

Approved by  
the Resolution of the General Meeting of  
Shareholders of “KazTransOil” JSC  
(Minutes as of “28” May 2019



**Annual Report  
of the Board of Directors of “KazTransOil” JSC  
on its performance in 2018**

**Nur-Sultan, 2019**

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## 1. General information about the Board of Directors

Board of Directors is a governing body of “KazTransOil” JSC (hereinafter - the Company, KTO), which fulfills its functions in accordance with the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, Charter, Corporate Governance Code, Regulations on Board of Directors and other internal documents of the Company.

The Board of Directors ensures Company’s strategic governance, oversees Company’s Management Board activity within its competence and is liable to the General Meeting of Shareholders for effective management and proper control over Company’s performance in accordance with the existing decision taking system.

The Company’s BoD consists of seven members, who were elected in acc.with the KTO Charter. According to the structure of shareholder’s equity (90% of the total number of ordinary shares belong to “KazMunayGas” NC JSC), three members of the Company’s Board of Directors represent the major shareholder - “KazMunayGas” NC JSC, powers of one of which were early terminated at his own initiative on the basis of written notification of the Board of Directors since November 30, 2018. Three members of the Board of Directors are independent directors enabling secure rights and interests of minority shareholders in accordance with the requirements of best international practices in corporate governance. The Company’s GD is also a member of the BoD.

All members of the Board of Directors possess a high professional reputation and substantial work experience in the industry.

## 2. Composition of the Board of Directors as of December 31, 2018

Full name	Position
Daniyar Berlibayev	Chair
Dimash Dossanov	member
Luis Coimbra	Independent Director
Fernando Machinena	Independent Director
Serik Primbetov	Independent Director
Nurtas Shmanov	member



### **3. Criteria for selection of members of the Board of Directors**

The criteria for selection of members of the Board of Directors, including independent directors, are set by the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, Charter, Corporate Governance Code and Regulations on Board of Directors of the Company that are posted on the Company’s web-site in Section “Corporate Governance”.

In accordance with the Corporate Governance Code, the Board of Directors established independence of L. Coimbra, F. Machinena and S. Primbetov, and established that no relationship or circumstances, which exert or may exert significant influence on making independent decisions by these directors, are available.

### **4. Competences of the Board of Directors**

The Board of Directors shall act in the Company’s interests, determine strategic goals and priority areas for development, establish main benchmarks of the Company’s activity in the long run based on the principles of sustainable development. It shall ensure availability of necessary financial and human resources to reach the set goals and consider other essential issues.

The issues referred to the exclusive competence of the Board of Directors shall not be delegated to the Management Board.

The Board of Directors shall not be entitled to make decisions on the issues that, in accordance with the Company’s Charter, fall within the competence of the Company’s Management Board, and make decisions that are in conflict with decisions of the General Meeting of Shareholders.

### **5. Responsibilities of the Board of Directors**

The powers are distributed between the Board of Directors, Management Board and General Director (Chair of the Management Board) in accordance with Article 11 and 12 of the Company’s Charter.

The Board of Directors shall bear responsibility to the General Meeting of Shareholders for effective governance and adequate control over the Company activity pursuant to the applicable decision-making system.

The Board of Directors shall control the Management Board activity within its competence.

### **6. Information about meetings of the Board of Directors**

The Board of Directors held 13 in-person meetings in 2018, and considered and took decisions on 120 issues, inter alia, on the following:

#### **Strategic development**

- Consideration of the Progress Report on Business-plan implementation in 2017;
- Confirmation of KTO Business-plan for 2019-2023 at revalued and historical costs of fixed assets;



- Consideration of the Report for 2017 on implementation of the updated Development Strategy of KTO till 2025;
- Establishment of the Representation office of KTO in Moscow city (Russian Federation);
- Closure of Western and Eastern branches of KTO.

#### **Financial and economic activities**

- On calling the Annual General Meeting of Shareholders;
- Preliminary confirmation of the annual financial statements and consolidated financial statements of KTO for 2017;
- Confirmation of the Accounting policy of KTO group of companies;
- Proposals of the Board of Directors of KTO to the General Meeting of Shareholders on procedure of distribution of net income for 2017, undistributed income of past periods and size of dividend for 2017 per one ordinary share of KTO;
- Conclusion of interested-party transactions.

#### **Corporate governance**

The Board of Directors plays important role in determination of key directions of corporate governance improvement the Company.

