

## **GROUP POLICY GUIDELINES ON CORPORATE GOVERNANCE**

### **SUMMARY OF MATTERS SPECIFICALLY RESERVED FOR THE DECISION OF THE FULL KAZ MINERALS BOARD**

#### **1. MANAGEMENT, STRATEGY AND PLANNING**

- 1.1 Responsibility for the overall management of the Group.
- 1.2 Approval of the strategy, business plans and budgets for the Group.
- 1.3 Approval of any material restructuring or reorganisation of the Group.
- 1.4 Approval of the establishment of new, or termination of existing, material areas of business.
- 1.5 Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

#### **2. OPERATIONS AND TRANSACTIONS**

- 2.1 Approval of any capital expenditure in excess of \$30 million. Any overspend greater than 10% of the original authority to be resubmitted to the Board for further approval.
- 2.2 Approval of any expenditure in excess of \$30 million not in the normal course of business.
- 2.3 Approval of asset disposals in excess of \$30 million (except for the disposal of stock in the ordinary course of business).
- 2.4 Approval of any transaction, agreement, undertaking, obligation, settlement, action or other matter whatsoever which could have a significant effect on the strategic or financial plans of the Company, any major subsidiary or the Group, or on their reputations, affairs or financial positions.
- 2.5 Consideration of any significant contracts outside the ordinary course of business, in which a related party is interested.
- 2.6 Making or responding to any takeover bid subject to the City Code on Takeovers and Mergers.
- 2.7 Approval of any binding commitment to enter into a material strategic alliance, joint venture, partnership or profit sharing agreement.

#### **3. CAPITAL STRUCTURE**

- 3.1 Approval of any changes relating to the Company's capital structure including allotment of shares, reduction of capital (except under employee share plans) and share buy-backs (including the use of treasury shares).
- 3.2 Approval of major changes to the Group's corporate structure.
- 3.3 Approval of changes to the Company's listings or its status as a plc.

#### **4. STRUCTURE AND CAPITAL**

- 4.1 Approval of any new loan or similar facility (including financial leases) from third parties in excess of \$30 million or material amendment to any such existing facilities in excess of \$30 million.
- 4.2 Approval of loans or similar facilities to third parties in excess of \$30 million.
- 4.3 Approval of the creation of a charge over the assets of any member of the Group securing a liability in excess of \$30 million.

- 4.4 Approval of the Company's dividend policy, declaration of interim dividends, recommendation of final dividends and approval of other distributions to shareholders.
- 4.5 Approval of any new, or significant changes to existing, pension schemes operated by Group companies.
- 4.6 Approval of the grant by any member of the Group of any financial or other guarantee otherwise than in respect of a Group company's obligations, in excess of \$30 million (or currency equivalent) or material amendment to any such existing obligations.
- 4.7 Approval of any strategic hedging programmes in respect of hedging commodity prices, interest rates (of more than 12 months' duration) and foreign exchange hedging (of more than 12 months' duration).

## **5. PUBLIC REPORTING AND CONTROLS**

- 5.1 Approval of preliminary trading and half-yearly results announcements to stock exchanges, and annual reports and accounts (following consideration by the Audit Committee).
- 5.2 Approval of press releases concerning matters decided by the Board, where appropriate.
- 5.3 Approval of material changes in principal accounting policies and practices.
- 5.4 Approval of treasury policies and any related risk management strategy and framework.
- 5.5 Decision to appoint or remove the external auditor (on recommendation of the Audit Committee).

## **6. BOARD AND DIRECTORS**

- 6.1 Approval of any changes to the structure, size and composition of the Board (following recommendations from the Nomination Committee).
- 6.2 Appointing or removing Directors and the Company Secretary (following recommendations from the Nomination Committee).
- 6.3 Ensuring adequate succession planning for the Board and senior management (following recommendations from the Nomination Committee)
- 6.4 Determining the responsibilities of the Chair, Deputy Chair and Senior Independent Director, Committee Chairs, the Chief Executive Officer and other Executive Directors.
- 6.5 Establishing committees of the Board, their membership, their terms of reference and, where appropriate, ratifying their decisions.
- 6.6 Determining the independence of non-executive Directors.
- 6.7 Approval of the Group's Directors' and Officers' liability insurance cover.
- 6.8 Determining policy and rules (for approval by shareholders, if required) relating to share-based incentive schemes (as recommended by the Remuneration Committee).
- 6.9 Determining remuneration policy for executive Directors and certain senior executives (on recommendation from the Remuneration Committee).
- 6.10 Approval of the remuneration of non-executive Directors within the limits set by the Articles of Association (on recommendation from the executive Directors).

## **7. CORPORATE GOVERNANCE**

- 7.1 Reviewing its own performance and that of its Committees and individual Directors, and ensuring that any necessary corrective action is taken.
- 7.2 Determining the risk appetite of the Group.
- 7.3 Ensuring maintenance of an adequate and effective system of internal control and risk management arrangements throughout KAZ Minerals (following consideration by the Audit Committee).
- 7.4 Approval of Group-wide policies, and revisions as necessary, including health, safety and environment policies, share dealing rules, code of conduct, anti-bribery and corruption code and corporate governance arrangements.
- 7.5 Calling any general meetings of KAZ Minerals PLC and approval of documents sent to shareholders.
- 7.6 Approval of any listing particulars or other document requiring to be approved by or filed with a stock exchange on which KAZ Minerals shares are listed (other than routine announcements or filings and debt listing particulars).
- 7.7 Recommending any changes to the Company's Articles of Association.
- 7.8 Consideration of material litigation or regulatory investigations affecting the Group.
- 7.9 Approval of donations of a political or quasi-political nature.
- 7.11 Appointment or dismissal of key corporate advisers.
- 7.12 Approval of this schedule of Matters Reserved for the Decision of the KAZ Minerals Board.
- 7.13 Authorising conflicts of interest where permitted by the Company's Articles of Association.

**8. OTHER**

Any other matters of strategic or reputational importance likely to have a significant impact on the Company.

**9. URGENT ISSUES**

When, exceptionally, decisions on matters specifically reserved for the full Board are required to be taken urgently between Board meetings, such decisions shall be taken by a quorum of at least three Directors, including (if possible) one non-executive Director and (if possible) both the Chair and the Chief Executive Officer, but at least one of them, and a report of the proceedings shall be circulated to the Board before, or at, its next meeting.

**Reviewed and approved on 14 August 2019**

(Update from previous version of May 2018)