

MAJOR AND INTERESTED-PARTY TRANSACTIONS

Major transactions¹

In the reporting period, no transactions recognised as major transactions under the Law of the Republic of Kazakhstan On Joint Stock Companies and KMG’s internal documents were made by the Board of Directors or the General Shareholders’ Meeting.

Interested-party transactions²

Kazakhstan polyethylene plant

On 11 September 2024, the construction of a 1.25 mtpa polyethylene plant started in the National Industrial Petrochemical Technopark special economic zone in the Atyrau Region, with investments rounding some USD 7.4 bln. The project is run by Silleno, whose shareholders are KMG (40%), Sinopec Overseas Investment Holding (30%), and SIBUR Holding (30%). The project is financed by equity and loans from international banks. The value of the project that is the subject of the interested-party transaction is 21% of the total book value of KMG’s assets.

GLOSSARY

ACCA – Association of Chartered Certified Accountants

ADR – European Agreement of Transport of Dangerous Goods on Road

AGM – Annual General Meeting of Shareholders

AMDM – Automated Master Data Management

AMS – automated monitoring system

APC – advanced process control system

APG – associated petroleum gas

API Spec – American Petroleum Institute Specification (industry-focused management system standard for oil and gas service providers and repair organisations)

bbl – barrel

bln – billion(s)

BOSIET – basic offshore safety induction and emergency training

CBAM – Carbon Border Adjustment Mechanism

CCUS – carbon capture, utilisation and storage

CDP – Carbon Disclosure Project

CEPI – Caspian Environmental Protection Initiative

CFA – Chartered Financial Analyst

CHP – combined heat and power plant

CIA – Certified Internal Auditor

CIMA – Chartered Institute of Management Accountants

CTL – complex technology lines

DipIFR – Diploma in International Financial Reporting

DMAIC – define, measure, analyse, improve, control (approach to sequential problem solving and business process improvement used in production management)

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation

EDD – electric desalting device

EE – energy efficiency

EOR – enhanced oil recovery

EPC – engineering, procurement, and construction

ESG – environmental, social, and governance

ESP – electric submersible pump unit

FAR – Fatal Accident Rate (fatality rate per 100 million man-hours)

FCA – Free Carrier

FEED – Front-End Engineering Design

FGP – Future Growth Project

FPSA – Final Production Sharing Agreement for the Karachaganak oil and gas condensate field, signed on 18 November 1997

FROSIO – world-renowned member organisation for formulation of quality requirements for surface treatment and insulation inspectors based in Norway

FS – feasibility study

GHG – greenhouse gases

GHGP – Greenhouse Gas Protocol

GJ – Gigajoule

GPP – gas power plant

GPP – gas processing plant

GSU – gas separation unit

GTU – gas treatment unit

HSE – health, safety and environment

¹ A transaction or a series of interrelated transactions resulting in the (potential) acquisition or disposal of property by a company, the value of which amounts to twenty-five percent (25%) or more of the total book value of such company’s assets.

² Transactions where the issuer is an interested party and which are related to the acquisition or disposal of property worth of ten or more percent of the total book value of the issuer’s assets as of the date of the resolution of its authorised body to enter into such transactions.

ICP Programme – Internal Carbon Pricing Programme

IFRS – International Financial Reporting Standards

IOGP – International Association of Oil & Gas Producers

IOSH – Institution of Occupational Safety and Health

IPCC – Intergovernmental Panel on Climate Change

IPMA – International Project Management Association

I-REC – International Renewable Energy Certificate

ISGOTT – International Safety Guide for Oil Tankers and Terminals

ISO – International Organisation for Standardisation

ITSM – IT service management

IWCF – International Well Control Forum (international non-profit accreditation, testing, and certification body for oil and gas professionals in safe drilling and well control)

JVA – Joint Venture Agreement

KEBCO – Kazakhstan Export Blend Crude Oil

KEP – Karachaganak Expansion Project

KMGE School – a programme to provide KMG Engineering with personnel in niche areas, involving the selection of undergraduate students

KPC – Karachaganak Processing Complex

KPI – key performance indicators

kW – kilowatt

LDAR – leak detection and repair

LPG – liquefied petroleum gas

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LTIR – Lost Time Incident Rate (per 1 million man-hours)

MES – manufacturing execution system

mIn – million(s)

MVCR – Motor Vehicle Crash Rate (per 1 million kilometres driven)

NCS PSA – North Caspian Sea Production Sharing Agreement of 18 November 1997

NEBOSH – National Examination Board in Occupational Safety and Health

NGL – natural gas liquids

NO_x – nitrogen oxides

NWRF – non-work-related fatality

OGMP 2.0 – Oil & Gas Methane Partnership 2.0

OHSAS – Occupational Health and Safety Assessment Series

OPITO – Offshore Petroleum Industry Training Organisation

PET – polyethylene terephthalate

PMP – Project Management Professional certification

PQ – pre-qualification

Pre-FEED – Pre-Front-End Engineering Design

PRMS – Petroleum Resources Management System

PSA – production sharing agreement

RAEX – Russia's largest non-credit rating agency

RES – renewable energy sources

RoSPA – Royal Society for the Prevention of Accidents (UK charity aimed at saving lives and preventing serious injuries from accidents)

SAF – sustainable aviation fuel

SAP – Systems, Applications and Products in Data Processing (German company, producer of enterprise software)

SDG – United Nations' Sustainable Development Goals

SGI – sour gas injection systems

SGP – Second Generation Plant

SO_x – Sulphur Oxides (Group of sulphur oxides with the general formula SO(x))

SPE-PRMS – Society of Petroleum Engineers' Petroleum Resources Management System

SPP – solar power plant

SRS – Social Responsibility Scale

TCFD – Task Force on Climate-related Financial Disclosures

TEU – twenty-foot equivalent unit

TGP – Third Generation Plant

UN – United Nations

VAT – Value Added Tax

WPMP – Wellhead Pressure Management Project

WPP – wind power plant

WRI – World Resources Institute