the principle of 'one share - one vote'.

4. Conformity to applicable law

The adoption of a resolution on the submitted issue does not contradict the legislation of the Republic of Kazakhstan.

5. Main problems, risks, possible consequences in case of adopting or failure to adopt the resolution

Adoption of a decision on this issue will not entail any risks.

If a resolution on this issue is not adopted, it will entail the risk of non-compliance with the requirements of the Law on JSC.

Draft

Resolution
of the Annual General Meeting of Shareholders of
NC "KazMunayGas" JSC

On amendments and additions to the Regulations on the Board of Directors of NC KazMunayGas JSC

In compliance with clause 2 of Article 35, sub-clause 18) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan "On Joint-Stock Companies" dated 13 May 2003, sub-clause 10) of clause 98 of Article 12 of the Charter of NC "KazMunayGas" JSC, as validated by the resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), clause 18 of Chapter 5, sub-clauses 22) and 25) of clause 32 of Chapter 7 of the Regulation on the General Meeting of Shareholders of NC "KazMunayGas" JSC validated by the resolution of the entity holding all the voting shares of NC "KazMunayGas" JSC dated 2 December 2022 (Minutes No.66/22 of the meeting of the Management Board of "Samruk-Kazyna" JSC, item No.5), clause 7.4 of Chapter 7 of the Regulation on the Board of Directors of NC KazMunayGas JSC, validated by the resolution of the Annual General Meeting of NC KazMunayGas JSC's Shareholders dated 30 May 2023 (minutes No.2/2023, item No. 6), as amended by the resolution of the General Meeting of NC KazMunayGas JSC's Shareholders dated 6 November 2023 (minutes No. 5/2023, item No. 2),

upon consideration of the submitted materials, the General Meeting of Shareholders of NC "KazMunayGas" JSC

RESOLVED as follows:

To amend and add to the Regulations on the Board of Directors of NC KazMunayGas JSC, approved by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 30 May 2023 (Minutes No. 2\2023, item No. 6), as amended by the resolution of the General Meeting of Shareholders of NC KazMunayGas JSC dated 6 November 2023 (Minutes No. 5/2023, item No. 2), in accordance with the annex to this resolution.

Chairman

Secretary **D. Sharipov**

Annex
to the resolution on item No.__
agenda of the Annual
General Meeting of Shareholders of
NC «KazMunayGas» JSC
dated "___" _____ 2025
(Minutes No. _____)

Amendments and additions
to the Regulation on the Board of Directors of JSC National Company KazMunayGas, approved by the resolution of the annual General Meeting of Shareholders of NC KazMunayGas JSC dated May 30, 2023 (Minutes No. 2\2023, item No. 6), with amendments made by the resolution of the General Meeting of Shareholders of NC KazMunayGas JSC dated November 6, 2023 (Minutes No. 5/2023, item No. 2)

1. Clause 1.3 of Chapter 1 shall be set out as follows:

"1.3. The Board of Directors is the management body of the Company, accountable to the General Meeting of Shareholders of the Company (hereinafter referred to as **the GMS**), ensuring general (strategic) management of the Company's activities and control over the activities of the collegial executive body of the Company (hereinafter referred to as **the Management Board**), as well as the implementation of the provisions of the Corporate Governance Code of the Company. Resolutions of the Board of Directors are taken in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as **the RK**), the Charter of the Company, the Corporate Governance Code of the Company and the Regulation ."

2. Clause 1.4 of Chapter 1 shall be set out as follows:

“1.4. In its activities, the Board of Directors is guided by the legislation of the Republic of Kazakhstan, including the Law of the Republic of Kazakhstan “On Joint Stock Companies” (hereinafter referred to as **the Law**) and the Law of the Republic of Kazakhstan “On the National Welfare Fund” (hereinafter referred to **as the Fund**), the requirements of the Exchanges on which the Company’s shares are traded: Astana International Exchange (AIX) and Kazakhstan Stock Exchange JSC (KASE), the Company Charter, Regulations, Corporate Governance Code of the Company and other internal documents of the Company, as well as documents of the Fund that apply to the Company."

3. Clause 1.5 of Chapter 1 shall be amended as follows:

"1.5. The Board of Directors shall be responsible to the GMS for the general management of the Company's activities. The resolutions of the GMS taken within its competence shall be binding on the Board of Directors. The Board of Directors shall annually report on its activities to the GMS by submitting a report on the work performed based on the results of the previous year, which shall reflect the results of the activities of the Board of Directors and its Committees for the reporting period, the measures taken by the Board of Directors to increase the long-term value and sustainable development of the organization, the main risk factors, significant events, the issues considered, the number of meetings, the form of meetings, attendance, as well as other important information, by including it in the annual report of the Company.

The Board of Directors also annually reports on compliance with the standards of the Company's Corporate Governance Code to the GMS by including a corresponding report in the Company's annual report."

4. Clause 1.7 of Chapter 1 shall be set out as follows:

"1.7. The Board of Directors and the Management Board shall ensure the growth of the long-term value of the Company, and shall also ensure the formation of an appropriate system in the area of sustainable development and its implementation. The Board of Directors shall exercise strategic leadership and control over the implementation of the system in the area of sustainable development in the Company."

5. Chapter 1 shall be supplemented with paragraph 1.9 of the following content:

"1.9. The members of the Board of Directors perform their functional duties and adhere to the following principles in their activities:

1) act within the limits of their authority;

2) devote sufficient time to participation in meetings of the Board of Directors, its Committees and preparation for them;

3) contribute to the growth of long-term value and sustainable development of the Company;

4) maintain high standards of business ethics;

5) avoid conflicts of interest;

6) act with due skill."

6. The Regulation shall be supplemented with Chapter 1-1 of the following content:

« **1-1. BoD in the risk management and internal control system**

1-1.1. The Board of Directors, together with the Management Board, ensures the implementation of a culture of proper risk management in the Company.

1-1.2. The BoD defines the principles and approaches to organizing the risk management and internal control system, based on the objectives of this system and taking into account best practices in the field of risk management and internal control.

1-1.3. The Board of Directors approves internal documents that define the principles and approaches to organizing an effective risk management and internal control system, demonstrating the Company's commitment to best practices in the field of risk management and internal control.

1-1.4. When approving internal documents in the area of risk management and internal control, the Board of Directors is guided by the documents adopted by the Fund regulating issues of risk management and internal control.

1-1.5. The Board of Directors regularly receives information on key risks, their analysis in terms of their impact on the strategy and business plans of the Company, and takes appropriate measures to ensure that the current risk management and internal control system complies with the principles and approaches to its organization determined by the Board of Directors and functions effectively. At least once per quarter, the Board of Directors reviews and discusses the Company's risk reports in full and in a proper manner.

1-1.6. The Board of Directors, together with the Audit Committee, is responsible for assessing the effectiveness of the risk management and internal control system. The Board of Directors forms its own opinion on its effectiveness after a proper and thorough

analysis of the information and assurances communicated to it by the Internal Audit Service or an external expert, the Audit Committee and the Management Board.

1-1.7. The Board of Directors regularly reviews issues related to the organization, functioning and effectiveness of the Company's risk management and internal control system and, if necessary, provides recommendations for its improvement .

7. Clause 2.1 of Chapter 2 shall be amended as follows:

"2.1. The exclusive competence of the Board of Directors includes issues stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company and the Regulation.

At the same time, the following issues are considered by the BoD (including, but not limited to):

1) the schedule of meetings of the Board of Directors and its committees, the work plan of the Board of Directors;

2) reports of the Chairman of the Board on key changes in the activities of the Company;

3) reports (for the purpose of their approval) on key (including financial) risks of the Company;

4) reports on fatal accidents in the Company's group of companies;

5) information on changes in government strategy or policy;

6) reports on the results of monitoring and analysis of the implementation of investment drafts of the Company and its subsidiaries;

7) reports on concluded transactions in which there is an interest, resolutions on which were made by the Board;

8) reports on the work done to ensure cybersecurity of the Company's group of companies;

9) information on the production technologies available in the world and used at the fields of the Company's group of companies, as well as innovations and improvements in hydrocarbon production technologies by the companies of the Company's group of companies;

10) information on the status of the Company's implementation of plans approved by resolutions of the Government of the Republic of Kazakhstan;

11) information on the financial status of the companies of the Company group and the ability of these companies to receive financing and make payments to the oil producing companies of the Company group;

12) issues of the annual meeting of the Board of Directors on strategy (strategic session);

13) issues of the annual meeting of the Board of Directors on sustainable development;

14) plans (for the purpose of their approval) of measures to improve the corporate governance of the Company and consideration of information on the status of their implementation;

15) reports on the activities of structural divisions accountable to the Board of Directors;

16) instructions to the Board, the Chairman of the Board, and employees of the Company."

8. Clause 2.2 of Chapter 2 shall be amended as follows:

"2.2. The Board of Directors is vested with powers sufficient to manage the Company and control the activities of the Management Board, including the power to issue instructions. Instructions to the bodies and employees of the Company are given only at meetings of the Board of Directors on behalf of the Board of Directors, which must take into account their relevance, feasibility, and the realistic deadlines set for their implementation, for which it is necessary to take into account the following:

1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;

2) in the case of instructions to structural divisions accountable to the Board of Directors – the opinion of the heads of such divisions."

9. Subparagraph 1) of paragraph 2.3 of Chapter 2 shall be set out as follows:

"1) defining the strategy/plan for the development of the Company and the integration of ESG (Environmental , Social , Governance) goals (directions and results);".

10. Subparagraph 6) of paragraph 2.3 of Chapter 2 shall be set out as follows:

"6) corporate governance and ethics, ensuring the implementation and compliance with business ethics standards, an effective system for reporting suspected violations;".

11. Subparagraph 7) of paragraph 2.3 of Chapter 2 shall be excluded.

12. Subparagraph 8) of paragraph 2.3 of Chapter 2 shall be excluded.

13. Clause 2.3 of Chapter 2 shall be supplemented with subclause 9) of the following content:

"9) compliance in the Company with the provisions of the Company's Corporate Governance Code and the Fund's corporate standards."

14. Supplement paragraph 2.3 of Chapter 2 with the following eleventh paragraph:

"In order to understand current issues of the Company's activities, members of the Board of Directors regularly visit key facilities of the Company and hold meetings with employees."

15. Chapter 2 shall be supplemented with paragraph 2.3-1 of the following content:

"2.3-1. Issues related to the development and implementation of the Company's development plan are considered with the frequency determined by the Board of Directors, but not less than 1 (one) time per year, exclusively at in-person meetings of the Board of Directors. The Board of Directors implements a system of early detection and timely response to changes in the domestic and foreign market conditions, and force majeure situations."

16. Chapter 2 shall be supplemented with paragraph 2.5-1 of the following content:

"2.5-1. The Board of Directors has the right to make changes and additions to the resolutions it has made, and, if necessary, to recognize its resolutions as no longer in force, as well as to extend the effect of the resolutions made to an earlier or later date."

1 7. In clause 3.1.2 of paragraph 3.1 of Chapter 3, replace the word "remuneration" with the word "remuneration".

18. Clause 3.1.3 paragraph 3.1 of chapter 3 shall be set out as follows:

"3.1.3. The search for candidates and their election are conducted based on objective criteria and taking into account the need for diversity in the composition of the Board of Directors. The process of searching for and selecting independent directors is

carried out on a competitive basis. The search for and selection of candidates for the Board of Directors, including independent directors, is carried out in accordance with the procedure established by the Corporate Governance Code of the Company, the Regulation and relevant documents of the Fund that apply to the Company.

The search and selection must be completed before the expiration of term of office of the entire Board of Directors."

19. Clause 3.1.5 of paragraph 3.1 of Chapter 3 shall be set out as follows:

“3.1.5. The composition of the Board of Directors must be balanced, which means a combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the executive body), and the Board of Directors and its Committees must maintain a balance of skills, experience and knowledge, ensuring the adoption of independent, objective and effective resolutions in the interests of the Company, taking into account the fair treatment of all shareholders and the principles of sustainable development.”

20. Clause 3.1.9 of paragraph 3.1 of Chapter 3 shall be set out as follows:

“3.1.9. The composition of the Board of Directors must be diverse in terms of experience, personality, age and gender composition to enhance long-term value in accordance with ESG principles.”

21. Clause 3.1.11 of paragraph 3.1 of Chapter 3 shall be set out as follows:

“3.1.11. Members of the Management Board, except for the Chairman of the Management Board, may not be elected to the Board of Directors. The Chairman of the Management Board may not be elected as the Chairman of the Board of Directors.

The following person shall not be elected to the position of member of the Board of Directors:

1) having an outstanding or not removed conviction in accordance with the procedure established by law;

2) previously served as the chairman of the board of directors, head of the executive body, deputy head, chief accountant of another legal entity for a period of no more than 1 (one) year prior to the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure (this requirement shall apply for 5 (five) years after the date of the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure);

3) committed a corruption crime."

22. Clause 3.1.15 of paragraph 3.1 of Chapter 3 shall be set out as follows:

“3.1.15. Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Company and the Corporate Governance Code of the Company.”

23. Paragraph 3.1 of Chapter 3 shall be supplemented with clause 3.1.16-1 of the following content:

“ 3.1.16-1. The Board of Directors shall elect a Senior Independent Director from among the independent directors.

Key functions of the Senior Independent Director include:

1) the function of an advisor to the Chairman of the Board of Directors and providing him with support in communicating the goals he defines;

2) assessment of the performance of the chairman of the board of directors, including the organization of at least annual meetings of independent directors for this purpose;

3) planning the succession of the Chairman of the Board of Directors in close cooperation with the NRC;

4) the function of a mediator in interaction and/or resolution of disagreements in the event of disagreements between shareholders, the Management Board, the Chairman of the Board of Directors and other members of the Board of Directors;

5) be available to shareholders to resolve any issues or questions that they feel have not been adequately addressed through normal communication channels (i.e. through the Chairman of the Board of Directors, the Chairman and/or members of the Management Board);

6) attending a sufficient number of meetings with major shareholders to obtain a balanced understanding of their issues and concerns. "

24. In clause 3.1.27 of paragraph 3.1 of Chapter 3, the word " are familiarized " shall be replaced with the word "are familiarized".

25. Clause 3.2.4 of paragraph 3.2 of Chapter 3 shall be supplemented with subparagraph 9-1) of the following content:

"9-1) if the members of the Board of Directors have different opinions, ensures consideration of all acceptable options and proposals expressed by individual members of the Board of Directors in order to make a resolution that meets the interests of the Company;".

26. Clause 3.3.1.1 of paragraph 3.3 of Chapter 3 shall be amended as follows:

"3.3.1.1. For a more in-depth and high-quality study of issues, conducting a detailed analysis and developing recommendations on a range of the most important issues before their consideration at a meeting of the Board of Directors, the Board of Directors creates committees of the Board of Directors (hereinafter and above – **Committees**) on the following issues:

1) strategic planning;

2) personnel and remuneration;

3) internal audit;

4) social issues;

5) other issues provided for by the internal documents of the Company.

The existence of Committees does not relieve members of the Board of Directors from responsibility for resolutions taken within the competence of the Board of Directors."

27. Item 3.3.1.3 of paragraph 3.3 of Chapter 3 shall be excluded.

28. Clause 3.3.2.1 of paragraph 3.3 of Chapter 3 shall be amended as follows:

"3.3.2.1. The Committees shall consist of members of the Board of Directors and, if necessary (except for the Audit Committee), experts with the necessary professional knowledge to work in a specific Committee."

29. Clause 3.3.2.7 of paragraph 3.3 of Chapter 3 shall be amended as follows:

"3.3.2.7. The Committee Chairmen shall prepare reports on the activities of the Committees and, at a separate meeting, report to the Board of Directors on the results of the activities for the year, and also report at each meeting of the Board of Directors (except for meetings in absentia), if it was preceded by meetings of the Committees, on

the results of these meetings, issues previously considered by the Committees, and on the instructions proposed by the Committees to the bodies, structural divisions and employees of the Company (in this case, the requirements of paragraph 6.6.6 and subparagraph 4) of paragraph 6.6.7 of the Regulations shall apply) ."

30. In subparagraph 13) of paragraph 4.1.1 of section 4.1 of Chapter 4, replace the word “introduction” with the word “introduction”.

31. Subparagraph 15) of paragraph 4.1.1 of section 4.1 of Chapter 4 shall be set out as follows:

“15) demand that the Board of Directors’ resolutions include instructions to the Management Board and/or officials of the Company, Services accountable to the Board of Directors, their heads, heads of structural divisions directly subordinate to the Chairman of the Board of Directors;”.

32. Clause 5.2.1 of paragraph 5.2 of Chapter 5 shall be supplemented with subparagraph 3-1) of the following content:

“3-1) comply with the procedures established by the documents of the Company for preparing and holding meetings of the Board of Directors;”.

33. Subparagraph 7) of paragraph 5.2.1 of section 5.2 of Chapter 5 shall be set out as follows:

“7) attend in-person meetings of the Board of Directors, and if personal attendance is not possible, participate via conference call or Written Opinion in accordance with the Regulation;”.

34. Subparagraph 9) of paragraph 5.2.1 of section 5.2 of Chapter 5 shall be set out as follows:

“9) improve their qualifications in accordance with the internal documents of the Company or resolutions of the Board of Directors, including annually submitting proposals for their professional development to the corporate secretary in a timely manner;”.

35. Subparagraph 20) of paragraph 5.2.1 of section 5.2 of Chapter 5 shall be set out as follows:

“20) to be present at the GMS, at the request of the GMS, the Chairman of the Board of Directors to provide any information within the scope of issues within the competence of the Board of Directors, except for personal and confidential information;”.

36. Supplement paragraph 5.2 of Chapter 5 with clause 5.2.2 of the following content:

“5.2.2. Independent directors must actively participate in the discussion of issues where a conflict of interest may arise (preparation of financial and non-financial reports, conclusion of transactions in which there is an interest, nomination of candidates for the Management Board, establishment of remuneration for members of the Management Board).”

37. Supplement paragraph 5.3 of Chapter 5 with clause 5.3.13 of the following content:

“5.3.13. The process, timing and procedure for conducting the assessment of the activities of the Board of Directors, its Committees and members of the Board of Directors must be clearly regulated in the internal documents of the Company approved

by the Board of Directors, including those providing for training in conducting the assessment for the chairman and members of the Board of Directors."

38. Clause 6.1.1 of paragraph 6.1 of Chapter 6 shall be amended as follows:

"6.1.1. The Board of Directors annually, before the beginning of the calendar year, forms and approves a plan of its work, including a list of issues planned for consideration, and a schedule of meetings with dates, based on the principles of careful planning of the activities of the Board of Directors and the Company, rationality, efficiency and regularity."

39. Clause 6.1.7 of paragraph 6.1 of Chapter 6 shall be set out as follows:

"6.1.7. Members of the Board of Directors may participate in a meeting of the Board of Directors or its Committees via videoconference (interactive audiovisual communication), conference call (simultaneous conversation of members of the Board of Directors in the "telephone conference" mode), other interactive means of communication that allow for the exchange of opinions, confirmation of voting and summing up of its results in real time (hereinafter and above collectively referred to as **Conference Call**).

Conference calling involves exchanging messages via email."

40. Supplement paragraph 6.1 of Chapter 6 with clause 6.1.7-1 of the following content:

"6.1.7-1. When voting by exchanging messages via e-mail, the following conditions must be met:

1) voting is carried out before the date and time specified in the notice sent to the members of the Board of Directors by the corporate secretary; votes received by members of the Board of Directors after this are not taken into account;

2) for voting, a member of the Board of Directors is sent a message by e-mail containing a clearly expressed position of the member of the Board of Directors on each issue on the agenda of the meeting of the Board of Directors, indicating one of three voting options: "for" / "against" / "abstained" (otherwise the vote is not counted);

3) the opening time of the meeting of the Board of Directors shall be the date and time of the first message received by the corporate secretary from a member of the Board of Directors by e-mail that meets the requirements established by this paragraph."

41. Clause 6.1.9 of paragraph 6.1 of Chapter 6 shall be set out as follows:

"6.1.9. In special cases, a combination of both forms of the Board of Directors meeting is possible. This applies to the situation when one or more members of the Board of Directors (no more than 30% [thirty percent]) are unable to attend the Board of Directors meeting in person or participate via conference call. In such a case, the meeting is considered in person. In this case, the absent member of the Board of Directors is considered to have participated in the Board of Directors meeting if he or she has provided the corporate secretary in writing, in advance of the Board of Directors meeting, the results of his or her voting and opinion on all issues on the agenda of such meeting (hereinafter and above, **the Written Opinion**). In this case, the receipt of the Written Opinions is recorded by the corporate secretary, indicating the date and time of receipt of each Written Opinion ."

42. Clause 6.2.3 of paragraph 6.2 of Chapter 6 shall be amended as follows:

“6.2.3. The corporate secretary shall form the agenda of the meeting of the Board of Directors in accordance with paragraph 6.5.2 of the Regulations based on the package of materials provided to the corporate secretary in the established manner.”

43. Clause 6.2.4 of paragraph 6.2 of Chapter 6 shall be amended as follows:

“6.2.4. The agenda of the meeting of the Board of Directors is submitted to the Chairman of the Board of Directors for approval together with a complete package of materials on the agenda items.”

44. Clause 6.2.6 of paragraph 6.2 of Chapter 6 shall be set out as follows:

“6.2.6. The initiator of the convening of a meeting of the Board of Directors shall form a Request for the convening of a meeting of the Board of Directors (hereinafter referred to **as the Request for Convening**) based on a package of materials formed in the established manner.

The request to convene a meeting of the Board of Directors with attached materials prepared in the established manner shall be signed by the initiator who has such right in accordance with the Law and the Charter of the Company, and shall be submitted in the established manner to the Chairman of the Board of Directors and the corporate secretary."

45. Clause 6.3.3 of paragraph 6.3 of Chapter 6 shall be amended as follows:

" 6.3.3. Notification of a meeting of the Board of Directors, as well as the necessary materials attached thereto, shall be sent by the corporate secretary to the members of the Board of Directors in writing or, upon agreement with the members of the Board of Directors, in another manner convenient for them (including by post, fax, electronic or other communication) no later than 7 (seven) calendar days prior to the date of the meeting (and in the case of absentee voting - prior to the deadline for accepting absentee voting ballots), except for cases stipulated by the Charter of the Company. Materials for the meetings of the Board of Directors and its Committees shall be provided by the Company to the members of the Board of Directors via secure remote access based on special software and hardware.

Materials on issues included in the agenda of an in-person meeting of the Board of Directors, revised taking into account comments received from a major shareholder, or based on the results of consideration by the relevant Committee of the Board of Directors after the expiration of the period established for the provision of materials to members of the Board of Directors, are provided to members of the Board of Directors as they are received and are necessarily considered directly at the meeting of the Board of Directors itself.

Comments (if any) from a major shareholder on issues on the agenda of the Board of Directors meetings are provided by the corporate secretary to the members of the Board of Directors before these issues are considered by the relevant Committees of the Board of Directors .”

46. In clause 6.3.4 of paragraph 6.3 of Chapter 6, replace the word “sent” with the word “provided”.

47. Clause 6.3.13 of paragraph 6.3 of Chapter 6 shall be set out as follows:

"6.3.13. In the event of consideration of the issue of making a resolution on concluding a major transaction and (or) a transaction in which there is an interest, information about the transaction must include information about the parties to the transaction, the assets being acquired or alienated (if applicable), the terms and

conditions of the transaction, the nature and volume of the shares of the parties involved, an appraiser's report (if the transaction results in the acquisition or alienation of property worth 10 (ten) percent or more of the book value of the Company's assets), as well as, if there is other information about the transaction.

The Management Board shall ensure that the Board of Directors is provided with information on proposed transactions and investments in advance (at least 30 [thirty] calendar days) . That is, if an issue is planned to be submitted for resolution-making at a specific regular meeting of the Board of Directors, then information on such issue shall be submitted to the previous meeting of the Board of Directors for information.

4 8. Clause 6.3.15 of paragraph 6.3 of Chapter 6 shall be set out as follows:

"6.3.15. In the event of failure to submit the required materials within the time period specified in the Regulations, the Charter and (or) the internal documents of the Company and (or) their submission in an improper form, the issue is not included in the agenda of the meeting and the requirements of paragraph 6.5.7 of the Regulations shall apply to such issue. However, if the issue is initiated by a member of the Board of Directors, the provisions of this paragraph shall not apply."

4 9. Clause 6.5.2 of paragraph 6.5 of Chapter 6 shall be set out as follows:

«6.5.2. The agenda of the meeting of the Board of Directors is formed by the corporate secretary and approved by the chairman of the Board of Directors on the basis of the annual work plan of the Board of Directors, initiatives of the chairman of the Board of Directors or the Management Board, or at the request (proposal, notification) of the bodies (persons) having such right in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. In this case, the corporate secretary, when forming the draft agenda of the meeting of the Board of Directors, must indicate the presence or absence of the issue in the approved work plan of the Board of Directors for the relevant year. If the issue is provided for in the work plan of the Board of Directors for the relevant year, but the materials are not provided and the issue is not included in the agenda of the relevant meeting of the Board of Directors, the corporate secretary requests the responsible persons for the reason and indicates it in the agenda of the meeting of the Board of Directors for the adoption of appropriate measures by the Board of Directors and the Management Board.

The formation and approval of agendas for meetings of the Board of Directors is carried out taking into account strict compliance with the requirements and deadlines established for this purpose ."

50. Clause 6.5.3 of paragraph 6.5 of Chapter 6 shall be amended to read as follows:

“6.5.3. The agenda is approved at the beginning of the meeting of the Board of Directors by a majority vote of the members of the Board of Directors present at the meeting of the Board of Directors and participating in the meeting of the Board of Directors via conference call.

When a resolution is made by the Board of Directors by means of absentee voting, the agenda cannot be changed and/or supplemented."

51. Clause 6.5.7 of paragraph 6.5 of Chapter 6 shall be set out as follows:

" 6.5.7. In the event that issues are included in the agenda with a violation of the deadlines, the Chairman of the Board of Directors shall be provided with a petition signed by the Chairman of the Management Board or the person replacing him/her, to

include an additional issue in the agenda of the upcoming meeting of the Board of Directors with exhaustive justification for this need. This process may be described in more detail in an internal document of the Company approved by the Board of Directors.

The corporate secretary informs the Board of Directors and the Chairman of the Management Board about all cases of untimely submission of materials for meetings of the Board of Directors and untimely submission of issues for consideration by the Board of Directors at scheduled meetings of the Board of Directors, indicating the person(s) responsible for providing materials and his (their) immediate supervisor(-s) as part of the information on the discipline of interaction between the Company's management and the Board of Directors, in accordance with paragraph 6.11.1 of the Regulation.

The Chairman of the Management Board, based on the results of receiving information from the corporate secretary on cases of untimely submission of materials for meetings of the Board of Directors, takes measures to improve executive discipline in terms of providing materials for meetings of the Board of Directors and its Committees and, based on the results, provides the relevant information for the next scheduled meeting of the Board of Directors as a separate agenda item .

52. Clause 6.6.2.2 of paragraph 6.6 of Chapter 6 shall be set out as follows:

“6.6.2.2. The quorum for holding a meeting of the Board of Directors on issues specified in subparagraphs 1), 7), 9), 10-17), 26-37), 46-47), 49-50) of paragraph 106 of the Company’s Charter shall be two-thirds of the members of the Board of Directors, while the majority of independent directors must participate in the meeting of the Board of Directors.

If the total number of members of the Board of Directors is insufficient to achieve the quorum specified in the previous paragraph of this clause, the consideration of the said issues shall be postponed to the next meeting of the Board of Directors. When reconsidering the issues specified in the previous paragraph of this clause, the requirements for the quorum and the number of independent directors shall not apply."

53. Item 6.6.2.3 of paragraph 6.6 of Chapter 6 shall be excluded.

54. Clause 6.6.4.1 of paragraph 6.6 of Chapter 6 shall be amended as follows:

"6.6.4.1. In the absence of a quorum for making a resolution on an item on the agenda of a meeting that provides for a special quorum requirement in accordance with the Company's Charter, by resolution of the members of the Board of Directors, such an item shall be excluded from the agenda of such a meeting of the Board of Directors, or shall be retained on the agenda and considered, but no resolution shall be made on its merits."

55. Clause 6.6.6 of paragraph 6.6 of Chapter 6 shall be amended as follows:

" 6.6.6. If during a meeting of the Board of Directors a member of the Board of Directors proposes that the Board of Directors give the Management Board and/or the Company's officials, the Services accountable to the Board of Directors and/or their heads, the heads of structural divisions directly subordinate to the Chairman of the Board of Directors an assignment, its wording must be clear, with an indication of the deadlines and the persons responsible. In this case, taking into account paragraph 2.2 of the Regulation, the following must be heard and discussed:

1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;

2) in the case of instructions to structural divisions accountable to the Board of Directors – the opinion of the heads of such divisions.

An order is given on behalf of the Board of Directors if the majority of the Board of Directors members who participated in the meeting of the Board of Directors in person or via conference call voted for it, and must be included in the resolution of the Board of Directors on the agenda item under consideration.

In this case, if some of those who participated voted by means of a Written Opinion, the minutes of such a meeting of the Board of Directors shall reflect that they did not vote for the assignment proposed during the meeting of the Board of Directors itself, and the voting results shall be summed up taking this into account .”

56. Supplement paragraph 6.6 of Chapter 6 with clause 6.6.6-1 of the following content:

“6.6.6-1. A major shareholder may:

1) attend in person the meetings of the Board of Directors;

2) receive notifications of upcoming meetings of the Board of Directors and materials on Board of Directors issues no less than 7 (seven) calendar days before the date of the meeting of the Board of Directors;

3) present their position (opinion) at meetings of the Board of Directors through the corporate secretary on the following issues:

a) preliminary approval of the dividend policy of the Company, approval of the procedure for distributing the net income of the Company for the reporting financial year, making a resolution on the payment of dividends on common shares and determining the amount of dividend per common share of the Company;

b) resolutions on the participation of the Company in the creation or activities of other legal entities or alienation (withdrawal) from the membership (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets, in total amounting to more than 10% (ten percent) of all assets belonging to the Company;

c) the placement (sale) of shares, including the number of shares being placed (sold) within the number of declared shares, the method and price of their placement (sale);

d) the repurchase by the Company of the issued shares and the price of their repurchase;

d) determining priority areas of the Company’s activities;

e) an increase in the Company’s liabilities by an amount equal to 25 (twenty-five) percent or more of the amount of its equity capital;

g) provision by the Company of a guarantee to ensure the fulfillment of obligations of third parties, in the event that it is impossible to determine the size (amount) of the Company’s obligations, with the exception of letters of comfort and guarantees issued to ensure the fulfillment of obligations when affiliated persons of the Company participate in tenders (competitions);

4) within 5 (five) working days after the closing of the meeting of the Board of Directors, receive the minutes of the meeting of the Board of Directors and the resolutions of the Board of Directors adopted by absentee voting for review and (or) extracts from the minutes and resolutions certified by the signature of the corporate secretary.

The corporate secretary is obliged to present (in full, unambiguously, without distorting the meaning) at the meeting of the Board of Directors the position (opinion) received from the major shareholder on the issues on the agenda of the meeting of the Board of Directors, with the position (opinion) of the major shareholder recorded in the minutes of the meeting of the Board of Directors. On the issues specified in this paragraph, the Board of Directors makes resolutions taking into account the information received on the position of the major shareholder."

57. Subparagraph 2) of paragraph 6.6.7 of section 6.6 of Chapter 6 shall be set out as follows:

“2) a presentation by a member of the Board of Directors or an invited person with a report on an agenda item, while on an item initiated by the Board of Directors, the report must be presented by the supervising member of the Board of Directors and/or the head of the responsible structural unit;”.

5 8. Subparagraph 4) of paragraph 6.6.7 of section 6.6 of Chapter 6 shall be set out as follows:

“ 4) proposals for the formulation of a resolution on an agenda item, including a detailed discussion of comments and instructions proposed by members of the Board of Directors;”.

5 9. Clause 6.8.2 of paragraph 6.8 of Chapter 6 shall be set out as follows:

“6.8.2. Resolutions of the Board of Directors are taken by a simple majority of votes of the members of the Board of Directors (except for cases stipulated by the Charter of the Company) who took part, unless otherwise provided by the legislation of the Republic of Kazakhstan.”

60. Clause 6.9.1 of paragraph 6.9 of Chapter 6 shall be amended as follows:

"6.9.1. The resolutions of the Board of Directors that were taken at a meeting held in person are recorded in minutes, with a full indication of the results of the discussions and resolutions taken. The minutes of the meeting of the Board of Directors are recorded in accordance with the Company Charter, the Company Corporate Governance Code, the Regulations and other applicable internal documents of the Company."

61. Clause 6.9.6 of paragraph 6.9 of Chapter 6 shall be set out as follows:

“6.9.6. If a member of the Board of Directors voted “abstain” on an issue submitted to the Board of Directors for consideration, the minutes of the meeting (absentee voting resolution) of the Board of Directors shall indicate the corresponding reason for such a vote.”

62. Item 6.9.8 of paragraph 6.9 of Chapter 6 shall be excluded.

63. Clause 6.11.1 of paragraph 6.11 of Chapter 6 shall be set out as follows:

“6.11.1. The Board of Directors exercises control over the implementation of its resolutions/instructions by reviewing reports from the Management Board, the Chairmen of the Board of Directors Committees, the Internal Audit Service, structural divisions accountable to the Board of Directors, and the Corporate Secretary on the implementation and/or progress of the implementation of the Board of Directors’ resolutions/instructions, which are submitted to each meeting of the Board of Directors, unless another period is established by the Board of Directors.

Information on the status of the execution of resolutions of the Board of Directors (for example, on the conclusion of a transaction, replenishment of the authorized capital

of a subsidiary dependent organization (hereinafter referred to as **SDO**), changes to the charter of a SDO, etc.) is reviewed by the Board of Directors 1 (one) time per six months.

Information on the status of execution of the Board of Directors' orders is reviewed by the Board of Directors on a monthly basis.

Information on the status of the implementation of resolutions/instructions of the Board of Directors is included as a separate item on the agenda of the Board of Directors meeting.

If, during the consideration of the Board of Directors, facts are established that the resolutions/instructions of the Board of Directors have not been implemented within the timeframe established by the Board of Directors, the responsible persons (the Chairman of the Management Board and/or the Chairman of the Board of Directors) take appropriate measures and the relevant information on the measures taken is provided at the next meeting of the Board of Directors.

If no action is taken or information is not provided, the corporate secretary will inform the Board of Directors.

On a quarterly basis, as part of the issue of the status of execution and (or) the progress of execution of resolutions/instructions of the Board of Directors, the Board of Directors reviews information on the discipline of interaction between the Company's management and the Board of Directors."

