

~~as at 13 December 2016~~

Approved by
general meeting of shareholders of
KazMunaiGas Exploration Production
Minutes No. dated _____
201 ~~30 October 2007~~

~~(with amendments made on:~~
~~24 September 2008~~
~~12 December 2008~~
~~25 May 2010~~
~~16 August 2011~~
~~6 November 2012~~
~~25 February 2014~~
~~24 May 2016~~
~~13 December 2016)~~

CHARTER

KazMunaiGas Exploration Production

Astana, [2017](#)

2007

1. GENERAL PROVISIONS

- ~~1.1.~~ This Charter of KazMunaiGas Exploration Production, a stock corporation (hereinafter referred to as “Company”) sets forth its name, location, selection procedure and competence of its bodies, conditions of reorganization and discontinuation of its activities and other provisions that do not contradict laws of the Republic of Kazakhstan.
- ~~1.2.~~ The name of the Company:
- the full name in Kazakh is “ҚазМұнайГаз” Барлау Өндеру” акционерлік қоғамы, the short name is “ҚазМұнайГаз” БӨ” АҚ;
 - the full name in Russian is акционерное общество “Разведка Добыча “КазМунайГаз”, the short name is АО “РД “КазМунайГаз”;
 - the full name in English is KazMunaiGas Exploration & Production, the short name is KazMunaiGas E&P or KMG EP.
- ~~1.3.~~ The location of the Company (the executive body of the Company):~~17~~, Kabanbay Batyr, Astana 010000, Republic of Kazakhstan.
- ~~1.4.~~ The website of the Company ~~is~~– www.kmgep.kz.
- ~~1.5.~~ The duration of the Company is unlimited.

2. LEGAL STATUS

- ~~62.1.~~ The Company was created through merger of Embamunaigas Open Joint Stock Company and Uzenmunaigas Open Joint Stock Company, and is the legal successor of all their property, rights, and obligations.
- ~~72.2.~~ The Company acts as a legal entity under Laws of the Republic of Kazakhstan having its independent balance and bank accounts. The Company is entitled on its behalf to acquire and exercise property and individual non-property rights, to bear responsibility and to act as a plaintiff and a defendant in court.
- ~~82.3.~~ The Company is guided by the Constitution of the Republic of Kazakhstan, Civil Code of the Republic of Kazakhstan, the Kazakh Stock Corporation Act ([“Act”](#)) and other laws and regulation of the Republic of Kazakhstan (hereinafter referred to as “Laws”) as well as this Charter (hereinafter referred to as “Charter”) and the Code on Corporate Governance (hereinafter referred to as “Code”).
- ~~92.4.~~ The Company acquires the status of a legal entity from the date of state registration in judicial authorities.
- Financial and operating activities of the Company must be performed on the basis of economic independence.
- ~~102.5.~~ The Company has a stamp, letterheads specifying the full name of the Company in [state language, inKazakh](#), English and [in Russian](#)~~languages~~. It is entitled to bear ~~its~~ trademark and logo, the samples of which are to be approved by the Management Board of the Company and registered in the prescribed manner as well as stamps in the State and Russian languages, corporate website and other details required to conduct its operations.

3. GOAL AND OBJECTIVES OF COMPANY’S BUSINESS

- ~~11.~~ The goal of the Company is to earn net profit in the course of its independent business activities.

123.2. The objectives of the Company are:

- 1) production of crude oil and associated gas including treatment of oil and gas up to commercial standard;
- 2) production of natural gas except for methane;
- 3) technical support during production of oil and natural gas at facilities of the Company;
- 4) exploration and geological survey (without R&D) within Company's areas;
- 5) production of oil products;
- 6) production of gas fuel;
- 7) exploratory drilling in Company's areas;
- 8) wholesale of crude oil and associated gas of the Company and its subsidiaries;
- 9) wholesale of combustible natural gas;
- 10) wholesale of aviation gas and kerosene;
- 11) wholesale of motor gasoline;
- 12) wholesale of diesel fuel;
- 13) wholesale of residual oil;
- 14) wholesale of other fuel;
- 15) wholesale of intermediate goods;
- 16) sale of gas fuel through pipelines;
- 17) blasting operations in Company's areas;
- 18) freight rail transport for Company's needs;
- 19) other catering services beyond residential areas in Company's facilities;
- 20) retail sale of motor fuel to subsidiaries of the Company;
- 21) freight forwarding services for transportation of oil produced by companies within the KMG EP Group;
- 22) data placement and processing (including infrastructure for data placement and processing and other respective services) for companies within the KMG EP Group;
- 23) web portals of the Company and its subsidiaries;
- 24) information and methodological support to IT systems and databases for the Company and its subsidiaries;
- 25) other IT-related services for the Company and its subsidiaries;
- 26) property rental and management for companies within the Samruk Kazyna Group;
- 27) business of other parent companies with respect to the Company including:
 - management of operations, introduction of new methods and technology, occupational safety and environmental protection, control over progress with operations;
 - arrangement of transportation and freight forwarding, processing and sales of oil, gas, and products produced from these for export and to the domestic market;
 - financial management and arrangement of bookkeeping, tax accounting and tax planning;
 - automation of controls over financial accounting and production process accounting, and preparation of financial and management statements;
 - advising on strategic, innovation, legal, marketing, technical and engineering aspects, and on insurance, procurement, and other management-related aspects;
 - management, administration, organization, and development of business;
 - provision and disposal of property and goods (including stock-keeping, storage, and sale of non-food goods), works, services, and staff in oil and gas sector;
- 28) seconding technical staff and auxiliary staff by companies established by national companies to render services for strategic targets;
- 29) other financial services, funding in various branches of the economy; investment

into companies within the KMG EP Group;

- 30) collection of non-hazardous wastes;
- 31) collection of hazardous wastes;
- 32) non-hazardous waste management;
- 33) hazardous waste management;
- 34) remediation and other waste disposal services; and
- 35) treatment of wastes and ferrous scrap resulting from Company's operations.

~~133.3.~~ Activities requiring licensing or any other kind of permission which is to be received in the order stipulated by Laws, must be undertaken only after obtaining of appropriate licenses or any other kind of permit.

4. RIGHTS AND OBLIGATIONS OF THE COMPANY

~~144.1.~~ The Company shall enjoy all the rights and shall bear all the responsibilities stipulated by Laws. The Company must act in the best interests of shareholders as a whole.

~~154.2.~~ The Company shall own the property separated from the property of its shareholders and shall not be liable for their responsibilities. The Company shall be liable for its obligations within the limits of its property.

~~164.3.~~ The Company shall not be responsible for obligations of the state, and the state shall not be responsible for the Company's obligations.

~~174.4.~~ The Company may conclude transactions on its behalf (agreements, contracts), to acquire property and personal non-property rights and obligations, to act as a plaintiff or defendant in the court and to undertake any other actions not in conflict with Laws.

~~184.5.~~ The Company may acquire and grant rights for ownership and utilization titles of protection, technologies, know-how and other information.

~~194.6.~~ The Company may issue securities, the terms and procedure for issue, placement, trade and redemption thereof is established by Laws.

~~204.7.~~ The Company may establish its branches and representative offices outside of its current location in Kazakhstan and abroad. Such branches and representative offices are not separate legal entities and act for and on behalf of the Company. The Company shall vest them with fixed and working assets using its own property and shall establish their operating procedures in accordance with Laws. The property of a branch or a representative office is included into its separate balance and into the Company's balance as a whole.

Chief Executive Officer (Chair of the Management Board) of the Company shall appoint individuals responsible for heading of branches/representative offices. Heads of representative offices/branches shall act on the basis of Powers of Attorney issued by the Company.

The Company may establish any other separate business units under Laws.

~~214.8. The Company independently and in accordance with applicable procedure shall resolve all matters related to planning production activity, remuneration of its employees, material and technical supply on the basis of approved budget, social development, distribution of earnings, recruitment, placement, training and retraining of personnel.~~

~~4.9.~~ The Company may in the prescribed manner open bank accounts with banks located in Kazakhstan and abroad both in national and foreign currency.

~~224.10.~~ The Company shall be entitled to grant loans and use credits in Kazakh tenge (KZT) and foreign currency, both from domestic and foreign legal entities and individuals according to Laws. The Company may raise a loan and put in pledge all or

any part of its liabilities, property and assets.

[234.11.](#) The Company shall develop and approve its internal normative and technical documentation.

[244.12.](#) The Company may buy its shares back subject to Laws and rights conferred to the holders of any class of shares.

[254.13.](#) The Company may have other rights and incur other obligations stipulated by Laws, the Charter and the Code.

5. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

[265.1.](#) Shareholders of the Company shall not be liable for its obligations and shall bear the risk of losses related to the Company's activities to the extent of the value of their shares except for instances stipulated by legislative acts of the Republic of Kazakhstan.

[275.2.](#) The rights and obligations of Company's shareholders including the scope of rights certified by preferred shares shall be determined by Laws and this Charter.

[285.3.](#) The Company shall treat all holders of the same class of its shares equally in respect of the rights attached to such shares.

6. COMPANY ASSETS

[29.](#) The Company assets shall be comprised of:

- 1) the property transferred to the Company by OJSC Uzenmunaigas and OJSC Embamunaigas as a result of their merger;
- 2) proceeds gained as a result of corporate activities;
- 3) any other property acquired in compliance with Laws.

7. SHARES AND OTHER COMPANY'S SECURITIES

[307.1.](#) The Company shall be entitled to issue ordinary and preferred shares. Shares are uncertified and no share certificate shall be issued in respect of any share.

[317.2.](#) An ordinary share authorizes a shareholder to attend and vote at a general meeting of shareholders on all matters put for voting, the right to receive dividends in case the Company has a net profit (on the basis of the relevant resolution of general meeting of shareholders), as well as the right to a part of the Company's property in case of its liquidation in the manner established by Laws.

[327.3.](#) A preferred share authorizes its holder to take precedence over the holders of ordinary shares for drawing of dividends in predetermined guaranteed amount established by the Charter and to receive a part of the Company's property in case of its liquidation in accordance with the procedure established by [the ActLaws](#).

[337.4.](#) A preferred share entitles its holder to be involved in managing Company's affairs and business if:

- 1) —a general meeting of shareholders considers restriction of rights of a holder of preferred shares. The decision on such matters shall be deemed adopted only if approved by holders of no less than 2/3 (two thirds) out of the total number of placed preferred shares (after deduction of bought out shares).

Matters decision on which may restrict rights of a holder of preferred shares are as follows:

reduction of dividend size or change of procedure for calculation of dividend size payable as per preferred shares;

change of procedure for payment of dividends on preferred shares;

exchange of Company's preferred shares for common shares;

~~2) 1-1)~~ a general meeting of shareholders considers approval of amendments to procedure for determining the cost of preferred shares upon their buy-out by the Company at over-the-counter market in accordance with the ~~Kazakh Stock Corporation~~ Act.