The Board regularly considers the issues related to Company's corporate governance, including progress reports on implemented measures in this area and plans for the future.

In the reporting period the Board continued its work in given direction and considered the following issues:

- Confirmation of the Annual report of KTO for 2017;
- Approval of amendments and addenda to KTO Charter;
- Confirmation of incentive key performance indicators of officers, Corporate Secretary, Head of Internal Audit Service of KTO for 2018 and their target values;
- Determination of number, term of powers of the Management Board and election of the General Director (Chair of the Management Board) and members of the Management Board of the Company;
- Consideration of the Report on the results of independent assessment of Board's performance of KTO for 2017;
- Confirmation of the Report on KTO observance of principles and provisions of Corporate Governance Code for 2017;
- Consideration of the Annual report of the Board of Directors of KTO on its work in 2017;
- Confirmation of the amendment to the Regulation on Ombudsman of "KazTransOil" JSC
- Confirmation of structure of KTO headquarters.



### **Internal audit**

The following decisions were made on internal audit issues:

- Confirmation of the Annual audit plan of Internal Audit Service of KTO for 2019;
- Confirmation KTO Internal Audit Service budget for 2019;
- Presentation of KTO IAS reports.

### **Risk management and internal control**

Corporate risk management system (CRMS) and internal control system (ICS) are key components of corporate governance system and are aimed at in time identification, assessment, monitoring and decrease of potential risk events, which can negatively affect achievement of Company's strategic and operational goals. According to CRMS Policy one of main objectives of KTO CRMS is introduction of a vertical process of operational and non-operational risks of KTO management beginning with senior level to linear level, integration of risk management process with key business-processes of KTO.

The following issues were considered in the reporting period:

- Report on dynamics of key risks and course of implementation of activities on key risks management in KTO and its subsidiary and jointly controlled entities for Q4 2017;
- Confirmation of quarterly reports on operational and non-operational risks of KTO and its subsidiary and jointly controlled entities;
- Confirmation of the results of identification and assessment of operational and non-operational risks of KTO and its subsidiary and jointly controlled entities for 2019.

The Board of Directors also considered a range of issues falling under the competence of general meeting of participants/shareholders of subsidiary and jointly controlled entities of KTO:

- On confirmation of annual financial statements of subsidiary and jointly controlled entities of KTO for 2017;
- On confirmation of budgets of subsidiary and jointly controlled entities of KTO for 2019.

The Board considered key performance changes of KTO and managerial reports on a monthly basis.

*Please find additional information on the resolutions adopted by the Board of Directors in 2017 on the Company's website [www.kaztransoil.kz](http://www.kaztransoil.kz).*

### **The Board of Directors confirmed the following documents in 2018:**

- Instruction on write-off procedure of fixed assets, intangible assets and reserves in KTO;
- Accounting policy of KTO group of companies;

- Tax accounting policy of KTO;
- Assets sale rules in KTO;
- Corporate Ethics Code of KTO;
- Amendments and addenda to the Procedure of internal control of KTO.

## 7. Attendance record

Director	Attendance	%	Period in office
Daniyar Berlibayev	13 out of 13	100	01.01.2018 – 31.12.2018
Dimash Dossanov	13 out of 13	100	01.01.2018 – 31.12.2018
Luis Coimbra	13 out of 13	100	01.01.2018 – 31.12.2018
Fernando Machinena	13 out of 13	100	01.01.2018 – 31.12.2018
Ardak Mukushov	12 out of 12	100	01.01.2018 – 30.11.2018
Serik Primbetov	13 out of 13	100	01.01.2018 – 31.12.2018
Nurtas Shmanov	13 out of 13	100	01.01.2018 – 31.12.2018

## 8. Report on performance of the Board of Directors committees

The committees are advisory bodies of the Company's Board of Directors, and are established to facilitate the effective performance of the Board of Directors functions, consider the most important issues and make recommendations for the Board of Directors within their competences.

Three committees function under the Board of Directors:

- Strategic Planning Committee
- Internal Audit Committee
- Nomination and Remuneration Committee.

### Strategic Planning Committee

The Committee was established in order to improve the efficiency and quality of the Company's Board of Directors through preliminary review and preparation of recommendations to the Board of Directors on the Company's Development Strategy, including determining priority areas.