64. Clause 6.11.2 of paragraph 6.11 of Chapter 6 shall be set out as follows:

" 6.11.2. The Corporate Secretary communicates the resolutions made and the corresponding instructions to the Chairman of the Board, responsible members of the Board, Services accountable to the Board of Directors, and responsible structural divisions, and informs the Board of Directors of the deadlines for the implementation of the Board of Directors' resolutions.

The Chairman of the Board is responsible for the implementation of resolutions/instructions of the Board of Directors addressed to the Management Board, who ensures:

1) appointment of persons responsible for the implementation of resolutions/instructions of the Board of Directors;

2) communicating resolutions/instructions of the Board of Directors to responsible persons;

3) control over the execution (including deadlines for execution) of resolutions/instructions of the Board of Directors;

4) providing the Board of Directors and/or the corporate secretary for the Board of Directors with information on the implementation of resolutions/instructions of the Board of Directors.

The deadlines for the execution of resolutions/instructions of the Board of Directors shall be calculated from the date of the meeting of the Board of Directors. If a deadline for the execution of a specific resolution/instruction was named at a meeting of the Board of Directors, the person(s) present, to whom the resolution was made/instruction given with the specified deadline, shall begin executing the resolution/instruction of the Board of Directors immediately after the meeting of the Board of Directors, without waiting for the receipt by him/her of an extract from the minutes of the Board of Directors. Personal responsibility for the timely and high-quality execution of the minutes of the resolutions/instructions of the Board of Directors shall

be borne by the executors to whom the instruction was given and by the managers (directly reporting to the Chairman of the Board) supervising the relevant area of activity."

65. Throughout the text of Annex No. 1, the word “Nur -Sultan” is replaced by the word “Astana”.

66. The preamble to the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"Joint Stock Company National Company KazMunayGas (hereinafter referred to **as the Company**), represented by the Chairman of the Board of Directors of the Company _____, acting on the basis of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and in accordance with the resolution of the General Meeting of Shareholders of the Company (minutes No. ____ dated _____ 20___), on the one hand, and Mr. _____, citizen of _____, passport No. _____, issued by _____, elected as an independent director of the Company (hereinafter referred to as **the Director**), in accordance with the resolution of the General Meeting of Shareholders of the Company (minutes No. ____ dated _____ 20___), on the other hand, hereinafter jointly referred to as the Parties, and individually as a Party or as indicated above, have entered into this agreement (hereinafter referred to as **the Agreement**) as follows:".

67. Clause 1, Chapter 1 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"1. This Agreement establishes the rights and obligations of the Director of the Company, as a member of the Board of Directors of the Company, in accordance with the current legislation of the Republic of Kazakhstan (hereinafter referred to **as the legislation**), the Charter, the Corporate Governance Code and internal documents of the Company, as well as the obligation of the Company to pay the Director remuneration and compensate expenses associated with the performance of duties, in accordance with this Agreement and the resolutions of the General Meeting of Shareholders of the Company. "

6 8. Subparagraph 4) of paragraph 3 of Chapter 2 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“4) receive remuneration from the Company, as well as compensation for expenses related to the performance of duties of a member of the Board of Directors, in the manner prescribed by the Company’s charter, resolutions of the General Meeting of Shareholders of the Company, internal documents of the Company and this Agreement;”.

6 9. Subparagraph 6) of paragraph 3 of Chapter 2 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“6) to become familiar with the resolutions of the General Meeting of Shareholders of the Company, the minutes and resolutions of the meetings of the Board of Directors of the Company, the minutes of the meetings of the committees of the Board of Directors of the Company, the auditor’s reports, with the exception of information that is, in accordance with the law, a state secret;”.

70. Subparagraph 4) of paragraph 6 of Chapter 3 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"4) implement resolutions of the General Meeting of Shareholders of the Company, resolutions of the Board of Directors of the Company, provided that such resolutions comply with the law, the Charter of the Company and do not, in the opinion of a member of the Board of Directors, contradict the interests of the shareholders and/or the Company;".

71. In subparagraph 5) of paragraph 6 of Chapter 3 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1, replace the word “general” with the word “General”.

72. Subparagraph 8) of paragraph 6 of Chapter 3 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“8) at the request of the General Meeting of Shareholders/Chairman of the Board of Directors of the Company, provide any information within the scope of issues within the competence of the Board of Directors of the Company, except for personal and confidential information;”.

73. Clause 7 of Chapter 3 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"7. The Director provides consent to the Company for the collection and processing of his data (information related to the Director, recorded on electronic, paper and (or) other tangible media), in writing or in the form of an electronic document or in another way using elements of protective actions that do not contradict the law)."

74. Subparagraph 2) of paragraph 8 of Chapter 4 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"2) at any time, terminate this Agreement early if the General Meeting of Shareholders of the Company decides to terminate early the powers of the Board of Directors of the Company, taking into account that all expenses and compensations not paid by the time of termination of the Agreement will be paid in proportion to the period of work of the Director;".

75. Subparagraph 1) of paragraph 9 of Chapter 5 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“1) pay the Director the remuneration stipulated by this Agreement in a timely manner and in full, and also compensate for expenses related to the performance of his duties as a member of the Board of Directors of the Company, under the terms of this Agreement and other resolutions of the General Meeting of Shareholders of the Company;”.

76. Subparagraph 4) of paragraph 9 of Chapter 5 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“4) insure the Director’s liability in accordance with the terms of the relevant insurance contract from the date of election and at the expense of the Company, and also

perform other duties stipulated by law, the charter and internal documents of the Company;”.

77. In the first paragraph of clause 10 of Chapter 6 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1, replace the words “shareholder owning all voting shares” with the words “General Meeting of Shareholders”.

78. Clause 11 of Chapter 6 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“11. The Company shall reimburse the Director for expenses related to travel to meetings of the Board of Directors, committees of the Board of Directors and meetings initiated by the Chairman of the Board of Directors of the Company and/or the Chairman of the Management Board of Samruk-Kazyna JSC , held outside the Director’s permanent place of residence:

1) travel (in amounts not exceeding the cost of business class air tickets), including transfer (taxi);

2) accommodation (at actual costs, in accordance with the standards of provision determined for members of the boards of directors of portfolio companies of JSC Samruk-Kazyna , including booking expenses);

3) daily allowance (within the limits of the reimbursement of travel expenses for the Chairman of the Board of the Company, established by the internal document of the Company);

5) scanning, photocopying, faxing, printing, document printing, and Internet access services in the Republic of Kazakhstan;

6) courier and postal services.

Reimbursement of travel expenses, including transfer (taxi), for scanning, photocopying, faxing, printing, document printing, Internet access in the Republic of Kazakhstan, for courier and postal services is made by the Company based on actual expenses upon presentation of supporting documents. Only documented expenses are subject to reimbursement.

Compensation for accommodation expenses is made based on actual costs, but not more than the cost of a single room classified as a luxury room, including booking costs, upon presentation of supporting documents.

Reimbursement of expenses is made by the Company upon presentation of supporting documents by the Director."

7 9. In paragraph 13 of Chapter 6 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1, replace the words “person owning all voting shares” with the words “General Meeting of Shareholders”.

80. Clause 14 of Chapter 6 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"14. In the event of termination of the Director's powers due to his negligence, violation of the terms of his appointment and this Agreement, or the existence of an act proving the fact of his intentional misleading (deception) of the Company and (or) the General Meeting of Shareholders of the Company or deliberate neglect of his duties, then in such cases the Director receives payments for the period of work before the incident occurred (when this fact became known) and/or until the term of termination of powers."

81. Clause 16 of Chapter 7 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“16. The Director shall be liable to the Company for damages and losses caused to the Company by the culpable actions (inactions) of the Director, including in the event of his violation of the requirements of subparagraph 15) of paragraph 6 of this Agreement, unless other grounds and extent of liability are established by the laws of the Republic of Kazakhstan or judicial authorities.”

82. Clause 19 of Chapter 8 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“19. The Agreement shall enter into force on the date of the adoption by the General Meeting of Shareholders of the Company of a resolution to elect the Director and shall be valid until the date of termination of the Director’s powers.”

83. Clause 20 of Chapter 8 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

“20. The Company has the right at any time, with or without grounds, to terminate the Agreement with the Director early in accordance with the resolution of the General Meeting of Shareholders of the Company.”

84. Clause 22 of Chapter 8 of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC in Annex No. 1 shall be set out as follows:

"22. The date of termination of this Agreement shall be the earliest of the following dates: (1) the date of termination of the powers of the Board of Directors of the Company in accordance with the resolution of the General Meeting of Shareholders of the Company, (2) the date of the adoption of a resolution (or the date specified in the resolution) of the General Meeting of Shareholders of the Company on the issue of early termination of the powers of the Director, or (3) the date of receipt (or the date specified in the notice) by the Board of Directors of the Company of notice from the Director of early termination of his powers on his own initiative."

85. In Chapter 10 of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas, in Annex No. 1, exclude the words “Christopher John Walton”.

Annex to the draft resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated "___" May 2025 No._____

Explanatory note to the item
"On amendments and additions to the Regulations on the Board of Directors of NC KazMunayGas JSC"

Astana «__» _____2025

1. Purpose and objective

Amendments and additions to the Regulations on the Board of Directors NC "KazMunayGas" JSC (hereinafter referred to as **the Company, KMG**).

2. Economic effect

Not provided.

3. Background

In accordance with clause 2 of Article 35, sub-clause 18) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan "On Joint-Stock Companies" dated 13 May 2003 (hereinafter referred to as the **Law on JSC**), sub-clause 10) of clause 98 of Article 12 of the Charter of "National Company "KazMunayGas" Joint-Stock Company, as approved by the resolution of the Annual General Meeting of Shareholders of NC "KazMunayGas" JSC dated 30 May 2023 (Minutes No.2\2023, item No.5), as amended by the resolution of the Annual General Meeting of Shareholders of NC KazMunayGas JSC dated 28 May 2024 (Minutes No.1/2024, item No.8), (hereinafter referred to as the **Company Charter**), sub-clauses 22) and 25) of clause 32 of Chapter 7 of the Regulation on the General Meeting of Shareholders of "National Company "KazMunayGas" Joint-Stock Company approved by the resolution of the entity holding all the voting shares of KMG dated 2 December 2022 (Minutes No.66/22 of the meeting of the Management Board of "Samruk-Kazyna" JSC, item No.5) (hereinafter referred to as the **Regulation on GMS**),

clause 7.4 of Chapter 7 of the Regulations on the Board of Directors of 'National Company 'KazMunayGas' JSC, approved by the resolution of the Annual General Meeting of Shareholders of KMG dated 30 May 2023 (Minutes No.2\2023, item No.6), as amended, amended by the resolution of the General Meeting of Shareholders of KMG dated 6 November 2023 (Minutes No.5/2023, item No.2), (hereinafter referred to as **the Regulations on the BoD**), approval of the Regulations of the BoD and the standard contract concluded with the members of the Board of Directors of KMG (hereinafter referred to as **the BoD**) falls within the exclusive competence of the General Meeting of Shareholders of the Company.

The current Regulations on the BoD were approved by the resolution of the Annual General Meeting of Shareholders of the Company dated 30 May 2023 (Minutes No.2\2023, item No.6) and the Regulations on the BoD were amended by the resolution of the General Meeting of Shareholders of the Company (hereinafter referred to as **GSM**) dated 6 November 2023 (Minutes No.5/2023, item No.2).

At the same time, the following factors have arisen that require amendments and additions to the Regulations on the BoD:

I. The Company's Corporate Governance Code (hereinafter referred to as the Code) was approved by the Annual General Meeting of Shareholders on 28 May 2024 (Minutes No.1/2024, item No.4). In this regard, the proposed amendments and additions are aimed at bringing the Regulations on the BoD into compliance with the Code.

II. By the resolution of the BoD dated 5 June 2024 (Minutes No.14/2024, item No.6 [clause 1]), the word ‘remuneration’ was replaced by the word ‘remuneration’ in the name of the Nomination and Remuneration Committee of the BoD.

By the resolution of the BoD dated 11 February 2025 (Minutes No.1/2025, item No.6), a senior independent director was elected and KMG's Corporate Secretary was instructed to take measures to include the functions of the senior independent director in the Regulations on the BoD in accordance with the established procedure.

By the resolution of the BoD dated 20 December 2024 (Minutes No.25/2024, issue No.4 [clause 4]), the KMG Management Board and KMG's responsible structural subdivisions were instructed to take measures to make appropriate amendments and additions to KMG's internal documents in accordance with the established procedure by 31 July 2025, including in accordance with the following instructions of the BoD:

1) dated 4 November 2021 (Minutes No.18/2021, issue No.1): *“To the Corporate Secretary of NC KazMunayGas JSC D.V. Sharipov, when preparing meetings of the Board of Directors of NC KazMunayGas JSC after the expiration of the period established for the provision of materials to members of the Board of Directors of NC KazMunayGas JSC, not to provide members of the Board of Directors of NC KazMunayGas JSC with materials on the agenda items of the meeting, revised taking into account the comments received from JSC Samruk -Kazyna - such materials must be considered at the meeting of the Board of Directors of NC KazMunayGas JSC itself.”* (it is proposed to make the corresponding change to clause 6.3.3 of paragraph 6.3 *“Notification of members of the Board of Directors about the convening and holding of a meeting of the Board of Directors”* of Chapter 6 *“Regulations for the work of the Board of Directors”*);

2) of 6 April 2022 (Minutes No.6/2022, item No.15): *"The Management Board of NC KazMunayGas JSC shall ensure that the Board of Directors of NC KazMunayGas JSC is provided with information on proposed transactions and investments in advance (1 (one) month in advance). That is, if the issue is planned to be submitted for Resolution-making at a specific regular meeting of the Board of Directors of NC KazMunayGas JSC, then information on such issue shall be submitted to the previous meeting of the Board of Directors of NC KazMunayGas JSC for information."* (the corresponding change is proposed to be made to clause 6.3.13, paragraph 6.3 *"Notification of the members of the Board of Directors about the convening and holding of a meeting of the Board of Directors"* of Chapter 6 *"Regulations on the work of the Board of Directors* ");

3) of 6 April 2022 (Minutes No.6/2022, item No.18): *“To the Chairman of the Board of Directors of NC KazMunayGas JSC, to tighten the process of forming agendas for meetings of the Board of Directors of NC KazMunayGas JSC, including strictly adhering to the established requirements and deadlines. Corporate Secretary of NC KazMunayGas JSC D.V. Sharipov shall inform the Board of Directors of NC KazMunayGas JSC and the Chairman of the Management Board of NC KazMunayGas*

JSC on a monthly basis about all cases of untimely submission of materials for meetings of the Board of Directors of NC KazMunayGas JSC, indicating the responsible executor and immediate supervisor at the level of the Director of the Department. The Management Board of NC KazMunayGas JSC, based on the results of receiving information from the corporate secretary of NC KazMunayGas JSC on cases of untimely submission of materials for meetings of the Board of Directors of NC KazMunayGas JSC, shall take measures to improve executive discipline in terms of providing materials for meetings of the Board of Directors of NC KazMunayGas JSC and its Committees and, based on the results, provide the relevant information to the Board of Directors of NC KazMunayGas JSC." (it is proposed to make the corresponding change to clauses 6.5.2 and 6.5.7 of paragraph 6.5 *"Agenda of the meeting of the Board of Directors"* of Chapter 6 *"Regulations on the work of the Board of Directors"*);

4) of 15 June 2022 (Minutes No.11/2022, item No.10): *"The Management Board of NC KazMunayGas JSC shall ensure that at meetings of the Board of Directors of NC KazMunayGas JSC or its committees, reports on agenda items are presented by the management of NC KazMunayGas JSC."* (the corresponding change is proposed to be made to clause 6.6.7 of paragraph 6.6 *"Regulations for meetings of the Board of Directors"* of Chapter 6 *"Regulations for the work of the Board of Directors"*);

5) of 5 July 2024 (Minutes No.15/2024, item No.9): *"The Director of the Oil and Gas Assets Department of JSC Samruk-Kazyna Korotkov I.F. shall send to the Corporate Secretary of NC KazMunayGas JSC Sharipov D.V. comments/conclusions of the structural divisions of JSC Samruk-Kazyna on the agenda items of the meetings of the Board of Directors of NC KazMunayGas JSC for submission to the members of the Board of Directors of NC KazMunayGas JSC prior to their consideration by the relevant committees of the Board of Directors of NC KazMunayGas JSC."* (the corresponding change is proposed to be made to clause 6.3.3 of paragraph 6.3 *"Notification of the members of the Board of Directors about the convening and holding of a meeting of the Board of Directors"* of Chapter 6 *"Regulations on the work of the Board of Directors"*).

III. KMG received a letter from the Fund dated 14 March 2025 No.04 1 09/1500 (hereinafter referred to as **the Fund' Letter**) containing the following requirements for KMG: *" The Fund undertakes* **to** *represent the position (opinion) of the National Bank at meetings of the KMG Board of Directors through the corporate secretary of the KMG Board of Directors on the following issues:*

- *preliminary approval of KMG's dividend policy, approval of the procedure for distributing KMG's net income for the reporting financial year, making a Resolution on the payment of dividends on common shares and determining the amount of dividend per one common share of KMG;*
- *Resolutions on KMG's participation in the creation or activities of other legal entities or alienation (withdrawal) from the composition of participants (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets, in total constituting more than 10% of all assets belonging to KMG;*
- *placement (sale) of shares, including the number of shares being placed (sold) within the number of declared shares, the method and price of their placement (sale);*

- *the repurchase of KMG's issued shares and the price of their repurchase;*
- *determining priority areas of KMG's activities;*
- *an increase in KMG's liabilities by an amount equal to 25% or more of its equity capital;*
- *provision by KMG of a guarantee to ensure the fulfillment of obligations of third parties, in the event of the impossibility of determining the size (amount) of KMG's obligations, with the exception of letters of comfort and guarantees issued to ensure the fulfillment of obligations when KMG's affiliates participate in tenders (competitions).*

In this regard, the Fund informs about the need for KMG and the KMG Corporate Secretary to comply with the following in the established manner on the above-mentioned issues:

1) notify the National Bank in writing of upcoming meetings of the KMG board of directors and provide the National Bank with materials on the issues of the board of directors at least 7 calendar days before the date of the meeting, in accordance with the KMG Charter and the Law of the Republic of Kazakhstan "On Joint-Stock Companies";

2) provide copies of the minutes of shareholders' meetings and (or) meetings of the board of directors to the National Bank within 5 working days after the closing of the meeting (session);

3) express (in full, unambiguously, without distorting the meaning) the position (opinion) of the National Bank on the agenda items at meetings of the KMG board of directors, with the position (opinion) of the National Bank recorded in the minutes of the meeting of the KMG board of directors."

According to the Law on JSC, the rights of a shareholder are determined by the Law on JSC and the Company's Charter, but nothing specified in the Fund's Letter is enshrined in the Law on JSC and the Company's Charter as shareholder rights; it is proposed that what is specified in the Fund's Letter be set out in the Regulations on the BoD as the opportunities of a major shareholder. In particular, taking into account that the Resolutions of the BoD and its committees, discussions on them, are included in the List of information constituting a commercial or other secret protected by the legislation of the Republic of Kazakhstan of NC "KazMunayGas" JSC, approved by the resolution of the BoD dated May 31, 2018 (Minutes No.7/2018, item No.22), it is proposed that the possibility of a major shareholder receiving copies of the minutes of meetings/Resolutions of the BoD be set out based on paragraph 6 of Article 58 of the Law on JSC: *" The secretary of the board of directors, at the request of a member of the board of directors, is obliged to provide him with the minutes of the meeting of the board of directors and the Resolutions taken by absentee voting for review and (or) issue him extracts from the minutes and Resolutions, certified by the signature of an authorized employee of the company."*

In pursuance of the above-mentioned Found' Letter, it became necessary to update the Regulations on the BoD by making a corresponding addition to paragraph 6.6 *"Regulations for meetings of the Board of Directors"* of Chapter 6 *"Regulations for the work of the Board of Directors"* of the Regulations on the BoD.

IV. It is also proposed to introduce amendments and additions of a clarifying and editorial nature to the Regulation on the BoD, including:

1) addition of paragraph 2.5-1 to Chapter 2 *"Goals, Objectives and Functions",* which limits the ability of the BoD to adjust and/or invalidate Resolutions it has previously made, as well as to extend the effect of its Resolutions, if necessary;

2) exception from clause 6.1.9 of paragraph 6.1 *"Conducting meetings of the Board of Directors in a planned manner"* of Chapter 6 *"Regulations for the work of the Board of Directors"* that changing the agenda of a meeting held in a mixed format is not permitted, due to the fact that this contradicts clauses 6.5.4, 6.5.6, 6.5.8 of paragraph 6.5 *" Agenda of the meeting of the Board of Directors "* of Chapter 6 *"Rules of Procedure of the Board of Directors"* ;

3) addition of sub-clause 15) of clause 4.1.1 of paragraph 4.1 *"Rights of a member of the Board of Directors"* Chapter 4 *"Rights"* and clause 6.6.6 of paragraph 6.6 *"Regulations of the meetings of the Board of Directors"* of Chapter 6 *"Regulations of the work of the Board of Directors"* services accountable to the BoD, their heads, heads of structural divisions directly reporting to the Chairman of the Management Board of KMG, in order to expand the range of bodies, structural divisions, persons to whom the BoD can give instructions, including taking into account the updated structure of the central office of KMG, which will be put into effect on April 14, 2025.

V. In addition to the above, it is proposed to make clarification and editorial changes to Annex No.1 *"AGREEMENT with a member of the Board of Directors of NC KazMunayGas JSC"* to the Regulation on the BoD, including:

1) exclusion from the text of the wording *"person owning all voting shares"*, due to the fact that the supreme body of KMG is the General Meeting of Shareholders of KMG;

2) amendment of subparagraph 2) of paragraph 11 of Chapter 6 *"Remuneration and compensation paid to the Director"* of the Agreement with a member of the Board of Directors of NC KazMunayGas JSC, concerning compensation for living expenses, with the aim of improving its correlation with the Fund's Letter.

On 10 – 11 April 2025, the Board of Directors of the Company resolved (Minutes No.6/2025, item No.2) to convene the Annual General Meeting of Shareholders of the Company (hereinafter referred to as the **AGM**) on 29 May 2025, one of the items on the agenda is the amendment of the Regulations on the BoD.

Based on the above, it is proposed to amend and supplement the Regulations on the BoD, according to the annex submitted to the draft resolution on this issue.

In accordance with clause 1 of Article 50 of the Law on JSC, clause 91 of Article 11 and clause 99 of Article 12 of the Company's Charter, clause 79 of Chapter 16 of the Regulations on the GMS, voting on this issue requires a simple majority of votes of the total number of voting shares of KMG participating in the voting, and voting is carried out on the principle of 'one share - one vote'.

4. Conformity to applicable law

The adoption of a resolution on the submitted issue does not contradict the legislation of the Republic of Kazakhstan.

5. Main problems, risks, possible consequences in case of adopting or failure to adopt the resolution

Adoption of a decision on this issue will not entail any risks.

If a resolution on this issue is not adopted, it will entail the risk of certain provisions of the Regulations on the BoD do not comply with the Code and that the fail to fulfil their respective instructions of the BoD and the Fund.

Comparison table

amendments and additions to the Regulation on the Board of Directors of National Company KazMunayGas JSC, approved by the resolution of the annual General Meeting of Shareholders of NC KazMunayGas JSC dated May 30, 2023 (minutes No. 2/2023, issue No. 6), with amendments introduced by the resolution of the General Meeting of Shareholders of JSC NC KazMunayGas dated November 6, 2023 (Minutes No. 5/2023, item No. 2), (hereinafter referred to as **the Regulation**)

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1	Clause 1.3. of Chapter 1 "General Provisions"	1.3. The Board of Directors is the management body of the Company, accountable to the General Meeting of Shareholders of the Company (hereinafter referred to as **the GMS**), ensuring general management of the Company's activities and control over the activities of the collegial executive body of the Company (hereinafter referred to as **the Management Board**). The resolutions of the Board of Directors are taken in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as **the RK**), the Charter of the Company, the Corporate Governance Code of the Company and the Regulation.	1.3. The Board of Directors is the management body of the Company, accountable to the General Meeting of Shareholders of the Company (hereinafter referred to as **the GMS**), ensuring general **(strategic)** management of the Company's activities and control over the activities of the collegial executive body of the Company (hereinafter referred to **as the Management Board**), **as well as the implementation of the provisions of the Company's Corporate Governance Code.** The resolutions of the Board of Directors are taken in accordance with the procedure determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as **the RK**), the Charter of the Company, the Corporate Governance Code of the Company and the Regulation.	Clause 58 of Chapter 5 of the Corporate Governance Code: " *58. The board of directors is a management body accountable to the general meeting of shareholders, ensuring strategic management of the organization and control over the activities of the executive body, as well as the implementation of all provisions of this code."*
2	Clause 1.4. Chapter 1 "General Provisions"	1.4. In its activities, the Board of Directors is guided by the legislation of the Republic of Kazakhstan, including the Law of the Republic of Kazakhstan "On Joint-Stock Companies" (hereinafter referred to **as the Law**) and the Law of the Republic of Kazakhstan "On the National Welfare Fund" (hereinafter referred to as the Fund), the Charter of the Company, the Regulation, the Corporate Governance Code of the Company and other internal documents of the Company, as well as documents of the Fund that apply to the Company.	1.4. In its activities, the Board of Directors is guided by the legislation of the Republic of Kazakhstan, including the Law of the Republic of Kazakhstan "On Joint Stock Companies" (hereinafter referred to **as the Law**) and the Law of the Republic of Kazakhstan "On the National Welfare Fund" (hereinafter referred to **as the Fund**), **the requirements of the Exchanges, on which the Company's shares are traded: Astana International Exchange (AIX) and JSC Kazakhstan Stock Exchange (KASE),** The Charter of the Company, the Regulation, the Corporate Governance Code of the Company and other internal documents of the Company, as well as the documents of the Fund that apply to the Company.	Requirements that the Society must adhere to.
3	Clause 1.5. of Chapter 1 "General Provisions"	1.5. The Board of Directors is responsible to the General Meeting of Shareholders for the general management of the Company's activities. The resolutions of the General Meeting of Shareholders taken within its competence are binding on the Board of Directors. The Board of Directors annually reports on its activities to the General Meeting of Shareholders by submitting a report on the work performed based on the results of the previous year by including it in the annual report of the Company.	1.5. The Board of Directors shall be responsible to the General Meeting of Shareholders for the general management of the Company's activities. The resolutions of the General Meeting of Shareholders taken within its competence are binding on the Board of Directors. The Board of Directors shall annually report on its activities to the General Meeting of Shareholders by submitting a report on the work performed based on the results of the previous year, **which shall reflect the results of the activities of the Board of Directors and its Committees for the reporting period, the measures taken by the Board of Directors to increase the long-term value and sustainable development of the organization, the main risk factors, significant events, the issues considered, the number of meetings, the form of meetings,**	Clause 62 of Chapter 5 of the Corporate Governance Code: *"62. The Board of Directors is accountable to the shareholders for the results of the organization's activities. At the annual general meeting of shareholders (hearing), the Chairman of the Board of Directors provides the shareholders (participants) with a report of the Board of Directors, which reflects the results of the activities of the Board of Directors and its committees for the reporting period, the measures taken by the Board of Directors to increase the long-term value and sustainable development of the organization, the main risk factors, significant events, issues considered, the number of meetings, the form of meetings, attendance, as well as other important information - the report of the Board of*

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			attendance, as well as other important information, by including it in the annual report of the Company. **The Board of Directors also annually reports on compliance with the standards of the Company's Corporate Governance Code to the General Meeting of Shareholders by including a corresponding report in the Company's annual report.**	*Directors is included in the annual report of the organization.* *The Board of Directors shall report annually to shareholders on compliance with the provisions of this Code."*
4	Clause 1.7. of Chapter 1 "General Provisions"	1.7. The Board of Directors and the Management Board must ensure the growth of long-term value and sustainable development of the Company.	1.7. SD and the Management Board must ensure the growth of the long-term value of the Company, **and also ensure the formation of an appropriate system in the field of sustainable development and its implementation. The Board of Directors exercises strategic leadership and control over the implementation of the system in the field of sustainable development in the Company .**	Clause 144 of Chapter 6 of the Corporate Governance Code: *"144. ...* *The board of directors and the executive body of the fund and organizations ensure the formation of an appropriate system in the field of sustainable development and its implementation.* *...* *The Board of Directors exercises strategic management and oversight over the implementation of the sustainable development system. The executive body forms a corresponding plan and submits it to the Board of Directors for consideration."*
5	Clause 1.9. Chapter 1 "General Provisions"	**Absent.**	**1.9. The members of the Board of Directors perform their functional duties and adhere to the following principles in their activities:** **1) act within the limits of their authority;** **2) devote sufficient time to participation in meetings of the Board of Directors, its Committees and preparation for them;** **3) contribute to the growth of long-term value and sustainable development of the Company;** **4) maintain high standards of business ethics;** **5) avoid conflicts of interest;** **6) act with due skill.**	Clause 60 of Chapter 5 of the Corporate Governance Code: *"60. The members of the Board of Directors shall properly perform their duties, ensure the growth of long-term value and sustainable development of the organization. The Board of Directors of the organization shall be accountable to the shareholders. This accountability shall be implemented through the mechanism of the general meeting of shareholders.* *The members of the Board of Directors perform their functional duties and adhere to the following principles in their activities:* *1) act within the limits of their powers – members of the Board of Directors make resolutions and act within the limits of their powers, as set out in the Charter;* *2) devote sufficient time to attending meetings of the Board of Directors, its committees and preparing for them – a member of the Board of Directors is not allowed to simultaneously hold the position of a member of the Board of Directors in more than four legal entities; a member of the Board of Directors is allowed to hold the position of Chairman of the Board of Directors in only two legal entities (a member of the Board of Directors may hold positions in other legal entities after receiving approval from the Board of Directors);* *3) to promote the growth of long-term value and sustainable development of the organization – members of the Board of Directors act in the interests of the*

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				organization, taking into account fair treatment of all shareholders and the principles of sustainable development; the impact of resolutions and actions of members of the Board of Directors can be determined by the following questions: what are the consequences of the resolution/action in the long term; what is the impact of the organization's activities on society and the environment; will fair treatment be ensured for all shareholders; impact on the organization's reputation and high standards of business ethics; impact on the interests of stakeholders (this list of questions is the minimum necessary, but not exhaustive); *4) maintain high standards of business ethics – members of the Board of Directors in their actions, resolutions and behavior comply with high standards of business ethics and are an example (model) for employees of the fund and the organization;* *5) avoid conflicts of interest – a member of the Board of Directors shall not allow situations to arise in which his/her personal interest may affect the proper performance of his/her duties as a member of the Board of Directors; in the event of situations with conflicts of interest that affect or may potentially affect impartial resolution-making, members of the Board of Directors shall notify the Chairman of the Board of Directors in advance and shall not participate in the discussion and adoption of such resolutions; this requirement also applies to other actions of a member of the Board of Directors that directly or indirectly affect the proper performance of the duties of a member of the Board of Directors (for example, participation of a member of the Board of Directors in the activities of other legal entities, acquisition of shares/equity interests and other property from partners and competitors, access to information and opportunities);* *6) act with due prudence, skill and caution - members of the Board of Directors are encouraged to continually improve their knowledge of the competencies of the Board of Directors and the performance of their duties on the Board of Directors and committees, including such areas as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and the specifics of the organization's activities; in order to understand the current issues of the organization's activities, members of the Board of Directors regularly visit key sites of the organization and hold meetings with employees.*

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6	Chapter 1-1. "Board of Directors in the Risk Management and Internal Control System"	Absent.	**1-1. SD in the risk management and internal control system** **1-1.1. The Board of Directors, together with the Management Board, ensures the implementation of a culture of proper risk management in the Company.** **1-1.2. The SD defines the principles and approaches to organizing the risk management and internal control system, based on the objectives of this system and taking into account best practices in the field of risk management and internal control.** **1-1.3. The Board of Directors approves internal documents that define the principles and approaches to organizing an effective risk management and internal control system, demonstrating the Company's commitment to best practices in the field of risk management and internal control.** **1-1.4. When approving internal documents in the area of risk management and internal control, the Board of Directors is guided by the documents adopted by the Fund regulating issues of risk management and internal control.** **1-1.5. The Board of Directors regularly receives information on key risks, their analysis in terms of their impact on the strategy and business plans of the Company, and takes appropriate measures to ensure that the current risk management and internal control system complies with the principles and approaches to its organization determined by the Board of Directors and functions effectively. At least once per quarter, the Board of Directors reviews and discusses the Company's risk reports in full and in a proper manner.** **1-1.6. The Board of Directors, together with the Audit Committee, is responsible for assessing the effectiveness of the risk management and internal control system. The Board of Directors forms its own opinion on its effectiveness after a proper and thorough analysis of the information and assurances communicated to it by the Internal Audit Service or an external expert, the Audit Committee and the Management Board.** **1-1.7. The Board of Directors regularly reviews issues related to the organization, functioning and effectiveness of the Company's risk management and internal control system and, if necessary, provides recommendations for its improvement.**	Clause 134 of Chapter 6 of the Corporate Governance Code: *"134. ...* *The board of directors and the executive body ensure the implementation of a culture of proper risk management in the fund and organizations. The implementation and operation of the risk management and internal control system in the fund and organizations must have a clear regulatory framework based on best practices."* Clause 135 of Chapter 6 of the Corporate Governance Code: *"135. The board of directors of the fund and organizations determines the principles and approaches to organizing the risk management and internal control system, based on the objectives of this system and taking into account the best practices and methodology of the fund in the field of risk management and internal control. The Board of Directors approves internal documents defining the principles and approaches to organizing an effective risk management and internal control system, demonstrating the company's commitment to best practices in the field of risk management and internal control (the integrated concept of building an internal control system COSO, the Concept (COSO) "Enterprise Risk Management. Integrated Model" of the Committee of Sponsoring Organizations of the Treadway Commission (The Committee of Sponsoring Organizations of the Treadway Commission), International Standard ISO 31000 "Risk Management. Principles and Guidelines", International Standard ISO 31010 "Risk Management. Risk Assessment Techniques", etc.).* Clause 136 of Chapter 6 of the Corporate Governance Code: *"136. ...* *When approving internal documents in the area of risk management and internal control, the boards of directors of organizations are guided by the regulatory documents adopted by the fund that govern issues of risk management and internal control."* Clause 143 of Chapter 6 of the Corporate Governance Code: *"143. Risk information should be an integral part of management reporting. The board of directors and the executive body should regularly receive information on key risks, their analysis in terms of their impact on the company's strategy and business plans.*