~~3) 2)~~ a general meeting of shareholders considers reorganization or liquidation of the Company;

~~4) 3)~~ preferred dividends have not been paid in full within three (3) months from the expiry date stipulated for their payment.

7.5. — Each holder of preferred shares having the right to vote at a general meeting of shareholders and attending it personally or through his/her representative shall have one vote for each preferred share they hold. may issue bonds and other securities including securities convertible into Company's shares.

~~357.6. The Company shall be entitled to issue bonds and other securities including securities convertible into the Company's shares.~~

7.7. Only the Company's Registrar who is not an affiliate of the Company or its affiliates shall be responsible for administration of the register of the Company's shareholders.

~~367.8.~~ Pledging of shares and other securities of the Company shall be regulated by Laws and relevant pledge agreement.

~~7.9. — In the course of exercising the pre-emptive rights of shareholders to purchase the shares or other securities to be converted into ordinary shares of the Company as well as to purchase placed shares and securities that had been previously repurchased by the Company, the Company shall notify its shareholders on exercising of such pre-emptive right by means of publication of a notice in the newspaper specified in clause 10.16 of this Charter as well as in other mass media as required by the listing rules of the stock exchange the Company's ordinary shares are listed on.~~

8. DIVIDEND UPON SHARES

~~378.1.~~ Company's net income recognized based on consolidated financial statements which are prepared in compliance with international financial reporting standards (IFRS) shall be distributed in the manner stipulated by resolution of general meeting of shareholders, including dividends distribution.

Dividends will be paid out of net income generated in reporting period and/or out of retained earnings from prior years.

Dividends on the Company's shares may be paid at following the quarter-end or after six months results upon the decision of general meeting of shareholders.

Alienation of shares with unpaid dividends shall be carried out with the right to their reception by a new holder of shares unless otherwise provided by an agreement on alienation of shares.

The registrar of the Company shall list shareholders authorized to receive dividends on the basis of register data of the Company's shareholders. The record date of this list may not be fixed earlier than 10 (ten) calendar days after the date of decision on dividend payment. The beginning of dividend payment shall be decided on the date not earlier than 30 (thirty) calendar days after the record date of the shareholders entitled

for dividends.

~~388.2.~~ Company's dividends on ordinary shares shall be paid in cash or securities of the Company provided that any decision on payment of dividends has been taken at a general meeting of shareholders by a simple majority of voting shares of the Company after financial statements of the ~~Company~~~~company~~ for respective period have been audited.

No payment of dividends on preferred shares of the Company by securities is allowed.

Payment of dividends on Company's shares by its securities is only allowed provided that such payment is made with Company's authorized shares and bonds issued by it, in presence of written consent of shareholder.

~~398.3.~~ Dividends may be paid through the Paying Agent. The Company shall pay for services rendered by the Paying Agent.

~~408.4.~~ Dividends shall not be accrued and paid for those shares which have not been placed or that have been repurchased by the Company itself or if the court or general meeting of the Company has taken a decision on its liquidation.

~~418.5.~~ Distribution of dividends on ordinary or preferred shares of the Company shall not be allowed, if:

- 1) the amount of the Company's equity capital is negative or if its amount becomes negative as a result of distributing dividends on shares;
- 2) the Company meets insolvency or bankruptcy characteristics according to Laws or the above mentioned characteristics appear as a result of paying dividends on its shares.

A shareholder has the right to request payment of undrawn dividends without regard to the date of the Company's debt creation except where a dividend has not been accrued for the reasons specified in this clause.

~~428.6.~~ The decision on payment of dividends on ordinary shares of the Company shall be made by general meeting of shareholders.

General meeting of Company's shareholders shall be entitled to make a decision on non-payment of dividends on the Company's ordinary shares with its mandatory publication in mass media specified by this Charter within ten business days from the date of decision.

~~438.7.~~ Within 10 (ten) business days from the date of the decision-making on payment of dividends on the Company's ordinary shares, such decision shall be published in the mass media specified by this Charter and on the Company's website unless otherwise provided for by the requirements of stock exchange where the Company's securities are listed on.

Resolution on payment of dividends on shares of the Company shall contain the following information:

- 1) the Company's name, location, bank details and other Company details;
- 2) period the dividends are paid for;
- 3) dividend rate per ordinary, preferred share;
- 4) date of beginning of dividend payments;
- 5) procedure and form of dividend payments.

~~448.8.~~ The size of dividends attributed to preferred shares is at least 25 (twenty-five) tenge, and may not be less than the size of dividends attributed to ordinary shares for the same

period of time.

Dividend payments for ordinary shares shall not be made until full payment of dividends on the Company's preferred shares.

~~458.9.~~ Within 5 (five) business days prior to a dividend payment on preferred shares, the Company is obliged to publish information about such dividend payments including details specified in subclauses 1) through 5) of clause ~~438.7~~ of the Charter in mass media specified by this Charter.

9. BODIES OF THE COMPANY

~~469.1.~~ The Company's bodies shall be as follows:

- 1) the supreme body is general meeting of shareholders;
- 2) the management body is Board of Directors;
- 3) the executive body is Management Board;
- 4) the body authorized to exercise control over financial and economic activities of the Company is Internal Audit Team.

10. GENERAL MEETING OF COMPANY'S SHAREHOLDERS

~~4710.1.~~ General meetings of shareholders shall be held on an annual and extraordinary basis.

~~4810.2.~~ The Company shall be obliged to hold an annual general meeting of shareholders. Other general meetings of shareholders are considered to be extraordinary.

~~4910.3.~~ Approval of annual accounts and annual report of the Company, determination of the procedure for distribution of the Company's net income for the last financial year and dividend rates per ordinary and preferred share as well as consideration of applications of the shareholders in relation to activities of the Company and its officers and results of consideration of such applications shall fall within competence of annual general meeting of shareholders ("AGM").

Chair of the Board of Directors shall inform Company's shareholders about the extent and structure of remuneration of members of the Board of Directors and the Management Board of the Company.

AGM may review any other matters within the competence of general meeting of shareholders.

~~5010.4.~~ AGM is to be convened within 5 (five) months following the end of fiscal year. This period shall be deemed to be extended for up to 3 (three) months in case of impossibility to complete the Company's audit for the accounting period.

~~5110.5.~~ AGM shall be convened by the Board of Directors.

~~5210.6.~~ An extraordinary general meeting of shareholders shall be called by:

- 1) Board of Directors;
- 2) major shareholder.

An extraordinary general meeting of shareholders of the Company if it is under the process of a voluntary liquidation, may be convened, arranged and held by the Company's liquidation committee.

Obligatory convocation of an extraordinary general meeting of shareholders may be

provided for by Laws.

~~5310.7.~~ Arrangement and holding of general meeting of shareholders shall be carried out by:

- 1) Management Board;
- 2) Company's Registrar in accordance with contract signed;
- 3) Board of Directors;
- 4) (if applicable) Company's Liquidation Committee.

~~5410.8.~~ Expenses on convocation, arrangement and holding of general meeting of shareholders shall be borne by the Company except as otherwise provided by [the ActLaws](#).

~~5510.9.~~ An annual general meeting of shareholders may be convened and held in virtue of court decision based on a claim of any person concerned should Company's bodies violate the order of convening annual general meeting of shareholders established by [the ActLaws](#).

An extraordinary general meeting of shareholders may be convened and held as per court decision based on a claim from the major shareholder if the bodies of the Company failed to fulfil shareholder's request to convene an extraordinary general meeting of shareholders.

~~5610.10.~~ Request for convening an extraordinary general meeting of shareholders, including the major shareholder, shall be submitted to the Board of Directors by delivering an appropriate written request containing the agenda of such meeting to the principal place of business of the Company's management board.

The Company's Board of Directors may not amend wording of agenda items or change the proposed order of an extraordinary general meeting of shareholders convened upon request of the major shareholder.

When convening an extraordinary general meeting of shareholders in accordance with submitted request, the Board of Directors may propose any items for inclusion into the agenda of general meeting, at its own discretion.

Should the request for convening an extraordinary general meeting of shareholders come from the major shareholder/shareholders, it shall contain names (corporate names) of the shareholders/shareholder requesting convening of such a meeting, and specification of the number and type of the shares it owns.

A request for convening an extraordinary general meeting of shareholders shall be signed by a person (persons) requesting the extraordinary general meeting of shareholders.

~~5710.11.~~ The Board of Directors shall, within 10 (ten) business days from receipt of the said request, pass a resolution and, no later than 3 (three) business days from the passing of such resolution, send a notice with the resolution passed to convene an extraordinary general meeting of shareholders or to refuse its convening to the person who submitted such request.

A resolution of the Company's Board of Directors to refuse convening an extraordinary general meeting of shareholders upon request of the major shareholder may be passed in case:

- 1) the procedure for submission of a request for convening an extraordinary general meeting of shareholders prescribed by [the ActLaws](#) and this Charter has not been observed;
- 2) items proposed for inclusion into the agenda of an extraordinary general meeting of shareholders do not comply with Laws.

A resolution of the Company's Board of Directors to refuse convening an extraordinary general meeting of shareholders may be litigated.

~~If in case~~ the Company's Board of Directors does not pass a resolution to convene an extraordinary general meeting of shareholders at the submitted request within the ~~period~~ established ~~period by Laws~~, the person requesting to convene it may apply to court with the request to compel the Company to hold an extraordinary general meeting of shareholders.

~~5810.12.~~ Registrar of the Company shall make a list of shareholders authorized to attend general ~~meeting of shareholders~~ and vote at such meeting on the basis of register data of the Company's ~~shareholders~~. The record date shall not be fixed before the date of decision on holding ~~of general meeting of shareholders~~.

Information to be included into the list of shareholders shall be established by the authorized body under Laws.

~~5910.13.~~ If after drawing up the list of shareholders authorized to attend and vote at general meeting of shareholders a person included into this list has made an alienation of its voting shares, the right to take part at general meeting of shareholders shall be transferred to a new shareholder. In such a case, all the documents evidencing the share ownership are to be presented.

~~6010.14.~~ The date and time of holding general meeting of shareholders shall be fixed in such a manner so that the majority of shareholders entitled to attend the meeting could attend it. General meetings of shareholders shall be held in Astana, Kazakhstan.

~~6110.15.~~ Shareholders shall be notified of forthcoming general meeting not later than 30 (thirty) calendar days prior to its holding, and in case of absentee or mixed voting not later than 45 (forty-five) calendar days prior to the date of the meeting.

~~6210.16.~~ A notice of holding of general meeting of shareholders shall be published in Kazakhstanskaya Pravda and/or Yegemen Kazakhstan newspapers as well as in other newspapers subject to the requirements of the listing rules of a stock exchange where ordinary shares of the Company are listed.