The Committee consists of members of the Board of Directors and experts having the necessary expertise to work within such Committee, which composition is determined by the Company's Board of Directors. An independent director chairs the Committee.

The Committee meetings are held when necessary, but at least once in six months.



Composition of the Strategic Planning Committee (elected in acc. with resolution of KTO Board of Directors dated January 30, 2016):

- Fernando Machinena – independent director, Chair,
- Luis Coimbra – independent director,
- Serik Primbetov – independent director
- Nurtas Shmanov – representative of “KazMunayGas” NC JSC.

The Committee had 5 in-person meetings in the reporting period, with all its members participating in them. The following issues were considered at the meetings with recommendations being made:

- Consideration of adjusted Business-plans of KTO for 2018-2022 in terms of budget for 2018 at revalued and historical costs of fixed assets;
- Proposal of the Board of Directors to the General Meeting of Shareholders on procedure of distribution of net income of KTO for 2017, undistributed income for past periods and size of dividend for 2017 in calculation per one ordinary share of KTO;
- Consideration of the Report for 2017 on implementation of updated Development Strategy of KTO till 2025;
- Consideration of KTO Business-plan for 2019-2023 at revalued and historical costs of fixed assets.

#### **Nomination and Remuneration Committee**

The Committee is mainly aimed at assisting the Board of Directors of the Company on fulfillment of its powers related to selection, appointment (election), evaluation and remuneration of members of the Board of Directors, General Director (Chair of the Management Board) and members of the Management Board, Corporate Secretary.

The majority of the Committee members, including the Chair of the Committee, shall be independent directors. The Chair of the Board of Directors and General Director (Chair of the Management Board) of the Company shall not be members of the Committee.

Composition of the Nomination and Remuneration Committee (elected in acc. with resolution of KTO Board of Directors dated January 30, 2016):

- Luis Coimbra – independent director, Chair,
- Fernando Machinena – independent director,
- Ardak Mukushov – representative of “KazMunayGas” NC JSC (till November 30, 2018),
- Serik Primbetov – independent director.

The Committee shall meet when necessary, but not less than twice a year.

The Nomination and Remuneration Committee held 7 in-person meetings in 2018 and made recommendations on the following issues:

- Confirmation of incentive KPIs of senior management and their target values;



- Consideration of the Report on the results of independent assessment of Board's performance of KTO for 2017;
- Remuneration of senior management of KTO for 2017;
- Determination of number, term of powers of the Management Board and election of the General Director (Chair of the Management Board) and members of the Management Board;
- Confirmation of results of assessment of managing employees, Corporate Secretary and Ombudsman of KTO;
- Consideration of Reports on implementation of incentive key performance indicators of senior management of KTO upon 6 and 9 months of 2018;
- Consideration of Report on implementation of incentive key performance indicators of Corporate Secretary of KTO upon 6 months of 2018;

### **Internal Audit Committee**

The Internal Audit Committee is aimed at assisting the Board of Directors of the Company on external and internal audit, financial reporting, internal control and risk management, asset evaluation, compliance with the legislation of the Republic of Kazakhstan, as well as on other issues as instructed by the Board of Directors of the Company.

The members of the Board of Directors, who work for the Committee, including the Committee Chair, shall be independent directors.

Composition of the Internal Audit Committee (elected in acc. with resolution of KTO Board of Directors dated January 30, 2016):

- Serik Primbetov – independent director Chair,
- Luis Coimbra – independent director,
- Fernando Machinena – independent director,

The Committee meetings shall be held when necessary, but at least once a quarter.

The Internal Audit Committee held 7 in-person meetings and 2 absentee meetings in 2018.

The Committee considered and preliminary approved the following issues:

- Consideration of confidential report of the independent auditor to the Senior management and Internal Audit Committee of KTO Board of Directors;
- Preliminary confirmation of the annual financial statements and consolidated annual financial statements of KTO for 2017;
- Consideration of performance reports of Internal Audit Service of KTO;
- Preliminary approval of the Annual Audit Plan of KTO IAS for 2019;
- Preliminary approval of the KTO IAS budget for 2019;
- Consideration of the Progress report on implementation of the Action Plan on implementation of recommendations of KTO independent auditor “Ernst&Young” LLP on the results of audit of consolidated and stand-alone financial statements of KTO for 2016 (basing on the confidential report of the independent auditor to the management).





Please find additional information on the requirements for the Committee composition and the procedure of holding Committee meetings on the Company's website, Section "Corporate Governance".