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				The approval of quarterly consolidated risk reports is assigned to the Board of Directors." Clause 147 of Chapter 6 of the Corporate Governance Code: *"147. The Board of Directors of the fund and organizations must take appropriate measures to ensure that the current risk management and internal control system complies with the principles and approaches to its organization determined by the Board of Directors and functions effectively. Risk reports must be submitted to meetings of the Board of Directors at least once a quarter and discussed properly in full."* Clause 148 of Chapter 6 of the Corporate Governance Code: *"148. The Board of Directors, together with the Audit Committee, is responsible for assessing the effectiveness of the risk management and internal control system and forms its own opinion on its effectiveness after a proper and thorough analysis of the information and assurances communicated to it by the internal audit unit or an external expert, the Audit Committee and the executive body. "* Clause 149 of Chapter 6 of the Corporate Governance Code: *"149. The board of directors should regularly review the organization, operation and effectiveness of the risk management and internal control system and, if necessary, make recommendations for its improvement. "*
7	Clause 2.1. of Chapter 2 "Goals, objectives and functions"	2.1. The exclusive competence of the Board of Directors includes issues stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company and the Regulation.	2.1. The exclusive competence of the Board of Directors includes issues stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company and the Regulation. **At the same time, the following issues are considered by the SD (including, but not limited to):** **1) the schedule of meetings of the Board of Directors and its committees, the work plan of the Board of Directors;** **2) reports of the Chairman of the Board on key changes in the activities of the Company;** **3) reports (for the purpose of their approval) on key (including financial) risks of the Company;**	According to paragraphs 4, 25, 27, 33, 34, 35, 36, 37, 40, 46, 48, 49, 62, 65, 66, 67, 69, 70, 71, 74 , 79, 87, 88, 89, 91, 92, 93, 94, 95, 98, 103, 104, 106, 107, 108, 109, 110, 111 of the Work Plan of the Board of Directors for 2025. The basis is as follows: 1) clause 6.1.1 of the Regulation: *"6.1.1 The Board of Directors annually forms and approves its work plan and meeting schedule, based on the principles of careful planning of activities by the Board of Directors and the Company, rationality, efficiency and regularity.";* 2) clause 5.7.1 of paragraph 5.7 of Chapter 5 of the Rules for the preparation and submission of materials for meetings of the Board of Directors: *"5.7.1. The Chairman of the Management Board of KMG prepares on a monthly basis a CEO Report for the Board of Directors on key changes in KMG's activities.";* 3) Clause 143 of Chapter 6 of the Corporate Governance Code: *"143. Risk information should be an integral part of management reporting. The board of directors and the*

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			4) reports on fatal accidents in the Company's group of companies;	*executive body should regularly receive information on key risks, their analysis in terms of their impact on the company's strategy and business plans.* *The approval of quarterly consolidated risk reports is assigned to the Board of Directors.";* 4) resolution of the Board of Directors dated 06.04.2022 (minutes No. 6/2022, issue No. 5): *"To consider reports on fatal accidents at meetings of the Board of Directors of JSC NC KazMunayGas and the Committee of the Board of Directors of JSC NC KazMunayGas on Safety, Labor Protection, Environment and Sustainable Development.";*
			5) information on changes in government strategy or policy;	5) resolution of the Board of Directors dated 08.04.2021 (minutes No. 5/2021, question No. 18): *"The Management Board of JSC NC KazMunayGas shall inform the Board of Directors of JSC NC KazMunayGas on a semi-annual basis about changes in the state strategy or policy.";*
			6) reports on the results of monitoring and analysis of the implementation of investment projects of the Company and its subsidiaries;	6) resolutions of the Board of Directors of 30.03.2017 (minutes No. 4/2017, question No. 6 [item 2]): *"1. Take note of the information on the status of the implementation of investment projects of the JSC NC KazMunayGas group.* *2. The Management Board of JSC NC KazMunayGas shall submit this information for consideration by the Board of Directors of JSC NC KazMunayGas once every six months.";*
			7) reports on concluded transactions in which there is an interest, resolutions on which were made by the Board;	7) resolutions of the Board of Directors dated 05.07.2024 (minutes No. 15/2024, question No. 14 [item 2]): *"2. The Management Board of JSC NC KazMunayGas shall subsequently submit for consideration by the Board of Directors of JSC NC KazMunayGas a report on the concluded transactions in which there is an interest, resolutions on which were made by the Management Board of JSC NC KazMunayGas in the reporting quarter, no later than the second month following the reporting quarter.";*
			8) reports on the work done to ensure cybersecurity of the Company's group of companies;	8) resolution of the Board of Directors dated 06.04.2022 (minutes No. 6/2022, question No. 4): *"The Management Board of JSC NC KazMunayGas shall immediately inform the Board of Directors of JSC NC KazMunayGas about cyber attacks on the assets of the JSC NC KazMunayGas group of companies.";*
			9) information on the production technologies available in the world and used at the fields of the Company's group of companies, as well as innovations and improvements in hydrocarbon production technologies by the companies of the Company's group of companies;	9) resolution of the Board of Directors dated September 17, 2024 (minutes No. 20/2024, question No. 20): *"2. To the Board of JSC NC KazMunayGas:* *1) in accordance with the established procedure, provide the Board of Directors of JSC NC KazMunayGas with a detailed review of new production technologies, indicating the possibilities of their use at the fields of JSC NC KazMunayGas, on an annual basis;»;*

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				resolution of the Board of Directors dated 05.06.2024 (minutes No. 14/2024, question No. 3): *"The Management Board of JSC NC KazMunayGas shall, in accordance with the established procedure, provide the Board of Directors of JSC NC KazMunayGas with a detailed review of new production technologies, indicating the possibilities of their use at the fields of JSC NC KazMunayGas.";* resolution of the Board of Directors dated 10.04.2024 (minutes No. 7/2024, question No. 11): *"The Management Board of JSC NC KazMunayGas shall, in accordance with the established procedure, submit the following information to the Board of Directors of JSC NC KazMunayGas: a) review of hydrocarbon production technologies; b) what problems does JSC NC KazMunayGas have at the 12 priority fields indicated in the far right column on slide 2 of the appendix to this resolution (hereinafter referred to as Priority Fields); c) what methods are used at similar fields by leading global oil and gas companies to improve hydrocarbon production technologies; d) what innovative solutions in relation to Priority fields are being developed by KMG Engineering LLC?* 10) resolution of the Board of Directors dated 07.02.2024 (minutes No. 1/2024, question No. 27): *"4. The Chairman of the Management Board of JSC NC KazMunayGas shall ensure regular (on a quarterly basis) submission to the Board of Directors of JSC NC KazMunayGas of the issue of implementing paragraph 36 of the Comprehensive Action Plan to Combat the Shadow Economy for 2023-2025, approved by Resolution of the Government of the Republic of Kazakhstan No. 589 dated July 14, 2023.";* 11) resolution of the Board of Directors dated 03.05.2022 (minutes No. 7/2022, question No. 17): *"The Management Board of JSC NC KazMunayGas shall continue to monitor the financial condition of KMG International NV and, in accordance with the established procedure, provide information to the Board of Directors of JSC NC KazMunayGas.";* resolution of the Board of Directors dated 05.07.2024 (minutes No. 15/2024, question No. 13): *"2. The Management Board of JSC NC KazMunayGas shall provide, in accordance with the established procedure, to the Board of Directors of JSC NC KazMunayGas: 1) within the framework of the Report of the Chairman of the Management Board of JSC NC KazMunayGas on key changes in the activities of JSC NC KazMunayGas -*
			10) information on the status of the Company's implementation of plans approved by resolutions of the Government of the Republic of Kazakhstan;	
			1 1) information on the financial status of the companies of the Company group and the ability of these companies to receive financing and make payments to the oil producing companies of the Company group;	

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			12) issues of the annual meeting of the Board of Directors on strategy (strategic session); **13) issues of the annual meeting of the Board of Directors on sustainable development;** **14) plans (for the purpose of their approval) of measures to improve the corporate governance of the Company and consideration of information on the status of their implementation;** **15) reports on the activities of structural divisions accountable to the Board of Directors;**	*general indicators and critical changes in the financial status of KMG International NV and KazMunayGas Trading AG – the ability of these companies to receive financing and make payments to oil producing companies of the JSC NC KazMunayGas group;* *2) separately on a quarterly basis – Information indicating the annual plan, the plan-actual – comparison with the previous year, the plan-actual – deviation and assessment for the year (with clarification in all tables and comments of the year corresponding to the plan/actual).";* 12) paragraphs 1.9 and 1.10 of Chapter 1 of Section I of the Methodology for Diagnosing the Fund's KU: *"1.9. Analyzes the Company's strategy at least once a year.* *1.10. At least once a year, hold a special meeting devoted to critical assessment and discussion of strategic goals with the executive body";* 13) paragraph 1.8 of chapter 2 of section III of the Methodology for diagnosing the Fund's CU: *"1.8. At least once a year, the Board of Directors shall hold a special session to critically evaluate and discuss sustainable development options with the executive body.";* 14) subparagraph 3) of paragraph 107 of Article 13 of the KMG Charter: *"107. The Board of Directors shall: 3) exercise control over the effectiveness of corporate governance practices in KMG.";* 15) subparagraph 4) of paragraph 19 of Chapter 4 of the Regulation on the Constitutional Court: *"19. Effective implementation of the Corporate Policy in the Company. To fulfill this task, the Corporate Secretary performs the following functions: 4) preparation of a report on his/her activities to the Board of Directors within the timeframe and in the manner established by the Board of Directors;"* paragraph 8.1 of Chapter 8 of the Regulation on the Compliance Service: *"8.1. The Service shall periodically report on the results of its activities to the Audit Committee of the Board of Directors of KMG and the Board of Directors of KMG.";* paragraph 54 of chapter 12 of the Regulation on the SVA: *"54. The KMG Board of Directors reviews reports on the activities of the Service and makes resolutions in accordance with the established regulations of the KMG Board of Directors.";* subparagraph 6) of paragraph 2.2 of Chapter 2 of the Regulation on the Ombudsman Service:

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			16) instructions to the Board, the Chairman of the Board, and employees of the Company.	*"2.2. The functions of the Service are: 6) ensuring the preparation of regular annual reports to the Board of Directors of KMG;"* 16) resolutions of the Board of Directors dated 13.11.2024 (minutes No. 22/2024, question No. 5): *"1. Take note of the report on the implementation of resolutions/instructions of the Board of Directors of JSC NC KazMunayGas, in accordance with the appendix to this resolution.* *2. Instructions to collegial bodies, employees and structural divisions of JSC NC KazMunayGas shall be given exclusively at meetings and on behalf of the Board of Directors of JSC NC KazMunayGas.*
8	Section 2.2 of Chapter 2 "Goals, Objectives and Functions"	2.2. SD ~~must be~~ vested with powers sufficient to manage the Company and control the activities of the Board.	2.2. The Board of Directors is vested with powers sufficient to manage the Company and control the activities of the Management Board, **including the power to issue instructions. Instructions to the bodies and employees of the Company are given only at meetings of the Board of Directors on behalf of the Board of Directors, which must proceed from their relevance, feasibility, and the realistic deadlines set for their implementation, for which it is necessary to take into account the following:** **1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;** **2) in the case of instructions to structural divisions accountable to the Board of Directors – the opinion of the heads of such divisions.**	According to the following resolution of the Board of Directors dated 13.11.2024 (minutes No. 22/2024, question No. 5): *"2. Instructions to the collegial bodies, employees and structural divisions of JSC NC KazMunayGas shall be given exclusively at meetings and on behalf of the Board of Directors of JSC NC KazMunayGas."* *3. The Chairman of the Board of Directors of JSC NC KazMunayGas Berdigulov E.K., the chairmen of the committees of the Board of Directors of JSC NC KazMunayGas: Zhubaev A.S., Holland F.M., Argingazin A.A., the corporate secretary of JSC NC KazMunayGas Sharipov D.V. shall take measures to implement this resolution in accordance with the established procedure."* It is proposed to make additions taking into account current practice and risks for the corporate secretary, as well as to legitimize the existing protocol practice.
9	Subparagraph 1) of paragraph 2.3 of Chapter 2 "Goals, objectives and functions"	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: 1) determining the development strategy of the Company (directions and results);	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: 1) defining a strategy **/plan** development of the Society **and integration of ESG (Environmental , Social , Governance) goals** (directions and results);	Clause 59 of Chapter 5 of the Corporate Governance Code: *"59. The Board of Directors is vested with powers sufficient to manage the organization and control the activities of the executive body, performs its functions in accordance with the Charter and pays special attention to the following issues:* *1) defining a plan for the development and integration of ESG goals (directions and results);* *2) setting and monitoring key performance indicators of the action plan;* *3) organization and supervision of the effective functioning of the risk management and internal control system;* *4) approval and monitoring of the effective implementation of major investment projects and other key strategic projects within the competence of the Board of Directors;*
10	Subparagraph 6) of paragraph 2.3 of Chapter 2 "Goals, objectives and functions"	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: 6) corporate governance and ethics;	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: 6) corporate governance and ethics, **ensuring the implementation and compliance with standards business ethics, an effective system for reporting suspected violations;**	
11	Subparagraph 7) of paragraph 2.3 of Chapter 2 "Goals, objectives and functions"	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues:	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues:	

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		7) ~~transformations;~~	**7) *Exclude.***	*5) election, remuneration, succession planning and supervision of the activities of the head and members of the executive body;* *6) corporate governance and ethics;* *7) compliance within the organization with the provisions of this code and the corporate standards of the fund."* Subparagraph 6) of paragraph 60 of Chapter 5 of the Corporate Governance Code: *"Members of the Board of Directors perform their functional duties and adhere to the following principles in their activities:* *6) act with due prudence, skill and caution - members of the Board of Directors are encouraged to continually improve their knowledge of the competencies of the Board of Directors and the performance of their duties on the Board of Directors and committees, including such areas as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and the specifics of the organization's activities; in order to understand the current issues of the organization's activities, members of the Board of Directors regularly visit key sites of the organization and hold meetings with employees.* Clause 157 of Chapter 6 of the Corporate Governance Code: *"157. The Fund shall develop standards of business ethics, ombudsman activities, and an effective system for reporting suspected violations. The boards of directors of the Fund and organizations shall ensure the implementation of these standards and their observance."*
12	Subparagraph 8) of paragraph 2.3 of Chapter 2 "Goals, objectives and functions"	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: ~~8) implementation of sustainable development components in the Society.~~	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: **8) *Exclude.***	
13	Subparagraph 9) of paragraph 2.3 of Chapter 2 "Goals, objectives and functions"	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: *Absent*	2.3. The Board of Directors performs its functions in accordance with the Company's Charter and pays special attention to the following issues: **9) compliance in the Company with the provisions of the Company's Corporate Governance Code and the Fund's corporate standards .**	
14	Paragraph eleven paragraph 2.3 of Chapter 2 "Goals, objectives and functions"	*Absent*	**In order to understand current issues of the Company's activities, members of the Board of Directors regularly visit key facilities of the Company and hold meetings with employees.**	
15	Section 2.3-1. Chapter 2 "Goals, Objectives and Functions"	*Absent.*	**2.3-1. Issues related to the development and implementation of the Company's development plan are considered with the frequency determined by the Board of Directors, but not less than once a year, exclusively at in-person meetings of the Board of Directors. The Board of Directors implements a system of early detection and timely response to changes in the domestic and foreign market conditions, and force majeure situations.**	Clause 30 of Chapter 3 of the Corporate Governance Code: " *30. Management of the asset portfolio and the share package (participatory interests) in the fund's organizations is determined within the framework of the fund's development plan.* *Issues related to the development and implementation of the development plan are considered with the frequency determined by the Board of Directors, but not less than once a year, exclusively at in-person meetings of the Board of Directors. The Board of Directors implements a system of early detection and timely response to changes in the domestic and foreign market conditions, force majeure situations."*
16	Section 2.5-1. Chapter 2 "Goals, Objectives and Functions"	*Absent.*	**2.5-1. The Board of Directors has the right to make changes and additions to the resolutions it has made, and, if necessary, to recognize its resolutions as no longer in**	Determining the possibility for the Board of Directors to adjust and/or invalidate resolutions it has made, as well as to extend the effect of its resolutions, if necessary.

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			force, as well as to extend the effect of the resolutions made to an earlier or later date.	
17	Clause 3.1.2 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition"	3.1.2. The process of electing members of the Board of Directors and the Chairman of the Board of Directors is carried out in the manner determined by the Law, the Charter of the Company and the Regulation. It is recommended to involve the Nomination and Remuneration Committee of the Board of Directors (hereinafter referred to as the Nomination and Remuneration **Committee**), within the framework of its competence in accordance with the Regulation on the Nomination and Remuneration Committee , in determining the composition, necessary skills and competencies of the Board of Directors and candidates for membership in the Board of Directors.	3.1.2. The process of electing members of the Board of Directors and the Chairman of the Board of Directors is carried out in the manner determined by the Law, the Charter of the Company and the Regulation. It is recommended to involve the Nomination and **Remuneration Committee of the Board of Directors** (hereinafter referred to as the Nomination and Remuneration **Committee**), within the framework of its competence in accordance with the Regulation on the Nomination and Remuneration Committee , in determining the composition, necessary skills and competencies of the Board of Directors and candidates for membership in the Board of Directors.	The basis is the following resolution of the Board of Directors dated 05.06.2024 (minutes No. 14/2024, question No. 6 [clause 1]): *"1. To amend the Regulation on the Nomination and Remuneration Committee of the Board of Directors of JSC NC KazMunayGas, approved by the resolution of the Board of Directors of JSC NC KazMunayGas dated June 25, 2014 (minutes No. 8/2014, issue No. 3), with additions made by resolutions of the Board of Directors of JSC NC KazMunayGas dated July 28, 2016 (minutes No. 12/2016, issue No. 15), dated November 30, 2017 (minutes No. 16/2017, issue No. 5), dated January 25, 2018 (minutes No. 1/2018, issue No. 20b)) and dated March 7, 2024 (minutes No. 4/2024, issue No. 9), (hereinafter referred to* ***as the Regulation*** *) the following additions and changes:* *2) in the title of the Regulation and the first paragraph of the chapter "General Provisions", replace the word "remuneration" with the word "remuneration".*
18	Clause 3.1.3 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition of the Board of Directors"	3.1.3. The search for candidates and their election shall be conducted according to objective criteria and taking into account the need for diversity in the composition of the Board of Directors. The search and selection shall be carried out before the expiration of the term of office of the entire composition of the Board of Directors.	3.1.3. The search for candidates and their election are conducted based on objective criteria and taking into account the need for diversity in the composition of the Board of **Directors. The process of searching for and selecting independent directors is carried out on a competitive basis. The search for and selection of candidates for the Board of Directors, including independent directors, is carried out in accordance with the procedure established by the Corporate Governance Code of the Company, the Regulation and relevant documents of the Fund that apply to the Company.** The search and selection must be completed before the expiration of the term of office of the entire Board of Directors.	Clauses 65-1 and 71 of Chapter 5 of the Fund's Code of Financial Regulations with amendments in accordance with RK PP No. 659: *"65-1. The process of searching for and selecting independent directors of the Fund, companies and organizations is carried out on a competitive basis. The procedure for selecting independent directors of the fund is approved by the Board of Directors of the fund. The procedure for selecting independent directors of companies and organizations is approved by the board of the fund.* *71. ...The requirements for candidates for membership in the Board of Directors of the fund are determined by an internal document approved by the Board of Directors of the fund. The requirements for candidates for membership in the Board of Directors of companies and organizations are determined by an internal document approved by the board of the fund."*
19	Clause 3.1.5 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition"	3.1.5. The Board of Directors and its Committees must maintain a balance of skills, experience and knowledge that ensures independent, objective and effective resolutions are made in the interests of the Company, taking into account fair treatment of all shareholders and the principles of sustainable development.	3.1.5. **The composition of the Board of Directors must be balanced, which means a combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the executive body), and The** Board of Directors and its Committees must maintain a balance of skills, experience and knowledge to ensure that independent, objective and effective resolutions are made in the interests of the Company, taking into account fair	Clause 73 of Chapter 5 of the Corporate Governance Code: *"73. The composition of the Board of Directors is balanced, which means a combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the executive body) that ensures that resolutions are made in the interests of the*

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			treatment of all shareholders and the principles of sustainable development.	*organization and taking into account fair treatment of shareholders."*
20	Clause 3.1.9 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition"	3.1.9. The composition of the Board of Directors must ensure diversity in terms of experience, personal characteristics and gender composition.	3.1.9. It is necessary to ensure diversity in terms of experience, personal characteristics **, and age in the composition of the SD.** and gender composition **to enhance long-term value in line with ESG principles** .	Clause 64 of Chapter 5 of the Corporate Governance Code: *"64. It is recommended that the composition of the Board of Directors be sufficiently diverse in terms of personal characteristics, age and gender composition to enhance long-term value in accordance with ESG principles."*
21	Clause 3.1.11 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition of the Board of Directors"	3.1.11. Members of the Management Board, except for the Chairman of the Management Board, cannot be elected to the Board of Directors. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors.	3.1.11. Members of the Management Board, except for the Chairman of the Management Board, cannot be elected to the Board of Directors. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors. **The following person shall not be elected to the position of member of the Board of Directors:** **1) having an outstanding or not removed conviction in accordance with the procedure established by law;** **2) previously served as the chairman of the board of directors, head of the executive body, deputy head, chief accountant of another legal entity for a period of no more than 1 (one) year prior to the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure (this requirement shall apply for 5 (five) years after the date of the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure);** **3) committed a corruption crime.**	Clause 70-1 of Chapter 5 of the Fund's Code of Financial Regulations with amendments in accordance with PP RK No. 659: *"70-1. A person shall not be elected to the position of a member of the Board of Directors:* *1) having an outstanding or not removed conviction in accordance with the procedure established by law;* *2) previously served as the Chairman of the Board of Directors, head of the executive body, deputy head, chief accountant of another legal entity for a period of no more than one year prior to the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure (this requirement shall apply for five years after the date of the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure);* *3) committed a corruption crime."*
22	Clause 3.1.15 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition"	3.1.15. Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company.	3.1.15. Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan **,** the Charter of the Company **and the Corporate Governance Code of the Company.**	Subparagraph 12) of paragraph 3 of Chapter 1 of the Corporate Governance Code: *"12)* ***an independent director*** *is a member of the Board of Directors who is not an affiliate of the joint-stock company and has not been one for three years preceding his election to the Board of Directors (except in the case of his holding the position of an independent director of the joint-stock company), is not affiliated with affiliates of the joint-stock company; is not subordinate to officials of the joint-stock company or organizations that are affiliates of the joint-stock company and was not subordinate to these persons for three years preceding his election to the Board of Directors; is not a civil servant; is not a representative of a shareholder at meetings of the bodies of the joint-stock company and has not been one for three years preceding his election to the Board of Directors; does not participate in the audit of the joint-stock company as an auditor working as part of an audit organization and has not participated in such an audit for*

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				three years preceding his election to the Board of Directors, and also meets other requirements established by the laws of the Republic of Kazakhstan;". Clause 76 of Chapter 5 of the Corporate Governance Code: *"76. Independent directors shall be elected to the Board of Directors. An independent director shall be a person who has sufficient professionalism and independence to make independent and objective resolutions, free from the influence of individual shareholders, the executive body and other interested parties."* Clause 77 of Chapter 5 of the Corporate Governance Code: *"77. It is recommended that the following circumstances be taken into account that may prejudice the independence of an independent director:* *1) is or has been an employee of the company or group within the last three years;* *2) has or has had within the last three years a material business relationship with the company directly or as a partner, shareholder, director or general manager of a body or maintains such a relationship with the company;* *3) has received or receives additional remuneration from the company over and above the director's remuneration, participates in the company's share options or performance-related pay scheme, or is a participant in the company's pension scheme;* *4) holds membership on boards of directors or has connections with other directors through participation in other companies or bodies;* *5) represents a major shareholder;* *6) have served on the board of directors for more than nine years since their first appointment.* *Where these or other relevant circumstances apply and the board of directors believes that the independent director is independent, a clear explanation shall be provided."*
23	Clause 3.1.16-1 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition"	Absent.	**3.1.16-1 . The Board of Directors shall elect a Senior Independent Director from among the independent directors.** **Key functions of the Senior Independent Director include:** **1) the function of an advisor to the Chairman of the Board of Directors and providing him with support in communicating the goals he defines;** **2) assessment of the performance of the chairman of the board of directors, including the organization of at least annual meetings of independent directors for this purpose;**	The basis for including this clause in the Regulation is 1) paragraph 66 of Chapter 5 of the Corporate Governance Code; 2) resolution of the Board of Directors dated 11.02.2025 (minutes No. 1/2025, question No. 6): *"1. To elect a member of the Board of Directors of JSC NC KazMunayGas, independent director Shakirov Askar Orazalievich as the senior independent director of the Board of Directors of JSC NC KazMunayGas and to define the following key functions in this capacity:* *1) the function of an advisor to the Chairman of the Board of Directors of JSC NC KazMunayGas and providing him with support in communicating the goals he defines;*

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			3) planning the succession of the Chairman of the Board of Directors in close cooperation with the KNiV ; **4) the function of a mediator in interaction and/or resolution of disagreements in the event of disagreements between shareholders, the Management Board, the Chairman of the Board of Directors and other members of the Board of Directors;** **5) be available to shareholders to resolve any issues or questions that they feel have not been adequately addressed through normal communication channels (i.e. through the Chairman of the Board of Directors, the Chairman and/or members of the Management Board);** **6) Attending a sufficient number of meetings with major shareholders to gain a balanced understanding of their issues and concerns.**	2) *assessment of the activities of the Chairman of the Board of Directors of JSC NC KazMunayGas, including the organization of at least annual meetings of independent directors for this purpose;* *3) planning the succession of the Chairman of the Board of Directors of JSC NC KazMunayGas in close cooperation with the Nomination and Remuneration Committee of the Board of Directors of JSC NC KazMunayGas;* *4) the function of an intermediary in interaction and/or resolution of disagreements in the event of disagreements between shareholders, the executive body of JSC NC KazMunayGas, the Chairman of the Board of Directors of JSC NC KazMunayGas and other members of the Board of Directors of JSC NC KazMunayGas;* *5) be available to shareholders of JSC NC KazMunayGas to resolve any issues or questions that, in their opinion, have not been adequately resolved through normal communication channels (i.e. through the Chairman of the Board of Directors of JSC NC KazMunayGas, the Chairman and/or members of the Management Board of JSC NC KazMunayGas);* *6) attending a sufficient number of meetings with major shareholders of JSC NC KazMunayGas to obtain a balanced understanding of their issues and concerns.* *2. The Corporate Secretary of JSC NC KazMunayGas, D.V. Sharipov, shall, in accordance with the established procedure, take measures to include the functions of the senior independent director of the Board of Directors of JSC NC KazMunayGas, specified in paragraph 1 of this resolution, in the Regulation on the Board of Directors of JSC National Company KazMunayGas.*
24	Clause 3.1.27 of paragraph 3.1 "Composition of the Board of Directors" of Chapter 3 "Structure and Composition"	3.1.27. Members of the Board of Directors elected for the first time, after their appointment, undergo an induction program. During the induction process, members of the Board of Directors are familiarized with their rights and obligations, key aspects of the Company's activities and documents, including those associated with the greatest risks.	3.1.27. Members of the Board of Directors elected for the first time, after their appointment, undergo an induction program. During the induction process, members of the Board of Directors **are familiarized** with their rights and obligations, key aspects of the Company's activities and documents, including those associated with the greatest risks.	Technical editing.
25	Clause 3.2.4 of paragraph 3.2 "Chairman of the Board of Directors" of Chapter 3 "Structure and Composition"	3.2.4. Chairman of the Board of Directors: 9-1) None	3.2.4. Chairman of the Board of Directors: **9-1) if the members of the Board of Directors have different opinions, ensures consideration of all acceptable options and proposals expressed by individual members of the Board of Directors in order to make a resolution that meets the interests of the Company;**	Clause 61 of Chapter 5 of the Corporate Governance Code: *"61…* *In the event of different opinions, the Chairman of the Board of Directors ensures that all acceptable options and proposals expressed by individual members of the Board of Directors are considered in order to make a resolution that meets the interests of the organization."*
26	Clause 3.3.1.1 of paragraph 3.3 "Board of Directors	3.3.1.1. In order to conduct a detailed analysis and develop recommendations on a range of the most important issues before they are considered at a meeting of the Board of	3.3.1.1. For **a more in-depth and high-quality study of the issues,** conducting a detailed analysis and developing recommendations on a range of the most important issues	Clause 85 of Chapter 5 of the Corporate Governance Code:

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	Committees" of Chapter 3 "Structure and Composition"	Directors, Board of Directors committees (hereinafter and above – **Committees**) are created on the following issues: 1) strategic planning; 2) personnel and remuneration; 3) internal audit; 4) social issues; 5) other issues provided for by the internal documents of the Company.	before their consideration at a meeting of the **Board of Directors ,** The following committees of the Board of Directors (hereinafter referred to as **Committees**) are created on the following issues: 1) strategic planning; 2) personnel and remuneration; 3) internal audit; 4) social issues; 5) other issues provided for by the internal documents of the Company. **The existence of Committees does not relieve the members of the Board of Directors from responsibility for resolutions taken within the competence of the Board of Directors.**	*"85. For a more in-depth and high-quality study of issues, permanent committees are created under the Board of Directors of the fund: for audit, appointments and remuneration, strategy, and a Specialized Committee. Other committees may be created at the discretion of the Board of Directors of the fund. The Strategy Committee considers issues of strategic planning, headed by the first head of the central authorized body for state planning. The activities of the committees of the Board of Directors of the fund contribute to a deep and thorough consideration of issues within the competence of the Board of Directors and to improving the quality of resolutions taken, especially in such areas as audit, risk management, proper and effective application of the procedure for the implementation of procurement by the fund and organizations, the appointment and remuneration of members of the Board of Directors and the executive body, sustainable development, including industrial safety and environmental protection. The presence of committees does not relieve members of the Board of Directors from responsibility for resolutions taken within the competence of the Board of Directors."*
27	Clause 3.3.1.3 of paragraph 3.3 "Board of Directors Committees" of Chapter 3 "Structure and Composition"	3.3.1.3. In order to optimize the agenda of meetings and focus on the most important issues, the Board of Directors may delegate to the Committees the substantive consideration of certain categories of issues.	**Exclude.**	It is proposed to exclude it, due to the fact that this norm does not work.
28	Clause 3.3.2.1 of paragraph 3.3 "Board of Directors Committees" of Chapter 3 "Structure and Composition"	3.3.2.1. The Committees shall consist of members of the Board of Directors and, if necessary, experts with the necessary professional knowledge to work in a particular Committee.	3.3.2.1. The committees shall consist of members of the Board of Directors and, if necessary **(except for the Audit Committee)** – experts who have the necessary professional knowledge to work in a specific Committee.	Clause 90 of Chapter 5 of the Corporate Governance Code: *"90. The Audit Committee shall include independent directors. If the Committee engages a qualified expert, such person shall not have voting rights. The resolution to engage an expert shall be made by the Audit Committee, and the issue of his/her engagement shall be reviewed annually for effectiveness of activities and independence."* Bringing into compliance with clause 3.3.2.4. of the Regulation. According to paragraph 11 of the Regulation on the Audit Committee, the Audit Committee consists only of members of the KMG Board of Directors – independent directors. The Audit Committee has the right to engage experts within the framework of its activities. If the Audit Committee engages an expert, this person does not have the right to vote. The resolution to engage an expert is made by the Audit Committee, and the issue of his/her engagement must be reviewed annually for the purpose of operational efficiency and independence.

