

BOARD COMMITTEES CONTINUED

THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee develops recommendations for the Board of Directors regarding the recruitment and selection of members of the Board of Directors, the executive body, the head of the IAS, the Corporate Secretary and other employees whose appointment requires the approval of the Board of Directors or Shareholders. The Committee also makes recommendations regarding the remuneration of these employees and executive officers. The Committee was formed in October 2012 through the merger of the previously separate Nomination and Remuneration Committees.

Composition:

Dmitriy Larionov
Chairman of the Committee

Lord Thomas Alexander Hesketh
Member of the Committee

Nurzhan Baidauletov
Member of the Committee

Myles Westcott
Member of the Committee

In 2018, the Nomination and Remuneration Committee held 11 in-presentia meetings. Committee member participation information can be found on page 51.

Role and responsibility

The following issues fall within the remit of the Nomination and Remuneration Committee:

- › development of requirements for candidate qualifications and recommendations on election or nomination for the roles of Independent Directors, the executive body, the Corporate Secretary and the Head of the IAS;
- › development of the succession planning policy for members of the Board of Directors and its Committees, the executive body, the Corporate Secretary and the head of the IAS;
- › recommendations on the policy and structure of remuneration, as well as annual individual remuneration for members of the Board of Directors, the executive body, the Head of the IAS, the Corporate Secretary and other employees whose remuneration falls within the remit of the Board of Directors or Shareholders;
- › considering the payment of year-end remuneration to employees whose remuneration must be agreed by the Board of Directors or Shareholders;
- › conducting comparative analyses of remuneration levels and the remuneration policy for members of the Board of Directors, the executive body, the Head of the IAS, the Corporate Secretary and other employees whose remuneration falls within the remit of the Board of Directors or Shareholders.

Activities in 2018

Key matters discussed include:

- › search for Independent Non-Executive Directors: consideration of candidates and appointment recommendations (to replace an existing Independent Director and to find a third one);
- › amendments to the Labour Remuneration policy and internal regulations on expense limits;
- › recommendations on remuneration, including salaries and Profit Share Bonuses for 2017 and annual bonus for 2018 to employees whose remuneration falls within the remit of the Board of Directors or Shareholders;

- › recommendations on approval of Annual Bonus Plan for senior executives and maximum annual bonus to be paid to those employees whose remuneration shall be determined by the Board of Directors;
- › early termination of the authorities of a member of the Board of Directors, election of a new member of the Board of Directors;
- › changes to the composition of the Board of Directors;
- › amendments to the President's Labour Contract;
- › updated Senior Management Succession Plan;
- › election of the President/Chief Executive Officer of the Company as a member of the Board of Directors;
- › amount and terms of remuneration and compensation to the Independent Non-Executive Directors of the Company;
- › termination of the authorities of the Senior Vice President Engineering Group of the Company and election of the Vice President Engineering and Maintenance of the Company.

Priorities for 2019

In addition to the Committee's regular activities surrounding nominations and remuneration as carried out in 2018, the Committee also intends to discuss:

- › succession planning for senior executives and members of the Board of Directors;
- › full remuneration and compensation packages paid to the President/CEO;
- › revision of the annual bonus plan for senior executives, including terms of payment;
- › nomination of potential candidates to the Board of Directors;
- › remuneration and compensation of independent non-executive directors;
- › other issues that fall within the remit of the Nomination and Remuneration Committee.