
DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

GENERAL

The business affairs of the Company are administered by the Board of Directors.

According to the Company's Articles, the Board shall comprise a maximum of 12 members, and it is the Company's policy that at least half of the Board shall be independent. The Board currently consists of eight Directors, including five non-executive Directors, four of whom are independent non-executive Directors. The Directors are elected at a meeting of the shareholders of the Company for a term of three years, renewable upon re-election and reappointment.

The functions and powers of the Board include, among other things:

- convening shareholders' meetings;
- implementing shareholders' resolutions;
- making decisions on business strategies, business plans and material investment plans;
- formulating proposed annual financial budgets and approval of final reports and accounts;
- formulating profit distribution plans and, if applicable, plans for making up losses previously incurred;
- formulating plans relating to the increase or reduction of the Company's registered capital, the issuance of corporate bonds or other securities and where applicable, the listing of such securities;
- approval of the Group's risk management policy and policy on insurance; and
- exercising any other powers conferred by shareholders' meetings or under the Articles.

The full Board of Directors meets regularly, at least six times a year. It is standard practice to hold the meetings in London, with one meeting a year held in Kazakhstan.

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DIRECTORS

The table below sets forth information regarding the Company's Directors:

Name	Age	Position	Date of Board Appointment	Committee Membership
Vladimir Kim	50	Chairman	24 December 2004	Nomination*
Oleg Novachuk	40	Chief Executive	15 July 2004	—
Eduard Ogay	41	Executive Director	13 May 2011	—
Daulet Yergozhin	32	Non-executive Director	19 November 2008	—
Lord Renwick of Clifton, KCMG	73	Independent Non-executive Director	1 December 2005	Remuneration* Nomination
Simon Heale	58	Independent Non-executive Director	1 January 2007	Audit* Nomination Remuneration
Philip Aiken	62	Independent Non-executive Director and Senior Independent Director	1 November 2006	Health, Safety and Environment* Nomination Remuneration
Clinton Dines	53	Independent Non-executive Director	1 October 2009	Audit Health, Safety and Environment

* Committee Chairman

The Board of Directors elects a Chairman among its members. The roles of Chairman and Chief Executive of the Company are separate. The Board of Directors is chaired by Mr. Kim. The other members are Mr. Novachuk, Mr. Ogay, Mr. Heale, Mr. Yergozhin, Lord Renwick of Clifton, Mr. Aiken and Mr. Dines.

Executive Directors

Vladimir Kim, aged 50 (Chairman of the Company). Mr. Kim joined the Group in 1995, when he was appointed managing director and chief executive officer of Zhezkazgantsvetmet JSC. He was elected chairman of the board of that company in December 2000. He was appointed Chairman of the Company in 2005. Mr. Kim obtained a bachelor's degree in engineering from the Alma-Ata Architectural and Civil Engineering University in Kazakhstan in 1982. He is chairman of the Nomination Committee.

Oleg Novachuk, aged 40 (Chief Executive of the Company). Mr. Novachuk joined the Group in 2001 and was appointed Chief Executive in 2007, having been Finance Director since 2005. He was formerly vice president of financial projects for Kazakhmys Corporation and the financial adviser to the president of Kazakhmys Corporation and chairman of the board of directors of Kazprombank JSC. He graduated with honours from Al-Farabi Kazakh National University in Kazakhstan with a degree in applied mathematics in 1993.

Eduard Ogay, aged 41 (Executive Director of the Company). Mr. Ogay joined the Group in 2001 as director of marketing and international relations. He was appointed director of corporate development in 2005 prior to becoming Chief Executive Officer of Kazakhmys Corporation in 2006.

Non-executive Director

Daulet Yergozhin, aged 32. Mr. Yergozhin joined the Group as a non-executive Director in 2008. Mr. Yergozhin has been head of the Tax Committee of the Ministry of

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Finance of the Republic of Kazakhstan since October 2008, having held a number of other governmental positions since early 2006. He was formerly a non-executive director of ENRC PLC.

Independent Non-executive Directors

Lord Renwick of Clifton, KCMG, aged 73. Lord Renwick joined the Group as a non-executive Director in 2005. Lord Renwick is currently deputy chairman of Fleming Family & Partners Limited and a non-executive director of Compagnie Financière Richemont SA and Vallar PLC. He was formerly British Ambassador to the United States and to South Africa, a non-executive director of SABMiller plc, BHP Billiton plc, British Airways plc and Liberty International plc. He is vice chairman, Investment Banking of J.P. Morgan Europe and vice chairman of J.P. Morgan Cazenove. Lord Renwick is chairman of the Remuneration Committee and a member of the Nomination Committee.