Countdown of time provided in clause ~~6110.15~~ of the Charter shall commence from the date of publication of notice of general meeting of shareholders in the mass media as specified in this clause ~~or from the date of sending written messages to the shareholders~~.

~~6310.17.~~ A notice of holding a Company's general meeting ~~must~~shall contain:

- 1) full name and location of the Management Board of the Company;
- 2) information about a person initiating the meeting;
- 3) date, time and venue of general meeting of shareholders, commencement of registration of participants and date/time of the second general meeting of shareholders to be convened in case of failure to conduct the first one;
- 4) record date of the shareholders entitled to attend general meeting of shareholders;
- 5) agenda of general meeting of shareholders;
- 6) procedure of familiarization of shareholders with materials concerning the agenda of general meeting of shareholders;
- 7) proceedings of meetings;
- 8) procedure for voting by correspondence;
- 9) provisions of Kazakh laws whereby the meeting is being held.

A minority shareholder may refer to the Company's registrar to join other shareholders when making a decision on agenda items of general meeting of shareholders.

The procedure for an inquiry by a minority shareholder and for dissemination of information to other shareholders by the registrar of the Company shall be established by an agreement on maintaining the register of security holders.

~~6410.18.~~ The second (rescheduled) general meeting may be called not earlier than the day after the fixed date of the first (adjourned) general meeting of shareholders.

~~6510.19.~~ The venue of the second general meeting of shareholders shall be the same as that of the meeting, which has been adjourned.

~~6610.20.~~ The agenda of the second general meeting of shareholders must not differ from the agenda of the meeting that has been adjourned.

~~6710.21.~~ An agenda of a general meeting of shareholders must be drawn up by the Board of Directors and contain an exhaustive list of particular matters submitted for discussion. No wording with ambiguous meaning may be used in the agenda. This includes the words "miscellaneous", "other", "some" and similar words.

The agenda of the general meeting of shareholders may be supplemented by a shareholder that owns independently or jointly with other shareholders five or percent of voting shares of the Company~~the majority shareholder~~ or by the Board of Directors on the condition that the Company's shareholders have been notified about such supplements not later than 15 (fifteen) days prior to the holding of the general meeting or in the manner established by clause ~~7010.24~~ of the Charter.

~~6810.22.~~ At the opening of a general meeting of shareholders attended in person, the Board of Directors must~~Company Secretary shall~~ report on the received proposals for supplementing the agenda.

~~6910.23.~~ The approval of an agenda of general meeting of shareholders shall be made by a simple majority of votes out of the total voting shares present at the meeting.

~~7010.24.~~ Amendments to the agenda may be introduced if the majority of shareholders (or their representatives) attending shareholders' general meeting holding in aggregate 95% (ninety-five per cent) of voting shares, have voted affirmatively.

The agenda may be amended with an item that, if approved by a resolution, may restrict the rights of the shareholders owning preferred shares, if at least two thirds of the total number of the outstanding (less redeemed) preferred shares have voted in its favour.

If general meeting of shareholders makes a decision by absentee voting, then its agenda may be neither changed nor supplemented.

~~7110.25.~~ General meeting of shareholders may not consider matters that have not been included into its agenda or take any decisions thereof.

~~7210.26.~~ Materials concerning an agenda of general meeting of shareholders shall contain information in volume necessary for making reasonable decisions. The company secretary shall ensure that materials on the agenda items of general meeting are composed.

~~7310.27.~~ Materials on appointment of the Company's bodies (Board of Directors) shall include the following information about proposed candidates:

- 1) last name, first name, (father's name – optional);
- 2) information on education;
- 3) affiliation with the Company;
- 4) work record and positions filled within the last 3 (three) years;

- 5) other information that verifies the qualification and experience of candidates.

In the event the item concerning election of the Company's Board of Directors (election of a new member of the Board of Directors) is included in the agenda of general meeting of shareholders, the materials shall specify a shareholder nominating the candidate member to the Board of Directors and/or whether this person is a candidate for the post of an independent director of the Company. If the candidate to the Board of Directors is a shareholder or an individual specified in the first part of clause ~~112~~^{12.7} of the Charter, then this information shall also be specified in the materials including information about voting shares owned by the shareholder as of the date of making up the shareholders list.

~~74~~^{10.28}. Materials for items on the agenda of annual general meeting of shareholders must include:

- 1) annual consolidated financial statements of the Company;
- 2) audit report accompanying annual consolidated financial statements;
- 3) proposals made by the Board of Directors on distribution of the Company's net profit for the last year and size of dividend per annum per (1) ordinary and (1) preferred share of the Company;
- 4) materials on inquiries made by shareholders in relation to actions of the Company and its officers and results of consideration of such inquiries;
- 5) annual report of the Company, annual report on performance of the Board of Directors and the Management Board;
- 6) any other documents at the discretion of initiator of general meeting of shareholders.

~~75~~^{10.29}. Annual report of the Company shall be prepared by the Management Board of the Company then approved and submitted by the Company's Board of Directors to general meeting of shareholders for consideration.

Annual report of the Company as the minimum shall include audited financial statements, report on significant events of the Company's performance for the past period as well as description of responsibility of Company's officers for the credibility of statements made in the Company's annual report.

The approved annual report of the Company shall be posted to the Company website.

~~76~~^{10.30}. Materials for items on agenda of a general meeting of shareholders shall be prepared and accessible for shareholders' review at the location of the Company's Management Board not later than 10 (ten) days before the meeting, and upon the request of a shareholder shall be sent to it within 3 (three) business days since the request was submitted. ~~A;~~^a a shareholder shall bear expenses connected with copying and delivering of documents.

~~77~~^{10.31}. General meeting of shareholders shall be entitled to consider and take decisions on agenda items if ~~upon completion of~~^{after the} registration of ~~the~~ meeting attendants ~~is over~~, shareholders or their representatives included into the list of shareholders entitled

to attend and vote at such meeting holding in aggregate 50 (fifty) or more per cent of the Company's voting shares have been registered (quorum).

7810.32. The second general meeting of shareholders that is taking place instead of the one that had been adjourned shall be entitled to address agenda items and take decisions on those items, if:

- 1) the procedure has been observed for convocation of a general meeting of shareholders that had been adjourned because of there being no quorum;
- 2) by the time the registration of the meeting attendants is over, shareholders or their representatives that jointly own forty (40) or more percent~~included into the list of voting shares of the Company~~shareholders, and also shareholders voting by absentee ballots, ~~holding 15 (fifteen) or more per cent of the Company's voting shares are registered.~~

7910.33. If absentee ballots are sent to shareholders, votes shown in those ballots and received by the Company by the time of registration of participants of the general meeting shall be taken into account when determining quorum and summing up the results of voting.

If there is no quorum at a general meeting of shareholders held through absentee voting, no further general meeting of shareholders shall be held.

8010.34. A shareholder shall be entitled to attend a general meeting of shareholders and vote on matters under consideration personally or through its representative.

Members of the Company's Management Board shall not be allowed to act as representatives of shareholders at a general meeting of shareholders. Employees of the Company shall not be allowed to act as representatives of shareholders at a general meeting of shareholders unless such representation is based on a power of attorney containing clear instructions on voting with respect to all items on the agenda of general meeting of shareholders.

A shareholder representative acts by virtue of power of attorney issued in compliance with Laws.

8110.35. Power of attorney is not required for attending a general meeting of shareholders and voting for reviewed matters for a person who has the right according to Laws or contract to act without a power of attorney on behalf of a shareholder and to represent its interests.

8210.36. The procedure for holding a general meeting of shareholders shall be determined in accordance with the Act~~Laws~~, this Charter, the Code or directly by decision of general meeting of shareholders.

8310.37. Before the general meeting of shareholders is opened, all shareholders/their representatives shall be registered. A shareholder's representative shall produce a power of attorney to confirm his/her authorities to attend and vote at the general meeting of shareholders.

A shareholder or shareholder's representative that has failed to be registered, shall be disregarded in determining quorum and shall not be authorized to take part in voting.

Holder of Company's preferred shares shall have the right to attend a general meeting

of shareholders in person and shall be authorized to participate in discussions of considered matters thereat but shall have no right to vote except for cases provided for by the Act in clause 7.4 hereof.

Invited persons may attend a general meeting of shareholders attended in person. Such persons with the permit of the Chair shall have the right to deliver a speech.

8410.38. A general meeting of shareholders shall be opened in the announced time in presence of a quorum.

A general meeting of shareholders may not be opened earlier than the announced time, except when all shareholders or their representatives have already been registered and notified and have no objections against change of the meeting's opening time.

If within 1 (one) hour after the time set for the commencement of the meeting a quorum is not present, the meeting shall be postponed and called again on a date and time specified in the notice of meeting to be held.

8510.39. General meeting of shareholders shall elect Chair (Presidium).

General meeting of shareholders shall determine a voting procedure, either open or secret (by ballots). Voting on election of Chair (Presidium) of general meeting of shareholders shall be done on a one share-one vote method with a decision to be taken by a simple majority of votes out of the total number of voting shares of the Company involved in the voting and entitled to vote. Members of the Management Board shall not be authorized to chair a general meeting of shareholders except when all attendants are members of the Management Board.

The Company Secretary shall act as Secretary of general meeting of shareholders.

8610.40. In the course of general meeting of shareholders its Chair shall have the right to put to vote a proposal on closure of debates with respect to the matter under consideration as well as on changing the way of voting thereon.

Chair may not prevent persons authorized to participate in discussions on agenda items from delivering their speeches, except when such speeches result in breach of a meeting time-limit or when debates over such issue have been closed.

8710.41. General meeting of shareholders shall be entitled to make decisions on a break or extension of the meeting including postponing the consideration of certain items on the agenda of the general meeting of shareholders to the next day, provided that a relevant record in the minutes from the meeting is made.

8810.42. General meeting of shareholders shall be declared closed only after all items on the agenda have been addressed and decisions on those items have been made.

8910.43. The Secretary of general meeting of shareholders shall be responsible for integrity and accuracy of any information recorded in the minutes from general meeting of shareholders.

9010.44. Decisions at a general meeting of shareholders may be taken through absentee voting. Absentee voting may be applied alongside with voting of shareholders attending general meeting of shareholders (mixed voting), or without convocation of general meeting of shareholders.

9110.45. At absentee voting, standard ballots for voting shall be circulated among people that have been included into the list of shareholders.

The Company may not selectively send voting ballots to individual shareholders for the purpose of affecting the results of voting at a general meeting of shareholders.

9210.46. Voting ballots are to be forwarded to all people that have been included into the list of shareholders not later than 45 (forty-five) days prior to a general meeting of shareholders. If absentee voting takes place without holding a general meeting of shareholders, the Company shall publish an absentee voting ballot along with a notice on holding of general meeting of shareholders in the mass media specified in clause 10.16 of the Charter.