### **9. Interaction with shareholders**

One of the key principles of the Company is the most open and effective communication with shareholders.

The shareholders exercise their rights according to the legislation of the Republic of Kazakhstan and Company Charter.

The Company's Board of Directors ensures equal treatment towards all shareholders, and gives them an opportunity to participate in the Company management through the General Meeting of Shareholders, receive information on the Company's business and exercise their rights to receive dividends.

The information that has an effect on the interests of shareholders shall be timely published on web-sites of the Company, "Kazakhstan Stock Exchange" JSC and Financial Statements Depository.

The Company has the Investors Relations Service, which is mainly aimed at organization of effective communication between the Company management and investment community (prospective investors, minority shareholders and professional stock market players) in order to maintain and enhance reputation of the Company as an investment-attractive company.

In 2018, no addresses of the Company shareholders against the actions of the Company and its officials were registered.

### **Interaction with major shareholder**

The Company and "KazMunayGas" NC JSC, the major shareholder, concluded the Relationship Agreement on October 30, 2012 in connection with the initial placement of the Company's shares at Kazakhstan Stock Exchange, which stipulates transparent market principles of interaction between the Company and its major shareholder, and enables the Company to act in the interests of all of its shareholders.

*Please find the full text of the Agreement on the Company's website [www.kaztransoil.kz](http://www.kaztransoil.kz), Section "To Shareholders and Investors".*

### **10. Remuneration of members of the Board of Directors**

The procedure for payment of remuneration and reimbursement of expenses of independent directors is established by the Rules on remuneration and reimbursement of expenses of independent directors of joint-stock companies of "KazMunayGas" NC JSC.

The representatives of "KazMunayGas" NC JSC, as well as a head of the Company's executive body, who are BoD members, are not eligible for remuneration for their work in the body.

The following is due to independent directors, based on the contracts concluded with them:

- fixed remuneration in the amount of 80,000 USD a year;



- additional remuneration for participation in in-person meetings of committees of the Board of Directors in the amount of 1,000 USD.

The Company shall reimburse expenses of independent directors (travel, accommodation, per diem) associated with their travel for participation in meetings of the Board of Directors and its committees conducted beyond the place of permanent residence of independent directors.

The total amount of remuneration paid to the Company's independent directors for 2018 is 117,204 thousand tenge, including taxes.

#### Remuneration to the Independent Directors of KTO in 2018

(thous.tenge)				
Full name	Annual remuneration	Committees	Total net of taxes	Total incl. taxes
Luis Coimbra	26 838	6668	33506	39068
Fernando Machinena	26 838	6668	33506	39068
Serik Primbetov	26 838	6668	33506	39068
<b>Total</b>	<b>80514</b>	<b>20004</b>	<b>100518</b>	<b>117204</b>

Please find additional information on the remuneration conditions on the Company's website, Section "Corporate Governance".

### 11. Board of Directors performance evaluation

The Company regularly holds a comprehensive evaluation of its performance, the performance of the Board and its committees, as well as an individual evaluation of directors in line with best international practices.

The Board of Directors was evaluated in 2018 by independent external consultants from "KPMG tax and advisory" LLP. Consultant's approach was based on a continued practical expertise of specialists, availability of a methodological base, knowledge and advanced practice standards implementation.

The evaluation included an analysis of internal documents and minutes of the Board and its committees, Board reports, questioning of the Board members, individual interviews of the independent consultants with the Board members, Corporate Secretary and Management Board members on such issues as the Board role and functions, composition and structure of the Board and its committees, order of their work, interaction with the management and other bodies of KTO, priorities of work of the Board and its committees.

The analyses of issues considered by the Board of Directors indicated that the priority was given to consideration of the issues on subsidiary and jointly controlled entities management, corporate governance and financial and economic activity. Along with the issues on business-planning, financial and investment activity, improvement of Board performance and corporate governance on a whole were also in priority.



A high level of competence of the Board members was marked, as well as a key role of Board Chairman and efficient organizational work of Corporate Secretary Service with shareholders and members of the Board of Directors during the meetings.

The number and composition of the Board is optimal and balanced for effective work, with all members possessing necessary knowledge and skills. Also an important role of the Board of Directors Chairman was emphasized who established a favorable atmosphere during the meetings and ensured professional interaction and communication between Board of Directors and Management Board members.