Simon Heale, aged 58. Mr. Heale joined the Group as a non-executive Director in 2007. Mr. Heale is a non-executive director of The Morgan Crucible Company plc, Panmure Gordon & Co plc, Marex Group Limited and PZ Cussons plc and is a trustee of Macmillan Cancer Support. He was formerly chief executive of The London Metal Exchange, chief operating officer of Jardine Fleming Ltd and deputy managing director of Cathay Pacific Airways. Mr. Heale is chairman of the Audit Committee and is a member of the Nomination and Remuneration Committees.

Philip Aiken, aged 62. Mr. Aiken joined the Group as a non-executive Director in 2006. Mr. Aiken is chairman of Robert Walters plc, and a non-executive director of National Grid PLC, Miclyn Express Offshore Limited and Essar Energy plc. He was formerly president, UK of BHP Billiton plc, having previously been group president of BHP Billiton's energy business, president, BHP Billiton Petroleum, an executive director of BTR plc. Mr. Aiken is chairman of the Group Health, Safety and Environment Committee and a member of the Nomination and Remuneration Committees. He is the Senior Independent Director.

Clinton Dines, aged 53. Mr. Dines joined the Group as a non-executive Director in 2009. Mr. Dines is executive chairman Asia of Caledonia (Private) Investments Pty Limited and a non-executive director of Zanaga Iron Ore Company. In 1988, he joined BHP as their senior executive in China and, following the merger of BHP and Billiton in 2001, he became president, BHP Billiton China, a position from which he retired in 2009 prior to his appointment with the Group. Mr. Dines is a member of the Audit and Group Health, Safety and Environment Committees.

Save as disclosed above, there is no other information in respect of the Company's Directors to be disclosed pursuant to items (h) to (w) under Rule 13.51(2) of the Listing Rules (item (f) under Rule 13.51(2) of the Listing Rules is not applicable, as the Company has been granted an exemption from compliance with Part XV of the Securities and Futures Ordinance) and there is no other matter that needs to be brought to the attention of the Company's shareholders.

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SENIOR MANAGEMENT

The table below sets forth information regarding the Company's senior management (including Directors who also hold executive positions):

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of Appointment to Current Management Position</u>
Vladimir Kim	50	Chairman	1 October 2005
Oleg Novachuk	40	Chief Executive	24 January 2007
Matthew Hird	38	Chief Financial Officer	15 March 2007
Sergei Diachenko	48	Group Chief Operating Officer	27 January 2011

Matthew Hird, aged 38. Mr. Hird is the Chief Financial Officer. He joined the Group in 2005 as Group Financial Controller and Company Secretary prior to his current appointment. He was formerly a senior manager with Deloitte & Touche's global mining team and group reporting manager and company secretary of Vedanta Resources plc. He obtained a degree from the University of Cambridge in 1994 and is qualified as a Chartered Accountant.

Sergei Diachenko, aged 48. Mr. Diachenko is Group Chief Operating Officer. He joined the Group in October 2010 as Technical Director before being appointed to his current position in January 2011. He has more than 25 years experience in mine management and development including holding the position of manager mining underground at Rio Tinto, Palabora Mining Company Limited between 2002 and 2006 and Consultant for Mining, Business Development and Execution at De Beers Group Services (Pty) Limited between 2006 and 2010, prior to joining Kazakhmys. He obtained a degree in mining from St Petersburg (Leningrad Mining Institute) in 1984 and an MBA from Pretoria University, Gordon Business Institute in 2004.

COMMITTEES OF THE BOARD

Audit Committee

The Company has established an Audit Committee, the primary responsibilities of which include, among other things:

- to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- to monitor the integrity of financial statements of the Company, including its annual report and accounts, half-yearly report and its interim management statements, and to review significant financial reporting judgements contained in them;
- to keep under review the Group's strategy with regard to risk and the adequacy and effectiveness of the Group's internal financial reporting and internal controls, and the procedures for the identification, assessment and reporting of risks; and

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- to review any findings and recommendations of the external auditor, internal audit and other parties in relation to internal controls, risk management and compliance, and to monitor progress in implementing any such findings and recommendations.

The Company's Audit Committee currently consists of two members, being Simon Heale and Clinton Dines. The Audit Committee is chaired by Simon Heale. The Audit Committee meets at least five times a year.

