

Committees of the Board of Directors

Internal Audit Committee

By the decision of the Board of Directors of Embamunaygas JSC No. 51 dated September 26, 2017, the Internal Audit Committee was approved.

As of December 31, 2017, the Internal Audit Committee was composed of four members:

Full name	Position
Zhannat Dzhurgaliyevna Yertlessova	Chairman of the Internal Audit Committee
Igor Aleksandrovich Ukrasin	Member of the Internal Audit Committee
Baltabek Mukhanovich Kuandykov	Member of the Internal Audit Committee
Rysty Nurgaliyevna Tasmagambetova	Member of the Internal Audit Committee

The powers of the Internal Audit Committee of the Board of Directors of Embamunaygas JSC are determined by the Regulations on the Committee. The Committee annually reviews and evaluates activities of the Committee and its members and provides information to the Board of Directors.

The Internal Audit Committee of the Board of Directors of Embamunaygas JSC performs the following functions:

- 1) provides recommendations to the Board of Directors for the procedure of work of the internal audit service, its competence, functions, as well as the size and terms of remuneration and bonus payment to employees of the internal audit service;
- 2) provides recommendations to the Board of Directors for the formation of qualification requirements for candidates for positions in the internal audit service and the adoption of decisions related to appointment of employees of the internal audit service;
- 3) reviews reports submitted by the internal audit service;
- 4) exercises control over the implementation of recommendations of the internal audit service;
- 5) carries out monitoring and control over the efficiency of functions performed by the internal audit service;
- 6) monitors and evaluates the effectiveness of risk management and internal control systems.

The Internal Audit Committee of the Board of Directors holds meetings on a regular basis and as required.

During the year, the Committee considered the following issues:

- ▶ On approval of corrections to the budget of Embamunaygas JSC for 2017 and a business plan for 2017–2021;
- ▶ Report on review of the budget and business plan for 2018–2022;
- ▶ Progress report on the internal audit service of KazMunayGas EP JSC with regard to Embamunaygas JSC;
- ▶ On approval of the Rules for sale of assets of Embamunaygas JSC;
- ▶ On approval of the Rules for disclosure and provision of information of Embamunaygas JSC;
- ▶ On determination of the amount of payment for services rendered by an audit organization for auditing the financial statements of Embamunaygas JSC for the years ended on December 31, 2017–2018;
- ▶ On preliminary approval of financial statements for 2016;
- ▶ On preliminary approval of proposals for distribution of the Company's net profit and the size of a dividend per one ordinary share of the Company for 2016;
- ▶ On approval of functional KPIs for members of the Management Board of Embamunaygas JSC;
- ▶ Report on implementation of recommendations of the internal audit service;

- ▶ On approval of the Work Plan of the internal audit service of KazMunayGas EP JSC with regard to Embamunaygas JSC;
- ▶ Work Plan of the Committee for the first half of 2018.

Strategic Planning and Risk Management Committee

By the decision of the Board of Directors of Embamunaygas JSC No. 51 dated September 26, 2017, the Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaygas JSC was established.

As of December 31, 2017, the Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaygas JSC was composed of nine persons:

Full name	Position
Igor Aleksandrovich Ukrasin	Chairman of the Strategic Planning and Risk Management Committee
Zhannat Dzhurgaliyevna Yertlessova	Member of the Strategic Planning and Risk Management Committee
Shane Andrew Drader	Member of the Strategic Planning and Risk Management Committee
Kairat Boranbayevich Nurmukhanov	Member of the Strategic Planning and Risk Management Committee
Aman Galimzhanovich Imandossov	Member of the Strategic Planning and Risk Management Committee
Magzum Makayevich Myrzabayev	Member of the Strategic Planning and Risk Management Committee
Bauyrzhan Kuspanovich Balzhanov	Member of the Strategic Planning and Risk Management Committee
Alikhan Zheksenbayevich Baidussenov	Member of the Strategic Planning and Risk Management Committee
Abat Amantayevich Balabayev	Member of the Strategic Planning and Risk Management Committee

The powers of the Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaygas JSC are determined by the Regulations on the Committee. The Committee annually reviews and evaluates the activities of the Committee and its members and provides information to the Board of Directors.

The Strategic Planning and Risk Management Committee of the Board of Directors of Embamunaygas JSC performs the following functions:

- 1) review and approval of strategic goals aimed at the Company's development in the long view;
- 2) analysis of the Company's strategic development concepts, programs and plans and submission of recommendations based on the analysis results to the Board of Directors;
- 3) preparation of recommendations to the Board of Directors regarding the conclusion of major transactions;
- 4) preparation of recommendations to the Board of Directors regarding the participation in other legal entities, associations and other commercial organizations;
- 5) preparation of recommendations to the Board of Directors regarding the participation of the Company in establishment of other organizations as well as for opening and closure of the Company's branches and representative offices;
- 6) preparation of recommendations to the Board of Directors regarding the Company's policy for non-core activities;
- 7) preparation of recommendations to the Board of Directors regarding the management of the Company's assets;

- 8) evaluation of the Company's policy in the field of relations with investors and shareholders and submission of recommendations based on the evaluation results to the Board of Directors for consideration;
- 9) preparation of recommendations to the Board of Directors regarding the size of dividends per one ordinary share of the Company and the procedure for payment thereof;
- 10) preparation of recommendations to the Board of Directors regarding the procedure for distribution of the Company's net profit for the past financial year;
- 11) preparation of recommendations to the Board of Directors regarding the proposed reorganization of the Company, including the conditions, procedure and terms of such reorganization;
- 12) preparation of opinions at request of the Board of Directors or recommendations upon its own initiative for any other issues within its competence, and at the end of the year – submission of the Committee's progress report to the Board of Directors for review.

