

## FINANCE COMMITTEE



In 2019, the Finance Committee held five meetings and reviewed about 46 issues.

Members:

1. Christopher John Walton – Chair since August 2017;
2. Stephen James Whyte – Member since August 2017;
3. Baljeet Kaur Grewal - Member since August 2017;
4. Philip John Dayer- Member since May 2018;
5. Luís Maria Viana Palha Da Silva - Member since June 2019;
6. Anthony Espina - Member since June 2019.

### STATEMENT BY THE CHAIRMAN OF THE FINANCE COMMITTEE

In 2019, the Committee coordinated KMG's efforts to improve its financial position, including its financial stability. The most critical deals designed to reduce KMG's net debt and improve its liquidity included an earlier repayment made as part of prepayments for crude oil supplies of TCO.

Financial stability is regularly reviewed by the Finance Committee, prompting in-depth, insightful discussions with a focus on assessing the impact that various oil price scenarios may have on KMG's liquidity, implementation and financing of significant investment projects, M&A deals, etc. The Finance Committee also addressed the revision of certain covenants under Eurobonds previously issued by KMG. The Finance Committee regularly makes recommendations on various approaches to financial reporting.

C. J. Walton

Chairman of the Finance Committee of the Board of Directors  
Independent Director

### KEY ISSUES REVIEWED BY THE FINANCE COMMITTEE IN 2019

- Financial stability (at each meeting), including:
  - scenario planning of cash flows taking into account oil prices, key liabilities of KMG and KMG Group, progress on social projects, etc.
  - measures to improve the financial and monetary stability of KMG and KMG Group
  - management of liabilities and liquidity, including by revising Eurobond offering terms
  - optimisation of KMG's capital structure and transfer pricing
  - limits on the balance sheet and off-balance sheet liabilities for counterparty banks of KMG
- Value chains of KMG in the Oil and Oil Products and Gas segments for 2020–2024
- Certain aspects of a potential IPO by KMG
- Investor engagement by KMG

### Attendance by members at Committee meetings in 2019

Committee members	Meeting No. and date					Attendance %
	1/2019 06.03.19	2/2019 08.05.19	3/2019 02.07.19	4/2019 02.09.19	5/2019 05.11.19	
S. J. Whyte	+	+	+	+	+	100
C. J. Walton	+	+	+	+	+	100
P. J. Dayer	+	+	+	+	+	100
B. K. Grewal	+	+	+	+	+	100
L. M. Palha <sup>1</sup>			+	+	+	100
A. Espina <sup>2</sup>			+	+	+	100

<sup>1</sup> Elected to the Board of Directors of KMG as a member /an independent director of KMG on April 29, 2019.

<sup>2</sup> Elected to the Board of Directors of KMG as a member/representative of Samruk-Kazyna JSC on May 20, 2020.