Remuneration Committee

The Company has established a Remuneration Committee, the primary responsibilities of which include, among other things:

- within the agreed framework, to set and determine and agree with the Board the framework or broad policy for remuneration of executive Directors and certain members of senior management;
- to determine the specific remuneration packages of all executive Directors and certain members of senior management;
- to approve the design of, and determine targets for, performance-related plans and approve the total annual payments made under such plans in respect of the executive Directors and designated senior management;
- to agree with the Board the design and targets of all share incentive plans; and
- to determine the terms of employment and remuneration of each executive Director and certain senior managers, including recruitment and termination arrangements.

The Company's Remuneration Committee currently consists of three members, being Lord Renwick of Clifton, Philip Aiken and Simon Heale. The Remuneration Committee is chaired by Lord Renwick of Clifton. The Remuneration Committee normally meets at least two times a year.

Nomination Committee

The Company has established a Nomination Committee to regularly review the structure, size and composition of the Board and to make recommendations to the Board with regard to any changes. The Company's Nomination Committee currently consists of four members, being Vladimir Kim, Lord Renwick of Clifton, Simon Heale and Philip Aiken. The Nomination Committee is chaired by Vladimir Kim. The nomination committee meets at least once a year.

Group Health, Safety and Environment Committee

The Group has established a Group Health, Safety and Environment Committee which is primarily responsible for keeping under review the development and maintenance of a framework of policies and standards for managing health, safety and environmental risks and

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their impacts on the Group's activities, reviewing compliance by the Group with relevant legislation and regulation relating to health, safety and the environment and facilitating the promotion by management of a culture of care and sensitivity towards the environment and the communities in which the Group operates. This committee currently consists of three members, being Philip Aiken, Clinton Dines and David Munro (a former executive Director of the Company). It is chaired by Philip Aiken. The Group Health, Safety and Environment Committee meets at least two times a year.

RETIREMENT SCHEMES

The Group contributes to defined contribution pension schemes in the United Kingdom and Germany. Contributions to the Group's pension scheme in the United Kingdom are calculated by double-matching employee contributions up to 10 per cent. of salary. Contributions to the Group's pension scheme in Germany is determined by a pension contribution tariff agreed between IG Metall and the Employer Association of the German Metal Industry. The Group's pension scheme in Kazakhstan is utilised by its employees to contribute the required amounts under Kazakh law. The Group also operates a Save-As-You-Earn (SAYE) scheme for approximately 400 employees. In aggregate the Group contributed £30,637, £40,850 and £42,900 to its pension schemes in regard of the Group's five highest paid individuals for the years 2008, 2009 and 2010, respectively. For more information, please see "Business—Employees and Employee Relations".

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Remuneration Policy

The Remuneration Committee seeks to ensure that the Company's remuneration policies and practices facilitate the recruitment and motivation of high calibre personnel with the appropriate skills to implement the Group's business objectives, whilst also relating reward to performance and aligning the interests of executive Directors and senior managers with those of shareholders. It aims to follow best practice in relation to its remuneration policy and, in particular, complies with the Combined Code.

In constructing and reviewing remuneration packages, the emphasis is on rewarding executive Directors competitively for their contribution to the Company's performance and for enhancing value to shareholders, taking into account market comparisons, the competitive pressures in the mining sector, internal relativities and sound risk management practices. External comparisons, including annual assessments of the relevant senior executive remuneration market, look at comparable roles in similar organisations in terms of operations and market capitalisation. The Remuneration Committee continues to take a responsible approach toward benchmarking and aims to set reward opportunities for executive Directors within the market competitive range, but with a balanced overall positioning.

The strategy for executive Director remuneration, in general terms, is to provide a balanced package around the relevant mid-market level for comparable mining companies and other companies of a similar size to Kazakhmys in the U.K. FTSE 100, with a high proportion of total remuneration being awarded through performance-related elements. In addition to consideration of market data, when setting salaries, individual judgement is exercised by the Remuneration Committee, having regard to an individual's performance,

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experience and responsibilities, the Company's performance as a whole, the markets in which the Group operates and the remuneration levels of Group employees. Remuneration arrangements and performance targets are reviewed on a regular basis to achieve these objectives.

The Remuneration Committee strives to ensure that the remuneration policy provides a strong and demonstrable link between incentives and the Group's strategy, and sets a performance-biased framework for remuneration which is consistent with the Group's scale and unique circumstances, and which motivates its executive Directors and senior managers and enables them to share in the long-term success of the Group, without delivering excessive benefits or encouraging excessive risk taking.