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29	Clause 3.3.2.7 of paragraph 3.3 “Board of Directors Committees” of Chapter 3 “Structure and Composition”	3.3.2.7. The Committee Chairmen prepare reports on the activities of the Committees and, at a separate meeting, report to the Board of Directors on the results of the activities for the year, and also report at each meeting of the Board of Directors (except in absentia), if it was preceded by meetings of the Committees, on issues previously considered by the Committees.	3.3. 2.7. The Committee Chairmen prepare reports on the activities of the Committees and, at a separate meeting, report to the Board of Directors on the results of the activities for the year, and also report at each meeting of the Board of Directors (except in absentia), if it was preceded by meetings of the Committees, **on the results of these meetings, questions,** previously reviewed **by** the Committees, **and on the instructions proposed by the Committees to the bodies, structural divisions and employees of the Company (in this case, the requirements of paragraph 6.6.6 and subparagraph 4) of paragraph 6.6.7 of the Regulation apply).**	According to the following resolution of the Board of Directors dated 13.11.2024 (minutes No. 22/2024, question No. 5): *“2. Instructions to the collegial bodies, employees and structural divisions of JSC NC KazMunayGas shall be given exclusively at meetings and on behalf of the Board of Directors of JSC NC KazMunayGas.”* *3. The Chairman of the Board of Directors of JSC NC KazMunayGas Berdigulov E.K., the chairmen of the committees of the Board of Directors of JSC NC KazMunayGas: Zhubaev A.S., Holland F.M., Argingazin A.A., the corporate secretary of JSC NC KazMunayGas Sharipov D.V. shall take measures to implement this resolution in accordance with the established procedure."*
30	Subparagraph 13) of paragraph 4.1.1 of section 4.1 “Rights of a member of the Board of Directors” of Chapter 4 “Rights”	4.1.1. A member of the Board of Directors has the right to: 13) undergo induction programs;	4.1.1. A member of the Board of Directors has the right to: 13) undergo **induction programs** ;	Clarifying edit.
31	Subparagraph 15) of paragraph 4.1.1 of section 4.1 “Rights of a member of the Board of Directors” of Chapter 4 “Rights”	4.1.1. A member of the Board of Directors has the right to: 15) demand that the Board of Directors include instructions to the Management Board and/or officials of the Company in its resolution;	4.1.1. A member of the Board of Directors has the right to: 15) demand that the resolution of the Board of Directors include instructions to the Management Board and/or officials of the Company, **Services accountable to the Board of Directors, their heads, heads of structural divisions directly reporting to the Chairman of the Board of Directors** ;	It is proposed to expand the range of bodies, structural divisions, and persons to whom the Board of Directors can give instructions, including taking into account the updated the structure of the central office of KMG, which will be put into effect on 14.04.2025.
32	Clause 5.2.1 of paragraph 5.2 “Duties of a member of the Board of Directors” of Chapter 5 “Responsibility”	5.2.1. A member of the Board of Directors is obliged to: 3-1) absent	5.2.1. A member of the Board of Directors is obliged to: **3-1) comply with the procedures established by the documents of the Company for preparing and holding meetings of the Board of Directors;**	Clause 99 of Chapter 5 of the Corporate Governance Code: *« 99. ..* *The Board of Directors must comply with the procedures established by the organization’s documents for preparing and holding meetings of the Board of Directors.”*
33	Subparagraph 7) of paragraph 5.2.1 of section 5.2 “Duties of a member of the Board of Directors” of Chapter 5 “Responsibility”	5.2.1. A member of the Board of Directors is obliged to: 7) attend in-person meetings of the Board of Directors, and if personal presence is not possible, participate via audiovisual or audio-conferencing in accordance with the Regulation;	5.2.1. A member of the Board of Directors is obliged to: 7) attend in-person meetings of the Board of Directors, and if personal attendance is not possible, participate via **conference call** or **a written opinion** in accordance with the Regulation;	Clarifying amendments, in order to regulate the obligation of members of the Board of Directors to participate in meetings of the Board of Directors held through the exchange of messages by e-mail, including the possibility of a member of the Board of Directors providing a written opinion (if necessary).
34	Subparagraph 9) of paragraph 5.2.1 of section 5.2 “Duties of a member of the Board of Directors” of Chapter 5 “Responsibility”	5.2.1. A member of the Board of Directors is obliged to: 9) improve their qualifications in accordance with the internal documents of the Company or resolutions of the Board of Directors;	5.2.1. A member of the Board of Directors is obliged to: 9) improve their qualifications in accordance with the internal documents of the Company or resolutions of the Board of Directors **, including annually submitting proposals for their professional development to the corporate secretary in a timely manner** ;	In order to comply with paragraphs 3.1.26, 4.2.10, 5.3.7 of the Regulation: *"3.1.26. The Board of Directors shall approve an induction program for newly elected members of the Board of Directors and a professional development program for each member of the Board of Directors. The Corporate Secretary shall ensure the implementation of these programs.";* *“4.2.10. The Chairman and members of the Board of Directors, among other things, shall be reimbursed within the approved budget for actual expenses incurred for*

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				advanced training/education in accordance with the programs or retraining plans approved by the Board of Directors, based on the supporting documents provided."; *"5.3.7 The assessment shall include, but not be limited to, consideration of the following issues:* *3) succession and development plans;».*
35	Subparagraph 20) of paragraph 5.2.1 of section 5.2 "Duties of a member of the Board of Directors" of Chapter 5 "Responsibility"	5.2.1. A member of the Board of Directors is obliged to: 20) at the request of the General Meeting of Shareholders, the Chairman of the Board of Directors, provide any information within the scope of issues within the competence of the Board of Directors, except for personal and confidential information;	5.2.1. A member of the Board of Directors is obliged to: 20) **be present at the General Meeting of Shareholders,** at the request of the General Meeting of Shareholders, the Chairman of the Board of Directors, provide any information within the scope of issues within the competence of the Board of Directors, except for personal and confidential information;	Clause 2 of Article 35 of the Law on Joint-Stock Companies: *"2. At the annual general meeting of shareholders:* *….* *The chairman of the board of directors informs the shareholders of the company about the amount and composition of the remuneration of the members of the board of directors and the executive body of the company."* Clause 1.18 of Chapter 3 of Section I V of the Methodology for Diagnostics of the Fund's CU: *"1.18 All members of the Board of Directors are present at the general meeting of shareholders, and the chairmen of the committees of the Board of Directors are ready to answer questions from shareholders."* Clause 38 of Chapter 9 of the Regulation on the General Meeting of Shareholders: *"65….* *At the General Meeting of Shareholders held in person, all officials participating in the management of the Company must be present (if invited).* Item 7.30 of the PMSCU *" All members of the Board of Directors are present at the general meeting of shareholders, and the chairmen of the committees of the Board of Directors are ready to answer questions from shareholders."*
36	Clause 5.2.2 of paragraph 5.2 "Duties of a member of the Board of Directors" of Chapter 5 "Responsibility"	Absent.	**5.2.2. Independent directors must actively participate in the discussion of issues where a conflict of interest may arise (preparation of financial and non-financial reports, conclusion of transactions in which there is an interest, nomination of candidates for the Management Board, establishment of remuneration for members of the Management Board).**	Clause 78 of Chapter 5 of the Corporate Governance Code: *"78. Independent directors must actively participate in the discussion of issues where a conflict of interest may arise (preparation of financial and non-financial reports, conclusion of transactions in which there is an interest, nomination of candidates for the executive body, establishment of remuneration for members of the executive body)."*
37	Clause 5.3.13 of paragraph 5.3 "Assessment of the activities of the Board of Directors" of Chapter 5 "Responsibility"	Absent.	**5.3.13. The process, timing and procedure for conducting an assessment of the activities of the Board of Directors, its Committees and members of the Board of Directors must be clearly regulated in the internal documents of the Company approved by the Board of Directors, including**	Clause 106 of Chapter 5 of the Corporate Governance Code: *"106. …* *The process, timing and procedure for conducting the assessment of the activities of the Board of Directors, its committees and members of the Board of Directors are*

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			those providing for training in conducting assessments for the chairman and members of the Board of Directors.	*clearly regulated in the internal documents of the organization. The Chairman and members of the Board of Directors undergo training in conducting the assessment."*
38	Clause 6.1.1 of paragraph 6.1 "Conducting meetings of the Board of Directors in a planned manner" of Chapter 6 "Regulations for the work of the Board of Directors"	6.1.1. The Board of Directors annually forms and approves its work plan and meeting schedule based on the principles of careful planning of activities by the Board of Directors and the Company, rationality, efficiency and regularity.	6.1.1. SD annually **before the beginning of the calendar year** forms and approves a plan of its work **, including a list of issues planned for consideration,** and a schedule of meetings **with dates** , based on the principles of careful planning of the activities **of the Board of Directors** and the Society, rationality, efficiency and regularity.	Clause 98 of Chapter 5 of the Corporate Governance Code: *"98. ….* *Meetings of the Board of Directors are held in accordance with a work plan approved before the beginning of the calendar year, which includes a list of issues to be considered and a schedule of meetings with dates indicated."*
39	Clause 6.1.7 of paragraph 6.1 "Conducting meetings of the Board of Directors in a planned manner" of Chapter 6 "Regulations for the work of the Board of Directors"	6.1.7. Members of the Board of Directors may take part in a meeting of the Board of Directors or its Committees via videoconference (interactive audiovisual communication), conference call (simultaneous conversation of members of the Board of Directors in the "telephone conference" mode), and other interactive means of communication that allow for the exchange of opinions, confirmation of voting and summing up of its results in real time (hereinafter collectively referred to as **Conference Call**).	6.1.7. Members of the Board of Directors may participate in a meeting of the Board of Directors or its Committees via videoconference (interactive audiovisual communication), conference call (simultaneous conversation of members of the Board of Directors in the "telephone conference" mode), other interactive means of communication that allow for the exchange of opinions, confirmation of voting and summing up its results in real time (hereinafter **and above)** together - **Conference call**). **Conference calling involves exchanging messages via email.**	In order to clarify the regulations of the practice used by the Board of Directors in conducting its meetings. It is proposed to supplement, taking into account the use of this term above in the text, in subparagraph 7) of paragraph 5.2.1 of the Regulation: *"7) attend in-person meetings of the Board of Directors, and if personal presence is impossible, participate via Conference Call or Written Opinion in accordance with the Regulation;* "
40	Clause 6.1.7-1 of paragraph 6.1 "Conducting meetings of the Board of Directors in a planned manner" of Chapter 6 "Regulations for the work of the Board of Directors"	Absent.	**6.1.7-1. When voting by exchanging messages via e-mail, the following conditions must be met:** **1) voting is carried out before the date and time specified in the notice sent to the members of the Board of Directors by the corporate secretary; votes received by members of the Board of Directors after this are not taken into account;** **2) for voting, a member of the Board of Directors is sent a message by e-mail containing a clearly expressed position of the member of the Board of Directors on each issue on the agenda of the meeting of the Board of Directors, indicating one of three voting options: "for" / "against" / "abstained" (otherwise the vote is not counted);** **3) the opening time of the meeting of the Board of Directors is the date and time of the first message received by the corporate secretary from a member of the Board of Directors by e-mail that meets the requirements established by this paragraph .**	In order to clarify the regulations of the practice used by the Board of Directors in conducting its meetings.
41	Clause 6.1.9 of paragraph 6.1 "Conducting meetings of the Board of Directors in a planned manner" of Chapter 6 "Regulations for the work of the Board of Directors"	6.1.9. In special cases, a combination of both forms of the Board of Directors meeting is possible. This applies to the situation when one or more members of the Board of Directors (up to 30%) are unable to attend the Board of Directors meeting in person or participate via conference call . In such a case, the meeting is considered in person. In this	6.1.9. In special cases, a combination of both forms of the Board of Directors meeting is possible. This applies to the situation when one or more members of the Board of Directors (no more than 30%) [thirty percent]) are unable to attend the meeting of the Board of Directors in person or participate via conference call . In such a case, the meeting is	Technical editing. The proposal proposed for exclusion contradicts points 6.5.4, 6.5.6, 6.5.8 of paragraph 6.5 of Chapter 6 of the Regulation. It is proposed to supplement, taking into account the use of this term above in the text, in subparagraph 7) of

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		case, the absent member of the Board of Directors is considered to have participated in the Board of Directors meeting if he/she has provided the corporate secretary with the results of his/her voting and opinion on all issues on the agenda of such meeting (hereinafter referred to as **the Written Opinion**) in writing in advance, prior to the start of the Board of Directors meeting. In this case, the receipt of the Written Opinions is recorded by the corporate secretary, indicating the date and time of receipt of each Written Opinion. ~~Changing the agenda of such a meeting is not permitted.~~	considered in person. In this case, the absent member of the Board of Directors is considered to have participated in the meeting of the Board of Directors if he/she has provided the corporate secretary in writing, in advance, prior to the start of the meeting of the Board of Directors, the results of his/her voting and opinion on all issues on the agenda of such meeting (hereinafter **and above)** – **Written opinion**). In this case, the receipt of Written opinions is recorded by the corporate secretary, indicating the date and time of receipt of each Written opinion.	paragraph 5.2.1 of the Regulation: *"7) attend in-person meetings of the Board of Directors, and if personal presence is impossible, participate via Conference Call or Written Opinion in accordance with the Regulation;".*
42	Clause 6.2.3 of paragraph 6.2 "Convening a meeting of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	6.2.3. The corporate secretary forms a request to convene a scheduled meeting of the Board of Directors (hereinafter referred to **as the Request to Convene**) based on a package of materials provided to the corporate secretary in the established manner.	6.2.3. The corporate secretary shall prepare **the agenda** of the meeting of the Board of Directors **in accordance with paragraph 6.5.2 of the Regulations** based on the package of materials provided to the corporate secretary in the established manner.	Bringing into compliance with Article 57 of the Law on JSC, paragraph 115 of the KMG Charter and the Regulation. **Law on JSC** *"C Article 57. Convening a meeting of the board of directors* *1. A meeting of the board of directors may be convened* ***at the initiative*** *of its chairman or executive body* ***or on demand*** *:* *1) any member of the board of directors;* *2) internal audit services of the company;* *3) an audit organization that carries out the audit of the company;* *4) a major shareholder.* *2.* ***A request to convene*** *a meeting of the board of directors* ***is submitted to the chairman of the board of directors by sending a corresponding written message*** *containing the proposed agenda for the meeting of the board of directors.* *In the event of the refusal of the chairman of the board of directors to convene a meeting, the initiator has the right to apply with the specified request to the executive body, which is obliged to convene a meeting of the board of directors.* *A meeting of the board of directors must be convened by the chairman of the board of directors or the executive body no later than ten calendar days from the date of receipt of the request for convening, unless another period is established by the company's charter.* *The meeting of the board of directors is held with the obligatory invitation of the person who presented the said requirement."* **Charter of KMG** *"115.* ***The request*** *to convene a meeting of the Board of Directors* ***shall be submitted to the Chairman of the Board of Directors by sending a corresponding written***

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				message, containing the proposed agenda *for the meeting of the Board of Directors.* *In the event of the Chairman of the Board of Directors refusing to convene a meeting, the initiator has the right to address the said requirement to the KMG Management Board, which is obliged to convene a meeting of the Board of Directors.* *A meeting of the Board of Directors must be convened by the Chairman of the Board of Directors or the Management Board of KMG no later than ten calendar days from the date of receipt of the request for convening."* Clause 6.5.2 of the Regulation: *"6.5.2. The agenda of the meeting of the Board of Directors is formed by the corporate secretary and approved by the chairman of the Board of Directors based on the annual work plan of the Board of Directors, initiatives of the chairman of the Board of Directors or the Management Board, or at the request (proposal, notification) of the bodies (persons) entitled to do so in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. In this case, when forming the draft agenda of the meeting of the Board of Directors, the corporate secretary must indicate the presence or absence of the issue in the approved work plan of the Board of Directors for the relevant year. If the issue is provided for in the work plan of the Board of Directors for the relevant year, but the materials have not been provided and the issue is not included in the agenda of the relevant meeting of the Board of Directors, the corporate secretary requests the responsible persons for the reason and indicates it in the agenda of the meeting of the Board of Directors for the Board of Directors and the Management Board to take appropriate measures.* *The formation and approval of agendas for meetings of the Board of Directors is carried out taking into account strict compliance with the requirements and deadlines established for this purpose."*
43	Clause 6.2.4 of paragraph 6.2 "Convening a meeting of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	6.2.4. The request to convene a scheduled meeting of the Board of Directors shall be signed by the Chairman of the Management Board or the person replacing him/her no later than 10 (ten) calendar days before the planned date of the meeting of the Board of Directors. The Request to convene shall include only those issues of the proposed agenda of the Board of Directors for which a full package of materials has been compiled in accordance with the established procedure and submitted to the corporate secretary. A full package of materials on the issues on the agenda shall be attached to the Request to convene. Materials submitted after the established	6.2.4. **Agenda of the** meeting of the Board of Directors **is provided to the Chairman of the Board of Directors for approval along with a full package of materials on the agenda items.**	Bringing into compliance with Article 57 of the Law on JSC, paragraph 115 of the KMG Charter and the Regulation.

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		deadline shall be included by the corporate secretary in the Request to convene the next meeting of the Board of Directors.		
44	Clause 6.2.6 of paragraph 6.2 "Convening a meeting of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	6.2.6. The initiator of the issue forms a Request to convene ~~an extraordinary~~ meeting of the Board of Directors based on a package of materials formed in the established manner. A request to convene ~~an extraordinary~~ meeting of the Board of Directors with attached materials prepared in the established manner shall be signed by the Chairman of the Board of Directors or the person replacing him, and shall be submitted in the established manner to the Chairman of the Board of Directors and the corporate secretary ~~no later than 7 (seven) calendar days before the planned date of the meeting of the Board of Directors~~ .	6.2.6. Initiator of **convening a meeting of the Board of Directors** forms a Request for **convening a meeting** SD (hereinafter referred to **as the Request for Convocation**) based on a package of materials formed in accordance with the established procedure. Request for **convening a meeting** The SD with the attached materials, prepared in the established manner, is signed **by the initiator, having such right in accordance with the Law and the Charter of the Company,** and is provided in the established manner to the chairman of the board of directors and the corporate secretary.	Bringing into compliance with Article 57 of the Law on JSC, paragraph 115 of the KMG Charter and the Regulation.
45	Clause 6.3.3 of paragraph 6.3 "Notification of members of the Board of Directors about the convening and holding of a meeting of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	6.3.3. Notification of a meeting of the Board of Directors, as well as the necessary materials attached thereto, shall be sent by the corporate secretary ~~of the Company~~ to the members of the Board of Directors in writing or, by agreement with the members of the Board of Directors, in another way convenient for them (including by post, fax, electronic or other communication) no later than 7 (seven) calendar days before the date of the meeting (and in the case of absentee voting - before the end date of acceptance of ballots for absentee voting), except for cases stipulated by the Charter of the Company.	6.3.3. Notification of a meeting of the Board of Directors, as well as the necessary materials attached to it, shall be sent by the corporate secretary to the members of the Board of Directors in writing or, by agreement with the members of the Board of Directors, by another means convenient for them (including by post, fax, electronic or other communication) no later than 7 (seven) calendar days before the date of the meeting (and in the case of absentee voting - before the end date of acceptance of ballots for absentee voting), except for cases stipulated by the Charter of the Company. **Materials for the meetings of the Board of Directors and its Committees are provided by the Society to the members of the Board of Directors via secure remote access based on special software and hardware.** **Materials on issues included in the agenda of an in-person meeting of the Board of Directors, revised taking into account comments received from a major shareholder, or based on the results of consideration by the relevant Committee of the Board of Directors after the expiration of the period established for the provision of materials to members of the Board of Directors, are provided to members of the Board of Directors as they are received and are mandatory are considered directly at the meeting of the Board of Directors.** **Comments (if any) from a major shareholder on issues on the agenda of the Board of Directors meetings are provided by the corporate secretary to the members of the Board of Directors before these issues are considered by the relevant Committees of the Board of Directors.**	Technical editing for the purpose of uniformity of presentation of the text of the Regulation. The basis for adding this clause to the Regulation is the following instructions from the Board of Directors: 1) from 04.11.2021 (minutes No. 18/2021, question No. 1): *"To the Corporate Secretary of JSC NC KazMunayGas, D.V. Sharipov, when preparing meetings of the Board of Directors of JSC NC KazMunayGas: 2) after the expiration of the period established for the provision of materials to members of the Board of Directors of JSC NC KazMunayGas, do not provide members of the Board of Directors of JSC NC KazMunayGas with materials on the agenda items of the meeting, revised taking into account the comments received from JSC Samruk-Kazyna - such materials must be considered at the meeting of the Board of Directors of JSC NC KazMunayGas itself.* 2) dated 05.07.2024 (minutes No. 15/2024, issue No. 9): *"The Director of the Oil and Gas Assets Department of JSC Samruk-Kazyna Korotkov I.F. shall send to the Corporate Secretary of JSC NC KazMunayGas Sharipov D.V. comments/conclusions of the structural divisions of JSC Samruk-Kazyna on the agenda items of the meetings of the Board of Directors of JSC NC KazMunayGas for submission to the members of the Board of Directors of JSC NC KazMunayGas prior to their consideration by the relevant committees of the Board of Directors of JSC NC KazMunayGas."* The proposed additions will also make it possible to legitimize used CD software BoardMaps .
46	Clause 6.3.4 of paragraph 6.3 "Notification of members of the Board of Directors about	6.3.4. Materials for the meeting of the Board of Directors, sent to the members of the Board of Directors include:	6.3.4. Materials for the meeting of the Board of Directors, **provided** to the members of the Board of Directors, include:	It is proposed to change it to a universal formulation, taking into account that materials can not only be sent to

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	the convening and holding of a meeting of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	1) the agenda of the meeting with the indication of the speakers; 2) explanatory notes addressed to the members of the Board of Directors, prepared in accordance with the requirements established by a separate internal document approved by the Board of Directors; 3) draft resolutions of the Board of Directors; 4) draft documents; 5) extracts from the resolutions of the Board; 6) other additional documents, if any (presentations, copies of resolutions of government bodies, General Meeting of Shareholders, Board of Directors), reference materials justifying the inclusion of the specified issues in the agenda, etc. Other requirements, established by a separate internal document approved by the Board of Directors, apply to materials on issues submitted for information purposes.	1) the agenda of the meeting with the indication of the speakers; 2) explanatory notes addressed to the members of the Board of Directors, prepared in accordance with the requirements established by a separate internal document approved by the Board of Directors; 3) draft resolutions of the Board of Directors; 4) draft documents; 5) extracts from the resolutions of the Board; 6) other additional documents, if any (presentations, copies of resolutions of government bodies, General Meeting of Shareholders, Board of Directors), reference materials justifying the inclusion of the specified issues in the agenda, etc. Other requirements, established by a separate internal document approved by the Board of Directors, apply to materials on issues submitted for information purposes.	members of the Board of Directors, but also transmitted in other ways.
47	Clause 6.3.13 of paragraph 6.3 "Notification of members of the Board of Directors about the convening and holding of a meeting of the Board of Directors" of Chapter 6 "Regulations for the work of the Board of Directors"	6.3.13. In the event of consideration of the issue of making a resolution on concluding a major transaction and (or) a transaction in which there is an interest, information about the transaction must include information about the parties to the transaction, the assets being acquired or alienated (if applicable), the terms and conditions of the transaction, the nature and volume of the participating interests of the parties involved, an appraiser's report (if the transaction results in the acquisition or alienation of property worth 10 ~~%~~ (ten) or more percent of the book value of the Company's assets), as well as, if there is other information about the transaction.	6.3.13. In the event of consideration of the issue of making a resolution on concluding a major transaction and (or) a transaction in which there is an interest, information about the transaction must include information about the parties to the transaction, the assets being acquired or alienated (if applicable), the terms and conditions of the transaction, the nature and volume of the shares of the parties involved, an appraiser's report (if the transaction results in the acquisition or alienation of property worth 10 (ten) or more percent of the book value of the Company's assets), as well as, if there is other information about the transaction. **The Management Board shall ensure that the Board of Directors is provided with information on proposed transactions and investments in advance (at least 30 [thirty] calendar days). That is, if an issue is planned to be submitted for resolution-making at a certain regular meeting of the Board of Directors, then information on such an issue shall be submitted to the previous meeting of the Board of Directors for information.**	The basis for including this clause in the Regulation is the following instruction of the Board of Directors dated 06.04.2022 (minutes No. 6/2022, issue No. 15): *"The Management Board of JSC NC KazMunayGas shall ensure that the Board of Directors of JSC NC KazMunayGas is provided with information on proposed transactions and investments in advance (1 (one) month in advance). That is, if the issue is planned to be submitted for resolution-making at a certain regular meeting of the Board of Directors of JSC NC KazMunayGas, then information on such issue shall be submitted to the previous meeting of the Board of Directors of JSC NC KazMunayGas for information."*
48	Clause 6.3.15 of paragraph 6.3 "Notification of members of the Board of Directors about the convening and holding of a meeting of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	6.3.15. In case of failure to submit the required materials within the time period specified in the Regulation, the Charter and (or) the internal documents of the Company and (or) their submission in an improper form, the issue is not included in the agenda of the meeting and the requirements of paragraph 6.5.7 of the Regulation shall apply to such issue. However, if the issue is initiated by a member of the Board of Directors of KMG, the provisions of this paragraph shall not apply.	6.3.15. In case of failure to submit the required materials within the time period specified in the Regulations, the Charter and (or) in the internal documents of the Company and (or) their submission in an improper form, the issue is not included in the agenda of the meeting and the requirements of paragraph 6.5.7 of the Regulations shall apply to such issue. In this case, **if** the issue is initiated by a member of **the Board of Directors,** the provisions of this paragraph shall not apply.	Technical corrections. Bringing the text of the Regulation into line with the presentation.
49	Clause 6.5.2 of paragraph 6.5 "Agenda of the meeting of the Board of Directors" of Chapter 6 "Regulations of the	6.5.2. The agenda of the meeting of the Board of Directors is formed by the corporate secretary and approved by the chairman of the Board of Directors based on the annual work plan of the Board of Directors, initiatives of the chairman of	6.5.2. The agenda of the meeting of the Board of Directors is formed by the corporate secretary and approved by the chairman of the Board of Directors based on the annual work plan of the Board of Directors, initiatives of the chairman of	The basis for including this clause in the Regulation is the following instruction of the Board of Directors dated 06.04.2022 (minutes No. 6/2022, issue No. 18): *"To the Chairman of the Board of Directors of JSC NC*

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	work of the Board of Directors"	the Board of Directors or the Management Board, or at the request (proposal, notification) of the bodies (persons) entitled to do so in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. In this case, when forming the draft agenda of the meeting of the Board of Directors, the corporate secretary must indicate the presence or absence of the issue in the approved work plan of the Board of Directors for the relevant year. If the issue is provided for in the work plan of the Board of Directors for the relevant year, but the materials have not been provided and the issue is not included in the agenda of the relevant meeting of the Board of Directors, the corporate secretary requests the responsible persons to provide the reason and indicates it in the agenda of the meeting of the Board of Directors for the Board of Directors and the Management Board to take appropriate measures.	the Board of Directors or the Management Board, or at the request (proposal, notification) of the bodies (persons) entitled to do so in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. In this case, when forming the draft agenda of the meeting of the Board of Directors, the corporate secretary must indicate the presence or absence of the issue in the approved work plan of the Board of Directors for the relevant year. If the issue is provided for in the work plan of the Board of Directors for the relevant year, but the materials have not been provided and the issue is not included in the agenda of the relevant meeting of the Board of Directors, the corporate secretary requests the responsible persons to provide the reason and indicates it in the agenda of the meeting of the Board of Directors for the Board of Directors and the Management Board to take appropriate measures. **The formation and approval of agendas for meetings of the Board of Directors is carried out taking into account strict compliance with the requirements and deadlines established for this purpose.**	*KazMunayGas to tighten the process of forming agendas for meetings of the Board of Directors of JSC NC KazMunayGas, including strictly adhering to the established requirements and deadlines."*
50	Clause 6.5.3 of paragraph 6.5 "Agenda of the meeting of the Board of Directors" of Chapter 6 "Regulations for the work of the Board of Directors"	6.5.3. The agenda is approved by a majority vote of the members of the Board of Directors participating in the meeting. When a resolution is made by the Board of Directors by means of absentee voting, the agenda cannot be changed and/or supplemented.	6.5.3. The agenda is approved **at the beginning of the meeting of the Board of Directors** by a majority vote of the members of the Board of Directors present **at the meeting of the Board of Directors and participating in the meeting of the Board of Directors via conference call** . When a resolution is made by the Board of Directors by means of absentee voting, the agenda cannot be changed and/or supplemented.	Clarification.
51	Clause 6.5.7 of paragraph 6.5 "Agenda of the meeting of the Board of Directors" of Chapter 6 "Regulations for the work of the Board of Directors"	6.5.7. In the event that issues are included in the agenda with a violation of the deadlines, the Chairman of the Board of Directors shall be provided with a petition signed by the Chairman of the Management Board or the person replacing him/her, to include an additional issue in the agenda of the upcoming meeting of the Board of Directors with exhaustive justification for this need. This process may be described in more detail in an internal document of the Company approved by the Board of Directors.	6.5.7. In the event that issues are included in the agenda with a violation of the deadlines, the Chairman of the Board of Directors shall be provided with a petition signed by the Chairman of the Management Board or the person replacing him/her, to include an additional issue in the agenda of the upcoming meeting of the Board of Directors with exhaustive justification for this need. This process may be described in more detail in an internal document of the Company approved by the Board of Directors. **The corporate secretary informs the Board of Directors and the Chairman of the Management Board about all cases of untimely submission of materials for meetings of the Board of Directors and untimely submission of issues for consideration by the Board of Directors at scheduled meetings of the Board of Directors, indicating the person(s) responsible for providing materials and his (their) immediate supervisor(s) as part of the information on the discipline of interaction between the Company's management and the Board of Directors, in accordance with paragraph 6.11.1 of the Regulation.**	The basis for including this clause in the Regulation is the following instructions of the Board of Directors dated 06.04.2022 (minutes No. 6/2022, question No. 18): *"The Corporate Secretary of JSC NC KazMunayGas, D.V. Sharipov, shall inform the Board of Directors of JSC NC KazMunayGas and the Chairman of the Management Board of JSC NC KazMunayGas on a monthly basis about all cases of untimely submission of materials for meetings of the Board of Directors of JSC NC KazMunayGas, indicating the responsible executor and immediate supervisor at the level of the Director of the Department.";* *"The Management Board of JSC NC KazMunayGas, based on the results of receiving information from the corporate secretary of JSC NC KazMunayGas on cases of untimely submission of materials for meetings of the Board of Directors of JSC NC KazMunayGas, shall take measures to improve executive discipline in terms of providing materials for meetings of the Board of*

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			The Chairman of the Management Board, based on the results of receiving information from the corporate secretary on cases of untimely submission of materials for meetings of the Board of Directors, takes measures to improve executive discipline in terms of providing materials for meetings of the Board of Directors and its Committees and, based on the results, provides the relevant information for the next scheduled meeting of the Board of Directors as a separate agenda item.	*Directors of JSC NC KazMunayGas and its Committees and, based on the results, provide the relevant information to the Board of Directors of JSC NC KazMunayGas."* It is proposed to make a clarification in connection with the existence of cases of non-compliance with the work plan of the Board of Directors. Proposed version of paragraph 6.11.1 of the Regulation: *"6.11.1. The Board of Directors exercises control over the implementation of its resolutions/instructions by reviewing reports from the Management Board, the Chairmen of the Board of Directors Committees, the Internal Audit Service, structural divisions accountable to the Board of Directors, and the Corporate Secretary on the implementation and/or progress of the implementation of the Board of Directors' resolutions/instructions, which are submitted to each meeting of the Board of Directors, unless another deadline is established by the Board of Directors.* *Information on the status of the execution of resolutions of the Board of Directors (for example, on the conclusion of a transaction, replenishment of the authorized capital of a subsidiary dependent organization (hereinafter referred to as **SDO**), changes to the charter of a SDO, etc.) is reviewed by the Board of Directors 1 (one) time per six months.* *Information on the status of execution of the Board of Directors' orders is reviewed by the Board of Directors on a monthly basis.* *Information on the status of the implementation of resolutions/instructions of the Board of Directors is included as a separate item on the agenda of the Board of Directors meeting.* *If, during the consideration of the Board of Directors, facts are established that the resolutions/instructions of the Board of Directors have not been implemented within the timeframe established by the Board of Directors, the responsible persons (the Chairman of the Management Board and/or the Chairman of the Board of Directors) take appropriate measures and the relevant information on the measures taken is provided at the next meeting of the Board of Directors.* *If no action is taken or information is not provided, the corporate secretary will inform the Board of Directors.* *On a quarterly basis, as part of the issue of the status of execution and (or) the progress of execution of resolutions/instructions of the Board of Directors, the Board of Directors reviews information on the discipline*

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				of interaction between the Company's management and the Board of Directors."
52	Clause 6.6.2.2 of paragraph 6.6 "Regulations of the meetings of the Board of Directors" of Chapter 6 "Regulations of the work of the Board of Directors"	6.6.2.2. The quorum for holding a meeting of the Board of Directors on issues specified in subparagraphs 1), 7), 9), 10-17), 26-37), 46-47), 49-50) of paragraph 106 of the Company's Charter shall be two-thirds of the members of the Board of Directors, while the majority of independent directors must participate in the meeting of the Board of Directors.	6 .6.2.2. The quorum for holding a meeting of the Board of Directors on issues specified in subparagraphs 1), 7), 9), 10-17), 26-37), 46-47), 49-50) of paragraph 106 of the Charter of the Company shall be two-thirds of the members of the Board of Directors, while the majority of independent directors must participate in the meeting of the Board of Directors. **If the total number of members of the Board of Directors is insufficient to achieve the quorum specified in the previous paragraph of this clause, the consideration of the said issues shall be postponed to the next meeting of the Board of Directors. When reconsidering the issues specified in the previous paragraph of this clause, the requirements for the quorum and the number of independent directors shall not apply.**	For the purposes of correct presentation, it is proposed to combine paragraphs 6.6.2.2 and 6.6.2.3 of the Regulation.
53	Clause 6.6.2.3 of paragraph 6.6 "Regulations of the meetings of the Board of Directors" of Chapter 6 "Regulations of the work of the Board of Directors"	6.6.2.3. If the total number of members of the Board of Directors is insufficient to achieve the quorum specified in the previous paragraph of this clause, the consideration of the said issues shall be postponed to the next meeting of the Board of Directors. When reconsidering the issues specified in the previous paragraph of this clause, the requirements for the quorum and the number of independent directors shall not apply.	**Exclude.**	This point has been moved as an additional paragraph to point 6.2.2 of the Regulation
54	Clause 6.6.4.1 of paragraph 6.6 "Regulations of the meetings of the Board of Directors" of Chapter 6 "Regulations of the work of the Board of Directors"	6.6.4.1. In the absence of a quorum for making a resolution on an item on the agenda of a meeting that provides for a special quorum requirement in accordance with the Charter of the Company, such item shall be excluded from the agenda of such meeting of the Board of Directors.	6.6.4.1. In the absence of a quorum for making a resolution on an item on the agenda of a meeting that provides for a special quorum requirement in accordance with the Charter of the Company, **by resolution of the members of the Board of Directors** such an issue is excluded from the agenda of such a meeting of the Board of Directors, **or is retained on the agenda and considered, but a resolution on its merits is not made.**	It is proposed to change this in accordance with current practice to give the Board of Directors the opportunity to hear speakers, ask questions, take information into account, and have a preliminary discussion.
55	Clause 6.6.6 of paragraph 6.6 "Regulations of the meetings of the Board of Directors" of Chapter 6 "Regulations of the work of the Board of Directors"	6.6.6. If, during a meeting of the Board of Directors, a member of the Board of Directors proposes to give the Management Board and/or officials of the Company an instruction, its wording must be clear, with an indication of the deadlines, responsible persons, and must be included in the resolution of the Board of Directors on the agenda item under consideration, and if the instruction is proposed regardless of the agenda item, then such instruction must be supported by the members of the Board of Directors who participated in the meeting of the Board of Directors in person or via conference call and reflected in the minutes of the meeting of the Board of Directors.	6.6.6. If, during a meeting of the Board of Directors, a member of the Board of Directors proposes that **the Board of Directors** give the Management Board and/or the officials of the Company **, To the services accountable to the Board of Directors and/or their heads, heads of structural divisions directly reporting to the Chairman of the Board,** the order, its wording must be clear, with the deadlines and responsible persons indicated. **At the same time, taking into account paragraph 2.2 of the Regulation, the following must be heard and discussed:** **1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;**	It is suggested: 1) expand the range of bodies, structural divisions, and persons to whom the Board of Directors can give instructions, including taking into account the updated structure of the central office of KMG, which will be put into effect on 14.04.2025; 2) make a clarification so that there is a clear understanding that the order is given not by a member of the Board of Directors, but by the Board of Directors; 3) exclude and supplement, taking into account current practice and risks for the corporate secretary, as well as to legitimize the existing protocol practice.