A high level of meetings organization was marked – all materials to the meetings were full, clear and constructive, while meetings holding procedure ensured sufficiently deep consideration of the items of agenda and promoted taking balanced decisions.

A high performance of the Board of Directors was marked as a result of evaluation and compliance with provisions of the laws of the Republic of Kazakhstan, KTO internal documents and principles of international corporate governance practice in all substantial aspects.

## **12. Report of the Management Board for 2018**

The Company's Management Board is a collegial executive body that runs the ongoing activities of the Company. It performs its functions on the basis of the Company Charter, Regulations on Management Board and other internal documents of the Company.

The Management Board in its activity operates with such main principles as honesty, good faith, rationality, awareness, regularity, observance of rights and interests of the Company's shareholders to full extent and accountability to the decisions of the General Meeting of Shareholders and the Board of Directors.

The Management Board follows the laws of the Republic of Kazakhstan, Charter and Corporate Governance Code, Regulations on the Management Board and other KTO internal documents.

The Company's Management Board is headed by the General Director (Chair of the Management Board) who organizes and coordinates its activity.

The MB is responsible for providing financial and human resources to achieve the goals set by the General Meeting of Shareholders and the BoD. The Management Board reports to the Board of Directors on the progress in attaining the goals of the Company.

Please find additional information on the MB activities on the Company's website, Section "Corporate Governance".

## **13. Composition of the Management Board**

The KTO Board of Directors resolved to determine from May 23, 2018 9 members of the Management Board

The Management Board composition as of December 31, 2018.



Full name	Position
Dimash Dossanov	General Director (MB Chair)
Sabit Arynov	Deputy GD
Alibi Kultumiyev	Deputy GD
Zhaiyk Makhin	Deputy GD
Bolat Otarov	Deputy GD
Oral Idyryssov	Deputy GD
Chingiz Seissekenov	Deputy GD
Shara Tanatarova	Deputy GD
Zhaidarman Issakov	Managing Director

#### 14. Information on meetings of the Management Board in 2018

During 2018, the Management Board held 33 in-person meetings, no absentee meetings were held.

The Management Board considered 256 issues, and the relevant decisions were made, it gave 277 instructions, which were totally executed. At the same time, 79 issues were further submitted for the BoD consideration, with 8 issues submitted for the AGM consideration.

The decisions were made on the following key areas within the meetings held:

##### *Strategic development*

- Approval of the Progress report for 2017 on implementation of KTO Development strategy;
- Approval of the Report on implementation of KTO business-plan for 2017;
- Confirmation of the Action plan for 2019 on implementation of Development Strategy till 2025;
- Confirmation of the Action plan on optimization and improvement of KTO performance;
- Confirmation of Digitalization Concept of “KazTransOil” JSC.

##### **Corporate governance**

- Confirmation of key performance indicators of structural divisions of the central office and Department of operator’s services, heads of “STC KTO” branch and representations of KTO for 2018 and their target values and passports of given KPIs;
- Preliminary consideration of draft KPI of KTO for 2018 and their target values;
- Preliminary consideration of draft incentive KPI of senior management of KTO for 2018 and their target values;

- Confirmation of corporate and functional KPIs of heads of certain stand-alone structural divisions of “KazTransOil” JSC for 2018 and their target values and passports of given KPIs;
- Confirmation of incentive KPIs of managing employees of KTO for 2018 and their target values;
- Introduction of comprehensive evaluation system “360 degrees” of performance of structural divisions of the central office and department of operator’s services of KTO;
- Consideration of the Action plan on improvement of corporate governance system of KTO;
- Approval of the Annual report of KTO for 2017.

#### *Financial and economic activities*

- Approval of the annual financial statements and consolidated annual financial statements of KTO for 2017;
- Approval of adjusted business-plan of KTO for 2018-2022 in terms of budget if 2018;
- Approval of the annual financial statements and consolidated annual financial statements of subsidiary and jointly controlled entities;
- Conclusion of the interested-party deals by KTO with entities of Samruk-Kazyna JSC group.

#### *Risk management and internal control*

- Consideration of the Report on performance of Risk committee for 2017;
- Confirmation of the Work plan of Risk committee of KTO for 2018
- Preliminary consideration of the report on dynamics of key risks and progress of implementation of actions on key risks management of KTO and its subsidiary and jointly controlled entities for Q4 2017;
- Preliminary consideration of quarterly reports on production and non-production risks of KTO and its subsidiary and jointly controlled organizations;
- Preliminary consideration of the results of identification and evaluation of production and non-production risks of “KazTransOil” JSC and its subsidiary and jointly controlled entities for 2019.

