

REPORT BY THE BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management of KMG's activities. Resolutions of the Board of Directors are adopted in the procedure set forth in the applicable laws and the KMG Charter. Even though the applicable laws and the KMG Charter allow the Board of Directors to adopt resolutions as long as a quorum is achieved and a certain majority of votes is cast in favour, KMG endeavours to have the most important resolutions adopted at meetings held in person and to have all Board members take part in the voting. KMG makes every effort to prepare such resolutions through preliminary consultations and to have such issues approved by a qualified majority vote, ensuring that the perspectives of independent directors are taken into account.

The Board of Directors determines KMG's business priorities and approves its Development Strategy; considers and makes resolutions on potential acquisitions and other significant financial issues, including the terms of bonds and derivatives issued by KMG; approves major and interested party transactions; approves acquisitions and transfers (assignments) of subsoil use rights; approves conclusion of partnership contracts (agreements) with strategic partners for joint implementation of subsoil use projects; approves investment projects funded by KMG or its subsidiaries; reviews the results of independent analysis of KMG's corporate governance framework; and approves a corporate governance improvement plan.

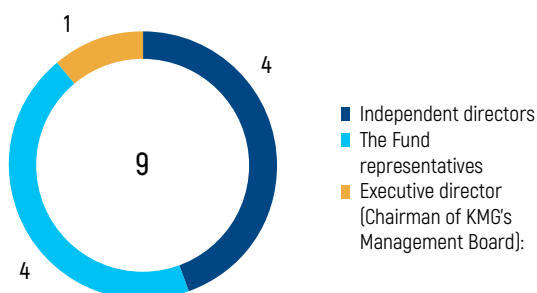
MEMBERSHIP OF THE BOARD OF DIRECTORS

KMG has a high proportion of independent Non-Executive directors with four directors out of the Board of nine directors being classified as independent.

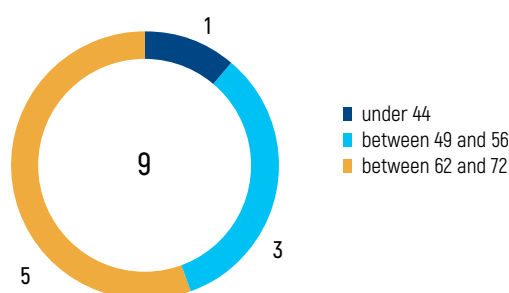
The Board of Directors has one woman, B. K. Grewal. Out of nine Board members, three are Kazakhstan nationals, four are UK nationals, one is a national of Malaysia, and one is a national of Portugal.

As at year end 2019, the Board composition was as follows:

TOTAL NUMBER OF BOARD MEMBERS:



THE BOARD OF DIRECTORS' BREAKDOWN BY AGE:



Average age of Board members:
59 years