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			2) in the case of instructions to structural divisions accountable to the Board of Directors – the opinion of the heads of such divisions. **An order is given on behalf of the Board of Directors if the majority of the Board of Directors members who participated** in the meeting of the Board of Directors in person or via conference call voted for it **, and must be included in the resolution of the Board of Directors on the agenda item under consideration.** **In this case, if some of those who took part voted by means of a Written Opinion,** the minutes of **such** a meeting of the Board of Directors **It is reflected that they did not vote for the assignment proposed during the meeting of the Board of Directors itself, and the voting results are summed up taking this into account.**	The proposed wording of paragraph 2.2. of the Regulation : " *2.2. The Board of Directors is vested with powers sufficient to manage the Company and control the activities of the Management Board, including the power to issue instructions. Instructions to the bodies and employees of the Company are given only at meetings of the Board of Directors on behalf of the Board of Directors, which must take into account their relevance, feasibility, and the realistic deadlines set for their implementation, for which purpose it is necessary to take into account the following: 1) in the case of instructions to the management of the Company - the opinion of the Chairman of the Management Board; 2) in the case of instructions to structural divisions accountable to the Board of Directors - the opinion of the heads of such divisions."*
56	Clause 6.6.6-1 of paragraph 6.6 "Regulations of the meetings of the Board of Directors" of Chapter 6 "Regulations of the work of the Board of Directors"	Absent.	**6.6.6-1. A major shareholder may:** **1) attend in person the meetings of the Board of Directors;** **2) receive notifications of upcoming meetings of the Board of Directors and materials on Board of Directors issues no less than 7 (seven) calendar days before the date of the meeting of the Board of Directors;** **3) present their position (opinion) at meetings of the Board of Directors through the corporate secretary on the following issues:** **a) preliminary approval of the dividend policy of the Company, approval of the procedure for distributing the net income of the Company for the reporting financial year, making a resolution on the payment of dividends on common shares and determining the amount of dividend per common share of the Company;** **b) resolutions on the participation of the Company in the creation or activities of other legal entities or alienation (withdrawal) from the membership (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets, in total amounting to more than 10% (ten percent) of all assets belonging to the Company;** **c) the placement (sale) of shares, including the number of shares being placed (sold) within the number of declared shares, the method and price of their placement (sale);** **d) the repurchase by the Company of the issued shares and the price of their repurchase;** **d) determining priority areas of the Company's activities;** **e) an increase in the Company's liabilities by an amount equal to 25 (twenty-five) percent or more of the amount of its equity capital;** **g) provision by the Company of a guarantee to ensure the fulfillment of obligations of third parties, in the event that it is impossible to determine the size (amount) of the Company's obligations, with the exception of letters of**	The basis for including this clause in the Regulation is the instruction provided in the Fund's letter dated 14.03.2025 No. 04-1-09/1500 (hereinafter referred to as **the Letter**): *" The Fund undertakes to represent the position (opinion) of the National Bank at meetings of the KMG Board of Directors through the corporate secretary of the KMG Board of Directors on the following issues: - preliminary approval of KMG's dividend policy, approval of the procedure for distributing KMG's net income for the reporting financial year, making resolutions on the payment of dividends on common shares and determining the amount of dividend per common share of KMG; - resolutions on KMG's participation in the creation or activities of other legal entities or alienation (withdrawal) from the composition of participants (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets, in total constituting more than 10% of all assets owned by KMG; - placement (sale) of shares, including the number of shares to be placed (sold) within the number of declared shares, the method and price of their placement (sale); - repurchase by KMG of placed shares and the price of their repurchase; - determination of priority areas of KMG's activities; - increase in KMG's liabilities by an amount equal to 25% or more of its equity capital; - provision by KMG of a guarantee to secure the fulfillment of obligations of third parties, in the event that it is impossible to determine the size (amount) of KMG's obligations, with the exception of letters of comfort and guarantees issued to secure the fulfillment of obligations when KMG's affiliates participate in tenders (competitions).* *In this regard, the Fund informs about the need for KMG and the KMG Corporate Secretary to comply with the*

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			comfort and guarantees issued to ensure the fulfillment of obligations when affiliated persons of the Company participate in tenders (competitions); **4) within 5 (five) working days after the closing of the meeting of the Board of Directors, receive the minutes of the meeting of the Board of Directors and the resolutions of the Board of Directors adopted by absentee voting for review and (or) extracts from the minutes and resolutions certified by the signature of the corporate secretary.** **The corporate secretary is obliged to present (in full, unambiguously, without distorting the meaning) at the meeting of the Board of Directors the position (opinion) received from the major shareholder on the issues on the agenda of the meeting of the Board of Directors, with the position (opinion) of the major shareholder recorded in the minutes of the meeting of the Board of Directors. On the issues specified in this paragraph, the Board of Directors makes resolutions taking into account the information received on the position of the major shareholder.**	*following in the established manner on the above-mentioned issues:* *1) notify the National Bank in writing of upcoming meetings of the KMG board of directors and provide the National Bank with materials on the issues of the board of directors at least 7 calendar days before the date of the meeting, in accordance with the KMG Charter and the Law of the Republic of Kazakhstan "On Joint-Stock Companies";* *2) provide copies of the minutes of shareholders' meetings and (or) meetings of the board of directors to the National Bank within 5 working days after the closing of the meeting (session);* *3) express (in full, unambiguously, without distorting the meaning) the position (opinion) of the National Bank on the agenda items at meetings of the KMG board of directors, with the position (opinion) of the National Bank recorded in the minutes of the meeting of the KMG board of directors."* Since the rights of a shareholder are defined by the JSC Law and the KMG Charter, but nothing specified in the Letter is enshrined in the JSC Law and the KMG Charter as the rights of a shareholder, it is proposed to set out what is specified in the Letter in the Regulation on the Board of Directors as the capabilities of a major shareholder. In particular, taking into account the fact that the resolutions of the Board of Directors and its committees, discussions on them, are included in the List of Confidential Information, the possibility of obtaining copies of the minutes of meetings/resolutions of the Board of Directors is proposed to be set out based on paragraph 6 of Article 58 of the JSC Law: *" The secretary of the board of directors, at the request of a member of the board of directors, is obliged to provide him with the minutes of the meeting of the board of directors and the resolutions taken by absentee voting for review and (or) issue him extracts from the minutes and resolutions certified by the signature of an authorized employee of the company."*
57	Subparagraph 2) of paragraph 6.6.7 of section 6.6 "Regulations for meetings of the Board of Directors" of Chapter 6 "Regulations for the work of the Board of Directors"	6.6.7. The meeting of the Board of Directors includes the following stages: 2) a speech by a member of the Board of Directors or an invited person with a report on an item on the agenda;	6.6.7. The meeting of the Board of Directors includes the following stages: 2) a presentation by a member of the Board of Directors or an invited person with a report on an agenda item, **while on an item initiated by the Board of Directors, the report must be presented by the supervising member of the Board of Directors and/or the head of the responsible structural unit** ;	The basis for including this clause in the Regulation is the following instruction of the Board of Directors dated 15.06.2022 (minutes No. 11/2022, issue No. 10): *"The Management Board of JSC NC KazMunayGas shall ensure that at meetings of the Board of Directors of JSC NC KazMunayGas or its committees, reports on agenda items are presented by the management of JSC NC KazMunayGas."*

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58	Subparagraph 4) of paragraph 6.6.7 of section 6.6 “Regulations for meetings of the Board of Directors” of Chapter 6 “Regulations for the work of the Board of Directors”	6.6.7. The meeting of the Board of Directors includes the following stages: 4) proposals for the formulation of a resolution on an agenda item, including a detailed discussion of comments and instructions from members of the Board of Directors;	6.6.7. The meeting of the Board of Directors includes the following stages: 4) proposals for the formulation of a resolution on the agenda item, including a detailed discussion of comments and instructions proposed by members of the Board of Directors;	Clarifying editorial edit to ensure that it is clearly understood that the order is given not by a member of the Board of Directors, but by the Board of Directors.
59	Clause 6.8.2 of paragraph 6.8 “Resolution-making by the Board of Directors” of Chapter 6 “Regulations for the work of the Board of Directors”	6.8.2. Resolutions of the Board of Directors are taken by a simple majority of votes of the members of the Board of Directors (except for cases stipulated by the Charter of the Company) present at the meeting, or having provided a Written Opinion or participating in absentia voting, unless otherwise provided by the legislation of the Republic of Kazakhstan.	6.8.2. Resolutions of the Board of Directors are taken by a simple majority of votes of the members of the Board of Directors (except for cases stipulated by the Charter of the Company) **who took part,** unless otherwise provided by the legislation of the Republic of Kazakhstan.	Clarifying amendment, for the purpose of uniformity of presentation of the text of the Regulation.
60	Clause 6.9.1 of paragraph 6.9 “Minutes of the in-person meeting of the Board of Directors” of Chapter 6 “Regulations on the work of the Board of Directors”	6.9.1. The resolutions of the Board of Directors that were taken at a meeting held in person are recorded in minutes. The minutes of the meeting of the Board of Directors are recorded in accordance with the Charter of the Company, the Regulations, and other applicable internal documents of the Company.	6.9.1. The resolutions of the Board of Directors that were taken at a meeting held in person are recorded in minutes **. with a full indication of the results of the discussions and resolutions taken** . The minutes of the meeting of the Board of Directors are drawn up in accordance with the Charter of the Company, **the Corporate Governance Code of the Company,** the Regulations and other applicable internal documents of the Company.	Clause 98 of Chapter 5 of the Corporate Governance Code: *"98. The meetings of the Board of Directors and its committees shall be duly recorded by the corporate secretary, with a full indication of the results of the discussions and resolutions taken."*
61	Clause 6.9.6 of paragraph 6.9 “Minutes of the in-person meeting of the Board of Directors” of Chapter 6 “Regulations on the work of the Board of Directors”	6.9.6. If a member of the Board of Directors “abstains” on an issue submitted to the Board of Directors for consideration, the minutes of the meeting (absentee voting resolution) of the Board of Directors shall indicate the corresponding reason for such voting.	6.9.6. If **a** member of the Board of Directors **voted** “abstain” on an issue submitted to the Board of Directors for consideration, the minutes of the meeting (absentee voting resolution) of the Board of Directors shall indicate the corresponding reason for such a vote.	Clarifying edit.
62	Clause 6.9.8 of paragraph 6.9 “Minutes of the in-person meeting of the Board of Directors” of Chapter 6 “Regulations on the work of the Board of Directors”	6.9.8. The minutes of the meeting of the Board of Directors shall be signed by the Chairman of the Board of Directors or the member of the Board of Directors acting in his/her capacity, and the corporate secretary.	**Exclude.**	Duplicates point 6.9.3: *“6.9.3. The minutes of the meeting of the Board of Directors shall be drawn up by the corporate secretary and signed by the person who chaired the meeting and the corporate secretary no later than 7 (seven) days after it was held.”*
63	Clause 6.11.1 of paragraph 6.11 “Control over the implementation of resolutions of the Board of Directors” of Chapter 6 “Regulations on the work of the Board of Directors”	6.11.1. The Board of Directors exercises control over the implementation of its resolutions by reviewing reports from the Management Board, the Chairmen of the Board of Directors Committees, the Internal Audit Service, and the Corporate Secretary on the implementation and/or progress of the implementation of the Board of Directors resolutions, which are presented at each meeting of the Board of Directors, unless another period is established by the Board of Directors.	6.11.1. The Board of Directors exercises control over the implementation of its resolutions **/instructions.** by reviewing the reports of the Management Board, the Chairmen of the Board of Directors Committees, the Internal Audit Service, and **structural divisions accountable to the Board of Directors,** corporate secretary on the execution and (or) progress of execution of resolutions **/instructions** The Board of Directors shall submit the documents to each meeting of the Board of Directors unless another period is established by the Board of Directors. **Information on the status of the execution of resolutions of the Board of Directors (for example, on the conclusion of a transaction, replenishment of the authorized capital of a subsidiary dependent organization (hereinafter referred to as SDO), changes to the charter of a SDO, etc.)**	The basis for supplementing this clause of the Regulation is the following instruction of the Board of Directors dated 06.04.2022 (minutes No. 6/2022, question No. 18): *"2. To the Corporate Secretary of JSC NC KazMunayGas Sharipov D.V.:* *1) tighten the process of providing materials for meetings of the Board of Directors of JSC NC KazMunayGas to members of the Board of Directors of JSC NC KazMunayGas, including strictly adhering to the established requirements and deadlines;* *2) inform the Board of Directors of JSC NC KazMunayGas and the Chairman of the Management Board of JSC NC KazMunayGas on a monthly basis about all cases of untimely submission of materials for meetings of the Board of Directors of JSC NC*

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			is reviewed by the Board of Directors 1 (one) time per six months. **Information on the status of execution of the Board of Directors' orders is reviewed by the Board of Directors on a monthly basis.** **Information on the status of the implementation of resolutions/instructions of the Board of Directors is included as a separate item on the agenda of the Board of Directors meeting.** **If, during the consideration of the Board of Directors, facts are established that the resolutions/instructions of the Board of Directors have not been implemented within the timeframe established by the Board of Directors, the responsible persons (the Chairman of the Management Board and/or the Chairman of the Board of Directors) take appropriate measures and the relevant information on the measures taken is provided at the next meeting of the Board of Directors.** **If no action is taken or information is not provided, the corporate secretary will inform the Board of Directors.** **On a quarterly basis, as part of the issue of the status of execution and (or) the progress of execution of resolutions/instructions of the Board of Directors, the Board of Directors reviews information on the discipline of interaction between the Company's management and the Board of Directors.**	*KazMunayGas, indicating the responsible executor and immediate supervisor at the level of the Director of the Department.* *3. The Management Board of JSC NC KazMunayGas, based on the results of the implementation of paragraph 3 of this resolution, shall take measures to improve executive discipline in terms of providing materials for meetings of the Board of Directors of JSC NC KazMunayGas and its Committees and, based on the results, provide relevant information to the Board of Directors of JSC NC KazMunayGas.* The basis for supplementing this clause of the Regulation is the following order of the Board of Directors dated 17.09.2024 (minutes No. 20/2024, question No. 3): *"3. Take into account the information on the discipline of interaction with the Board of Directors of JSC NC KazMunayGas (hereinafter referred to* ***as Appendix*** *), in accordance with the appendix to this resolution.* *4. To the Chairman of the Board of JSC NC KazMunayGas, A.G. Khasenov:* *1) take measures to establish the reasons for the violation of the deadlines specified in Table 3 of the Appendix;* *2) take measures to minimize violations of the procedure for providing materials on issues initiated and submitted by the Management Board of JSC NC KazMunayGas for consideration by the Board of Directors of JSC NC KazMunayGas;».* According to paragraph 5 of the Board of Directors' Work Plan for 2025.
64	Clause 6.11.2 of paragraph 6.11 "Control over the implementation of resolutions of the Board of Directors" of Chapter 6 "Regulations on the work of the Board of Directors"	6.11.2. The Corporate Secretary communicates the resolutions taken and the corresponding instructions to the Management Board, the departments accountable to the Board of Directors and the responsible structural divisions, and informs the Board of Directors of the deadlines for the implementation of the Board of Directors' resolutions.	6.11.2. The Corporate Secretary communicates the resolutions made and the corresponding instructions to **the Chairman of the Board, the responsible persons members** of the Board of Directors, **services** accountable **to** the Board of Directors **,** and responsible structural divisions, and informs the Board of Directors about the deadlines for the implementation of Board of Directors resolutions. **The Chairman of the Board is responsible for the implementation of resolutions/instructions of the Board of Directors addressed to the Management Board, who ensures:** **1) appointment of persons responsible for the implementation of resolutions/instructions of the Board of Directors;** **2) communicating resolutions/instructions of the Board of Directors to responsible persons;** **3) control over the execution (including deadlines for execution) of resolutions/instructions of the Board of Directors;**	Technical corrections. The basis for supplementing this clause of the Regulation is the following order of the Board of Directors dated 17.09.2024 (minutes No. 20/2024, question No. 3): *"3. Take into account the information on the discipline of interaction with the Board of Directors of JSC NC KazMunayGas (hereinafter referred to* ***as Appendix*** *), in accordance with the appendix to this resolution.* *4. To the Chairman of the Board of JSC NC KazMunayGas, A.G. Khasenov:* *1) take measures to establish the reasons for the violation of the deadlines specified in Table 3 of the Appendix;* *2) take measures to minimize violations of the procedure for providing materials on issues initiated and submitted by the Management Board of JSC NC KazMunayGas for consideration by the Board of Directors of JSC NC KazMunayGas;».*

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			4) providing the Board of Directors and/or the corporate secretary for the Board of Directors with information on the implementation of resolutions/instructions of the Board of Directors. **The deadlines for the execution of resolutions / instructions of the Board of Directors are calculated from the date of the meeting of the Board of Directors. If a deadline for the execution of a specific resolution / instruction was named at a meeting of the Board of Directors, the person(s) present , to whom the resolution was made / the instruction was given with an indication of the deadline, is obliged to start executing the resolution / instruction of the Board of Directors immediately after the meeting of the Board of Directors, without waiting for the receipt by him/her of an extract from the minutes of the Board of Directors. Personal responsibility for the timely and high-quality execution of the minutes of the resolutions / instructions of the Board of Directors lies with the executors to whom the instruction was given and the managers (directly reporting to the Chairman of the Board) supervising the relevant area of activity.**	Clause 5.10.26 of the Regulations on office work in the group of companies of JSC NC KazMunayGas.
65	Throughout the text Appendix No. 1 “AGREEMENT with a member of the Board of Directors of JSC NC “KazMunayGas”	Nur -Sultan	**Astana**	Decree of the President of the Republic of Kazakhstan dated September 17, 2022 No. 1017 "On renaming the city of Nur -Sultan - the capital of the Republic of Kazakhstan to the city of Astana - the capital of the Republic of Kazakhstan"
66	Preamble to the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	Joint Stock Company “National Company “KazMunayGas” (hereinafter referred to as the Company, represented by the Chairman of the Board of Directors of the Company _____, acting on the basis of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and in accordance with the resolution of the person owning all voting shares of the Company (minutes _____), on the one hand, and Mr. _____, citizen of _____, passport No. _____, issued on _____, elected as an independent director of the Company (hereinafter referred to as the Director), in accordance with the resolution of the person owning all voting shares of the Company (minutes _____), on the other hand, hereinafter referred to as the Parties, have entered into this agreement (hereinafter referred to as the Agreement) on the following:	Joint Stock Company "National Company "KazMunayGas" (hereinafter referred to **as the Company) ,** represented by **the** Chairman of the Board of Directors of the Company _____, acting on the basis of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and in accordance with the resolution **of the General Meeting of Shareholders** of the Company (minutes **No. ____ dated _____ 20___**), on the one hand, and Mr. _____, citizen of _____, passport No. _____, issued by _____, elected as an independent director of the Company (hereinafter referred to **as the Director**), in accordance with the resolution **of the General Meeting of Shareholders** of the Company (minutes **No. ____ dated _____ 20___**), on the other hand, hereinafter **jointly** referred to as the Parties, **and individually - the Party or as indicated above,** have entered into this agreement (hereinafter - **the Agreement**) on the following:	Technical corrections. Since 2023, resolutions on the election of members of the Board of Directors will be made General meeting of shareholders of KMG.
67	Clause 1 Chapter 1 “Subject of the Agreement” of the Agreement with a member of the Board of Directors of JSC	1. This Agreement establishes the rights and obligations of the Director of the Company as a member of the Board of Directors of the Company in accordance with the current legislation of the Republic of Kazakhstan (hereinafter	1. This Agreement establishes the rights and obligations of the Director of the Company, as a member of the Board of Directors of the Company **,** in accordance with the current legislation of the Republic of Kazakhstan (hereinafter	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG.

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	NC "KazMunayGas" in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"	referred to as the legislation), the Charter, the Corporate Governance Code and the internal documents of the Company, as well as the obligation of the Company to pay the Director remuneration and compensate expenses associated with the performance of duties in accordance with this Agreement and the resolutions of the person owning all voting shares of the Company.	referred to **as the legislation**), the Charter, the Corporate Governance Code and internal documents of the Company, as well as the obligation of the Company to pay the Director remuneration and compensate expenses associated with the performance of duties **,** in accordance with this Agreement and the resolutions **of the General Meeting of Shareholders** of the Company.	
68	Subparagraph 4) of paragraph 3 of Chapter 2 "Rights of the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	3. The Director has the right: 4) receive remuneration from the Company, as well as compensation for expenses related to the performance of duties of a member of the Board of Directors, in the manner prescribed by the charter of the Company, resolutions ~~of the person owning all voting shares of the Company/~~ General Meeting of Shareholders, internal documents of the Company and this Agreement;	3. The Director has the right: 4) receive remuneration from the Company, as well as compensation for expenses related to the performance of duties of a member of the Board of Directors, in the manner prescribed by the charter of the Company, resolutions of the General Meeting of Shareholders **of the Company** , internal documents of the Company and this Agreement;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG. Technical editing to ensure consistency in the presentation of the text in Appendix No. 1 to the Regulation.
69	Subparagraph 6) of paragraph 3 of Chapter 2 "Rights of the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	3. The Director has the right: 6) become familiar with the resolutions of the general meeting of shareholders ~~/person owning all voting shares~~ of the Company, minutes and resolutions of meetings of the Board of Directors, minutes of meetings of committees of the Board of Directors, auditor's reports, with the exception of information that is state secrets in accordance with the law;	3. The Director has the right: 6) to become familiar with the resolutions **of** the General Meeting of Shareholders of the Company, the minutes and resolutions of the meetings of the Board of Directors **of the Company** , the minutes of the meetings of the committees of the Board of Directors **of the Company** , auditor's reports, with the exception of information that is, in accordance with the law, a state secret;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG. Technical corrections to ensure consistency in the presentation of the text in Appendix No. 1 to the Regulation.
70	Subparagraph 4) of paragraph 6 of Chapter 3 "Duties of the Director" of the Agreement with a member of the Board of Directors of JSC NC "KazMunayGas" in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"	6. The Director is obliged to: 4) implement resolutions ~~of the person owning all the voting shares of the Company/~~ General Meeting of Shareholders of the Company, resolutions of the Board of Directors of the Company, provided that such resolutions comply with the law, the charter and do not, in the opinion of a member of the Board of Directors, contradict the interests ~~of the person owning all the voting shares of the Company/~~ shareholders and/or the Company;	6. The Director is obliged to: 4) implement resolutions of the General Meeting of Shareholders of the Company, resolutions of the Board of Directors of the Company, provided that such resolutions comply with the law, the charter **of the Company** and do not, in the opinion of a member of the Board of Directors, contradict the interests of the shareholders and/or the Company;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG. Technical editing to ensure consistency in the presentation of the text in Appendix No. 1 to the Regulation.
71	Subparagraph 5) of paragraph 6 of Chapter 3 "Duties of the Director" of the Agreement with a member of the Board of Directors of JSC NC "KazMunayGas" in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"	6. The Director is obliged to: 5) analyze information and the state of affairs in the Company on issues within the competence of the Board of Directors of the Company, and, if necessary, present the results of such analysis to the Board of Directors/general meeting of shareholders of the Company;	6. The Director is obliged to: 5) analyze information and the state of affairs in the Company on issues within the competence of the Board of Directors of the Company, and, if necessary, present the results of such analysis to the Board of Directors/ **General** Meeting of Shareholders of the Company;	Technical editing.

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72	Subparagraph 8) of paragraph 6 of Chapter 3 "Duties of the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	6. The Director is obliged to: 8) at the request ~~of the person owning all voting shares/~~ General Meeting of Shareholders/Chairman of the Board of Directors, provide any information within the scope of issues within the competence of the Board of Directors of the Company, except for personal and confidential information;	6. The Director is obliged to: 8) at the request of the General Meeting of Shareholders/ **Chairman** of the Board of Directors **of the Company** provide any information within the scope of issues within the competence of the Board of Directors of the Company, except for personal and confidential information;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG. Technical editing to ensure consistency in the presentation of the text in Appendix No. 1 to the Regulation.
73	Clause 7 of Chapter 3 "Duties of the Director" of the Agreement with a member of the Board of Directors of JSC NC "KazMunayGas" in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"	7. The Director provides consent to the Company for the collection and processing of his data (information related to the Director, recorded on electronic, paper and (or) other tangible media), ~~including the transfer of data to the person who owns all voting shares of the Company,~~ in writing or in the form of an electronic document or in another way using elements of protective actions that do not contradict the law).	7. The Director provides consent to the Company for the collection and processing of his data (information related to the Director, recorded on electronic, paper and (or) other tangible media), in writing or in the form of an electronic document or in another way using elements of protective actions that do not contradict the law).	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG.
74	Subparagraph 2) of paragraph 8 of Chapter 4 "Rights of the Company" of the Agreement with a member of the Board of Directors of JSC NC "KazMunayGas" in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"	8. The company has the right: 2) at any time, terminate this Agreement early in the event that ~~a person owning all the voting shares of the Company/~~ the general meeting of shareholders ~~makes~~ a resolution on the early termination of the powers of the Board of Directors of the Company, taking into account that all expenses and compensations not paid by the time of termination of the Agreement will be paid in proportion to the period of work of the Director;	8. The company has the right: 2) at any time, terminate this Agreement early if the General Meeting of Shareholders of the Company makes **a** resolution **on** the early termination of the powers of the Board of Directors of the Company, taking into account that all expenses and compensations not paid by the time of termination of the Agreement will be paid in proportion to the period of work of the Director;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG.
75	Subparagraph 1) of paragraph 9 of Chapter 5 "Obligations of the Company" of the Agreement with a member of the Board of Directors of JSC NC "KazMunayGas" in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"	9. The company is obliged to: 1) promptly and in full pay the Director the remuneration stipulated by this Agreement, and also compensate for expenses associated with the performance of his duties as a member of the Board of Directors of the Company, on the terms of this Agreement and other resolutions ~~of the person owning all voting shares of the Company/~~ General Meeting of Shareholders of the Company;	9. The company is obliged to: 1) promptly and in full pay the Director the remuneration stipulated by this Agreement, and also compensate for expenses associated with the performance of his duties as a member of the Board of Directors of the Company, under the terms of this Agreement and other resolutions of the General Meeting of Shareholders of the Company;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG.
76	Subparagraph 4) of paragraph 9 of Chapter 5 "Obligations of the Company" of the Agreement with a member of the Board of Directors of JSC NC "KazMunayGas" in Appendix No. 1	9. The company is obliged to: 4) insure the Director's liability in accordance with the terms of the relevant insurance contract from the date of election and at the expense of the Company ~~or the person owning all voting shares of the Company~~, and also perform other duties stipulated by the Legislation, the charter and ~~other~~ internal documents of the Company;	9. The company is obliged to: 4) insure the Director's liability in accordance with the terms of the relevant insurance contract from the date of election and at the expense of the Company, and also perform other duties stipulated **by** law, the charter and internal documents of the Company;	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG. Technical editing in order to ensure uniformity in the presentation of the text in Appendix No. 1 to the Regulation.

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	"AGREEMENT with a member of the Board of Directors of JSC NC "KazMunayGas"			
77	The first paragraph of clause 10 of Chapter 6 "Remuneration and compensation paid to the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	10. The Director shall be paid a fixed annual remuneration after deduction of taxes and other mandatory deductions established by law, in the amount of _____ based on the resolution of the shareholder owning all voting shares of the Company.	10. The Director is paid a fixed annual remuneration after deduction of taxes and other mandatory deductions established by law, in the amount of _____ based on the resolution of **the General Meeting of Shareholders** Societies.	Since 2023, the amount of remuneration of the members of the Board of Directors is determined by the resolution of the General Meeting of Shareholders of KMG.
78	Clause 11 of Chapter 6 "Remuneration and compensation paid to the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	11. The Company shall reimburse the Director for expenses related to travel to meetings of the Board of Directors, committees of the Board of Directors and meetings initiated by the Chairman of the Board of Directors of the Company and/or the Chairman of the Management Board of Samruk-Kazyna JSC , held outside the Director's permanent place of residence: 1) travel (in amounts not exceeding the cost of business class air tickets), including transfer (taxi); 2) accommodation (at actual costs, but not more than the cost of a standard single room, including booking costs); 3) daily allowance (within the limits of the reimbursement standards for travel expenses for the Chairman of the Board of the Company, established by the internal document of the Company); 5) scanning, photocopying, faxing, printing, document printing, and Internet access services in the Republic of Kazakhstan; 6) courier and postal services. Compensation for expenses ~~for accommodation,~~ travel, including transfer (taxi), for scanning, photocopying, faxing, printing, document printing, access to the Internet in the Republic of Kazakhstan, for courier and postal services is made by the Company based on actual expenses upon presentation of supporting documents.	11. The Company shall reimburse the Director for expenses related to travel to meetings of the Board of Directors **,** committees of the Board of Directors and meetings initiated **by** the Chairman of the Board of Directors of the Company and/or the Chairman of the Management Board of Samruk-Kazyna JSC , held outside the Director's permanent place of residence: 1) travel (in amounts not exceeding the cost of business class air tickets), including transfer (taxi); 2) accommodation (at actual costs, **in accordance with the standards of provision determined for members of the boards of directors of portfolio companies of JSC Samruk-Kazyna , including** booking expenses); 3) daily allowance (within the limits of the reimbursement standards for travel expenses for **the** Chairman of the Board of the Company , established by the internal document of the Company); 5) scanning, photocopying, faxing, printing, document printing, and Internet access services in the Republic of Kazakhstan; 6) courier and postal services. Reimbursement of travel expenses, including transfer (taxi), for scanning, photocopying, faxing, printing, document printing, Internet access in the Republic of Kazakhstan, for courier and postal services is made by the Company based on actual expenses upon presentation of supporting documents. **Only documented expenses are subject to reimbursement. Compensation for accommodation expenses is made based on actual costs, but not more than the cost of a single room classified as a luxury room, including booking costs, upon presentation of supporting documents.** Reimbursement of expenses is made by the Company upon presentation of supporting documents by the Director.	Technical corrections to ensure consistency in the presentation of the text in the Regulation. To improve the correlation of the Agreements with the Fund Rules in the area of compensation of expenses of the Board of Directors members related to travel to meetings of the Board of Directors, committees of the Board of Directors and meetings initiated by the Chairman of the Board of Directors and/or Chairman of the Board of Directors of the Fund, held outside the place of permanent residence of the Board of Directors member. In particular, the Agreements do not clearly define the wording reflecting the content of the Rules in terms of compensation of living expenses. Clauses 37 and 38 of the Rules for the formation of the boards of directors/supervisory boards of companies of JSC Samruk-Kazyna : *"37. Compensation for travel expenses, including transfers, for scanning, photocopying, faxing, printing, printing of documents, access to the Internet in the Republic of Kazakhstan, for telephone communications (except for mobile communications) in the Republic of Kazakhstan, for courier and postal services is made by the company based on actual expenses upon presentation of supporting documents. Only documented expenses are subject to reimbursement.*

No.	structural element	current edition	proposed revision	justification
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		Reimbursement of expenses is made by the Company upon presentation of supporting documents by the Director.		*38. Compensation for accommodation expenses is made based on actual costs, but not more than the cost of a single room classified as a luxury room, including booking costs, upon presentation of supporting documents."*
79	Clause 13 of Chapter 6 "Remuneration and compensation paid to the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	13. In the event of termination of the Director's powers (including early termination) before the end of the reporting period, the Director shall be paid remuneration and compensation for the period of actual service on the Board of Directors of the Company, no later than one month from the date of expiration of the term of office, or the adoption of a corresponding resolution by a person owning all voting shares of the Company, or the submission by a member of the Board of Directors of an application for early termination of his powers.	13. In the event of termination of the Director's powers (including early termination) before the end of the reporting period **,** the Director shall be paid remuneration and compensation for the period of actual service on the Board of Directors of the Company, no later than one month from the date of expiration of the term of office, or the adoption of the relevant resolution **by the General Meeting of Shareholders** of the Company, or the submission by a member of the Board of Directors of an application for early termination of his powers.	Since 2023, resolutions on the early termination of powers of members of the Board of Directors are made by the General Meeting of Shareholders of KMG.
80	Clause 14 of Chapter 6 "Remuneration and compensation paid to the Director" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	14. In the event of termination of the Director's powers due to his negligence, violation of the terms of his appointment and this Agreement, or the existence of an act proving the fact of his intentional misleading (deception) of the Company or ~~a person owning all the voting shares of the Company, /~~ the General Meeting of Shareholders of the Company or deliberate neglect of his duties, then in such cases the Director receives payments for the period of work before the incident occurred (when this fact became known) and/or until the term of termination of powers.	14. In the event of termination of the Director's powers due to his negligence, violation of the terms of his appointment and this Agreement, or the existence of an act proving the fact of his intentional misleading (fraud) of the Company **and (** or **)** General meeting of shareholders of the Company or deliberate neglect of their duties, then in such cases the Director receives payments for the period of work before the incident occurred (when this fact became known) and/or until the term of termination of powers.	Since 2023, the supreme body of KMG is the General Meeting of Shareholders of KMG. Technical corrections.
81	Clause 16 of Chapter 7 "Responsibility of the Parties" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	16. The Director shall be liable to the Company for damages and losses caused to the Company by the culpable actions (inactions) of the Director, including in the event of his violation of the requirements of subparagraph 15) of paragraph 6 of this Agreement, unless other grounds and extent of liability are established by the laws of the Republic of Kazakhstan or judicial authorities.	16. The Director shall be liable to the Company for damages and losses caused to the Company by the culpable actions (inactions) of the Director, including in the event of his violation of the requirements of **subparagraph** 15) **of paragraph** 6 of this Agreement, unless other grounds and extent of liability are established by the laws of the Republic of Kazakhstan or judicial authorities.	Technical editing.
82	Clause 19 of Chapter 8 "Term of the Agreement and Conditions for its Termination" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	19. The Agreement shall enter into force on the date of the adoption by the person owning all voting shares of the Company ~~of~~ a resolution to elect the Director and shall be valid until the date of termination of the Director's powers.	19. The Agreement shall enter into force on the date of adoption **by the General Meeting of Shareholders.** The Company's resolution to elect a Director is valid until the date of termination of the Director's powers.	Since 2023, resolutions on the election of members of the Board of Directors are made by the General Meeting of Shareholders of KMG.