#### *Confirmation of KTO internal documents:*

- Rules on management of incidents of informational safety in KTO;
- Rules on organization of scientific-research and design works, development of industrial and innovative projects and implementation of new technologies and techniques in KTO;
- Instruction on management of wastes of analytical and chemical labs of KTO;
- Procedures of inspection and assessment of preparedness of non-state firefighting service to prevent and extinguish fires at the facilities of KTO;



- Procedures of organization of urgent medical assistance in KTO;
- Regulations on KTO structural divisions;
- Rules on internal labor discipline in the central office and Department of operator's services in KTO;
- Rules on documentation and document-flow in KTO;
- Regulations on Committee for HSE safety in KTO;
- KTO IT safety policy;
- Guidance on ongoing management of technological processes of oil transportation (traffic control) through the network of main oil pipelines of KTO;
- Rules on development, update and monitoring of implementation of Development Strategy of KTO;
- Rules on organization of access regime in the administrative building of the central office of KTO;
- Instruction on response in situations related to damaging of mercurial metering devices in analytical and chemical labs of KTO;
- Rules on management of legal support processes in KTO;
- Rules on attestation of KTO employees;
- Rules on business-process management of KTO;
- Rules on management of business-processes optimization projects in KTO;
- Rules on closure of financial period and preparation of stand-alone financial statements of KTO;
- Rules on energy-dispersive analysis;
- Rules on energy planning and determination of indicators of energy efficiency in KTO;
- Methods of determination of basis and target levels of energy consumption in KTO;
- Methods of calculation of indicators of energy efficiency in KTO;
- Methods of determination of areas of significant consumption of energy in KTO;
- Instruction on recording of working time of KTO employees;
- Procedures of social support of non-working retired and disabled employees of KTO;
- Rules on management of environmental aspects in KTO;
- Rules on payment of compensation at mutual termination of labor contracts with KTO employees;
- Rules on management of operation processes of main oil pipelines, owned by the third entities within KTO provision of operator's services.

#### **Attendance record:**

MB member	Attendance	%	Period in office
Dimash Dossanov	29 out of 33	87	01.01.2018 – 31.12.2018



Sabit Arynov	25 out of 33	75	03.01.2018 – 31.12.2018
Alexey Pirogov	25 out of 30	83	01.01.2018 – 31.11.2018
Alibi Kultumiyev	2 out of 3	66	04.12.2018 – 31.12.2018
Bolat Otarov	25 out of 33	75	01.01.2018 – 31.12.2018
Zhaiyk Makhin	30 out of 33	90	01.01.2018 – 31.12.2018
Oral Idyryssov	30 out of 33	90	01.01.2018 – 31.12.2018
Chingiz Seissekenov	24 out of 33	90	01.01.2018 – 31.12.2018
Shara Tanatarova	30 out of 33	92	01.01.2018 – 31.12.2018
Zhaidarman Issakov	30 out of 33	92	01.01.2018 – 31.12.2018

### **15. Report on performance of the Management Board committees for 2018**

The Risk Committee is an advisory and consultative body, established under the Company's Management Board to preliminary consider the risk management issues of KTO and its subsidiary and jointly controlled entities and elaborate recommendations to the management Board for decision making.

According to Work plan of Risk committee for 2018 confirmed by the resolution of the Management Board of KTO dated January 19, 2018 (MoM #4) in the reporting period the Risk committee held 6 meetings, 5 in present and 1 absentee meeting, on which:

- Report on dynamics of key risks and course of implementation of actions on key risks management of KTO and its subsidiary and jointly controlled entities for Q4 2017; and reports on production and non-production risks of KTO and its subsidiary and jointly controlled entities in Q1-3 of 2018 were coordinated;
- Amendments to the document of integrated system of KTO – Procedures of internal control system of KTO were coordinated;
- Draft risks and control matrices and block-schemes of KTO on some business-processes were coordinated;
- Draft results of identification and assessment of production and non-production risks of KTO and its subsidiary and jointly controlled entities for 2019 were coordinated.

All above issues considered by the Risk committee in the reporting period were submitted for further consideration and/or confirmation by relevant bodies or executives of KTO in the established procedure.