9310.47. A ballot for absentee voting shall contain:

- 1) full name and location of the Company's Management Board;
- 2) information about the initiator of the meeting to be convened;
- 3) final date of submission of ballots for absentee voting;
- 4) date on which general meeting of shareholders will be held or the date on which the absentee votes will be counted without holding a general meeting of shareholders;
- 5) agenda of general meeting of shareholders;
- 6) names of candidates proposed for election, if the agenda of general meeting of shareholders contains matters regarding the election of members to the Board of Directors;
- 7) wording of matters to be voted for;
- 8) voting options for each item on the agenda of general meeting of shareholders, stated by words "for", "against" and "abstained";
- 9) an explanation of the voting procedures (filling out of ballot) for every item on agenda.

9410.48. An absentee ballot is to be signed by a shareholder as an individual, with specification of personal identification details.

An absentee ballot for shareholder as a legal entity shall be signed by its head and affixed with the seal of such legal entity.

A ballot without the signature of a shareholder as an individual or the head of a shareholder which is a legal entity as well as without seal affixed by such shareholder being a legal entity shall be considered invalid, if any.

The votes on the ballot shall be counted provided that a shareholder observed the voting procedures thereof subject to the ballot and has marked only one possible voting option.

9510.49. If the agenda of general meeting of shareholders includes items regarding the election of members to the Board of Directors, the ballot for absentee voting shall contain a space for indication of the number of votes given for individual candidates.

9610.50. If a shareholder, who had earlier forwarded an absentee ballot, arrives at general meeting of shareholders and participates in mixed voting, his/her ballot shall not be taken into account when determining the quorum of general meeting of shareholders and when counting votes on the agenda items.

9710.51. Voting at a general meeting of shareholders shall be conducted on a *one share-one vote* principle, unless:

- 1) maximum number of votes is limited for shares granted to one shareholder in cases stipulated by the legislative acts of the Republic of Kazakhstan;
- 2) cumulative voting in electing members to the Board of Directors takes place;
- 3) each person authorized to vote at a general meeting of shareholders is granted 1 (one) vote over procedural matters of a general meeting of shareholders.

Following the results of voting the counting commission shall draft and sign the minutes on the result of voting.

If a shareholder has a special opinion on an item put to vote the Company's counting commission is obliged to make a relevant record in the minutes.

Once the minutes on results of voting have been prepared and signed, completed ballots for secret voting in person and for absentee voting (including cancelled ballots), on the basis of which the minutes were drafted, are to be bound together with minutes and kept in the Company.

The minutes on voting results are to be attached to minutes from general meeting of shareholders.

The results of the voting shall be announced at the general meeting of shareholders during which voting was taken.

The results of the voting at a general meeting of shareholders or the result of absentee voting shall be brought to notice of shareholders by publishing such results in the mass media specified in clause ~~62~~10.16 of the Charter within 15 (fifteen) calendar days after closing of the general meeting of shareholders.

~~98~~10.52. The minutes from general meeting of shareholders shall be drafted and signed within 3 (three) business days following the meeting closure.

~~99~~10.53. The minutes from general meeting of shareholders shall specify:

- 1) full name and location of the Company's Management Board;
- 2) date, time and venue of general meeting of shareholders;
- 3) information about the number of voting shares of the Company presented at a general meeting of shareholders;
- 4) presence/absence of quorum for a general meeting of shareholders;
- 5) agenda of general meeting of shareholders;
- 6) voting procedure at a general meeting of shareholders;
- 7) Chair (presidium) and Secretary of general meeting of shareholders;
- 8) the number and speeches of people that attended the general meeting of shareholders;
- 9) the total number of shareholders' votes on each agenda item of general meeting of shareholders put to vote;
- 10) items put to vote and results of voting thereon;
- 11) resolutions made by general meeting of shareholders.

In the event of consideration of the item concerning election of the Company's Board of Directors (election of a new member to the Board of Directors) at a general meeting of shareholders the minutes from such general meeting shall record which shareholder the elected member of the Board of Directors represents and/or which of the elected members of the Board of Directors is an independent director.

~~100~~10.54. The minutes from general meeting of shareholders shall be signed by:

- 1) Chair (members of Presidium) of general meeting of shareholders and Company Secretary;
- 2) members of the Counting Commission;
- 3) shareholders holding 10 (ten) or more per cent of voting shares in the Company and attending a general meeting of shareholders;

If a person authorized to sign minutes cannot do it, the minutes shall be signed by his/her representative on the basis of the power of attorney issued on his/her name or by a person authorized in accordance with Laws or agreement to act without the power of attorney on behalf of the shareholder or represent its interests.

~~10110.55.~~ Should any person, referred to in clause ~~10010.54~~ of the Charter, disagree with the content of the minutes, the above person shall be entitled to refuse to sign the minutes presenting reasons for such refusal in writing which should be attached to the minutes.

~~10210.56.~~ Minutes from general meeting of shareholders shall be bound together with minutes on the result of voting, powers of attorney authorizing attendance and voting at a general meeting, as well as signatory and written explanations of those who refused to sign the minutes indicating reasons for such refusal. These documents shall be kept by the Management Board of the Company and shall be provided to shareholders for consideration at any time. If requested, a shareholder shall be given a copy of minutes from general meeting of shareholders.

11. COMPETENCE OF GENERAL MEETING OF SHAREHOLDERS

~~10311.1.~~ The following matters fall within the exclusive competence of general meeting of shareholders:

- 1) introduction of amendments to the Charter or approval of amended and restated Charter;
- 2) voluntary reorganization or liquidation of the Company;
- 3) decision-making on increase in number of authorized shares of the Company, determining their type or any change of type of unplaced authorized shares of the Company;
- 4) stipulation of conditions and procedures for conversion of securities of the Company and variation thereof;
- ~~541)~~ decision-making on issuance of securities convertible into ordinary shares of the Company;
- ~~642)~~ decision-making on swapping of placed shares of one type for shares of another type, stipulation of conditions and procedure for such swap;
- ~~75)~~ decision-making on temporary or permanent removal of securities of the Company from the official stock exchange list where they are listed on;
- ~~86)~~ introduction of amendments to the Code or approval of amended and restated Code;
- ~~97)~~ determination of the number of members and terms of office of the counting commission of general meeting of shareholders as well as election of members of the counting commission and their removal;
- ~~108)~~ determination of the number of members and terms of office of the Board of Directors, election of its members and their removal, approval of the Terms of Reference for the Board of Directors as well as determining the amount and terms of remuneration of and reimbursement of members of the Board of Directors for any expenses they may bear while discharging their duties;
- ~~119)~~ appointment of an audit firm to audit the Company;
- ~~1210)~~ approval of annual consolidated financial statements and annual report of the Company;
- ~~1311)~~ approval of a procedure for distribution of net income of the Company for

reporting financial year, decision-making on payment of dividends on ordinary and preferred shares, and approval of the dividend rate per 1 (one) ordinary and 1 (one) preferred share of the Company;

~~1412)~~ decision-making on non-payment of dividends on ordinary shares of the Company;

~~1513)~~ decision-making on conclusion of Company's related party transactions if such decision may not be taken by the Board of Directors of the Company under the Act.

~~1614)~~ specification of the form of notification of shareholders concerning calling of general meetings and decision-making on publication of such information in mass media;

~~1715)~~ approval of methods for valuation of shares when repurchased by the Company at over-the-counter market as well as introduction of amendments thereto;

~~1816)~~ decision-making on granting of share options to members of the Board of Directors (except for CEO (Chair of the Management Board) and independent non-executive directors);

~~1917)~~ approval of agenda for general meeting of shareholders;

~~2018)~~ approval of decision on acquisition by the Company of any share in subsoil use rights in the Republic of Kazakhstan (by way of acquisition of a participation share in the relevant legal entity owing such subsoil rights or otherwise) provided that such acquisition was assumed by the Company at the time of listing of its securities on the London Stock Exchange as expressly disclosed in the prospectus relating to the listing of such securities on the London Stock Exchange;

~~19)~~ decision-making on participation of the Company in creation of or in activities of other legal entities or withdrawal from members/shareholders or other legal entities by transfer (receipt) of a part or a number of parts of its assets totalling 25 (twenty-five) per cent or more of all the assets belonging to the Company ~~in accordance with the recent financial report published on the stock exchange.~~

~~21)~~ decision-making on closure of a major transaction by the Company that would result in alienation of property that costs fifty (50) or more percent of the total value of the Company's assets as at the date of decision on the transaction resulting in fifty or more percent; and

~~2220)~~ other matters within the exclusive competence of general meeting of shareholders subject to Laws and/or the Charter.

~~10411.2.~~ Resolutions of general meeting of shareholders on matters subject to ~~subclauses 1) through 3), 5), 6) and 15) of clause 21 of Article 3611.1 of the Act must~~ Charter shall be adopted by a qualified majority out of the total number of voting shares of the Company.

Resolutions of general meeting of shareholders on other matters shall be made by a simple majority of votes out of the total number of voting shares of the Company that are present at the meeting and entitled to vote thereon, unless otherwise required by the Act ~~Charter~~.

~~10511.3.~~ No delegation of decision-making authorities on matters that fall within exclusive competence of general meeting of shareholders to other bodies, officers or employees of the Company is allowed unless otherwise provided for by the Act and other Kazakh laws ~~Laws~~.

~~10611.4.~~ General meeting of shareholders has the right to cancel any decision made by other bodies of the Company on matters related to internal activities of the Company.

12. BOARD OF DIRECTORS

~~107~~~~12.1.~~ The Board of Directors shall be responsible for general management of the Company's activities except for matters referred by ~~the Act~~Laws and/or the Charter to the exclusive competence of ~~a~~ general meeting of shareholders. Each member of the Board of Directors shall act at all times in the best interests of the Company and its shareholders.

The Board of Directors must:

- 1) keep track of, and, where possible, eliminate any potential conflict of interest at the level of officers and shareholders including misuse of Company's property and abuse of related party transactions;
- 2) exert control over effectiveness of corporate governance practice within the Company.