No.	structural element	current edition	proposed revision	justification
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83	Clause 20 of Chapter 8 "Term of the Agreement and Conditions for its Termination" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	20. The Company has the right at any time, with or without grounds, to terminate the Agreement with the Director early in accordance with the resolution ~~of the person owning all voting shares of the Company/~~ the General Meeting of Shareholders of the Company.	20. The Company has the right at any time, with or without grounds, to terminate the Agreement with the Director early in accordance with the resolution of the General Meeting of Shareholders of the Company.	Since 2023, resolutions on early termination of powers of members of the Board of Directors are made by the General Meeting of Shareholders of KMG.
84	Clause 22 of Chapter 8 "Term of the Agreement and Conditions for its Termination" of the Agreement with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	22. The date of termination of this Agreement shall be the earliest of the following dates: (1) the date of termination of the powers of the Board of Directors of the Company in accordance with the resolution of ~~the person owning all the voting shares of the Company /~~ the General Meeting of Shareholders of the Company (2) the date of the resolution (or the date specified in the resolution of ~~the person owning all the voting shares of the Company /~~ the General Meeting of Shareholders of the Company ~~)~~ on the issue of early termination of the powers of the Director ~~),~~ or (3) the date of receipt (or the date specified in the notice) ~~by the person owning all the voting shares of the Company, and~~ The Board of Directors of the Company shall notify the Director of the early termination of his powers on his own initiative.	22. The date of termination of this Agreement shall be the earliest of the following dates: (1) the date of termination of the powers of the Board of Directors of the Company in accordance with the resolution of the General Meeting of Shareholders of the Company **,** (2) the date of the adoption of a resolution (or the date specified in the resolution **)** of the General Meeting of Shareholders of the Company on the issue of early termination of the powers of the Director, or (3) the date of receipt (or the date specified in the notice) by the Board of Directors of the Company of notice from the Director of early termination of his powers on his own initiative.	Since 2023, resolutions on early termination of powers of members of the Board of Directors are made by the General Meeting of Shareholders of KMG. Clause 4 of Article 55 of the Law on JSC: *"Early termination of the powers of a member of the board of directors on his initiative is carried out on the basis of a written notice to the board of directors.* *The powers of such a member of the board of directors shall terminate from the moment the board of directors receives the said notice, unless the notice specifies the date of early termination of the powers of the member of the board of directors."*
85	The last name, first name, patronymic of the signatory to the Agreement in Chapter 10 "Details and signatures of the Parties" Agreements with a member of the Board of Directors of JSC NC KazMunayGas in Appendix No. 1 "AGREEMENT with a member of the Board of Directors of JSC NC KazMunayGas"	~~Christopher John Walton~~	**Exclude.**	It is proposed to exclude, in connection with the termination of the powers of Christopher John Walton as Chairman of the Board.

Reduction:
KMG *– JSC NC "KazMunayGas";*
Fund *– Samruk-Kazyna JSC ;*
SD *– Board of Directors of JSC NC KazMunayGas;*
Law on JSC *– Law of the Republic of Kazakhstan dated 13.05.2003 No. 415-II "On Joint-Stock Companies";*

PP RK No. 659 *- Resolution of the Government of the Republic of Kazakhstan dated 15.08.2024 No. 659 "On Amendments and Supplements to the Resolution of the Government of the Republic of Kazakhstan dated November 5, 2012 No. 1403 "On Approval of the Corporate Governance Code of the Joint-Stock Company National Welfare Fund " Samruk-Kazyna "";*

The Fund's Corporate Governance Code with amendments in accordance with the Government Resolution of the Republic of Kazakhstan No. 659 *- the Corporate Governance Code of the Joint-Stock Company "National Welfare Fund " Samruk-Kazyna " (Appendix to the Resolution of the Government of the Republic of Kazakhstan dated 14.07.2023 No. 590 "On Amendments to the Resolution of the Government of the Republic of Kazakhstan dated November 5, 2012 No. 1403 "On Approval of the Corporate Governance Code of the Joint-Stock Company "National Welfare Fund " Samruk-Kazyna "");*

Charter of the Company, Charter of KMG *- the Charter of the joint-stock company "National Company KazMunayGas", approved by the resolution of the annual General Shareholders' Meeting dated 30.05.2023 (minutes No. 2\2023, question No. 5), with amendments and additions made by the resolution of the annual General Shareholders' Meeting dated 28.05.2024 (minutes No. 1/2024, question No. 8);*

Corporate Governance Code *– the Corporate Governance Code of the Joint Stock Company National Company KazMunayGas, approved by the resolution of the annual General Meeting of Shareholders dated 28.05.2024 (minutes No. 1/2024, issue No. 4);*

Regulations on the General Meeting of Shareholders *– Regulation on the General Meeting of Shareholders of Joint-Stock Company National Company KazMunayGas, approved by the resolution of the person owning all voting shares of JSC NC KazMunayGas, dated 02.12.2022 (minutes of the meeting of the Board of JSC Samruk-Kazyna No. 66/22, issue No. 5);*

Regulation on the AC *- Regulation on the Audit Committee of the Board of Directors of Joint-Stock Company National Company KazMunayGas, approved by the resolution of the Board of Directors dated 08.05.2019 (minutes No. 7/2019, issue No. 21), with amendments and additions made by resolutions of the Board of Directors dated 30.12.2019 (minutes No. 18/2019, issue No. 11), dated 11.11.2022 (minutes No. 19/2022, issue No. 13), dated 07.03.2024 (minutes No. 4/2024, issue No. 9), dated 17.09.2024 (minutes No. 20/2024, issue No. 6);*

Regulation on the KS *- Regulation on the Corporate Secretary of JSC NC KazMunayGas, approved by the resolution of the Board of Directors dated 20-23.12.2024 (minutes No. 26/2024, issue No. 3);*

Regulation on the Internal Audit Service *- Regulation on the Internal Audit Service of JSC National Company KazMunayGas, approved by the resolution of the Board of Directors dated 12.10.2020 (minutes No. 11/2020, issue No. 14);*

Regulation on the Compliance Service *- Regulation on the Compliance Service of Joint Stock Company National Company KazMunayGas, approved by the resolution of the Board of Directors dated 15.05.2024 (minutes No. 11/2024, issue No. 8), with amendments and additions made by the resolution of the Board of Directors dated -20-23.12.2024 (minutes No. 26/2024, issue No. 8);*

Regulation on the Ombudsman Service *- Regulation on the Ombudsman Service of JSC NC KazMunayGas, approved by the resolution of the Board of Directors dated 07.03.2024 (minutes No. 4/2024, issue No. 18);*

List of confidential information *- List of information constituting a commercial or other secret protected by the legislation of the Republic of Kazakhstan of JSC NC KazMunayGas, approved by the resolution of the Board of Directors dated 31.05.2018 (minutes No. 7/2018, question No. 22);*

Fund Rules *- Rules for the formation of the board of directors/supervisory boards of companies of Samruk-Kazyna JSC , approved by the resolution of the Management Board of Samruk-Kazyna JSC dated September 26, 2016 (minutes No. 35/16), with amendments and additions made by resolutions of the Management Board of Samruk-Kazyna JSC dated October 15, 2018 (minutes No. 28/18), dated November 16, 2018 (minutes No. 34/18), dated June 29, 2020 (minutes No. 25/20), dated November 23, 2020 (minutes No. 45/20), dated October 14, 2021 (minutes No. 47/21);*

Methodology for diagnosing the Fund's corporate governance *– Methodology for diagnosing corporate governance in legal entities, more than fifty percent of whose voting shares are directly or indirectly owned by Samruk-Kazyna JSC (Appendix 1 to the resolution of the Board of Samruk-Kazyna JSC dated September 26, 2016 [minutes No. 35/16]);*

Rules for the preparation and submission of materials for meetings of the Board of Directors *- Rules for the preparation and submission of materials for meetings of the Board of Directors of JSC NC KazMunayGas and/or its Committees, approved by the resolution of the Board of Directors dated 06.06.2019 (minutes No. 8/2019, issue No. 17), as amended by the resolution of the Board of Directors dated 26.07.2023 (minutes No. 16/2023, issue No. 7);*

Agreements *– agreements with members of the Board of Directors of JSC NC KazMunayGas;*

PMSKU *– Action plan for improving corporate governance of JSC NC KazMunayGas for 2024-2025, approved by the resolution of the Board of Directors dated 10.04.2024 (minutes No. 8/2024, issue No. 4);*

Work plan of the Board of Directors for 2025 *– Work plan of the Board of Directors of JSC NC KazMunayGas for 2025, approved by the resolution of the Board of Directors dated 20.12.2024 (minutes No. 25/2024, issue No. 5).*

CONTROL VERSION
Approved
by resolution of the annual General
shareholders' meetings
of NS "KazMunayGas" JSC
from May 30, 2023 No. 2/2023
(with amendments and additions made by the resolution of the extraordinary General Meeting of Shareholders of NC KazMunayGas JSC dated November 6, 2023, Minutes No. 5/2023, and proposed for inclusion)

Regulations on the Board of Directors National Company KazMunayGas JSC

1. General Provisions

1.1. This Regulation on the Board of Directors of JSC National Company KazMunayGas (hereinafter respectively: **BD** / **Board of Directors** / **Company** and **Regulation**) determines the procedure for the formation of the BD, the status, composition, rights, duties, responsibility of the members of the BD, establishes the procedure for the activities of the BD, convening and holding meetings of the BD, adoption and registration of its resolutions.

1.2. The provisions of the Regulation apply to all officials and employees of the Company.

1.3. The Board of Directors is the management body of the Company, accountable to the General Meeting of Shareholders of the Company (hereinafter referred to as **the GMS**), providing general (strategic) management of the Company's activities and control over the activities of the collegial executive body of the Company (hereinafter referred to as **the Management Board**), as well as the implementation of the provisions of the Corporate Governance Code of the Company. The resolutions of the Board of Directors are taken in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as **the RK**), the Charter of the Company, the Corporate Governance Code of the Company and the Regulation.

1.4. In its activities, the Board of Directors is guided by the legislation of the Republic of Kazakhstan, including the Law of the Republic of Kazakhstan "On Joint Stock Companies" (hereinafter referred to **as the Law**) and the Law of the Republic of Kazakhstan "On the National Welfare Fund" (hereinafter referred to **as the Fund**), the requirements of the Exchanges, on which the Company's shares are traded: Astana International Exchange (AIX) and Kazakhstan Stock Exchange JSC (KASE), the Company Charter, Regulations, Corporate Governance Code of the Company and other internal documents of the Company, as well as documents of the Fund that apply to the Company.

1.5. The Board of Directors is responsible to the GMS for the general management of the Company's activities. The resolutions of the GMS taken within its competence are binding on the Board of Directors. The Board of Directors annually reports on its activities to the GMS by submitting a report on the work performed based on the results of the previous year, which reflects the results of the activities of the Board of Directors and its Committees for the reporting period, the measures taken by the Board of Directors to

increase the long-term value and sustainable development of the organization, the main risk factors, significant events, issues considered, the number of meetings, the form of meetings, attendance, as well as other important information, by including it in the annual report of the Company.

The Board of Directors also annually reports on compliance with the standards of the Company's Corporate Governance Code to the GMS by including a corresponding report in the Company's annual report.

1.6. The Board of Directors and the Management Board must interact in a spirit of cooperation, act in the interests of the Company and make resolutions based on the principles of sustainable development and fair treatment of all shareholders.

1.7. BD and the Board must ensure the growth of the long-term value of the Company, and also ensure the formation of an appropriate system in the field of sustainable development and its implementation. The Board of Directors exercises strategic leadership and control over the implementation in the Society of systems in the field of sustainable development .

1.8. The activities of the Board of Directors are based on the principles of professionalism, reasonableness, prudence, honesty and objectivity, efficiency, and responsibility.

1.9. The members of the Board of Directors perform their functional duties and adhere to the following principles in their activities:

1) act within the limits of their authority;

2) devote sufficient time to participation in meetings of the Board of Directors, its Committees and preparation for them;

3) contribute to the growth of long-term value and sustainable development of the Company;

4) maintain high standards of business ethics;

5) avoid conflicts of interest;

6) act with due skill.

1-1. BD in the risk management and internal control system

1-1.1. The Board of Directors, together with the Management Board, ensures the implementation of a culture of proper risk management in the Company.

1-1.2. The BD defines the principles and approaches to organizing the risk management and internal control system, based on the objectives of this system and taking into account best practices in the field of risk management and internal control.

1-1.3. The Board of Directors approves internal documents that define the principles and approaches to organizing an effective risk management and internal control system, demonstrating the Company's commitment to best practices in the field of risk management and internal control.

1-1.4. When approving internal documents in the area of risk management and internal control, the Board of Directors is guided by the documents adopted by the Fund regulating issues of risk management and internal control.

1-1.5. The Board of Directors regularly receives information on key risks, their analysis in terms of their impact on the strategy and business plans of the Company, and

takes appropriate measures to ensure that the current risk management and internal control system complies with the principles and approaches to its organization determined by the Board of Directors and functions effectively. At least once per quarter, the Board of Directors reviews and discusses the Company's risk reports in full and in a proper manner.

1-1.6. The Board of Directors, together with the Audit Committee, is responsible for assessing the effectiveness of the risk management and internal control system. The Board of Directors forms its own opinion on its effectiveness after a proper and thorough analysis of the information and assurances communicated to it by the Internal Audit Service or an external expert, the Audit Committee and the Management Board.

1-1.7. The Board of Directors regularly reviews issues related to the organization, functioning and effectiveness of the Company’s risk management and internal control system and, if necessary, provides recommendations for its improvement.

2. Goals, objectives and functions

2.1. The exclusive competence of the Board of Directors includes issues stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company and the Regulation.

At the same time, the following issues are considered by the BD (including, but not limited to):

1) the schedule of meetings of the Board of Directors and its committees, the work plan of the Board of Directors;

2) reports of the Chairman of the Board on key changes in the activities of the Company;

3) reports (for the purpose of their approval) on key (including financial) risks of the Company;

4) reports on fatal accidents in the Company's group of companies;

5) information on changes in government strategy or policy;

6) reports on the results of monitoring and analysis of the implementation of investment projects of the Company and its subsidiaries;

7) reports on concluded transactions in which there is an interest, resolutions on which were made by the Board;

8) reports on the work done to ensure cybersecurity of the Company’s group of companies;

9) information on the production technologies available in the world and used at the fields of the Company’s group of companies, as well as innovations and improvements in hydrocarbon production technologies by the companies of the Company’s group of companies;

10) information on the status of the Company’s implementation of plans approved by resolutions of the Government of the Republic of Kazakhstan;

11) information on the financial status of the companies of the Company group and the ability of these companies to receive financing and make payments to the oil producing companies of the Company group;

12) issues of the annual meeting of the Board of Directors on strategy (strategic session);

13) issues of the annual meeting of the Board of Directors on sustainable development;

14) plans (for the purpose of their approval) of measures to improve the corporate governance of the Company and consideration of information on the status of their implementation;

15) reports on the activities of structural divisions accountable to the Board of Directors;

16) instructions to the Board, the Chairman of the Board, and employees of the Company.

2.2. The Board of Directors is vested with powers sufficient to manage the Company and control the activities of the Management Board, including the power to issue instructions. Instructions to the bodies and employees of the Company are given only at meetings of the Board of Directors on behalf of the Board of Directors, which must proceed from their relevance, feasibility, and the realistic deadlines set for their implementation, for which it is necessary to take into account the following:

1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Board;

2) in the case of instructions to structural divisions accountable to the Board of Directors – the opinion of the heads of such divisions.

2.3. The Board of Directors performs its functions in accordance with the Charter of the Company and pays special attention to the following issues:

1) defining the strategy / development plan of the Company and integration of ESG (Environmental , Social , Governance) goals (directions and results);

2) setting and monitoring key performance indicators of the Company's development plan (business plan);

3) organization and supervision of the effective functioning of the risk management and internal control system of the Company;

4) approval and monitoring of the effective implementation of major investment projects and other key strategic projects of the Company within the competence of the Board of Directors;

5) election, remuneration, succession planning and supervision of the activities of the Chairman and members of the Management Board;

6) corporate governance and ethics, ensuring the implementation and compliance with standards business ethics, an effective system for reporting suspected violations;

7) excluded;

8) excluded;

9) compliance in the Company with the provisions of the Company's Corporate Governance Code and the Fund's corporate standards.

In order to understand current issues of the Company's activities, members of the Board of Directors regularly visit key facilities of the Company and hold meetings with employees.

2.3-1. Issues related to the development and implementation of the Company's development plan are considered with the frequency determined by the Board of Directors, but not less than once a year, exclusively at in-person meetings of the Board of Directors.

The Board of Directors implements a system of early detection and timely response to changes in the domestic and foreign market conditions, and force majeure situations.

2.4. Issues within the exclusive competence of the Board of Directors cannot be transferred to the Management Board for resolution.

2.5. The Board of Directors does not have the right to make resolutions on issues that, in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company, are referred to the exclusive competence of the GMS or the Management Board, or to make resolutions that contradict the resolutions of the GMS.

2.5-1. The Board of Directors has the right to make changes and additions to the resolutions it has made, and, if necessary, to recognize its resolutions as no longer in force, as well as to extend the effect of the resolutions made to an earlier or later date.

2.6. The GMS has the right to cancel any resolution of the Board of Directors and the Management Board on issues related to the internal activities of the Company, unless otherwise specified by the Charter of the Company.

3. Structure and composition

3.1. Composition of the BD

3.1.1. The members of the Board of Directors are elected by the resolution of the GMS on the basis of clear and transparent procedures, taking into account the competencies, skills, achievements, business reputation and professional experience of the candidates, with the involvement of the Board of Directors . When re-electing individual members of the Board of Directors or its entire composition for a new term, their contribution to the effectiveness of the Board of Directors is taken into account .

3.1.2. The process of electing members of the Board of Directors and the Chairman of the Board of Directors is carried out in the manner determined by the Law, the Charter of the Company and the Regulation. It is recommended to involve the Nomination and Remuneration Committee of the Board of Directors (hereinafter referred to **as the NRC**), within the framework of its competence in accordance with the Regulation on the NRC , in determining the composition, necessary skills and competencies of the Board of Directors and candidates for membership in the Board of Directors .

3.1.3. The search for candidates and their election are conducted based on objective criteria and taking into account the need for diversity in the composition of the Board of Directors . The process of searching for and selecting independent directors is carried out on a competitive basis. The search for and selection of candidates for the Board of Directors, including independent directors, is carried out in the manner established by the Corporate Governance Code of the Company, the Regulation and relevant documents of the Fund that apply to the Company. The search and selection must be carried out before the expiration of the term of office of the entire Board of Directors .

3.1.4. The issue of electing the entire Board of Directors or individual members may be initiated in the established manner by a major shareholder or the NRC.

3.1.5. The composition of the Board of Directors must be balanced, which means a combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the executive body), and the Board of Directors and its Committees must maintain a balance of skills, experience and knowledge, ensuring the

adoption of independent, objective and effective resolutions in the interests of the Company, taking into account fair treatment of all shareholders and the principles of sustainable development.

3.1.6. Only an individual can be a member of the Board of Directors.

3.1.7. The members of the Board of Directors are elected from among:

1) shareholders - individuals;

2) persons proposed (recommended) for election to the Board of Directors as representatives of shareholders;

3) individuals who are not shareholders of the Company and who have not been proposed (recommended) for election to the Board of Directors as a representative of a shareholder.

3.1.8. Board of Directors must include persons with the knowledge, skills and experience necessary for the Board of Directors to perform its functions and ensure the growth of long-term value and sustainable development of the Company, as well as having an impeccable business and personal reputation.

3.1.9. The composition of the Board of Directors should be diverse in terms of experience, personality , age and gender composition to enhance long-term value in accordance with ESG principles .

3.1.10. When selecting candidates for the Board of Directors, the following are taken into account:

1) experience in management positions;

2) experience as a member of the Board of Directors ;

3) work experience;

4) education, specialty, including the presence of international certificates;

5) availability of competencies in the area of the Company's activities:

6) business reputation;

7) the presence of a direct or potential conflict of interest in the event of election to the Board of Directors .

3.1.11. Members of the Management Board, except for the Chairman of the Management Board, cannot be elected to the Board of Directors . The Chairman of the Management Board cannot be elected as Chairman of the Board of Directors .

The following person shall not be elected to the position of member of the Board of Directors:

1) having an outstanding or not removed conviction in accordance with the procedure established by law;

2) previously served as the chairman of the board of directors, head of the executive body, deputy head, chief accountant of another legal entity for a period of no more than 1 (one) year prior to the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure (this requirement shall apply for 5 (five) years after the date of the adoption of a resolution on the forced liquidation or forced redemption of shares, or conservation of another legal entity declared bankrupt in accordance with the established procedure);

3) committed a corruption crime.

3.1.12. Members of the Government of the Republic of Kazakhstan and officials of

state bodies are not allowed to participate in the Board of Directors .

3.1.13. The number of members of the Board of Directors is determined by the Charter of the Company. The number of members of the Board of Directors is no less than seven people. No less than thirty percent of the members of the Board of Directors must be independent directors.

The Chairman of the Board of Directors, on behalf of the Company , concludes an agreement with independent directors according to the template in accordance with Annex No. 1 to the Regulation.

3.1.14. An independent director is recognized as a person who has sufficient professionalism and independence to make independent and objective resolutions, free from the influence of individual shareholders, the Board and other interested parties.

3.1.15. Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan , the Charter of the Company and the Corporate Governance Code of the Company .

3.1.16. An independent director must monitor the possible loss of independence status and notify the chairman of the board of directors in advance in writing if such situations exist. In the event of circumstances affecting the independence of a member of the board of directors , the chairman of the board of directors immediately communicates this information to the shareholders for the adoption of an appropriate resolution.

3.1.16-1. The Board of Directors shall elect a Senior Independent Director from among the independent directors.

Key functions of the Senior Independent Director include:

1) the function of an advisor to the Chairman of the Board of Directors and providing him with support in communicating the goals he defines;

2) assessment of the performance of the chairman of the board of directors, including the organization of at least annual meetings of independent directors for this purpose;

3) planning the succession of the Chairman of the Board of Directors in close cooperation with the NRC ;

4) the function of a mediator in interaction and/or resolution of disagreements in the event of disagreements between shareholders, the Management Board, the Chairman of the Board of Directors and other members of the Board of Directors;

5) be available to shareholders to resolve any issues or questions that they feel have not been adequately addressed through normal communication channels (i.e. through the Chairman of the Board of Directors, the Chairman and/or members of the Management Board);

6) Attending a sufficient number of meetings with major shareholders to gain a balanced understanding of their issues and concerns.

3.1.17. The term of office of the members of the Board of Directors coincides with the term of office of the entire Board of Directors and expires on the date of the adoption of the resolution by the GMS to elect a new Board of Directors . The powers of the Board of Directors shall terminate no earlier than the date of the GMS at which the election of a new Board of Directors takes place .

3.1.18. The members of the Board of Directors are elected for a term of up to 3 (three) years. Subsequently, subject to satisfactory performance, they may be re-elected for another term of up to 3 (three) years. At the same time, a longer term of office of individual

directors and their withdrawal from the Board of Directors in different years will ensure the preservation of the continuity of the Company's corporate memory and consistency in the implementation of its strategy.

3.1.19. Any election to the Board of Directors for a term exceeding 6 (six) years in a row (for example, two three-year terms) is subject to special consideration, taking into account the need for a qualitative renewal of the composition of the Board of Directors .

3.1.20. An independent director may not be elected to the Board of Directors for more than 9 (nine) years in a row. In exceptional cases, election for a term longer than 9 (nine) years is permitted; in such cases, the election of an independent director to the Board of Directors must take place annually with a detailed explanation of the need to elect this member of the Board of Directors and the impact of this factor on the independence of resolution-making.

3.1.21. The resolution to terminate the powers and elect members of the Board of Directors may be made based on the results of an annual assessment of the activities of the Board of Directors , Committees and each member of the Board of Directors .

3.1.22. Participation of a member of the Board of Directors in less than 75% of in-person/in absentia meetings may be grounds for early termination of his/her powers. In this case, in the event of non-participation in meetings of the Board of Directors, members of the Board of Directors must justify in writing the reasons for their absence from the meeting.

The Board of Directors is obliged to recommend to the GMS to early terminate the powers of a Board of Directors member who participated in less than 50% of meetings during the reporting year.

3.1.23. No person shall participate in resolutions relating to his own appointment, election or re-election.

3.1.24. Members of the Board of Directors sign an obligation to non-disclosure of confidential information of the Company in a form determined by the Board of Directors.

3.1.25. The Society needs to ensure that there are succession plans in place for Board members to ensure continuity and progressive renewal of the Board .

3.1.26. The Board of Directors shall approve an induction program for newly elected Board members and a professional development program for each Board member . The Corporate Secretary shall ensure the implementation of these programs.

3.1.27. Members of the Board of Directors elected for the first time, after their appointment, undergo an induction program. During the induction process, members of the Board of Directors are familiarized with their rights and obligations, key aspects of the Company's activities and documents, including those associated with the greatest risks.

3.2. Chairman of the Board of Directors

3.2.1. The Chairman of the Board of Directors is elected by the General Meeting of Masters.

3.2.2. In the absence of the Chairman of the Board of Directors , including, but not limited to, in the event of his resignation from the Board of Directors or early termination of his powers, his functions are performed by one of the members of the Board of Directors by resolution of the Board of Directors , adopted by a majority of votes of its members participating in the meeting.

3.2.3. The Chairman of the Board of Directors may be a person with an impeccable business reputation and experience in management positions, enjoying the trust of shareholders and members of the Board of Directors, and possessing such qualities as honesty and integrity.

3.2.4. Chairman of the Board of Directors:

1) organizes the work of the BD ;
2) chairs meetings of the Board of Directors ;
3) convenes meetings of the Board of Directors and presides over them;
4) concludes, on behalf of the Company, an employment contract with the Chairman of the Board and carries out other actions stipulated by the labor legislation of the Republic of Kazakhstan;
5) plans meetings of the Board of Directors and forms the agenda taking into account proposals from other members of the Board of Directors and the request to convene a meeting of the Board of Directors ;
6) maintains ongoing communication and interaction with shareholders, including organizing consultations with major shareholders when making resolutions on strategic issues;
7) the Board of Directors receive timely and complete information for resolution-making;
8) ensures that the Board of Directors focuses its attention on strategic issues and minimizes issues of a current (operational) nature subject to consideration by the Board of Directors;
9) ensures maximum effectiveness of the Board meetings by allocating sufficient time for discussions, comprehensive and in-depth consideration of agenda items, stimulating open discussions, and reaching agreed resolutions;
9-1) if the members of the Board of Directors have different opinions, ensures that all acceptable options and proposals expressed by individual members of the Board of Directors are considered in order to make a resolution that meets the interests of the Company;
10) ensures monitoring and supervision of the proper implementation of resolutions taken by the Board of Directors and the GMS;
11) in the event of corporate conflicts, ensures that measures are taken to resolve them and minimize their negative impact on the Company's activities, and promptly informs major shareholders in the event that it is impossible to resolve such situations on their own;
12) carries out other functions stipulated by the legislation of the Republic of Kazakhstan, the Charter of the Company and the Regulation.

3.2.5. The Chairman of the Board of Directors is responsible for the general management of the Board of Directors, ensures the full and effective implementation of the Board of Directors' main functions and the building of a constructive dialogue between the members of the Board of Directors , shareholders and the Management Board.

3.2.6. The Chairman of the Board of Directors should strive to create a unified team of professionals focused on long-term value growth and sustainable development of the Company, who are able to respond to internal and external challenges in a timely manner and at the proper professional level.

3.2.7. To perform the role of the Chairman of the Board of Directors , in addition to

professional qualifications and experience, it is necessary to have special skills, such as leadership, the ability to motivate, understand different views and approaches, and have skills in resolving conflict situations.

3.3. BD Committees

3.3.1. Formation of the Board of Directors Committees

3.3.1.1. For a more in-depth and high-quality study of issues, conducting a detailed analysis and developing recommendations on a range of the most important issues before their consideration at a meeting of the Board of Directors, the Board of Directors creates committees of the Board of Directors (hereinafter and above – **Committees**) on the following issues:

1) strategic planning;
2) personnel and remuneration;
3) internal audit;
4) social issues;
5) other issues provided for by the internal documents of the Company.

The existence of Committees does not relieve the members of the Board of Directors from responsibility for resolutions taken within the competence of the Board of Directors.

3.3.1.2. The activities of all Committees are regulated by internal documents of the Company , approved by the Board of Directors, containing provisions on the composition, competence, procedure for electing members of the Committees, the procedure for the work of the Committees , the rights and obligations of their members, functions, powers and the process of organizing the activities of the Committees.

3.3.1.3. Excluded.

3.3.2. Composition and work procedure of the BD Committees

3.3.2.1. The Committees consist of members of the Board of Directors and, where necessary (except for the Audit Committee), experts with the necessary professional knowledge to work in a specific Committee.

3.3.2.2. The Committee is chaired by a member of the Board of Directors who is not the Chairman of the Management Board.

3.3.2.3. The Chairmen of the Committees specified in subparagraphs 1) – 4) clause 3.3.1.1 of the Regulation , are independent directors.

3.3.2.4. The audit committee specified in subparagraph 3) of paragraph 3.3.1.1 of the Regulation shall consist only of independent directors.

3.3.2.5. The majority of the Committees specified in subparagraphs 1), 2), 4) of paragraph 3.3.1.1 of the Regulation are independent directors.

3.3.2.6. Excluded.

3.3.2.7. The Committee Chairmen prepare reports on the activities of the Committees and, at a separate meeting, report to the Board of Directors on the results of the activities for the year, and also report at each meeting of the Board of Directors (except in absentia), if it was preceded by meetings of the Committees, on the results of these meetings, issues previously considered by the Committees and on the instructions proposed by the Committees to the bodies, structural divisions and employees of the Company (in this case, the requirements of paragraph 6.6.6 and subparagraph 4) of paragraph 6.6.7 of the

Regulation apply).

3.3.2.8. The Chairman of the Board of Directors has the right to request that the Committees provide information on their activities within a year.

3.4. Corporate Secretary

3.4.1. In order to effectively organize the activities of the Board of Directors and the interaction of the Board of Directors, the Management Board of the Company with shareholders, the Board of Directors appoints a corporate secretary. Assignment of other duties to the corporate secretary should be carried out taking into account the current workload of the corporate secretary. Assignment of new duties should not lead to poor performance of the functions set out in the Corporate Governance Code of the Company and the Regulation, including due to insufficient resources. New functions should not duplicate the functions of other structural divisions and officials of the Company. In case of duplication, it is necessary to review the performer of such functions .

3.4.2. The Corporate Secretary is accountable to the Board of Directors and independent of the Management Board.

3.4.3. The Board of Directors makes a resolution on the appointment of the corporate secretary, determines the term of his powers, functions and procedures, the amount of salary and terms of remuneration, and makes a resolution on the creation of the Corporate Secretary Service.

3.4.4. The corporate secretary carries out his/her activities on the basis of the regulation on the corporate secretary, approved by the Board of Directors, which specifies the functions, rights and responsibilities, the procedure for interaction with the Company's bodies, qualification requirements and other information.

3.5. Involving experts

3.5.1. The Board of Directors shall, by a majority vote, decide to engage external consultants and experts for consultations on individual issues within the competence of the Board of Directors and the Board of Directors Committees if the issue under consideration requires external professional and independent expertise.

The amount of remuneration for experts and consultants is determined by the Board of Directors within the approved budget.

3.5.2. The Board is recommended to provide funds in the Company's budget for the engagement of external consultants and experts by the Board of Directors and its Committees.

4. Rights

4.1. Rights of a member of the Board of Directors

4.1.1. A member of the Board of Directors has the right to:

1) request from the Board any information (documents, materials) regarding the Company, if the said information is necessary for him to perform the functions of a member of the Board of Directors , in the manner established by the Regulation and other internal documents of the Company;

2) in accordance with the established procedure, receive remuneration for the performance of their duties, determined by the GMS, and (or) compensation for expenses

related to the performance of the duties of a member of the Board of Directors;

3) familiarize yourself with the resolutions of the GMS, the minutes of meetings and resolutions of the Board of Directors , the minutes of meetings of the Management Board and Committees, and audit reports;

4) demand the convening of a meeting of the Board of Directors by sending a written message to the Chairman of the Board of Directors containing the proposed agenda for the meeting of the Board of Directors;

5) apply to the Board with a request to convene a meeting of the Board of Directors in the event of the refusal of the Chairman of the Board of Directors to convene a meeting;

6) make proposals for the formation or amendment of the work plan of the Board of Directors;

7) express their opinion on the agenda items considered by the Board of Directors (in case of disagreement with the resolution taken by the Board of Directors, a member of the Board of Directors has the right to state their point of view (dissenting opinion) in writing);

8) participate in meetings of the Board of Directors, as well as its Committees of which he/she is a member, including in the discussion and voting on issues considered at such meetings;

9) at the invitation of the Chairman of the relevant Committee of which he is not a member - to attend meetings of such Committee and participate in the discussion of issues considered at such meetings, without the right to vote;

10) on his own initiative - to attend meetings of Committees of which he is not a member, but not to participate in the discussion and voting on issues considered at such meetings.

11) to include issues in the agenda of the meeting of the Board of Directors ;

12) demand the involvement of experts on issues related to the competence of the Board of Directors , in accordance with the procedure established by the Board of Directors and within the framework of the funds provided for in the budget of the Company;

13) undergo induction programs ;

14) demand that their dissenting opinion on agenda items be included in the minutes of the meeting of the Board of Directors;

15) demand that the resolution of the Board of Directors include instructions to the Management Board and/or officials of the Company, Services accountable to the Board of Directors, their heads, heads of structural divisions directly reporting to the Chairman of the Board of Directors;

16) exercise other rights provided for by the legislation of the Republic of Kazakhstan, the Charter of the Company, as well as other internal documents of the Company.

4.2. Remuneration and/or compensation of expenses of members of the Board of Directors

4.2.1. In accordance with the procedure established by the legislation of the Republic of Kazakhstan and the Regulation, members of the Board of Directors may be paid remuneration and (or) compensated for expenses related to the performance of their functions as members of the Board of Directors during the period of their performance of their duties.

4.2.2. The level of remuneration of the members of the Board of Directors must be sufficient to attract, retain and motivate each member of the Board of Directors to the level required for the successful management of the Company.

4.2.3. The rules for remuneration of members of the Board of Directors are developed on the basis of the Fund's methodology and approved by a resolution of the GMS.

4.2.4. The procedure and amount of payment of remuneration and/or compensation for expenses of members of the Board of Directors shall be established by a resolution of the GMS.

4.2.5 Remuneration should fairly reflect the expected contribution of the Board member to improving the effectiveness of the entire Board and the activities of the Company.

4.2.6. When determining the amount of remuneration, the duties of the members of the Board of Directors, the scale of the Company's activities, long-term goals and objectives determined by the development strategy, the complexity of the issues considered by the Board of Directors, and the level of remuneration in similar companies (benchmarking, remuneration review) are taken into account.

4.2.7. Members of the Board of Directors are generally paid a fixed annual remuneration, as well as additional remuneration for chairing the Board of Directors , participating in and chairing Board Committees .

4.2.8. The remuneration of a member of the Board of Directors shall not include options or other elements related to the performance of the Company.

4.2.9. The Chairman and members of the Board of Directors, among other things, are reimbursed within the approved budget for actual expenses incurred for advanced training/education in accordance with the programs or retraining plans approved by the Board of Directors, based on the supporting documents provided.

