

## Progress report of the Board of Directors

The powers of the Board of Directors of Embamunaygas JSC are determined by section 12 of the Charter of Embamunaygas JSC. The Board of Directors is responsible to the Sole Shareholder for effective management and proper control over the activities of Embamunaygas JSC and performs its functions in accordance with the approved decision-making system. The most important functions of the Board of Directors are: determination of areas for strategic development and policy of the Company, approval of the budget and significant internal documents of Embamunaygas JSC and other significant issues.

The Board of Directors holds meetings on a regular basis and as required.

In 2017, the Board of Directors held 75 meetings, including four meetings by voting in person and 71 by absentee voting.

During the year, the Board of Directors considered, inter alia, the following issues:

- ▶ On indexation of payments to members of the Management Board, the Corporate Secretary, deputy general directors and chief accountant of Embamunaygas JSC;
- ▶ On approval of key performance indicators of Embamunaygas JSC for 2017;
- ▶ On introduction of amendments to the staff schedule and organizational structure of the management staff of Embamunaygas JSC;
- ▶ On approval of corrections to the budget of Embamunaygas JSC for 2017 and business plan for 2017–2021;
- ▶ On payment of remuneration to managerial employees of Embamunaygas JSC for 2016;
- ▶ Approval of the 2016 Annual Report of Embamunaygas JSC;
- ▶ Approval of the progress report of the Board of Directors and the Management Board of Embamunaygas JSC for 2016;
- ▶ On approval of corrections to the budget of Embamunaygas JSC for 2017;
- ▶ On determination of the quantitative composition of the Management Board of Embamunaygas JSC;
- ▶ On approval of the budget of Embamunaygas JSC for 2018 and a business plan for 2018–2022;
- ▶ On approval of conclusion of a contract for purchase and sale of securities with DSFK Special Financial Company LLP for acquisition of CDO bonds in accordance with the Decree of the Government of the Republic of Kazakhstan No. 718ДҚП dated November 07, 2017;
- ▶ On introduction of amendments to the staff schedule and organizational structure of the management staff of Embamunaygas JSC;
- ▶ 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 report for construction and commissioning of the gas treatment plant at Prorva field (overview, current status / actual application of allocated funds);
- ▶ Report on implementation of the plan for procurement of goods, works and services for eight months of 2017 and expected results for 2017;
- ▶ Report on activities of the Internal Audit Service of KazMunayGas EP JSC with regard to Embamunaygas JSC;
- ▶ On committees of the Board of Directors of Embamunaygas JSC;
- ▶ On conclusion of the Company's interested party transactions in the amount of up to 1 billion tenge.

In 2017, the Board of Directors also approved a number of internal corporate documents.

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**Attendance of members of the Board of Directors and members of committees of the Board of Directors at meetings of the Board of Directors and committees**

Number of meetings held in 2017	BoD	Audit and Risk Management Committee	Комитет по внутреннему аудиту	Strategic Planning and Risk Management Committee	Production and Technical Affairs Committee
Kurmangazy Oryngaziyevich Iskaziyeu	50				
Dastan Yelemessovich Abdulgafarov	71				
Kuanyshbai Zhaumitbayevich Nurgaliyev	75				
Shane Andrew Drader	74	4		1	
Damir Danilbekovich Teberikov	21				
Anuar Yerkinovich Zhaksybekov	50				
Zhannat Dzhurgaliyevna Yertlessova	74	5	1	2	2
Baltabek Mukhanovich Kuandykov	74	1	1	1	2
Igor Aleksandrovich Ukrasin	75	5	1	2	2

**General information for 2017**

Management body	Number of meetings	Total issues considered	Decisions taken
Meetings of the Board of Directors, including:	75	96	96
in presentia	4	25	25
in absentia	71	71	71

**Information on assignments of the Board of Directors taken at meetings in presentia in 2017**

Description	Number
Total assignments	13
In progress	1
Accepted for execution	13
Executed	12