~~108~~~~12.2.~~ The Board of Directors has exclusive authority over the following matters:

- 1) determination of priority areas of business of the Company;
- 2) decision-making regarding calling of annual and extraordinary general meetings of shareholders;
- 3) decision-making on placement/disposal of and the number of the Company's shares to be placed/disposed of within the number of authorized shares and procedure for placement/disposal and determination of price;
- 4) decision-making on purchase of placed shares or other securities by the Company and their purchase price;
- ~~55)~~ ~~decision making on buyback by the Company of its shares from shareholders on a disproportionate basis (except for purchase of such shares on securities markets);~~
- ~~6)~~ preapproval of annual consolidated financial statements of the Company, endorsement of annual report of performance of the Board of Directors and the Management Board of the Company;
- ~~67)~~ endorsement of the Charter, the Code and amendments thereto;
- ~~78)~~ setting terms of issue of bonds and derivative securities of the Company as well as decision-making on their issuance;
- ~~89)~~ approval of prospectus for the listing of the Company's securities on a stock exchange;
- ~~940)~~ determination of the number, term of office of the Company's Management Board, approval of its regulations, election of Chief Executive Officer (Chair of the Management Board) and members of the Management Board, as well as their removal;
- ~~1011)~~ giving recommendations to general meetings of shareholders as to the amount and terms of payment of remuneration and bonuses to members of the Board of Directors;
- ~~1112)~~ fixing official salary and wage conditions and bonus payment, decision-making as to imposition of disciplinary penalty on Management Board members;
- ~~1213)~~ establishing of Company's internal controls and their compliance monitoring as well as approval of ~~the~~ annual action plan for the Internal Audit Team;
- ~~13)~~ ~~14)~~ ~~as advised by internal audit committee,~~ determination of the number of people to be elected to the Internal Audit Team, their term of powers, appointment of its head and members, and ~~and~~ their removal;

- 15) ~~as advised by internal audit committee,~~ determination of working procedure of the Internal Audit Team, the ~~terms of reference and functions,~~ the amount and terms of remuneration and bonuses for the Internal Audit Team, and, decision-making on disciplinary penalty for ~~employees of~~ the Internal Audit Team;
- 1416) election of, determination of the term of office of company secretary; removal, approval of terms of reference for the company secretary as well as salary adjustment and compensation terms; decision-making as to imposition of disciplinary penalty on the company secretary;
- 1517) setting fees to audit firm for audit of financial statements and appraisal services for asset valuation either transferred as payment for shares of the Company or being a subject of major transaction;
- 1618) determination of procedure for the use of capital reserves of the Company, if any;
- 1719) approval of documents regulating internal activities of the Company, a list of such documents to be approved by the Board of Directors of the Company, including an internal document establishing the conditions and procedure for placement of securities of the Company by holding an auction and/or subscription;
- 1819-1) decision-making on matters as resolved by general meeting of shareholders and the Board of Directors (including as stipulated by internal documents approved by the said bodies) except for matters that are within the remit of the Management Board~~executive body~~ and general meeting of Company's shareholders under the Act and/or the Charter;
- 1920) decision-making on establishing and closing of branches and representative offices, separate business units of the Company, and approval of terms of reference concerning such branches and representative offices;
- 2021) decision-making on acquisition (disposal) by the Company of 10 (ten) or more percent of shares (participation shares in charter capital) in other legal entities;
- 21-4) decision-making in respect of activities that relate to the remit of the general meeting of shareholders/members of legal entities in which 10 (ten) and more percent of shares (interest in the charter capital) are owned by the Company;
- ~~2222) selection of a registrar of the Company if the contract with previous registrar of the Company is terminated; has been removed on 6 November 2012.~~
- 23) determination of information concerning the Company and its activities constituting official, commercial or other secrets protected by law;
- 2324) making a decision on closing a major transaction by the Company under Kazakh laws except for a major transaction that should be decided by general meeting of shareholders pursuant to subclause 21) of clause 103 of the Charter;
- 2425) making a decision on closing a related party transaction of the Company except for those transactions over which the Management Board has authority under the Charter;
- 2526) decision-making on increase in the Company's liabilities for the amount equal to 10 (ten) per cent or more of the equity capital of the Company;
- 26) decision-making on 27) — acquisition, transfer/assignment by the Company (or by any of its affiliates or jointly controlled entities) of subsoil use rights; licenses and contracts in the Republic of Kazakhstan or elsewhere, introduction of amendments to subsoil usesuch licenses and contracts (except for amendments to such contracts to do with amendments to laws or regulations of the Government of Kazakhstan, change of details of the parties or formal revision; signing a contract/agreement on joint operations with a strategic partner to jointly implement a subsoil use contract, for the Company to hand back to the government a license area under Kazakh subsoil laws;);

- ~~2728)~~ approval of the strategy and the strategic development plan of the Company;
 - ~~2829)~~ approval of stand-alone and/or consolidated annual budget and business plan of the Company;
 - ~~2930)~~ making a recommendation~~recommendations~~ to general meeting of shareholders on ~~the~~ procedure for distribution of net income of the Company for past financial year and on the amount of dividends to be paid per ordinary share and preferred share of the Company paid by the Company at year-end;
 - ~~3031)~~ establishment of a committee or other body of the Board of Directors, determination of procedures for their formation, composition, activity and terms of reference, as well as approval of the terms of reference thereof;
 - ~~3132)~~ control over~~of~~ compliance with the Listing Rules of the stock exchange on which the Company's stock has been admitted to trading;
 - ~~3233)~~ approval of a resolution on temporary or permanent delisting of Company's securities from the official list of the stock exchange where the Company's securities are listed on;
 - ~~3334)~~ decision-making on involvement of the Company in establishment of other organizations;
 - ~~3435)~~ approval of any share option plans or long-term incentive plans for officers and employees of the Company;
 - ~~3536)~~ decision-making on granting share options or award under the Company's share option plans and long-term incentive plans of the employees, except for options granted to members of the Board of Directors (with the exception of Chief Executive Officer (Chair of the Management Board) and independent non-executive directors);
 - ~~3637)~~ endorsement of voluntary liquidation or reorganization of the Company;
 - ~~3738)~~ endorsement of social expenditures of the Company (except for the expenditures required by Laws or existing agreements);
 - ~~3839)~~ approval of staff~~/total~~ headcount of the head office employees of the Company;
 - ~~3940)~~ approval of accounting policy of the Company;
 - ~~40-1)~~ determination of ~~the~~ strategy and ~~the~~ policy on risk management of the Company;
 - ~~40-2)~~ ~~review matters specified in the Treasury Policy of KazMunaiGas Exploration Production JSC;~~
 - 41) other matters stipulated by Laws, ~~listing rules of the relevant stock exchange~~, and/or the Charter that are not within the exclusive competence of general meeting of shareholders including matters that are within the competence of the Company's Board of Directors by documents approved by Samruk Kazyna under Laws.
- Matters specified in subclauses 1), ~~19)~~, 20), ~~23)~~, 28), ~~3321)~~, ~~24)~~, ~~29)~~, 34), ~~35)~~, and ~~3839)~~ of this clause of the Charter and those that have been submitted to the Board of Directors -for consideration are subject to preliminary approval by the Management Board of the Company.

10912.2 1. — The Board of Directors shall:

- ~~1) track and, to the extent possible, eliminate any conflict of interests between officers and shareholders, including misuse of property of the Company and abuse when closing related party transactions;~~
- ~~2) exercise control over effective use of corporate governance practice within the Company.~~

~~12.3.~~ In order to review the most important matters and develop recommendations for the Board of Directors, ~~the following~~ committees ~~must~~^{shall} be established within the Company. The committees should address the following matters:

- 1) strategic planning;
- 2) human resources and compensation;
- 3) ~~remuneration~~;
- 4) internal audit;
- 45) social matters; and
- 56) ~~business planning~~;
- 7) ~~corporate governance~~; and
- 8) other matters provided for by ~~Laws and~~ internal documents of the Company.

A committee under the Board of Directors shall consist of members of the Board of Directors and experts that possess necessary professional skills to be able to work in a specific committee. ~~A committee under the~~ The Board of Directors ~~shall be chaired~~^{may engage experts out of employees of the Company having necessary knowledge, as advised by a member of the Management Board of the Company. The Board of Directors. The committees described in items 1 through 4 hereof should be chaired by the independent directors} ~~may make a resolution to engage other individuals as experts.~~

~~No head of executive body may chair of a~~ A committee under the Board of Directors ~~shall be chaired by a member of the Board of Directors who is not chair of the Company's Management Board. The committees described in items 1 through 5 hereof should be chaired by the independent directors.~~

The manner in which those committees should be established and perform, the number of people within those committees, and the manner in which they should interact with the Company's Board of Directors should be stipulated by internal documents of the Company~~drafted according to the best practice used by listed companies worldwide, and should be~~ approved by the Board of Directors.

~~110.12.4~~ Matters within the exclusive competence of the Board of Directors may not be transferred to the decision of the Management Board of the Company.

The Board of Directors may not make resolutions on matters which in accordance with the Charter fall within the competence of general meeting of shareholders and of the Management Board, and make resolutions contradicting any decisions of the general meeting of shareholders.

~~11112.5.~~ ~~Resolutions of the Board of Directors on matters specified in subclauses 3), 5), 7), 14), 24), 26), 27), 31), 33), 37), and 38) of clause 12.2 of the Charter must be adopted by a majority vote of the members of the Board of Directors including majority vote of independent non-executive directors.~~

~~When reviewing any matter stipulated herein, the independent directors:~~

- 1) ~~may, at the expense of the Company, seek advisory services from professional advisers (including legal and financial advisers) with respect to such provisions that they think necessary;~~
- 2) ~~shall undertake to act in good faith, in a reasonable and right manner in compliance with requirements of Laws, ethical principles, and the rules of business ethics in the best interest of the Company's shareholders as a whole.~~

~~12.6.~~ Only an individual may be a member of the Board of Directors.

Members of the Board of Directors must be elected from amongst:

- 1) shareholders who are individuals;
- 2) persons proposed/recommended to be elected to the Board of Directors as representatives of the shareholders;
- 3) other persons (subject to limitations provided for by [Laws and/or clause 12.8 of the Charter](#)).

Members of the Board of Directors shall be elected by cumulative voting with the use of voting ballots except in cases where one candidate stands for a single post in the Board of Directors. Each shareholder may give votes, according to the number of shares it has, all to 1 (one) candidate or distribute them between several candidates to the Board of Directors. Candidates having the majority of votes are considered to be elected members of the Board of Directors. If two or more candidates gain an equal number of votes then a further cumulative voting with provision of cumulative voting ballots to shareholders with indication of tied candidates.

Cumulative voting ballot shall contain the following columns:

- 1) list of candidates for members of the Board of Directors;
- 2) number of shareholder's votes;
- 3) number of votes given by a shareholder for a candidate for members of the Board of Directors.

Voting options "against" and "abstained" shall not be included in cumulative voting ballot.

[11212.7.](#) A member of the Board of Directors may be elected from individuals who are neither shareholders of the Company nor proposed/recommended for election to the Board of Directors as persons representing the shareholders. ~~The number of such persons may not exceed one half of the members of the Board of Directors.~~

At least ~~30~~ (thirty) percent of the members of the Board of Directors shall be independent directors.

[11312.8.](#) Members of the Management Board except for its Chair may not be elected to the Board of Directors. The Chair of the Management Board may not be elected as Chair of the Board of Directors as well as Chair of any committee of the Board.