5. Responsibility

5.1. Responsibility of the members of the Board of Directors

5.1.1. Members of the Board of Directors bear personal responsibility for the performance of duties of a member of the Board of Directors established by the legislation of the Republic of Kazakhstan, including fiduciary duties to shareholders and resolutions taken, the effectiveness of their activities, actions and/or inactions, including, but not limited to, losses incurred as a result of:

1) providing misleading or knowingly false information;

2) violations of the procedure for providing information established by the legislation of the Republic of Kazakhstan and the internal documents of the Company;

3) proposals for concluding and/or making resolutions on concluding major transactions and/or transactions in which there is an interest, which have resulted in losses for the Company as a result of their unfair actions and/or inaction, including for the purpose of obtaining profit (income) by them or their affiliates as a result of concluding such transactions with the Company.

4) The members of the Board of Directors are liable to the Company for damages and losses caused to the Company by their culpable actions (inactions).

5.1.2. The Company is obliged to insure the liability of the members of the Board

of Directors at the expense of the Company's own funds.

5.1.3. The adoption by the GMS in cases stipulated by the legislation of the Republic of Kazakhstan and (or) the Charter of the Company of a resolution on the conclusion of a major transaction and (or) transactions in the execution of which there is an interest, does not exempt from liability a member of the Board of Directors who proposed them for conclusion, or a member of the Board of Directors who acted in bad faith and (or) failed to act at a meeting of the Board of Directors , including for the purpose of obtaining profit (income) by him or his affiliates, if as a result of their execution the Company suffered losses.

5.1.4. The procedure and grounds for filing a claim in court against an official of the Company are established by the legislation of the Republic of Kazakhstan.

5.2. Duties of a member of the Board of Directors

5.2.1. A member of the Board of Directors is obliged to:

1) act in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter, the Corporate Governance Code of the Company and the internal documents of the Company on the basis of awareness, transparency, in the interests of the Company and its shareholders;

2) to perform the duties assigned to him in good faith and to use methods that best reflect the interests of the Company and shareholders;

3) act within the limits of their rights and powers;

3-1) comply with the procedures established by the documents of the Company for preparing and holding meetings of the Board of Directors;

4) devote sufficient time to attending meetings of the Board of Directors and its Committees and preparing for them;

5) properly prepare for meetings of the Board of Directors and its Committees, in particular: familiarize yourself in advance with materials related to the meetings, collect and analyze the necessary information, prepare your conclusions, findings, and recommendations for making an informed resolution;

6) make informed resolutions, for which purpose it is necessary to study in full the necessary information (documents, materials);

7) attend in-person meetings of the Board of Directors, and if personal attendance is not possible, participate via conference call or Written opinion in accordance with the Regulation;

8) submit to the Board of Directors signed ballots for absentee voting on issues considered at meetings of the Board of Directors held in absentia and, if there are comments and objections, submit their written opinions within the established timeframes;

9) improve their qualifications in accordance with the internal documents of the Company or resolutions of the Board of Directors , including annually submitting proposals for their professional development to the corporate secretary in a timely manner ;

10) maintain high standards of business ethics;

11) when making resolutions, evaluate risks and adverse consequences;

12) implement the resolutions of the General Shareholders' Meeting, the resolutions of the Board of Directors and its chairman, provided that such resolutions comply with the

legislation of the Republic of Kazakhstan, the Charter of the Company and do not, in the opinion of the member of the Board of Directors , contradict the interests of the shareholders and/or the Company;

13) within 7 (seven) calendar days from the date of the emergence of affiliation, notify the Company in writing of information about its affiliates and changes in the grounds for the emergence of their affiliation;

14) refrain from actions and avoid situations that will lead or could potentially lead to a conflict between his interests (or those of persons affiliated with him) and the interests of the Company, and in the event of such a conflict, immediately inform the Board of Directors of the existence of a conflict of interest;

15) communicate in writing to the Board of Directors information about proposed transactions in which he may be recognized as an interested party;

16) abstain from voting on issues in which he/she has an interest in making resolutions. In this case, a member of the Board of Directors must immediately disclose to the Board of Directors the fact of such interest and the grounds for its occurrence;

17) regularly provide information about its affiliates within the timeframes established in the Company's documents;

18) comply with the provisions of the Company's internal documents in the area of regulating conflicts of interest, compliance, as well as the Company's Code of Business Ethics;

19) not to receive from individuals or legal entities gifts, services or any advantages that constitute or may be considered as a reward for resolutions or actions taken or performed by him as a member of the Board of Directors ;

20) attend the GMS, at the request of the GMS, the Chairman of the Board of Directors, provide any information within the scope of issues within the competence of the Board of Directors, except for personal and confidential information;

21) communicate to the Company in writing the following information:

- about the main place of work (indicating the full name of the legal entity, legal address) and the position held, about other combined positions, as well as about changes in the main place of work;

- passport data (series, document number, by whom and when issued), citizenship, identification number;

- about the postal address, e-mail address, contact telephone number;

- about shares (interests, stakes) of other legal entities owned directly or indirectly by him, indicating their quantity and categories, as well as about their sale and (or) purchase;

- on membership in boards of directors and supervisory boards of other legal entities.

22) inform the Board of Directors and the Chairman of the Management Board of the Company in writing about nominations and elections to positions in other organizations, and also obtain prior consent from the Board of Directors about the possibility of electing him to the bodies of another legal entity or hiring him to work in another organization that arose after his election to the Board of Directors ;

23) notify the Chairman of the Board of Directors in advance of new proposals received for combining work and positions in other organizations (commercial and non-commercial);

24) not to be a member of more than 4 (four) boards of directors of other

organizations, and not to work part-time in more than one organization;

25) not to work or hold positions in companies that are competitors of the Company;

26) not have a financial interest in companies that compete with the Company;

27) monitor and, where possible, eliminate potential conflicts of interest at the level of officials and shareholders of the Company, including the unlawful use of the Company's property and abuse in the execution of transactions in which there is an interest;

28) exercise control over the effectiveness of corporate governance practices in the Company;

29) analyze information and the state of affairs in the Company on issues within the competence of the Board of Directors , and, if necessary, present the results of such analysis to the Board of Directors/ GMS;

30) not to disclose confidential, insider and other information that has become known to him in connection with the performance of his duties as a member of the Board of Directors , to persons who do not have access to such information, and also not to use it in his own interests or the interests of third parties, both during the period of performance of the duties of a member of the Board of Directors and for 5 (five) years after the end of his term of office, as well as during the period specified in the documents (information) that have become known, if a longer period is provided for by the documents of the Company;

31) when working on the premises of the Company, comply with the rules and procedures stipulated by the internal documents of the Company and related to the security regime, working with the confidential information of the Company;

32) in accordance with the procedure established by the legislation of the Republic of Kazakhstan, notify the Board of Directors in writing of the early termination of his powers at his own request, indicating the date of termination of powers;

33) ensure the integrity of accounting and financial reporting systems, including conducting independent audits;

34) after the expiration of the term of office, including early termination of his powers, within 5 (five) working days, transfer, under an acceptance certificate, to the person determined by the Company, all documents, property of the Company, office premises and keys to it, if such were provided to him in connection with the performance of duties;

35) promptly send to the Chairman of the Board of Directors proposals for the inclusion of issues in the agenda of the Board of Directors;

36) in the event of an “abstain” vote on issues on the agenda of the meeting of the Board of Directors, provide relevant explanations for inclusion in the minutes of the meeting;

37) perform other duties stipulated by the legislation of the Republic of Kazakhstan , the Charter, the Corporate Governance Code, other internal documents of the Company and the Regulation.

5.2.2. Independent directors must actively participate in the discussion of issues where a conflict of interest may arise (preparation of financial and non-financial reports, conclusion of transactions in which there is an interest, nomination of candidates for the Management Board, establishment of remuneration for members of the Management Board).

5.3. Evaluation of the activities of the Board of Directors

5.3.1 The Board , Committees and members of the Board shall be evaluated on an annual basis through a structured process approved by the Board of Directors of the Company.

5.3.2 Moreover, at least once every three years, the assessment is carried out with the involvement of an independent professional organization.

5.3.3 The assessment should make it possible to determine the contribution of the Board of Directors and each of its members to the growth of long-term value and sustainable development of the Company, as well as to identify areas and recommend measures for improvement.

5.3.4 The results of the assessment are taken into account when re-electing or early terminating the powers of members of the Board of Directors.

5.3.5 Conducting an assessment is mandatory for both independent directors and shareholder representatives.

5.3.6 The assessment must meet such criteria as regularity, comprehensiveness, continuity, realism, and confidentiality.

5.3.7 The assessment includes, but is not limited to, consideration of the following issues:

1) optimality of the composition of the Board of Directors (balance of skills, experience, diversity of composition, objectivity) in the context of the tasks facing the Society;

2) clarity of understanding of the vision, strategy, main objectives, problems and values of the Society;

3) succession and development plans;

4) functioning of the Board of Directors as a single body, the roles of the Board of Directors and the Chairman of the Board of the Company;

5) efficiency of interaction in the Board of Directors, the Board of Directors with the bodies and officials of the Company;

6) the effectiveness of each member of the Board of Directors;

7) the effectiveness of the Committees' activities and their interaction with the Board of Directors and members of the Company's Management Board;

8) quality of information and documents provided to the Board of Directors;

9) quality of discussions at meetings of the Board of Directors and Committees;

10) efficiency of the corporate secretary;

11) clarity in understanding processes and competencies;

12) the process of identifying and assessing risks;

13) interaction with shareholders and other stakeholders.

5.3.8. The Chairman of the Board is responsible for the entire evaluation process and for taking action on its results. The key roles in the evaluation process are distributed as follows:

1) The Chairman of the Board of Directors leads the evaluation process, provides feedback to the entire Board of Directors and to each of its members, informs the GMS of the evaluation results and discusses measures for improvement, and monitors the implementation of the action plan based on the evaluation results;

2) The Chairman of the NRC ensures the process of evaluating the Chairman of the Board of Directors;

3) Committee Chairmen ensure the process of assessing the effectiveness of the work of the Committees they chair;

4) an independent consultant (if engaged) acts as a moderator and methodologist, organizes and coordinates the evaluation process;

5) Board members ensure active participation, openness, honesty and involvement.

5.3.9. The results of the assessment may serve as the basis for re-election of the entire Board of Directors or an individual member, revision of the composition of the Board of Directors and the amount of remuneration for members of the Board of Directors.

5.3.10. In the event of serious shortcomings in the performance of individual members of the Board of Directors, the Chairman of the Board of Directors must hold consultations with major shareholders of the Company.

5.3.11. The annual report of the Board of Directors reflects how the Board of Directors assessment was conducted and the measures taken based on the results. In the case of engaging an independent consultant, it is indicated whether they have provided other consulting services to the Company over the past three years.

5.3.12. The GMS may conduct its own assessment of the Board of Directors independently or with the assistance of an independent consultant. The results of the assessment conducted independently by the Board of Directors, the results of the Company's activities, the fulfillment of shareholders' expectations and other factors are taken into account.

5.3.13 The process, timing and procedure for conducting the assessment of the activities of the Board of Directors, its Committees and members of the Board of Directors must be clearly regulated in the internal documents of the Company approved by the Board of Directors, including those providing for training in conducting the assessment for the chairman and members of the Board of Directors.

6. Regulations of the work of the Board of Directors

6.1. Conducting meetings of the Board of Directors in a planned manner

6.1.1. The Board of Directors annually, before the beginning of the calendar year, forms and approves a plan of its work , including a list of issues planned for consideration, and a schedule of meetings with dates , based on the principles of careful planning of the activities of the Board of Directors and the Society, rationality, efficiency and regularity.

6.1.2. The annual work plan of the Board of Directors is formed by the corporate secretary, taking into account proposals from shareholders, members of the Board of Directors, the Management Board and Services reporting to the Board of Directors.

6.1.3. The Chairman of the Board of Directors shall exercise control over the formation and implementation of the annual work plan of the Board of Directors. The revision of the work plan of the Board of Directors of the Company shall be carried out no more than once a year at the end of the first half of the year.

6.1.4. Meetings of the Board of Directors must be held regularly, in accordance with the work plan and meeting schedule, but not less than 8 (eight) times a year.

Meetings of the Board of Directors may be scheduled or extraordinary, with extraordinary meetings being held in exceptional cases when the consideration of relevant issues could not be scheduled or predicted in advance, and the adoption of a resolution by

the Board of Directors on such issues cannot be postponed until the next scheduled meeting of the Board of Directors.

6.1.5. If necessary, the Board of Directors has the right to consider issues not included in the Board of Directors' work plan .

6.1.6. Meetings of the Board of Directors may be in person or in absentia, but the number of meetings with absentee voting should be minimized.

6.1.7. Members of the Board of Directors may participate in a meeting of the Board of Directors or its Committees via videoconference (interactive audiovisual communication), conference call (simultaneous conversation of members of the Board of Directors in the "telephone conference" mode), and other interactive means of communication that allow for the exchange of opinions, confirmation of voting and summing up of its results in real time (hereinafter and above collectively referred to as **Conference Call**).

Conference calling involves exchanging messages via email.

6.1.7-1. When voting by exchanging messages via e-mail, the following conditions must be met:

1) voting is carried out before the date and time specified in the notice sent to the members of the Board of Directors by the corporate secretary; votes received by members of the Board of Directors after this are not taken into account;

2) for voting, a member of the Board of Directors is sent a message by e-mail containing a clearly expressed position of the member of the Board of Directors on each issue on the agenda of the meeting of the Board of Directors, indicating one of three voting options: "for" / "against" / "abstained" (otherwise the vote is not counted);

3) the opening time of the meeting of the Board of Directors is the date and time of the first message received by the corporate secretary from a member of the Board of Directors by e-mail that meets the requirements established by this paragraph.

6.1.8. A member of the Board of Directors is obliged to notify the Chairman of the Board of Directors and the Corporate Secretary of the Company in advance of the impossibility of his participation in the meeting of the Board of Directors.

6.1.9. In special cases, a combination of both forms of the Board of Directors meeting is possible. This applies to the situation when one or more members of the Board of Directors (no more than 30%) [thirty percent]) are unable to attend the meeting of the Board of Directors in person or participate via conference call. In such a case, the meeting is considered in person. In this case, the absent member of the Board of Directors is considered to have participated in the meeting of the Board of Directors if he/she has provided the corporate secretary in writing, in advance of the start of the meeting of the Board of Directors, the results of his/her voting and opinion on all issues on the agenda of such meeting (hereinafter and above – **Written Opinion**). In this case, the receipt of Written Opinions is recorded by the corporate secretary, indicating the date and time of receipt of each Written Opinion. ~~Changing the agenda of such a meeting is not permitted.~~

6.1.10. If more than 30% of the members of the Board of Directors are unable to participate in a meeting of the Board of Directors in person or via conference call, then the in-person meeting of the Board of Directors will not be held.

6.1.11. If a member of the Board of Directors cannot participate in a meeting of the Board of Directors in person or via conference call, he/she must provide a written opinion

on all issues on the agenda of such meeting before the start of the meeting. Otherwise, the member of the Board of Directors is considered not to have participated in the meeting.

6.1.12. Members of the Board of Directors who participated in the meeting of the Board of Directors by personally attending the meeting, participating in the meeting of the Board of Directors via Conference Call or by providing a Written Opinion are considered to have participated in the meeting of the Board of Directors (hereinafter referred to **as Participating Members**).

6.1.13. If a member of the Board of Directors plans to participate in a meeting of the Board of Directors via Conference Call, in order to avoid disruptions in the conduct of the meeting of the Board of Directors and voting on the issues on the agenda of the Board of Directors due to deficiencies in the Conference Call, it is recommended that he/she provide a Written Opinion on all issues on the agenda of such meeting before the start of the meeting.

6.1.14. If, after the submission of the Written Opinion, a member of the Board of Directors has the opportunity to participate in a meeting of the Board of Directors via a conference call or by personal presence, then the opinion voiced by such member of the Board of Directors during the meeting of the Board of Directors is taken into account, and the Written Opinion is not taken into account.

6.1.1 5. If a member of the Board of Directors participates in a meeting of the Board of Directors via a Conference Call and has provided a Written Opinion before the start of the meeting, but the results of the voting of such a member of the Board of Directors could not be determined on certain issues on the agenda due to failures in the Conference Call or due to the inability of the member of the Board of Directors to participate in the voting, and during the meeting it was not possible to obtain his (her) opinion on such issues from such a member of the Board of Directors, then the Written Opinion previously provided by such a member of the Board of Directors shall be taken into account when summing up the results of the voting on such issues.

6.1.16. If a member of the Board of Directors participates in a meeting of the Board of Directors via a Conference Call and has not provided a Written Opinion, and the results of the voting of such a member of the Board of Directors could not be determined on certain issues on the agenda due to failures in the Conference Call or due to the inability of the member of the Board of Directors to participate in the voting, and during the meeting it was not possible to obtain his (her) opinion on such issues from such a member of the Board of Directors, then he (she) is considered not to have participated in the voting and determination of the quorum on such issues. In this case, during the meeting of the Board of Directors, such an issue may be withdrawn from consideration at the initiative of any of the Participants.

6.1.17. For the purposes of paragraph 3.1.22 of the Regulation, a member of the Board of Directors is considered to have taken part in a meeting of the Board of Directors if he or she participated in the consideration of at least 75% of the issues on the agenda of such meeting (including by providing a Written Opinion).

6.1.18. In-person meetings of the Board of Directors, as the most effective, are advisable when considering issues and making resolutions on particularly important, key, strategic issues of the Company’s activities.

6.1.19. When preparing the work plan of the Board of Directors, the number of

meetings in absentia should be kept to a minimum.

6.2. Convening meetings of the Board of Directors

6.2.1. A meeting of the Board of Directors may be convened at the initiative of the Chairman of the Board of Directors or the Management Board, or at the request of:

1) any member of the Board of Directors ;
2) an audit organization that carries out the audit of the Company;
3) major shareholder;
4) Internal audit services of the Company.

6.2.2. Scheduled meetings of the Board of Directors are convened by the Chairman of the Board of Directors, in accordance with the annual work plan of the Board of Directors; extraordinary meetings are convened in accordance with the legislation of the Republic of Kazakhstan, the Charter and the Regulations.

6.2.3. The corporate secretary shall draw up the agenda of the meeting of the Board of Directors in accordance with paragraph 6.5.2 of the Regulations based on the package of materials provided to the corporate secretary in the established manner.

6.2.4. The agenda of the meeting of the Board of Directors is submitted to the Chairman of the Board of Directors for approval along with a complete package of materials on the agenda items.

6.2.5. For some categories of issues defined by the Charter of the Company, the process of forming the agenda of the meeting of the Board of Directors and informing the members of the Board of Directors may differ from that specified in the Regulation.

6.2.6. The initiator of the convening of a meeting of the Board of Directors shall form a Request for the convening of a meeting of the Board of Directors (hereinafter referred to **as the Request for Convening**) based on a package of materials formed in accordance with the established procedure.

A request to convene a meeting of the Board of Directors with attached materials prepared in the established manner shall be signed by the initiator, who has such right in accordance with the Law and the Charter of the Company, and shall be submitted in the established manner to the Chairman of the Board of Directors and the corporate secretary.

6.2.7. The Chairman of the Board of Directors must make a resolution to convene (or refuse to convene) a meeting of the Board of Directors and notify the person who submitted the relevant request within 3 (three) calendar days from the date of receipt of such request.

6.2.8. In the event of the refusal of the Chairman of the Board of Directors to convene a meeting, the initiator has the right to address the said request to the Management Board, which is obliged to convene a meeting of the Board of Directors.

6.2.9. The meeting of the Board of Directors must be convened by the Chairman of the Board of Directors or the Management Board no later than ten calendar days from the date of receipt of the Request for Convocation.

6.2.10.The meeting of the Board of Directors is held with the obligatory invitation of the person who submitted the Request for Convocation.

6.2.11.The Chairman of the Board of Directors and the Management Board shall not have the right to refuse to convene a meeting of the Board of Directors, except in cases where:

1) The requirement to convene does not comply with the legislation of the Republic

of Kazakhstan, the Charter and (or) the Regulation;

2) the person who submitted the Demand for Convocation does not have the right to demand the convening of a meeting of the Board of Directors;

3) if the resolution on all issues proposed for consideration by the Board of Directors does not fall within the exclusive competence of the Board of Directors.

6.3. Notification of the members of the Board of Directors about the convening and holding of a meeting of the Board of Directors

6.3.1 The notice of holding a meeting of the Board of Directors is signed by the Chairman of the Board of Directors, and in the event of his refusal to convene the meeting, by the Chairman of the Management Board.

6.3.2 The notice of the meeting of the Board of Directors must contain information about the date, time, and place of the meeting, as well as its agenda. The procedure for sending notice to the members of the Board of Directors about the meeting of the Board of Directors is determined by the Board of Directors.

6.3.3 The notice of the meeting of the Board of Directors, as well as the necessary materials attached thereto, shall be sent by the corporate secretary to the members of the Board of Directors in writing or, upon agreement with the members of the Board of Directors, by any other means convenient for them (including by post, fax, electronic or other communication) no later than 7 (seven) calendar days before the date of the meeting (and in the case of absentee voting - before the deadline for accepting ballots for absentee voting), except for cases stipulated by the Charter of the Company. Materials for the meetings of the Board of Directors and its Committees shall be provided by the Company to the members of the Board of Directors via secure remote access based on special software and hardware.

Materials on issues included in the agenda of an in-person meeting of the Board of Directors, revised taking into account comments received from a major shareholder, or based on the results of consideration by the relevant Committee of the Board of Directors after the expiration of the period established for the provision of materials to members of the Board of Directors, are provided to members of the Board of Directors as they are received and are necessarily considered directly at the meeting of the Board of Directors itself.

Comments (if any) from a major shareholder on issues on the agenda of the Board of Directors meetings are provided by the corporate secretary to the members of the Board of Directors before these issues are considered by the relevant Committees of the Board of Directors.

6.3.4. Materials for the meeting of the Board of Directors, provided to the members of the Board of Directors, include:

1) agenda of the meeting with the indication of speakers;

2) explanatory notes addressed to the members of the Board of Directors, prepared in accordance with the requirements established by a separate internal document approved by the Board of Directors;

3) draft resolutions of the Board of Directors;

4) draft documents;

5) extracts from the resolutions of the Management Board;

6) other additional documents, if available (presentations, copies of resolutions of government bodies, General Meetings of Shareholders, Boards of Directors), reference materials justifying the inclusion of the specified issues in the agenda, and so on.

Other requirements, established by a separate internal document approved by the Board of Directors, apply to materials on issues submitted for information purposes.

6.3.5. Materials for the meeting of the Board of Directors must include all information on the agenda items necessary for the Board of Directors to make informed resolutions, including an explanatory note with a brief description of the issue, disclosure of its economic (financial) significance for the Company, as well as possible benefits (losses) in the event of making or not making resolutions, with confirmation of the feasibility, appropriateness, effectiveness and legality of the proposed resolution.

6.3.6. The explanatory note to the item on the agenda of the meeting of the Board of Directors must be signed by the person who has the right to demand the convening of the meeting of the Board of Directors, and the draft resolution must be endorsed by the above-mentioned person.

If the initiator of the consideration of the issue is the Management Board, the explanatory note to the agenda item must be signed, and the draft resolution must be endorsed by the Chairman of the Management Board, and in the absence of the Chairman of the Management Board, by the person officially replacing him in the established manner.

6.3.7. All issues, resolutions on which are taken at the level of the Board of Directors, with the exception of regulatory (procedural) issues and regular reports submitted to the Board of Directors, and other issues determined by the Board of Directors, must be previously reviewed by the Company's Compliance Service . Such categories of issues may be defined more precisely in an internal document of the Company approved by the Board of Directors.

6.3.8. If a member of the Board of Directors is a foreign citizen who does not have knowledge of the state or Russian languages, the entire package of materials must be translated into English and page by page endorsed by an employee of the structural division of the Company that translated the documents.

6.3.9. The procedure for preparing materials for a meeting of the Board of Directors, including requirements for the quality of materials, their design, deadlines for preparation, approval and submission to the corporate secretary and other issues related to the preparation of materials for a meeting of the Board of Directors, are established by a separate internal document approved by the Board of Directors.

6.3.10. The Corporate Secretary ensures that the members of the Board of Directors are provided with materials on agenda items in a timely manner.

6.3.11. Materials on issues of election of officials of the Company or its subsidiaries and dependent organizations must contain the following information about the proposed candidates:

1) last name, first name, patronymic;
2) educational information;
3) information on affiliation with the Company;
4) information about places of work and positions held over the past three years;
5) conclusion of the Company's Compliance Service;
6) other information confirming the qualifications and work experience of candidates.

6.3.12. Materials on issues of election of members of the Board of Directors include, in addition to the information specified in paragraph 6.3.11, the written consent of the candidate to occupy the relevant position. In the absence of written consent, the candidate is personally present at the meeting of the Board of Directors and verbally agrees to occupy the relevant position.

6.3.13. In the event of consideration of the issue of making a resolution on concluding a major transaction and (or) a transaction in which there is an interest, information about the transaction must include information about the parties to the transaction, the assets being acquired or alienated (if applicable), the terms and conditions of the transaction, the nature and volume of the shares of the parties involved, an appraiser's report (if the transaction results in the acquisition or alienation of property worth 10 (ten) and more than percent of the book value of the Company's assets), as well as in the presence of other information about the transaction.

The Management Board shall ensure that the Board of Directors is provided with information on proposed transactions and investments in advance (at least 30 [thirty] calendar days). That is, if an issue is planned to be submitted for resolution-making at a certain regular meeting of the Board of Directors, then information on such an issue shall be submitted to the previous meeting of the Board of Directors for information.

6.3.14. The final preparation of materials for the meetings of the Board of Directors is carried out by the Corporate Secretary Service of the Company.

6.3.15.In case of failure to submit the required materials within the time period specified in the Regulation, the Charter and (or) in the internal documents of the Company and (or) their submission in an improper form, the issue is not included in the agenda of the meeting and the requirements of paragraph 6.5.7 of the Regulation are applied to such issue. In this case, if the issue is initiated by a member of the Board of Directors, the provisions of this paragraph shall not apply .

6.3.16.If a member of the Board of Directors, during the consideration of issues submitted for consideration by the Board of Directors for resolution-making, requires additional information or materials, the corporate secretary shall take measures to obtain them from interested structural divisions, the Management Board and the Internal Audit Service of the Company.

The Chairman of the Board of Directors and the Corporate Secretary are responsible for providing the members of the Board of Directors with information to the extent that it allows the members of the Board of Directors to make informed resolutions on the issues on the agenda of the meeting of the Board of Directors.

6.4 Change of place and time of the meeting of the Board of Directors

6.4.1. If circumstances arise that make it impossible or difficult to hold a meeting of the Board of Directors at the place or time of which the members of the Board of Directors have been notified, the meeting on the planned agenda may be held at another place and/or at another time.

6.4.2. All members of the Board of Directors must be notified in writing by the Corporate Secretary of the Company in advance of any change in the place or time of the meeting of the Board of Directors, so that they have sufficient time to arrive at the meeting or participate in it remotely.

6.4.3. Notification of changes shall be sent to the members of the Board of Directors in any form that ensures that the member of the Board of Directors receives the notification.

6.5 Agenda of the meeting of the Board of Directors

6.5.1. At the meeting of the Board of Directors, resolutions are made on issues included in the agenda of that meeting.

6.5.2. The agenda of the meeting of the Board of Directors is formed by the corporate secretary and approved by the chairman of the Board of Directors on the basis of the annual work plan of the Board of Directors, initiatives of the chairman of the Board of Directors or the Management Board, or at the request (proposal, notification) of bodies (persons) having such right in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company . In this case, the corporate secretary, when forming the draft agenda of the meeting of the Board of Directors, must indicate the presence or absence of the issue in the approved work plan of the Board of Directors for the relevant year. If the issue is provided for in the work plan of the Board of Directors for the relevant year, but the materials are not provided and the issue is not included in the agenda of the relevant meeting of the Board of Directors, the corporate secretary requests the responsible persons for the reason and indicates it in the agenda of the meeting of the Board of Directors for the adoption of appropriate measures by the Board of Directors and the Management Board.

The formation and approval of agendas for meetings of the Board of Directors is carried out taking into account strict compliance with the requirements and deadlines established for this purpose.

6.5.3. The agenda is approved at the beginning of the meeting of the Board of Directors by a majority vote of the members of the Board of Directors present at the meeting of the Board of Directors and participating in the meeting of the Board of Directors via conference call.

When a resolution is made by the Board of Directors by means of absentee voting, the agenda cannot be changed and/or supplemented.

6.5.4. The agenda of an in-person meeting of the Board of Directors may be changed and/or supplemented by resolution of the majority of the members of the Board of Directors present at the meeting and participating in the meeting of the Board of Directors via conference call .

6.5.5. The initiator of the inclusion of an issue on the agenda may, at any time before a resolution is made, exclude his issue from the agenda, which must be recorded in the minutes.

6.5.6. During any meeting of the Board of Directors, additional issues may be included in the agenda and considered, provided that:

1) the inclusion of such additional issues in the agenda will be voted for by the majority of those who took part ;

2) the Charter of the Company does not provide for a special quorum requirement for making resolutions on such additional issues (in this case, clause 6.5.8 of the Regulation applies).

6.5.7. In case of inclusion of issues in the agenda with violation of the deadlines, the Chairman of the Board of Directors is provided with a petition signed by the Chairman of

the Management Board or the person replacing him/her, on inclusion of an additional issue in the agenda of the upcoming meeting of the Board of Directors with exhaustive justification of this need. This process can be described in more detail in the internal document of the Company approved by the Board of Directors.

The corporate secretary informs the Board of Directors and the Chairman of the Management Board about all cases of untimely submission of materials for meetings of the Board of Directors and untimely submission of issues for consideration by the Board of Directors at scheduled meetings of the Board of Directors, indicating the person(s) responsible for providing materials and his (their) immediate supervisor(s) as part of the information on the discipline of interaction between the Company's management and the Board of Directors, in accordance with paragraph 6.11.1 of the Regulation.

The Chairman of the Management Board, based on the results of receiving information from the corporate secretary on cases of untimely submission of materials for meetings of the Board of Directors, takes measures to improve executive discipline in terms of providing materials for meetings of the Board of Directors and its Committees and, based on the results, provides the relevant information for the next scheduled meeting of the Board of Directors as a separate agenda item.

6.5.8. During any meeting of the Board of Directors, additional issues may be included and considered on the agenda of such meeting, for the adoption of resolutions on which the Charter of the Company provides for a special quorum requirement, provided that:

- 2/3 (two thirds) of the total number of members of the Board of Directors, including the majority of independent directors, voted in favor of including such additional issues in the agenda.

6.6 Regulations of the meetings of the Board of Directors

6.6.1. The meeting of the Board of Directors shall begin at the time specified in the notice, provided that a quorum is present, and shall be opened by the Chairman of the Board of Directors or a member of the Board of Directors acting in his/her capacity.

6.6.2. The quorum for holding a meeting of the Board of Directors is not less than half of the number of members of the Board of Directors and is determined taking into account those who participated.

6.6.2.1 . If the total number of members of the Board of Directors is insufficient to achieve a quorum, the Board of Directors must submit the issue of electing (appointing) new members of the Board of Directors for consideration by an extraordinary GMS. The remaining members of the Board of Directors have the right to make a resolution only on submitting such an issue for consideration by the GMS.

6.6.2.2. The quorum for holding a meeting of the Board of Directors on issues specified in subparagraphs 1), 7), 9)-17), 26-37), 46-47), 49-50) of paragraph 106 of the Company's Charter shall be two-thirds of the members of the Board of Directors, while the majority of independent directors must participate in the meeting of the Board of Directors.

If the total number of members of the Board of Directors is insufficient to achieve the quorum specified in the previous paragraph of this clause, the consideration of the said issues shall be postponed to the next meeting of the Board of Directors. When reconsidering the issues specified in the previous paragraph of this clause, the requirements

for the quorum and the number of independent directors shall not apply.

6.6.2.3. Excluded.

6.6.3. The presence of a quorum for holding a meeting of the Board of Directors and making resolutions on the agenda items of such a meeting of the Board of Directors is determined by the Chairman of the Board of Directors or a member of the Board of Directors acting in his/her capacity before the start of the meeting.

6.6.4. In the absence of a quorum for holding a meeting of the Board of Directors , the Chairman of the Board of Directors or a member of the Board of Directors acting in his/her capacity shall announce the postponement of the meeting of the Board of Directors for a period of no more than 14 (fourteen) calendar days.

6.6.4.1 In the absence of a quorum for making a resolution on an item on the agenda of a meeting that provides for a special quorum requirement in accordance with the Charter of the Company, by resolution of the members of the Board of Directors , such item is excluded from the agenda of such meeting of the Board of Directors , or is retained on the agenda and considered, but a resolution on its merits is not made.

6.6.5. The Chairman of the Board of Directors or a member of the Board of Directors acting in his/her capacity shall inform those present of the presence of a quorum for holding a meeting of the Board of Directors and shall announce the agenda of the meeting of the Board of Directors and shall inform of the presence of a quorum for making resolutions on all issues on the agenda of such meeting of the Board of Directors .

6.6.6. If during a meeting of the Board of Directors a member of the Board of Directors proposes that the Board of Directors give the Management Board and/or the Company's officials, the Services accountable to the Board of Directors and/or their heads, the heads of structural divisions directly subordinate to the Chairman of the Board of Directors an assignment, its wording must be clear, with an indication of the deadlines and the persons responsible. In this case, taking into account paragraph 2.2 of the Regulation, the following must be heard and discussed:

1) in the case of instructions addressed to the management of the Company – the opinion of the Chairman of the Management Board;

2) in the case of instructions to structural divisions accountable to the Board of Directors - the opinion of the heads of such divisions. An instruction is given on behalf of the Board of Directors if the majority of the members of the Board of Directors who participated in the meeting of the Board of Directors in person or via conference call voted for it , and must be included in the resolution of the Board of Directors on the agenda item under consideration.

In this case, if some of those who participated voted by means of a Written Opinion, the minutes of such a meeting of the Board of Directors shall reflect that they did not vote for the assignment proposed during the meeting of the Board of Directors itself, and the voting results shall be summed up taking this into account .