When designing remuneration structures and setting performance targets the Remuneration Committee is mindful of environmental, social and governance (ESG) matters. In particular, it will consult with the Group Health, Safety and Environment Committee to ensure effective systems are in place to mitigate against any risks in remuneration incentives. The Remuneration Committee monitors progress and achievement against ESG key performance indicators which, in part, determine the operational performance component of the annual bonus of the executive Directors.

Remuneration

The Company's executive Directors receive, in their capacity as the Company's employees, compensation in the form of salaries, bonuses, other allowances and benefits in kind. Mr. Novachuk and Mr. Ogay also receive awards under the LTIP. The Company does not contribute directly or indirectly to the pension schemes of its executive Directors.

The aggregate amounts of remuneration (including fees, salaries, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid to the Directors for the three years ended 31 December 2008, 2009 and 2010 were approximately US\$7,751 thousand, US\$8,838 thousand and US\$8,626 thousand, respectively.

The aggregate amounts of remuneration (including fees, salaries, housing allowances and other allowances and benefits in kind and discretionary bonuses) which were paid by the Group to the five highest paid individual employees of the Group for the three years ended 31 December 2008, 2009 and 2010 were approximately US\$8,554 thousand, US\$10,630 thousand and US\$9,636 thousand, respectively.

No remuneration was paid by the Group to the Directors or the five highest paid individual employees of the Group as an inducement to join or upon joining the Group or as a compensation for loss of office in respect of the three years ended 31 December 2008, 2009 and 2010.

It is estimated that the remuneration and benefits in kind, excluding any discretionary bonus payable to the Directors, equivalent to approximately £3.4 million in the aggregate, will be paid and granted to the Directors by the Company in respect of the financial year ending 31 December 2011 under arrangements in force at the date of this Listing Document.

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The following table shows the executive Directors' salary, bonus, benefits and retirement benefits for the years ended 31 December 2008, 2009, 2010.

<u>£, 000s</u>	<u>Vladimir Kim</u>	<u>Oleg Novachuk</u>	<u>David Munro</u>
Salary			
2008	1,029	819	525
2009	955 ⁽¹⁾	767	671
2010	1,001 ⁽¹⁾	807	743
Bonus			
2008	360	287	210
2009	812	652	805
2010	701	565	1,039
Benefits			
2008	34	35	1
2009	34	23	5
2010	34	36	55

(1) Vladimir Kim received an aggregate salary of £1,101,000 in 2010, £955,000 in 2009. Of this salary, £666,054 and £647,000 was paid in 2010 and 2009, respectively by Kazakhmys Corporation LLC and the balance was paid by the Company. An adjustment is made to his salary each year to ensure that his aggregate salary for the year equates to his salary denominated in UK pounds sterling as a result of exchange rate differences.

	Total Remuneration (£ 000s unless otherwise stated)		
	<u>2008</u>	<u>2009</u>	<u>2010</u>
Simon Heale	120	102	96
Daulet Yergozhin ⁽¹⁾	14	93	84
Peter Hickson ⁽²⁾	—	79	96
Lord Renwick of Clifton, KCMG	120	102	96
Philip Aiken	120	109	108
Clinton Dines ⁽³⁾	—	23	92
Vladimir Ni ⁽⁴⁾	385	415	280

(1) As the Chairman of the Tax Committee of the Government of Kazakhstan, Daulet Yergozhin is not allowed to receive fees personally and his fees were paid to the Biodiversity Fund of Kazakhstan, an environmental charity.

(2) Remuneration from 5 March 2009.

(3) Remuneration from 1 October 2009.

(4) Vladimir Ni ceased to be a Director on 9 September 2010. His remuneration consisted of two elements: a non-executive Director's fee of £58,000 in respect of his duties as a non-executive Director of the Company and a salary of £222,000 in respect of his duties as chairman of Kazakhmys Corporation LLC.

COMPANY SECRETARY

Robert Welch, aged 44. Mr. Welch is the Company Secretary. He joined the Group as Deputy Company Secretary in 2006 and was appointed Company Secretary in 2007.

ASSISTANT COMPANY SECRETARY

Choy Yee Man, aged 43. Ms. Choy is the Assistant Company Secretary. She is a senior manager of the Corporate Services Division of Tricor Services Limited. She was appointed Assistant Company Secretary in May 2011. Ms. Choy is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

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EMPLOYEES

As at 31 December 2010, the Group had approximately 61,000 full-time employees. By function, the Group's employees were as follows:

<u>Function</u>	<u>Average Weekly Number of Employees</u>
Mining	14,500
Concentration	5,739
Smelting	5,838
Transport	376
Maintenance and services	20,492
Production and Construction	5,346
Administration, social sphere and other	8,551
Corporate development centre	128
Total	61,000