[11412.9.](#) The number of members of the Board of Directors shall (in the absence of casual vacancies) include at least 8 (eight) persons, including independent directors and Chief Executive Officer (Chair of the Management Board).

[11512.10.](#) No person may be a member of the Board of Directors that:

- 1) does not have higher education or secondary professional education;
- 2) has an outstanding conviction not cancelled or lifted in accordance with established legal procedure;
- 3) had been earlier an executive employee (Chair of the Board of Directors, Chief Executive Officer (Chair of the Management Board), Deputy CEO, Chief Accountant) of any legal entity which was declared bankrupt or exposed to mothballing, readjustment, compulsory liquidation during the term of office of such person. This requirement has its effect within five years from the date of decision on bankruptcy, readjustment, compulsory liquidation was taken;

- 4) had earlier been an officer of a stock corporation which was found guilty by the court of crimes against property, in business activity or against the interests of service in commercial (profit-making) or other organizations, as well as those released from criminal responsibility based on grounds which do not vindicate it for the above crimes. This requirement has its effect within five years from the date of cancellation or clearing of the criminal record.

No individual, that had earlier been a public officer and had, in virtue of their job duties, the powers to exert control over and supervise performance of the Company on behalf of the state, may be elected to the Company's Board of Directors during one year since such job duties have been terminated.

11612.11. A person that has been elected to the Board of Directors may be re-elected any number of times ~~under unless~~ Laws ~~and the Charter~~ state otherwise.

Members of the Board of Directors must be elected for three years, and may, providing they demonstrate good performance, be re-elected for another three years.

Any term for which a member of the Board of Directors is elected to the Board of Directors for the term of over six years (for instance, two times for three years) is subject to special consideration where it should be considered if the members of the Board of Directors should be replaced.

An independent director may be elected to the Board of Directors for nine consecutive years. In exceptional circumstances, they may serve more than nine years. The election of an independent director to the Board of Directors must be done annually with detailed description of the need to elect the said member to the Board of Directors and of the impact this election might have on the independence of decision-making.

11712.12. The term of office of the Board of Directors is established by general meeting of shareholders.

The term of office of the Board of Directors shall expire at the moment of holding of the general meeting where the new Board of Directors is elected.

11812.13. The general meeting of shareholders may remove all or any member of the Board of Directors.

~~12.14. Removal of a member of the Board of Directors on his/her initiative is conducted on the basis of written notice to Board of Directors.~~

The powers of such member of the Board of Directors ~~terminate~~ are terminated from the date of resolution of general meeting of shareholders to terminate the powers of such member.

119. A member of the Board of Directors may be resign from the Board of Directors only by virtue of written notice served to Board of Directors.

The powers of such member of the Board of Directors terminate upon ~~moment of~~ receipt of such notice by the Board of Directors.

12012.15. If any member of the Board of Directors is removed, a new member of the Board of Directors ~~must~~ shall be elected by cumulative voting of shareholders present at general meeting, provided that powers of such newly elected member of the Board of Directors shall be terminated concurrently with expiration of term of office of the Board of Directors as a whole.

12112.16. The Chair of the Board of Directors shall be elected from its members by a majority of vote of the total number of members of the Board of Directors by open voting.

12212.17. The Chair of the Board of Directors shall:

- 1) arrange activities of the Board of Directors;

- 2) conduct meetings of the Board of Directors;
- 3) convene meetings of the Board of Directors and chair such meetings;
- 4) ~~sign on behalf of the Company~~ employment contract with the Chief Executive Officer (Chair of the Management Board) on behalf of the Company, and exercise rights and obligations;
- 5) ~~approves job description for head of the employer with respect to the Chief Executive Officer (Chair of the Management Board) under Kazakh labour laws and under this Charter, and do any other action under Laws; Internal Audit Team.~~
- 5) plans a meeting of the Board of Directors and draws up an agenda with due consideration of comments made by other members of the Board of Directors and requests to convene a meeting of the Board of Directors;
- 6) exerts control over proper implementation of decisions made by the Board of Directors and general meeting of shareholders.

12312.18. If the Chair of the Board of Directors is absent, his functions shall be fulfilled by one of the members of the Board of Directors upon resolution of the Board of Directors made by majority votes of its members attending the meeting.

12412.19. A meeting of the Board of Directors may be convened on the initiative of the Chair of the Board of Directors or by the Management Board or upon request of:

- 1) any member of the Board of Directors;
- 2) the Internal Audit Team of the Company;
- 3) an auditor auditing the Company;
- 4) major shareholder.

12512.20. The request for convening the meeting of the Board of Directors with appropriate materials enclosed shall be submitted to the Chair of the Board of Directors by sending an appropriate written notice, containing the proposed agenda for the meeting of the Board of Directors.

If the Chair of the Board of Directors declines to convene the meeting, the initiator may apply with same request to the Management Board of the Company which is obliged to convene the meeting of the Board of Directors.

The meeting of the Board of Directors shall be convened by the Chair of the Board of Directors or the Management Board within ten (10) calendar days from the date of receipt of the request to convene the meeting was received. ~~Such meeting shall be held with the mandatory invitation of the person who made such request.~~

Such meeting shall be held with mandatory invitation of the person who made such request.

12612.21. The procedure for submission of notices on holding a meeting of the Board of Directors to ~~the~~ members of the Board of Directors is determined by the Board of Directors.

The agenda of ~~a~~the meeting of the Board of Directors in person must be approved by the majority of votes of ~~the~~ members of the Board of Directors present at the meeting, ~~including the majority of votes of independent directors.~~ The agenda of ~~a~~the meeting of the Board of Directors may be amended, if all ~~the~~ members of the Board of Directors, including the independent directors, have voted~~vote~~ for ~~their~~the introduction ~~thereto~~.

127. 12.21-1. Materials on agenda items must be submitted to members of the Board of Directors at ~~—~~least seven (7) calendar days prior to the meeting, or, if it is a meeting by correspondence, until the end date of acceptance of absentee ballots.

The manner in which materials for an agenda of a meeting of the Board of Directors should be prepared is governed by Terms of Reference of the Board of Directors.

If ~~the~~ closure of a major transaction or a related party transaction or of related party transactions is being contemplated, then the information in materials for agenda of meeting of Board of Directors about such transaction or transactions must include details about the parties to such transaction, the term of the transaction and its conditions, the nature of and shares of parties concerned, and report of appraiser (in the event property of 10 (ten) or more percent from Company's assets is to be acquired or alienated).

12812.22. A member of the Board of Directors shall notify the Management Board of the Company of his/her impossibility to attend the meeting of the Board of Directors in advance.

12912.23. Members of the Board or of any committee of the Board of Directors as well as experts may attend a meeting of the Board of Directors or such committee by means of a conference call or any other communication media allowing all persons to attend the meeting to hear each other and speak to each other. Members of the Board of Directors participating by such means shall be deemed present in person at the meeting and shall be entitled to vote or be counted in a quorum in accordance with the Charter. Such meeting would be a physical meeting of the Board of Directors~~provisions of the Charter.~~

13012.24. The quorum required for duly authorized meeting of the Board of Directors is at least half~~shall be 2/3 (two thirds) out~~ of the total number of members~~membership~~ of the Board of Directors, ~~including at least 2/3 (two thirds) of independent non-executive directors.~~

If the total number of members of the Board of Directors is not sufficient for the quorum, the Board of Directors shall convene an extraordinary general meeting of shareholders for the election of new members of the Board of Directors. The remaining members of the Board of Directors may make a resolution only on convening of such extraordinary general meeting of shareholders.

In the event the Board of Directors should make a resolution on related party transaction, the quorum for a such resolution shall be at least 2 (two) members of the Board of Directors, not related to (or deem to be so) such transaction. The resolution on conclusion of such transaction is made by simple majority of votes of members of the Board of Directors present at the meeting and not related to such transaction.

A resolution by correspondence is deemed adopted if a quorum is present based on ballots received on time. The time for presenting ballots is at least seven (7) calendar days from the date it was received by a member of the Board of Directors.

131. 12.25. Each member of the Board of Directors shall have 1 (one) vote. Resolutions of the Board of Directors shall be made by simple majority of votes of the members of the Board of Directors present at the meeting unless otherwise stipulated by ~~Laws and the Act~~Charter. The transfer of voting rights by a member of the Board of Directors of the Company to any person, including other members of the Board of Directors is not allowed. Members of the Board of Directors may not elect an alternate director to attend any meeting of the Board of Directors in their absence.

Upon a tied vote the vote of the Chair of the Board of Directors or the person presiding at the meeting of the Board of Directors shall be decisive.

In the event of entire or partial disagreement of a member of the Board of Directors with a resolution made by the Board of Directors, he/she shall set forth the disagreement in the form of dissenting opinion on the item put to vote which is recorded by company secretary in the minutes from the meeting of the Board of Directors in person. In the event of decision-making by the Board of Directors by absentee voting, the dissenting opinion of a member of the Board of Directors shall be expressed in writing and attached to the filled in ballots.

13212.26. The Board of Directors may decide to hold a closed meeting which may be attended only by Board members.

13312.27. At the discretion of the Chair of the Board of Directors of the Company, resolutions on matters put to meetings may be made by absentee vote. In such a case the ballots may be used for voting on the agenda items. Resolutions made by absentee vote shall be deemed taken if there is a quorum in the ballots received by due date.

A resolution must be submitted to members of the Board of Directors within twenty (20) calendar days from the date of its execution with copies of ballots attached that served as the basis for adopting the resolution.

The resolution of an absentee vote of the Board of Directors must be in writing and signed by the company secretary and the Chair of the Board of Directors. ~~It must be submitted to members of the Board of Directors within twenty (20) days from the date of its execution with copies of ballots attached that served as the basis for adopting the resolution.~~

~~134No meeting of the Board of Directors by correspondence may be held when a decision is to made on a top priority business of the Company, when electing a chair of the Board of Directors, or any other matter determined by the Board of Directors.~~

12.28. Resolutions of the Board of Directors made at a formal meeting must be executed by minutes which must be prepared and signed by the person that was chairing the meeting and by the company secretary of the Board of Directors within 3 (three) days of such meeting and shall contain:

- 1) full name and location of the Management Board of the Company;
- 2) date, time and venue of meeting;
- 3) information about people that attended the meeting;
- 4) agenda of the meeting;
- 5) items put to vote and results of the voting on those items with voting results of each member of the Board of Directors disclosed on each item on the agenda of the Board of Directors' meeting;
- 6) dissenting opinion of members of the Board of Directors, if any;
- 7) decisions made;
- 8) other information upon resolution of the Board of Directors.

A transcript and audio recording of meeting of the Board of Directors must be appended to, and is deemed to be an integral part of, signed off minutes that contain speeches of people that attended the meeting of the Board of Directors.