The Strategic Planning and Risk Management Committee of the Board of Directors holds meetings on a regular basis and as required.

During the year, the Committee considered the following issues:

- ▶ Report on the expected fulfilment of key performance indicators of Embamunaygas JSC for 2017;
- ▶ Report on review of the budget and business plan for 2018–2022;
- ▶ On approval of the Rules for disclosure and provision of information of Embamunaygas JSC;
- ▶ Report on implementation of the action plan for key risk management for 2017, including problematic issues and the list of key risks for 2018;
- ▶ On preliminary approval of proposals for the procedure of distribution of the Company's net profit and the size of a dividend per one ordinary share of the Company for 2016;
- ▶ On approval of functional KPIs for members of the Management Board of Embamunaygas JSC;
- ▶ On approval of corporate and motivational KPIs for the management staff (members of the Management Board) of the Company for 2017;
- ▶ On approval of the Regulations on the risk appetite, risk limits and tolerance level of Embamunaygas JSC EMG-PO–132–02 (revision 1);
- ▶ On approval of the Regulations on key risk indicators of Embamunaygas JSC EMG-PO–132–03 (revision 1);
- ▶ On approval of the Regulations on the formation and application of key performance indicators of members of the Management Board and executives of Embamunaygas JSC EMG-PO–119–02 (revision 1);
- ▶ Work Plan of the Committee for the first half of 2018.

Production and Technical Affairs Committee

As of December 31, 2017, the Production and Technical Affairs Committee of the Board of Directors of Embamunaygas JSC was composed of six members:

Full name	Position
Baltabek Mukhanovich Kuandykov	Chairman of the Production and Technical Affairs Committee
Aidos Zhenissovich Kurmankulov	Member of the Production and Technical Affairs Committee
Alnur Saduakhassovich Shamshiyev	Member of the Production and Technical Affairs Committee
Abat Amangeldiyevich Kutzhanov	Member of the Production and Technical Affairs Committee

Full name	Position
Shaikhan Kairatovich Mukhametrakhimov	Member of the Production and Technical Affairs Committee
Bauyrzhan Adeubayevich Seitkaziyeu	Member of the Production and Technical Affairs Committee

The powers of Production and Technical Affairs Committee of the Board of Directors of Embamunaygas JSC are determined by the Regulations on the Committee. The Committee annually reviews and evaluates activities on the Committee and its members and provides information to the Board of Directors.

The Production and Technical Affairs Committee of the Board of Directors of Embamunaygas JSC performs the following functions:

- 1) review and preparation of materials for approval of the annual work program, budget and procurement plan related to the Company's production activities as well as any amendments thereto;
- 2) analysis and control of data on the current status of the drilling plan, control over the implementation of new drilling methods, techniques and technologies;
- 3) analysis of data on the development and introduction of plans for efficient field construction;
- 4) analysis of reports on implementation of production plans, operations related to fluid production, collection and transportation, as well as data on verification of quality of work performance and well technological parameters;
- 5) analysis of introduction of new programs for oil production intensification and optimization of the reservoir pressure maintenance system;
- 6) review and appraisal of projects and proposals for introduction of new technologies, application of machinery and equipment aimed at increasing the oil and gas production efficiency;
- 7) control over the observance of technical discipline, occupational health and safety rules, requirements of the State Committee for Industrial and Mining Safety Supervision, environmental protection and other authorities;
- 8) review of other issues related to production activities of the Company.

The Production and Technical Affairs Committee of the Board of Directors holds meetings on a regular basis and as required.

During the year, the Committee addressed the following issues:

- ▶ On approval of corrections to the budget of Embamunaygas JSC for 2017 and a business plan for 2017–2021;
- ▶ Report on review of the budget and business plan for 2018–2022;
- ▶ On considering an issue of return of seven non-profitable fields of Embamunaygas JSC (Tanatar, Iskine, Makat, Dossor, Komsomolskoye, Bek-Beke, Sagis fields) under the contract No. 211 dated August 13, 1998;
- ▶ Progress report of the Company for eight months of 2017 and expected results for 2017;
- ▶ HSE report of the Company for eight months of 2017 and expected results for 2017;
- ▶ Report on implementation of the Project of construction and commissioning of a gas treatment plant at Prorva field (review, current status / actual application of allocated funds);
- ▶ Progress report of the internal audit service of KazMunayGas EP JSC with regard to Embamunaygas JSC;
- ▶ On preliminary approval of financial statements for 2016;
- ▶ On preliminary approval of proposals for the procedure of distribution of the Company's net profit and the size of a dividend per one ordinary share of the Company for 2016;
- ▶ On approval of functional KPIs for members of the Management Board of Embamunaygas JSC;
- ▶ Work Plan of the Committee for the first half of 2018.