6.6.6-1. A major shareholder may:

1) attend in person the meetings of the Board of Directors;

2) receive notifications of upcoming meetings of the Board of Directors and materials on Board of Directors issues no less than 7 (seven) calendar days before the date of the meeting of the Board of Directors;

3) present their position (opinion) at meetings of the Board of Directors through the

corporate secretary on the following issues:

a) preliminary approval of the dividend policy of the Company, approval of the procedure for distributing the net income of the Company for the reporting financial year, making a resolution on the payment of dividends on common shares and determining the amount of dividend per common share of the Company;

b) resolutions on the participation of the Company in the creation or activities of other legal entities or alienation (withdrawal) from the composition of participants (shareholders) of other legal entities by transferring (receiving) a part or several parts of assets, in total amounting to more than 10% (ten percent) from all assets belonging to the Company;

c) the placement (sale) of shares, including the number of shares being placed (sold) within the number of declared shares, the method and price of their placement (sale);

d) the repurchase by the Company of the issued shares and the price of their repurchase;

d) determining priority areas of the Company's activities;

e) an increase in the Company's liabilities by an amount equal to 25 (twenty-five) percent or more of the amount of its equity capital;

g) provision by the Company of a guarantee to ensure the fulfillment of obligations of third parties, in the event that it is impossible to determine the size (amount) of the Company's obligations, with the exception of letters of comfort and guarantees issued to ensure the fulfillment of obligations when affiliated persons of the Company participate in tenders (competitions);

4) within 5 (five) working days after the closing of the meeting of the Board of Directors, receive the minutes of the meeting of the Board of Directors and the resolutions of the Board of Directors adopted by absentee voting for review and (or) extracts from the minutes and resolutions certified by the signature of the corporate secretary.

The corporate secretary is obliged to present (in full, unambiguously, without distorting the meaning) at the meeting of the Board of Directors the position (opinion) received from the major shareholder on the issues on the agenda of the meeting of the Board of Directors, with the position (opinion) of the major shareholder recorded in the minutes of the meeting of the Board of Directors. On the issues specified in this paragraph, the Board of Directors makes resolutions taking into account the information received on the position of the major shareholder.

6.6.7. The meeting of the Board of Directors includes the following stages:

1) approval of the agenda of the meeting;

2) a presentation by a member of the Board of Directors or an invited person with a report on an agenda item, while on an item initiated by the Board of Directors, the report must be presented by the supervising member of the Board of Directors and/or the head of the responsible structural unit ;

3) discussion of the agenda item;

4) proposals for the formulation of a resolution on an agenda item , including a detailed discussion of comments and instructions proposed by members of the Board of Directors;

5) counting votes and summing up the voting results;

6) announcement of the voting results, and in the event of changes to the draft

resolution contained in the materials on the issue under consideration, a detailed announcement of the wording of the amended resolution; in this case, the minutes shall reflect that the members of the Board of Directors who took part in the meeting of the Board of Directors only by means of a Written Opinion voted for the initially submitted draft resolution, and the voting results shall be summed up taking this into account.

6.6.8. The Board of Directors has the right to decide to hold a closed meeting, in which only members of the Board of Directors may participate.

6.6.9. Representatives of the audit organization that conducted the audit of the Company, employees of the Internal Audit Service of the Company, members of the Management Board of the Company, employees of the Company, as well as other persons may be invited to meetings of the Board of Directors.

6.7. Voting at the in-person meeting of the Board of Directors

6.7.1. When resolutions are made by the Board of Directors, those who participated have the right to express their opinion on the agenda items by voting.

6.7.2. The in-person form, taking into account the features defined in paragraph 6.1.9 of the Regulation, is implemented through the personal presence of the members of the Board of Directors at meetings, as well as through a conference call. A person participating in this way is considered to have taken part, and, in accordance with the Charter, has the right to vote and be counted in the quorum.

6.7.3. If a member of the Board of Directors cannot attend a meeting in person or participate via conference call, he/she has the right to provide a written opinion on the agenda items. This right is exercised subject to the restrictions provided for in paragraph 6.1.9 of the Regulation.

6.7.4. The written opinion must contain:

1) number and date of the meeting of the Board of Directors;

2) the agenda, on which the opinion of the absent member of the Board of Directors is expressed by sending a Written Opinion;

3) a clearly expressed position on each issue on the agenda by choosing one of three voting options: “for” / “against” / “abstained”;

4) date and signature of the Management Board member;

5) other information related to the agenda at the discretion of the member of the Board of Directors.

6.7.5. The written opinion of a member of the Board of Directors may be sent to the Chairman of the Board of Directors and the Corporate Secretary in any form that guarantees receipt of such written opinion and determination of the date and time of receipt.

6.7.6. The written opinion submitted by a member of the Board of Directors is taken into account when calculating the quorum and the voting results, and is attached to the minutes of the meeting.

6.7.7. A written opinion must be submitted by a member of the Board of Directors prior to the start of the Board of Directors meeting.

6.7.8. The Chairman of the Board of Directors or a member of the Board of Directors acting in his/her capacity is obliged to announce the submitted Written Opinions of the members of the Board of Directors who are absent from the meeting of the Board of Directors before the start of voting on the agenda items on which these opinions were

submitted.

If a member of the Board of Directors who has previously submitted a Written Opinion on the agenda arrives to participate in and vote at a meeting of the Board of Directors at which mixed voting is used, the procedure for such voting shall be carried out in accordance with paragraphs 6.1.14, 6.1.15 and 6.1.16 of the Regulations.

6.7.9. When voting on agenda items at a meeting of the Board of Directors, each member of the Board of Directors has one vote.

6.7.10. The transfer of voting rights by a member of the Board of Directors to another person, including another member of the Board of Directors, is not permitted.

6.7.11. In the event that the Board of Directors must make a resolution on a transaction in which the Company has an interest, the quorum required for the authorized holding of a meeting of the Board of Directors must be at least 2 (two) members of the Board of Directors who are not interested (or are considered not interested) in such a transaction. The resolution on the conclusion of such a transaction by the Company is made by a simple majority of votes of those who took part and are not interested in its execution. In the event that all members of the Board of Directors, except for independent directors, are interested in the execution of such a transaction, the resolution is made by a simple majority of votes of independent directors.

6.7.12. The resolution on the conclusion by the Company of a transaction in which there is an interest is made by the GMS in the following cases:

1) if all members of the Board of Directors are interested parties;

2) the impossibility of the Board of Directors making a resolution to conclude such a transaction due to the lack of the number of votes required to make the resolution.

6.8. Resolution-making by the Board of Directors

6.8.1. Resolutions of the Board of Directors on issues of the agenda of the meeting of the Board of Directors approved in the established manner are taken in the following ways:

1) by in-person voting;

2) absentee voting.

6.8.2. The resolutions of the Board of Directors are taken by a simple majority of votes of the members of the Board of Directors (except for cases stipulated by the Charter of the Company) who took part, unless otherwise provided by the legislation of the Republic of Kazakhstan.

6.8.3. In the event of a tie, the vote of the Chairman of the Board of Directors or the member of the Board of Directors acting in his capacity shall be decisive.

6.8.4. In order for the Board of Directors to make effective and timely resolutions, it is necessary to ensure that the following factors are met:

1) high quality of materials, information, documents provided to the Board of Directors, including translation into English if necessary;

2) obtaining the opinion of experts (internal and external) if necessary (it should be taken into account that the involvement of experts does not relieve the board of directors of responsibility for the resolution taken);

3) time devoted to discussions at a Management Board meeting, especially for important and complex issues;

4) timely consideration of issues;

5) the resolutions must include a plan for further action, deadlines and responsible persons.

6.8.5. The following factors may have a negative impact on the quality of the BoD's resolutions:

1) dominance of one or more directors at a meeting, which may limit the full participation of other directors in the discussions;

2) formal attitude to risks;

3) pursuit of personal interests and low ethical standards;

4) formal resolution-making at a board meeting, without real and active discussions;

5) an uncompromising attitude (lack of flexibility) or lack of desire for development (contentment with the current situation);

6) weak organizational culture;

7) lack of information and/or analysis;

8) unclear wording of resolutions, insufficiently detailed announcement of the voting results and the resolution taken on each issue, including in terms of the instructions of the Board of Directors;

9) a significant number of issues on the meeting agenda (more than 20);

10) untimely provision of materials for meetings of the Board of Directors and, as a consequence, insufficient time for proper study of the agenda items, especially when the number of agenda items is more than 20.

6.9. Minutes of the in-person meeting of the Board of Directors

6.9.1. The resolutions of the Board of Directors, which were taken at a meeting held in person, are recorded in a Minutes . with a full indication of the results of the discussions and resolutions taken. The minutes of the meeting of the Board of Directors are drawn up in accordance with the Company Charter, the Company Corporate Governance Code, the Regulations and other applicable internal documents of the Company.

6.9.2. The minutes of the meeting of the Board of Directors are kept by the corporate secretary of the Company.

6.9.3. The minutes of the meeting of the Board of Directors shall be drawn up by the corporate secretary and signed by the person who chaired the meeting and the corporate secretary no later than 7 (seven) days after it was held.

6.9.4. The minutes of the meeting indicate:

1) full name and location of the Board of Directors of the Company;

2) date, time and place of the meeting;

3) information about the persons who participated in the meeting;

4) agenda of the meeting;

5) issues put to a vote and the results of voting on them, reflecting the voting result of each member of the Board of Directors on each issue on the agenda of the meeting of the Board of Directors;

6) special opinions of the members of the Board of Directors (if any);

7) resolutions taken;

8) other information as decided by the Board of Directors.

6.9.5. In case of disagreement with the resolution of the Board of Directors , a member of the Board of Directors has the right to demand that his disagreement be recorded in the minutes of the meeting.

6.9. 6. If a member of the Board of Directors voted “abstain” on an issue submitted to the Board of Directors for consideration, the minutes of the meeting (absentee voting resolution) of the Board of Directors shall indicate the corresponding reason for such a vote.

6.9.7. A member of the Board of Directors who has an interest in an issue submitted to the Board of Directors for consideration shall not participate in the discussion and voting on this issue, and a corresponding entry shall be made in the minutes of the meeting of the Board of Directors.

6.9.8. Excluded.

6.9.9. An audio and/or video recording of the meeting of the Board of Directors, which contains speeches by persons who participated in the meeting of the Board of Directors, may be attached to the signed minutes.

6.9.10. The Company is obliged to keep the minutes of meetings and resolutions of the Board of Directors, taken by in-person and absentee voting, in the Company’s archive.

The Corporate Secretary ensures the proper storage of minutes of meetings of the Board of Directors and materials thereto, including the timely preparation and transfer of documents in the established manner to the archive of the Company, taking into account the provision of an appropriate confidentiality regime.

6.9.11. The Corporate Secretary of the Company, at the written request of a member of the Board of Directors, shall, within 10 (ten) business days from the date of receipt of such request, provide him with the minutes of the meeting of the Board of Directors (Board of Directors committees) for review and (or) issue him extracts from the minutes and resolutions, certified by the signature of the Corporate Secretary of the Company and the seal of the Board of Directors. The Corporate Secretary, at the written request of the structural divisions of the Company, shall present original documents for review, as well as extracts from the minutes of the meeting (resolution), certified by the signature of the Corporate Secretary and the seal of the Board of Directors of the Company within 10 (ten) business days, taking into account ensuring the appropriate confidentiality regime.

6.9.12. The Corporate Secretary prepares extracts from the minutes of the meeting approved by the Chairman of the Board of Directors. The preparation, registration and subsequent issuance of extracts and excerpts (upon request) from the minutes of the Board of Directors meeting is carried out by the Corporate Secretary Service in accordance with the procedure established by the internal document of the Company, approved by the Board of Directors of the Company.

6.9.13. A member of the Board of Directors who did not participate in a meeting of the Board of Directors or voted against a resolution taken by the Board of Directors in violation of the procedure established by the legislation of the Republic of Kazakhstan and the Charter of the Company has the right to challenge it in court.

6.10. Adoption of resolutions by the Board of Directors by means of absentee voting

6.10.1. At the discretion of the Chairman of the Board of Directors, the Board of

Directors may make resolutions on issues submitted for its consideration by means of absentee voting. Absentee voting does not provide for discussion and interactive exchange of opinions on agenda items. However, its results are recorded in the minutes of the Board of Directors meeting. The Charter of the Company defines the range of issues on which absentee voting is not carried out.

6.10.2. Resolutions cannot be made by absentee voting on issues specified in subparagraphs 1), 7), 9), 11-18), 20), 22), 23-30), 33-36), 40 -(42), 47), 49), 53-54) of paragraph 106 of the Company's Charter.

6.10.3. In case of the need for absentee voting, the corporate secretary shall form a request on the need to adopt resolutions by means of absentee voting (hereinafter referred to **as the Request**) based on the package of materials provided to the corporate secretary in the established manner. In this case, such a package of materials must contain the necessary justifications for the adoption of a resolution by the Board of Directors by means of absentee voting (including the urgency and urgency of the issues, the absence of the need to discuss them, and other explanations), as well as the proposed deadline for adopting resolutions. The Request shall indicate the list of issues on which it is proposed to adopt a resolution by means of absentee voting, and a full package of materials on such issues shall be attached to the Request.

6.10.4. The request is sent to the Chairman of the Board of Directors in a manner that guarantees its receipt. After the Request has been approved by the Chairman of the Board of Directors, the Request is sent by the corporate secretary to the members of the Board of Directors in a manner that guarantees its receipt.

6.10.5. Within 3 (three) days after the Corporate Secretary sends the Request, the members of the Board of Directors may send the Corporate Secretary their objections to the adoption of a resolution by absentee voting on some or all of the issues proposed in the Request.

6.10.6. If a member of the Board of Directors has comments (proposals, additions) on the documents and/or wording of draft resolutions on issues submitted for absentee voting, or if, in the opinion of a member of the Board of Directors, the proposed issue should be considered at an in-person meeting of the Board of Directors, such member of the Board of Directors may send an objection to the corporate secretary in a manner that guarantees its receipt. If at least one member of the Board of Directors objects to the consideration of the issue by absentee voting, the issue is included in the agenda of the next in-person meeting. Moreover, if the Request included several issues on which it is proposed to adopt a resolution by absentee voting, resolutions on them are made taking into account the objections received from the members of the Board of Directors.

6.10.7. Ballots are used for absentee voting on the agenda items of the meeting. The absentee voting ballot must be sent by the corporate secretary of the Company to the members of the Board of Directors no later than 7 (seven) calendar days before the date of counting the votes for absentee voting with notification of its conduct.

6.10.8. The absentee ballot and other information (materials) must be sent to the members of the Board of Directors by post/electronic or other means, or delivered in person. The ballot indicates the date and time of the beginning and end of the ballot acceptance.

6.10.9. A resolution by absentee voting shall be deemed adopted if a quorum is

present according to the ballots received within the specified period.

6.10.10. The resolution by means of absentee voting must be made in writing and signed by the Chairman of the Board of Directors and the Corporate Secretary of the Company no later than 7 (seven) days after the established deadline for accepting ballots for absentee voting and must contain:

1) full name and location of the Board of Directors of the Company;
2) date and form of the meeting of the Board of Directors;
3) information about persons whose ballots were received on time;
4) agenda of the meeting of the Board of Directors;
5) issues put to a vote, and the wording of resolutions on each issue, and the results of voting on them, reflecting the result of the vote of each member of the Board of Directors on each issue on the agenda of the meeting of the Board of Directors;
6) special opinions of the members of the Board of Directors (if any);
7) resolutions taken.

6.10.11. Resolutions made by the Board of Directors by means of absentee voting and the results of absentee voting must be sent by the corporate secretary of the Company to the members of the Board of Directors no later than 20 (twenty) calendar days from the date of signing the resolution, with the ballots on the basis of which the resolution was made attached.

6.10.12. The absentee ballot must be signed by a member of the Board of Directors. A ballot without a signature is considered invalid.

6.10.13. When counting votes, votes are taken into account on those issues for which the member of the Board of Directors complied with the voting procedure specified in the ballot and marked only one of the possible voting options.

6.11. Monitoring the implementation of resolutions of the Board of Directors

6.11.1. The Board of Directors exercises control over the implementation of its resolutions /instructions by reviewing reports from the Management Board, the Chairmen of the Board of Directors Committees, the Internal Audit Service, structural divisions accountable to the Board of Directors, and the Corporate Secretary on the implementation and/or progress of the implementation of the Board of Directors' resolutions /instructions , which are submitted to each meeting of the Board of Directors, unless another deadline is established by the Board of Directors.

Information on the status of the execution of resolutions of the Board of Directors (for example, on the conclusion of a transaction, replenishment of the authorized capital of a subsidiary dependent organization (hereinafter referred to as **SDO**), changes to the charter of a SDO, etc.) is reviewed by the Board of Directors 1 (one) time per six months.

Information on the status of execution of the Board of Directors' orders is reviewed by the Board of Directors on a monthly basis.

Information on the status of the implementation of resolutions/instructions of the Board of Directors is included as a separate item on the agenda of the Board of Directors meeting.

If, during the consideration of the Board of Directors, facts are established that the resolutions/instructions of the Board of Directors have not been implemented within the timeframe established by the Board of Directors, the responsible persons (the Chairman of

the Management Board and/or the Chairman of the Board of Directors) take appropriate measures and the relevant information on the measures taken is provided at the next meeting of the Board of Directors.

If no action is taken or information is not provided, the corporate secretary will inform the Board of Directors.

On a quarterly basis, as part of the issue of the status of execution and (or) the progress of execution of resolutions/instructions of the Board of Directors, the Board of Directors reviews information on the discipline of interaction between the Company's management and the Board of Directors.

6.11.2. The corporate secretary communicates the resolutions taken and the corresponding instructions to the chairman. The Management Board, responsible members of the Management Board, services accountable to the Board of Directors , and responsible structural divisions, and informs the Board of Directors about the control deadlines for the implementation of Board of Directors resolutions.

The Chairman of the Management Board is responsible for the implementation of resolutions/instructions of the Management Board of Directors addressed to the Management Board, who ensures:

1) appointment of persons responsible for the implementation of resolutions/instructions of the Board of Directors;

2) communicating resolutions/instructions of the Board of Directors to responsible persons;

3) control over the execution (including deadlines for execution) of resolutions/instructions of the Board of Directors;

4) providing the Board of Directors and/or the corporate secretary for the Board of Directors with information on the implementation of resolutions/instructions of the Board of Directors.

The deadlines for the execution of resolutions / instructions of the Board of Directors are calculated from the date of the meeting of the Board of Directors. If a deadline for the execution of a specific resolution / instruction was named at a meeting of the Board of Directors, the person(s) present , to whom the resolution was made / the instruction was given with an indication of the deadline, is obliged to start executing the resolution / instruction of the Board of Directors immediately after the meeting of the Board of Directors, without waiting for the receipt by him/her of an extract from the minutes of the Board of Directors. Personal responsibility for the timely and high-quality execution of the minutes of the resolutions / instructions of the Board of Directors lies with the executors to whom the instruction was given and the managers (directly reporting to the Chairman of the Management Board) supervising the relevant area of activity.

6.11.3. Based on the results of reviewing the submitted reports, the Board of Directors has the right, within the limits of its authority, to issue relevant instructions.

7. Procedure for making changes and additions to the Regulations

7.1.In case of contradictions between the provisions of the Regulation and the legislation of the Republic of Kazakhstan, the Charter of the Company, the Code of Corporate Governance of the Company, the Regulation shall apply to the extent that it does

not contradict the provisions of the legislation of the Republic of Kazakhstan, the Charter of the Company, the Code of Corporate Governance of the Company.

7.2.In the part not regulated by the Regulation, the provisions of the Company's Charter shall apply.

7.3.The Regulation shall enter into force on the date of its approval by the General Shareholders' Meeting in accordance with the procedure established by the legislation of the Republic of Kazakhstan and the internal documents of the Company .

7.4.Changes and (or) additions to the Regulations are made by a resolution of the GMS in the manner established by the legislation of the Republic of Kazakhstan and the internal documents of the Company.

Annex No. 1
to the Regulation on the Board of Directors
NC "KazMunayGas" JSC

CONTRACT
with a member of the Board of Directors of NC KazMunayGas JSC

Astana city No.____ « __» _____ 20__

Joint Stock Company "National Company "KazMunayGas" (hereinafter referred to **as the Company**) , represented by the Chairman of the Board of Directors of the Company _____, acting on the basis of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and in accordance with the resolution of the General Meeting of Shareholders of the Company (minutes No. ____ dated _____ 20___), on the one hand, and Mr. _____, citizen of _____, passport No. _____, issued by _____, elected as an independent director of the Company (hereinafter referred to as **the Director**), in accordance with the resolution of the General Meeting of Shareholders of the Company (minutes No. ____ dated _____ 20___), on the other hand, hereinafter jointly referred to as the Parties, and individually as a Party or as indicated above, have entered into this agreement (hereinafter referred to as **the Agreement**) on the following:

1. Subject of the Agreement

1. This Agreement establishes the rights and obligations of the Director of the Company, as a member of the Board of Directors of the Company , in accordance with the current legislation of the Republic of Kazakhstan (hereinafter referred to **as the legislation**), the Charter, the Corporate Governance Code and internal documents of the Company, as well as the obligation of the Company to pay the Director remuneration and compensate expenses associated with the performance of duties in accordance with this Agreement and the resolutions of the General Meeting of Shareholders of the Company.

2. When fulfilling their obligations, the Parties shall be guided by the legislation, this Agreement, the charter and internal documents of the Company.

2. Director's Rights

3. The director has the right:

1) request and/or promptly receive from officials and bodies of the Company any information necessary for the performance of their functions, taking into account the requirements of the law;

2) use office premises, means of communication, and other property provided by the Company to perform the functions stipulated by the Agreement, the charter, and internal documents of the Company;

3) express their opinion on the issues under consideration at meetings of the Board of

Directors/Board of Directors committees, or written opinions in the event of impossibility of personal presence, vote on issues on the agenda of the meeting of the Board of Directors of the Company in the manner prescribed by the charter and internal documents of the Company;

4) receive remuneration from the Company, as well as compensation for expenses related to the performance of duties of a member of the Board of Directors, in the manner prescribed by the charter of the Company, resolutions of the General Meeting of Shareholders of the Company , internal documents of the Company and this Agreement;

5) undergo an induction program for newly elected members of the Board of Directors of the Company and advanced training;

6) to become familiar with the resolutions of the General Meeting of Shareholders of the Company, the minutes and resolutions of the meetings of the Board of Directors of the Company , the minutes of the meetings of the committees of the Board of Directors of the Company , the auditor's reports, with the exception of information that is, in accordance with the legislation, state secrets;

7) initiate the convening of an extraordinary meeting of the Board of Directors of the Company, as well as make proposals for the formation or amendment of the Work Plan of the Board of Directors of the Company;

8) include issues in the agenda of the meeting of the Board of Directors of the Company;

9) exercise other rights provided for by the legislation of the Republic of Kazakhstan, the charter, the Corporate Governance Code and other internal documents of the Company.

3. Duties of the Director

4. When exercising his rights and fulfilling his duties, the Director must act in the interests of the Company and its shareholders, in good faith, reasonably and fairly, with due diligence and make resolutions objectively in the interests of the Company, observing the requirements contained in the legislation of the Republic of Kazakhstan, the charter, the Corporate Governance Code and the internal documents of the Company, the moral principles of the company, as well as the standards of business ethics.

5. The key principles of the Director's activities are professionalism, reasonableness, prudence, honesty and objectivity.

6. The Director is obliged to:

1) perform their duties taking into account the requirements of the legislation, the charter, the corporate governance code and other internal documents of the Company;

2) participate in face-to-face meetings of the Board of Directors, committees of the Board of Directors of which he is a member, in the manner prescribed by the charter and other internal documents of the Company, including by technical means (telephone, video conference, etc.); notify in advance of the impossibility of his participation in a meeting of the Board of Directors and/or its committee, indicating the reasons;

3) submit to the Board of Directors signed ballots for absentee voting on issues considered at meetings of the Board of Directors held in absentia and, if there are comments and objections, submit their written opinions within the established timeframes;

4) implement resolutions of the General Meeting of Shareholders of the Company , resolutions of the Board of Directors of the Company, provided that such resolutions comply with the law, the charter of the Company and do not, in the opinion of a member of the Board of Directors, contradict the interests of the shareholders and/or the Company;

5) analyze information and the state of affairs in the Company on issues within the competence of the Board of Directors of the Company, and, if necessary, present the results of such analysis to the Board of Directors/ General Meeting of Shareholders of the Company;

6) prepare properly for meetings of the Board of Directors and committees of the Board of Directors of the Company, in particular: familiarize yourself in advance with materials related to the meetings, collect and analyze the necessary information, prepare your conclusions, findings, and recommendations for making an informed resolution;

7) after the expiration of the Director's term of office, including early termination of his powers, termination of this Agreement, within 5 (five) working days, transfer, under an acceptance certificate, to a person determined by the Company, all documents, property of the Company, office premises and keys to it, if such were provided to him in connection with the performance of the duties of the Director;

8) at the request of the General Meeting of Shareholders/ Chairman of the Board of Directors The Company shall provide any information within the scope of issues within the competence of the Board of Directors of the Company, except for personal and confidential information;

9) devote sufficient time to the performance of the tasks assigned to the Board of Directors as a whole and the functions assigned directly to the Director;

10) in the manner prescribed by law, share responsibility with all members of the Board of Directors of the Company for the effective management of the Company within the limits of issues falling within the competence of the Board of Directors of the Company, depending on the opinion expressed during the vote at a meeting of the Board of Directors;

11) not to work or hold positions in companies that compete with the Company;

12) not have a financial interest in companies that compete with the Company;

13) notify the Chairman of the Board of Directors in advance of new proposals received for combining work and positions in other organizations (commercial and non-commercial);

14) not to be a member of more than 4 (four) boards of directors of other organizations, and not to work part-time in more than one organization;

15) comply with the following rules and requirements:

to behave in such a way as to avoid a situation in which a conflict of interest may arise, either in relation to oneself (or persons associated with oneself) or in relation to others;

refrain from actions that may lead to a conflict of interest;

refrain from making resolutions on issues where there is a conflict of interest;

immediately inform the Board of Directors of the Company of any personal commercial or other interest (direct or indirect) in actual or potential transactions, agreements, projects related to the Company, in the manner prescribed by the internal documents of the Company;

promptly inform the Board of Directors and not participate in the discussion and voting on the issue(s) of the agenda of the meeting of the Board of Directors in the resolution(s) of which there is an interest;

not to receive gifts, services or any benefits from individuals or legal entities that constitute or may be considered as remuneration for resolutions or actions taken or performed by the Director as a member of the Board of Directors of the Company;

not to disclose confidential, insider and other information that has become known to the Director in connection with the performance of his duties as a member of the Board of Directors, to persons who do not have access to such information, and also to use it in his own interests or the interests of third parties, both during the period of performance of the duties of a member of the Board of Directors and for 5 (five) years after the expiration of this Agreement, as well as during the period specified in the documents (information) that have become known, unless a longer period is provided for by the documents of the Company;

when working on the premises of the Company, comply with the rules and procedures stipulated by the internal documents of the Company and related to the security regime and work with the confidential information of the Company;

regularly provide information about its affiliates within the timeframes established in the Company's documents;

comply with the provisions of the Regulation on the Regulation of Conflicts of Interest and the Code of Business Ethics of the Company;

16) notify the Board of Directors in writing of the immediate early termination of this Agreement at their own request in accordance with the procedure established by law.

17) perform other duties stipulated by the legislation of the Republic of Kazakhstan, the charter, other internal acts of the Company and this Agreement.

7. The Director provides consent to the Company to collect and process their data (information related to the Director, recorded on electronic, paper and (or) other tangible media), in writing or in the form of an electronic document or in another way using elements of protective actions that do not contradict the law).

4. Society Rights

8. The company has the right:

1) demand that the Director properly perform the duties of the Director, as provided for by law, the charter, other internal documents of the Company and this Agreement;

2) at any time, terminate this Agreement early if the General Meeting of Shareholders of the Company adopts a resolution on the early termination of the powers of the Board of Directors of the Company, taking into account that all expenses and compensations not paid by the time of termination of the Agreement will be paid in proportion to the period of work of the Director;

3) carry out, within the limits of authority, the collection and processing of data (information related to the Director, recorded on electronic, paper and (or) other tangible media), including the transfer of data to the Shareholder/Shareholders, in writing or in the form of an electronic document or in another way using elements of protective actions that do not contradict the legislation of the Republic of Kazakhstan.

4) exercise other rights provided for by law, the charter, other internal documents of the Company and this Agreement.

5. Responsibilities of the Company

9. The company is obliged to:

1) promptly and in full pay the Director the remuneration stipulated by this Agreement, and also compensate for expenses associated with the performance of his duties as a member of the Board of Directors of the Company, under the terms of this Agreement and other resolutions of the General Meeting of Shareholders of the Company;

2) promptly provide the Director with reliable and complete information, materials and documents necessary for the proper performance of his duties, taking into account the requirements of the legislation, the charter and other internal documents of the Company;

3) if necessary, provide the Director with the services of an interpreter, premises, means of communication and other necessary technical assistance to perform his duties when participating in in-person meetings of the Board of Directors of the Company;

4) insure the Director's liability in accordance with the terms of the relevant insurance contract from the date of election and at the expense of the Company, and also perform other duties stipulated by law , the charter and internal documents of the Company;

5) perform other duties stipulated by legislation, the charter and other internal documents of the Company.

6. Remuneration and compensation paid to the Director

10. The Director shall be paid a fixed annual remuneration after deduction of taxes and other mandatory deductions established by law, in the amount of _____ based on the resolution of the General Meeting of Shareholders of the Company .

The fixed annual remuneration is paid by the Company within a month following the reporting period for the payment of remuneration in proportion to the period of membership in the Board of Directors and the committees of the Board of Directors. The reporting period for the payment of remuneration is a quarter of the corresponding calendar year.

If the Director participates in less than half of all in-person and in absentia meetings of the Board of Directors held in the reporting period, with the exception of absence from in-person meetings due to illness, fixed remuneration is not paid.

The remuneration is subject to taxation in accordance with the requirements of the tax legislation of the Republic of Kazakhstan at the expense of the Company.

11. The Company shall reimburse the Director for expenses related to travel to meetings of the Board of Directors, committees of the Board of Directors and meetings initiated by the Chairman of the Board of Directors of the Company and/or the Chairman of the Management Board of Samruk-Kazyna JSC , held outside the Director's permanent place of residence:

1) travel (in amounts not exceeding the cost of business class air tickets), including transfer (taxi);

2) accommodation (at actual costs, in accordance with the standards of provision determined for members of the boards of directors of portfolio companies of JSC Samruk-Kazyna , including booking expenses);

3) daily allowance (within the limits of the reimbursement standards for travel expenses for the Chairman of the Board of the Company , established by the internal document of the Company);

5) scanning, photocopying, faxing, printing, document printing, and Internet access services in the Republic of Kazakhstan;

6) courier and postal services.

Reimbursement of travel expenses , including transfer (taxi), for scanning, photocopying, faxing, printing, document printing, Internet access in the Republic of Kazakhstan, for courier and postal services is made by the Company based on actual expenses upon presentation of supporting documents. Only documented expenses are subject to reimbursement.

Compensation for accommodation expenses is made based on actual costs, but not more than the cost of a single room classified as a luxury room, including booking costs, upon presentation of supporting documents .

Reimbursement of expenses is made by the Company upon presentation of supporting documents by the Director.

12. To the extent that compensation for all actual expenses incurred as specified in paragraph 11 of the Agreement is subject to any taxes payable by the Company, the amount of all expenses incurred shall be adjusted by such amounts so that after deduction of such taxes it would amount to the amount of expenses actually incurred as if such taxes had not been levied.

13. In the event of termination of the Director’s powers (including early termination) before the end of the reporting period, the Director shall be paid remuneration and compensation for the period of actual service on the Board of Directors of the Company, no later than one month from the date of expiration of the term of office, or the adoption of the relevant resolution by the General Meeting of Shareholders of the Company, or the submission by a member of the Board of Directors of an application for early termination of his powers.

14. In the event of termination of the Director’s powers due to his negligence, violation of the terms of his appointment and this Agreement, or the existence of an act proving the fact of his intentional misleading (deception) of the Company and (or) General meeting of shareholders of the Company or deliberate neglect of his duties, then in such cases the Director receives payments for the period of work before the incident occurred (when this fact became known) and/or until the term of termination of powers.

15. The Director's remuneration and compensation are transferred to a bank card or current account. The bank's remuneration for servicing the bank account is paid by the Director.

7. Responsibility of the Parties

16. The Director shall be liable to the Company for damages and losses caused to the Company by the culpable actions (inactions) of the Director, including in the event of his

violation of the requirements of subparagraph 15) of paragraph 6 of this Agreement, unless other grounds and extent of liability are established by the laws of the Republic of Kazakhstan or judicial authorities.

17. The Director shall not be liable if he voted against a resolution, the adoption of which resulted in losses to the Company, or did not take part in such a vote.

18. When determining the grounds and extent of the Director's liability, the usual conditions of business turnover and other circumstances relevant to the case must be taken into account.

8. Duration of the Agreement and conditions for its termination

19. The Agreement shall enter into force on the date of the General Meeting of Shareholders of the Company's resolution to elect the Director and shall be valid until the date of termination of the Director's powers.

20. The Company has the right at any time, with or without grounds, to terminate the Agreement with the Director early in accordance with the resolution of the General Meeting of Shareholders of the Company.

21. The Director has the right, on his own initiative, to terminate the Agreement early by notifying the Board of Directors of the Company in writing in the prescribed manner.

22. The date of termination of this Agreement shall be the earliest of the following dates: (1) the date of termination of the powers of the Board of Directors of the Company in accordance with the resolution of the General Meeting of Shareholders of the Company , (2) the date of the adoption of a resolution (or the date specified in the resolution) of the General Meeting of Shareholders of the Company on the issue of early termination of the powers of the Director , or (3) the date of receipt (or the date specified in the notice) by the Board of Directors of the Company of notice from the Director of early termination of his powers on his own initiative.

23. The Agreement may be amended and/or supplemented by mutual agreement of the Parties.

24. All changes and additions to the Agreement must be made in writing, signed by the Parties and constitute an integral part of the Agreement.

9. Final Provisions

25. This Agreement is concluded in six copies, each having equal legal force, two copies in the state, Russian and English languages for each of the Parties.

26. In the event of any discrepancies, the copy of the Agreement in Russian shall prevail.

27. In the event of a re-election of the Director, the Company shall enter into a new agreement with him in accordance with the established procedure.

28. All issues not regulated by this Agreement shall be governed by the legislation of the Republic of Kazakhstan, the charter and other internal documents of the Company.

10. Details and signatures of the Parties

JSC National Company KazMunayGas: Republic of Kazakhstan, 010000, Astana , st. D. Kunaev , 8 BIN _____ IIC _____ BIC/SWIFT _____ KBe __	**Director :** _____ Address: _____ Date of birth: _____ Passport No._____ Issued by _____ Bank: _____ Account in the name of: _____ Account No.: _____ SWIFT code: _____ Mobile phone: _____

Chairman of the Board of Directors of the Company	**Director**
~~**Christopher John Walton**~~	_____