Resolutions of the Board of Directors made at a formal meeting must be executed by minutes which must be prepared and signed by the person that was chairing the meeting and by the company secretary of the Board of Directors within 3 (three) days of such meeting and shall contain:

- 1) full name and location of the Management Board of the Company;
- 2) date, time and venue of meeting;

- 3) information about people that attended the meeting;
- 4) agenda of the meeting;
- 5) items put to vote and results of the voting on those items with voting results of each member of the Board of Directors disclosed on each item on the agenda of the Board of Directors' meeting;

~~66) — speeches of people that attended the meeting of the Board of Directors;~~

- 7) dissenting opinion of members of the Board of Directors, if any;

~~78) decisions made;~~

Ballots that has been received by due date must be appended to, and are deemed to be an integral part of, signed off resolution.

~~1359) — other information upon resolution of the Board of Directors.~~

~~12.29.~~ Minutes from meetings and decisions of the Board of Directors shall be kept in the Company.

The Company Secretary which is elected by the Board of Directors on a permanent basis and discharges responsibilities of a secretary of the Board of Directors, upon the request of a member of the Board of Directors shall submit to such member the minutes from the meeting of the Board of Directors for review and resolutions passed by absentee voting and/or provide him/her with excerpts from the minutes and resolution with attested signature of the Company Secretary and affixed with impression of the seal of the Board of Directors.

~~13612.30.~~ A member of the Company's Board of Directors, who failed to attend a meeting of the Board of Directors or voted against a resolution passed by the Company's Board of Directors in violation of the procedure established by the Act/Laws and the Charter may challenge such resolution in court.

~~13712.31.~~ A shareholder may challenge in court a resolution of the Company's Board of Directors passed in violation of the requirements of the Act/Laws and the Charter, if the said resolution violates the rights and legitimate interests of the Company and/or such shareholder.

~~13812.32.~~ Unless the Kazakh Stock Corporation Act otherwise stipulates, but without prejudice to any release and indemnity to which a member of the Board of Directors may otherwise be entitled, every member of the Board of Directors or other senior officer of the Company shall be released from and indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company provided that such liability was not suffered or incurred directly or indirectly as a result of fraud, wilful neglect or wilful default by the member of the Board of Directors or other senior officer of the Company.

13. MANAGEMENT BOARD

~~13913.1.~~ The current activities are managed by the Management Board of the Company. The Management Board is headed by the Chief Executive Officer (Chair of the Management Board).

The Management Board's activities arrangement and the procedure for convening and holding of its meetings are regulated by internal documents of the Company approved by the Board of Directors. All or any of the members of the Management Board may attend a meeting of the Management Board by means of a conference call or any communication media which allows all persons attending the meeting to hear each other and speak to each other. A person participating this way shall be deemed present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.

The Management Board of the Company may make decisions on any matter concerning activities of the Company that is not referred by the Act, other Kazakh laws, Laws and the Charter, and/or internal documents of the Company to the competence of other bodies and officers of the Company, including:

- 1) making a decision on closure of transactions by the Company except for those transactions that are qualified by Laws and/or the Charter as falling under the competence of other bodies of the Company, the Chief Executive Officer (Chair of the Management Board) of the Company;
- 2) making a decision~~1) — decision-making~~ on increase in the Company's liabilities for amounts from 5 (five) to 10 (ten) percent of the equity capital of the Company;
- 32) making recommendations to the Board of Directors on the acquisition, transfer/assignment of subsoil use ~~rights; contracts and licenses in the Republic of Kazakhstan or elsewhere by the Company (or any of its subsidiaries or jointly controlled entities) including~~ introduction of amendments to subsoil use licenses and contracts thereto (except for amendments to such contracts to do with amendments to laws or regulations of the Government of Kazakhstan, change of details of the parties or formal revision; signing a contract/agreement on joint operations with a strategic partner to jointly implement a subsoil use contract, for the Company to hand back to the government a license area under Kazakh subsoil laws~~revisions~~);
- 43) approval of the structure and staff schedule of employees of the Company's head office;
- 54) approval of the structure of branches, ~~and~~ representative offices and separate business units, and the total number of employees and staff/staff schedule of administrative staffs, as well as the total number of employees of business units of branches, ~~and~~ representative offices, and separate business units;
- 65) making a decision/regulation and giving instructions binding upon all employees of the Company;
- 76) approval of documents regulating internal activity of the Company, except for documents to be approved by general meeting of shareholders or the Board of Directors;
- 87) coordination and direction of activity of branches, ~~and~~ representative offices, separate business units of the Company;
- 98) ensuring timely provision of information on activities of the Company including confidential information, to members of the Board of Directors within 10 (ten) days of receipt of request;
- 10) making a 9) —~~decision-making~~ on operational matters of ~~the~~ internal activities of the Company;
- 10) ~~— approval of long-term plan for procurement of goods, works and services;~~
- 11) endorsement of monthly management accounts;

- 12) endorsement of external financing agreements;
- 13) approval of annual production programme and the pricing policy of the Company, as well as introduction of amendments thereto;
- 14) endorsement of annual report of the Company;
- ~~15~~¹⁴) decides on conclusion of related party transactions with organizations:
 - where the Company is sole shareholder/member;
 - within the Sovereign Wealth Fund provided that the value of such a separate transaction or a total value of a series of connected transactions does not exceed KZT 500,000,000 (five hundred million tenge); and
- ~~16~~ making a decision on implementation of investment projects by the Company; and
- ~~17~~ making a decision¹⁵) ~~decision-making~~ on other matters concerning maintenance of activities of the Company not attributed to exclusive competence of ~~the~~ general meeting of shareholders, the Board of Directors and ~~the Chief Executive Officer (Chair of the Management Board)~~ ^{officers} of the Company.

Transfer of voting rights by a member of the Company's Management Board to another person, including to another member of the Company's Management Board is not allowed.

The Management Board of the Company is obliged to execute decisions of a general meeting of shareholders and the Board of Directors of the Company.

The Company shall be entitled to dispute the validity of any transaction made on the grounds of the resolution of the Management Board of the Company in breach of the restrictions stipulated by the Company if the Company proves that at the moment of the conclusion of the transaction the parties were aware of such restrictions.

~~140~~¹³.2. Shareholders and employees of the Company not holding shares of the Company may be elected as members of the Management Board of the Company. Requirements and restrictions for persons nominated to Company's Management Board shall be stipulated by Laws, the Code and internal documents of the Company.

A member of the Management Board may work in other organizations only with consent of the Board of Directors. Chief Executive Officer (Chair of the Management Board) of the Company may not hold a position of head of an executive body or a person individually exercising functions of executive body of other legal entity.

Functions, rights and obligations of a member of the Management Board are defined by the Charter, the Code and Laws, as well as by employment contracts to be signed by the mentioned person with the Company. The employment contract is concluded on behalf of the Company with the Chief Executive Officer (Chair of Management Board) stating the amount of salary in accordance with the resolution of the Board of Directors shall be signed by the Chair of the Board of Directors or any other person authorized by general meeting of shareholders or the Board of Directors. The employment contracts with other members of the Management Board stating the amount of salary in accordance with the resolution of the Board of Directors are signed by the Chief Executive Officer (Chair of the Management Board).

~~141~~¹³.3. The Management Board shall consist of at least 5 (five) persons.

~~142~~¹³.4. A meeting of the Management Board is considered valid if 2/3 (two thirds) of members of the Management Board are present at such meeting.

~~143~~¹⁴⁴~~13.5~~^{13.5-1}. Resolutions of the Management Board are made by a majority of votes of its members present at the meeting. If there is a tie vote the resolution for which the Chief Executive Officer (Chair of the Management Board) voted shall be decisive.

Resolutions of the Company's Management Board shall be recorded in the minutes which shall be signed by all members of Management Board present, and shall contain matters put to vote, voting results with votes of each member of the Management Board disclosed on each item.

~~144~~¹⁴⁵~~13.5-1~~^{13.6}. In order for prompt decisions on risk management-relating matters to be taken there may be established a risk management committee under the Management Board. The procedure for establishment and activity of the risk management committee, the number of members, and its competence shall be determined by the Company's Management Board.

~~145~~¹⁴⁶~~13.6~~^{13.6}. Chief Executive Officer (Chair of Management Board) of the Company shall:

- 1) be the head of the Management Board;
- 2) ensure fulfilment of decisions of general meetings of shareholders, the Board of Directors and the Management Board;
- 3) act on behalf of the Company in third parties relations without power of attorney;
- 4) issue powers of attorney for presentations of the Company in relation to third parties;
- 5) employ, transfer and terminate the employment with employees of the Company, save as otherwise provided by [the Act](#)~~Laws~~, incentive them and impose disciplinary punishment on employees, determine amounts of salaries for employees of the Company and personal additions to salaries in accordance with staff schedule of the Company, determine the amount of bonuses to employees of the Company except for employees which are members of the Management Board and employees of the Internal Audit Team and the Company Secretary;
- 6) in the event of his/her absence, entrust his/her obligations to one of the members of the Management Board;
- 7) allocate obligations as well as scope of authority and responsibility among members of the Management Board;
- 8) endorse the prosecution or settlement of any litigation, dispute or arbitration proceedings;
- 9) on behalf of the Company conclude transactions for amounts up to 5 (five) percent of the equity capital of the Company;
- 10) appoint and dismiss heads of branches, ~~and~~ representative offices, [and separate business units](#) of the Company;
- 11) set the mode of the Company's work;
- 12) submit to the Board of Directors semiannual reports on implementation of basic parameters of consolidated annual budget and business plan and strategic chart of key control indicators of the CEO (Chair of the Management Board);
- 13) open bank and other accounts of the Company;
- 14) within his/her competence issue orders and give instructions;
- 15) convene meetings of the Management Board;

- 16) ensure notification of the Chair of the Board of Directors and people authorized by the Chair of the Board of Directors, on emergencies (accidents, disasters) relating to the Company activities as soon as practicable;
- 17) make decisions on all other matters concerning the current activity of the Company not attributed to exclusive competence of general meeting of shareholders, ~~and~~ the Board of Directors of the Company and ~~the competence of~~ the Management Board.

~~14613.7.~~ The Secretary of the Management Board elected by the Management Board on the permanent basis, upon request of a member of the Management Board shall submit to such member the minutes from the meeting of the Management Board for examination with attested signature of the Secretary of the Management Board and affixed with impression of the seal of the Management Board.

14. COMPANY OFFICERS AND COMPANY SECRETARY

~~14714.1.~~ Officers of the Company (members of the Board of Directors and members of the Management Board) shall:

- 1) fulfil obligations imposed on them in good faith and use methods which represent the interests of the Company and shareholders to the utmost. If there is a conflict of interests of the Company and its officer the latter shall immediately notify the Management Board (or the Board of Directors) on such conflicts;
- 2) shall not use or be allowed to use property of the Company in contravention of the Charter and decisions of general meetings of shareholders and the Board of Directors as well as for personal purposes and take advantage thereof while concluding transactions with its affiliates;
- 3) shall secure consistency of accounting and financial reporting systems including the conduct of independent audit;
- 4) control disclosure and provision of information about performance of the Company in accordance with Laws.
- 5) keep confidential any information on the Company's activity including three (3) years after he/she left the Company unless otherwise set forth in the internal documents of the Company.

~~14814.1-1.~~ Members of Company's Board of Directors shall:

- 1) act in compliance with Laws, the Charter, the Code and the internal documents of the Company based on awareness, transparency, in the interests of the Company and its shareholders;
- 2) treat any shareholder fairly, make objective independent judgment on corporate affairs.

~~14914.2. — Subject to Laws, and provided that a member of the Board of Directors has disclosed to the Board of Directors the nature and extent of his/her material interest, the member of the Board of Directors notwithstanding his/her office:~~

- ~~1) — may be a party to, or otherwise interested in, any contract with the Company or in which the Company is a related party;~~
- ~~2) — may be a director or other officer of, be employed by, be a party to any contract, or be interested in any legal entity promoted by the Company or in which the Company is related or regarding to which the Company has any rights of election. Chief Executive Officer (Chair of the Management Board) of the Company may not hold a position of head of an executive body or be a person individually exercising functions of executive body of other legal entity; and~~

- 3) ~~shall not, by virtue of his/her office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such contract or from any share in such legal entity and no such office, employment or contract shall be liable to be avoided on the ground of any such share or benefit.~~
- 14.3. ~~Save as otherwise provided by the Charter, a member of the Board of Directors shall not vote, or be counted in the quorum in relation to, any resolution of the Board of Directors or of a committee of the Board of Directors concerning any matter in which he has to his/her knowledge, directly or indirectly, a share (other than his/her share in equity or bonds or other securities of, or otherwise in or through, the Company) or duty which (along with any share of a person related to him) is material and, if he shall do so, his/her vote shall not be counted. A member of the Board of Directors shall be entitled to vote on and be counted in the quorum in respect of any resolution concerning any of the following matters:~~
- 1) ~~any arrangement for the benefit of employees of the Company or any of its subsidiaries, under which he benefits in a similar manner as the employees and which does not provide any member of the Board of Directors or a member of the Management Board with a privilege or an advantage not provided to the employees to whom the arrangement relates;~~
 - 2) ~~involvement of the Company in a tender for state purchases as regards supplies of crude oil processed by Trade House KazMunaiGas for domestic supplies until 2016.~~
- 14.4. ~~Subject to Laws, and provided that a member of the Management Board has disclosed to the Management Board the nature and extent of his/her material interest, the member of the Management Board notwithstanding his/her office:~~
- 1) ~~may be a party to, or be otherwise related to, any contract with the Company or the one the Company is a related party to;~~
 - 2) ~~may be a director or other officer, or be employed by, with the consent from the Board of Directors, or be a party to any contract with, or be related party to, any legal entity promoted by the Company or the one the Company is a related party to or regarding which the Company has any rights of election. Chief Executive Officer (Chair of the Management Board) of the Company may not hold the position of head of an executive body or be a person individually exercising functions of executive body of other legal entity.~~
 - 3) ~~shall not, by virtue of his/her office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such contract or from any share in such legal entity and no such office, employment or contract shall be liable to be avoided on the ground of any such share or benefit (provided that necessary agreements are available).~~

~~Save as otherwise provided by Charter, a member of the Management Board shall not participate in voting, or be counted in the quorum in relation to, any resolution of the Management Board concerning any matter in which he has to his/her knowledge, a direct or indirect interest (other than his/her interest in shares or bonds or other securities of, or otherwise in or through, the Company) or duty which (along with any share of a person related party to him/her) is material and, if he shall do so, his/her vote shall not be counted. A member of the Management Board shall be entitled to vote and be counted in the quorum in respect of any resolution concerning any contract concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any member of the Board of Directors or members of the Management Board.~~

~~14.5.~~ Officers of the Company shall be liable before the Company and ~~its~~^{the} shareholders for damage caused by their acts/omissions, and for losses incurred by the Company under Laws, ~~including but not limited to losses resulting from:~~

~~—— 1) provision of misleading or false information;~~

~~—— 2) breach of the procedure for provision of information under the Kazakh Stock Corporation Act; and~~

~~—— 3) recommendation to close and/or make a decision to close a major related party transaction and/or transactions that caused the Company to suffer losses as a result of their fraudulent actions and/or omission which include the intention of their affiliates to derive a profit/income following the closure of such transactions by the Company.~~

~~—— An officer shall be held liable by the Company or its shareholders under the Kazakh Stock Corporation Act.~~

~~14.6.~~ The authority of the Company Secretary shall be determined in accordance with Laws, the Charter, the Code, and internal documents of the Company.

15. INTERNAL AUDIT

~~150~~¹⁵¹15.1. Internal Audit Team consisting of at least 3 (three) persons shall be established in order to exercise control over financial and economic activity of the Company.

~~151~~¹⁵²15.2. Employees of the Internal Audit Team may not be elected to the Board of Directors or to the Management Board.

Employees of the Internal Audit Team, including the head, shall be elected to and removed from the office by the Board of Directors, as advised by the internal audit committee of the Board of Directors.

The head of the Internal Audit team may be present at a general meeting of shareholders with regard to matters which have been previously reviewed by the Internal Audit Team; be present at meetings of the Board of Directors where matters of the Internal Audit Team activity are reviewed; initiate matters for inclusion into the agenda of the Board of Directors; submit for consideration of internal audit committee of the Board of Directors candidates for the staff of the Internal Audit Team.

~~152~~¹⁵³15.3. The Internal Audit Team shall be directly subordinate to the Board of Directors and every quarter reports on its activity to the Board of Directors.

~~153~~¹⁵⁴15.4. The Internal Audit Team shall have the right of absolute access to any documentation and information of the Company in order to fulfil annual plan of work subject to amendments thereto.

~~154~~¹⁵⁵15.5. The working procedure, competence and functions of the Internal Audit Team shall be prescribed by internal documents of the Company once approved by the Board of Directors following preliminary approval by the audit and risk committee.

16. FINANCIAL REPORTING, ACCOUNTING RECORDS AND AUDIT

~~155~~¹⁵⁶16.1. The financial year of the Company is a calendar year (from January ~~1st through 1~~^{1st through 31st} ~~(the first) up until December 31st~~^{31 (the thirty-first)}).

~~156~~¹⁵⁷16.2. The procedure for accounting and preparation of financial statements of the Company is governed by Laws of the Republic of Kazakhstan on accounting and financial reporting, and International Financial Reporting Standards.

~~157~~~~16~~~~3~~. Financial and statistical reporting, accounting records and periodical financial statements are compiled and if necessary submitted for consideration of the competent state authorities in accordance with the accounting principles stipulated by Laws as well as according to other principles approved by general meeting of shareholders, and International Financial Reporting Standards.

~~158~~~~16~~~~4~~. The Management Board of the Company annually submits to the general meeting of shareholders its annual consolidated financial statements for the past year, audited in compliance with Laws on auditing of the Republic of Kazakhstan, for discussion and approval. In addition to consolidated financial statements, the Management Board submits an auditor's report to general meeting of shareholders.

~~16.5. Annual and interim consolidated financial statements must be signed by the Chief Executive Officer, Chief Financial Officer and Financial Controller.~~

Final approval of the annual consolidated financial statements is carried out at annual general meeting of shareholders.

Should the financial statements misrepresent the financial standing of the Company, the officers of the Company who signed the financial statements shall be liable before third parties who suffer material losses as a result of this.

~~159~~~~16~~~~6~~. The Company ~~must~~~~shall~~ annually publish financial statements and auditor's report in in mass media specified in clause ~~62~~~~10~~~~16~~ of the Charter and on a website of consolidated annual financial statements depository and auditor's report in the manner and within the timeframe fixed by the authorized body.

~~160~~~~16~~~~7~~. The Company ~~must~~~~shall~~ audit annual consolidated financial statements.

~~161~~~~16~~~~8~~. The audit of the Company may be conducted on the initiative of the Board of Directors, the Management Board at the expense of the Company or upon request of the major shareholder at its expense, provided that such major shareholder has the right at its own discretion to choose an auditor.

~~162~~~~16~~~~9~~. If the Management Board of the Company evades audit of the Company, an audit may be prescribed by court decision upon claim of any related party.

~~16.10. The Company annually conducts an audit following financial year end results no later than the dates of publication of financial statements fixed by listing rules of the stock exchanges on which the Company's shares are listed.~~

17. DISCLOSURE OF INFORMATION BY THE COMPANY AND DOCUMENTS OF THE COMPANY

~~163~~~~17~~~~1~~. The Company shall inform its shareholders and investors about Company activities according to the list specified by the Kazakh Stock Corporation Act.

Mass media which shall be used by the Company and its shareholders for publication of their notices and other information subject to mandatory publication according to the Kazakh Stock Corporation Act are specified in clause ~~62~~~~10~~~~16~~ of the Charter.

As required by Laws of the Republic of Kazakhstan and other applicable requirements, the Company shall disclose that part of information on corporate events on the Company's or any other website. If the Kazakh Stock Corporation Act or other legal acts of the Republic of Kazakhstan do not stipulate the term of announcement of information, such information shall be published within five (5) business days from the date it first emerged.

Information with respect to institution of a case on corporate dispute shall be submitted to a shareholder within 7 (seven) business days from the date of receipt of relevant judicial summons by the Company with respect to civil case on corporate dispute.

~~164~~¹⁷.2. Upon request of a shareholder, the Company shall provide such shareholder with copies of documents as stipulated by the ~~Kazakh Stock Corporation~~ Act.

The amount of fees for provision of copies of documents shall be set by the Company and may not exceed the expenses for making copies and the expenses for delivery of copies to shareholders.

Documents regulating individual matters of issuance, placement, trading and conversion of the Company's securities containing information constituting official, commercial or other secret protected by law, shall be submitted for examination to a shareholder upon request.

~~165~~¹⁷.3. Information about corporate events must be disclosed/~~posted~~ under ~~Laws~~^{the} ~~Kazakh Stock Corporation Act and this Charter~~.

~~166~~¹⁷.4. The documents of the Company concerning its activities shall be kept by the Company for the whole period of its operation at the place of performance of the Management Board.

The following documents shall be kept:

- 1) the Charter, amendments introduced to the Charter;
 - 2) articles of incorporation/merger agreements, amendments introduced to the memorandums of association/merger agreement;
 - ~~3) the Code;~~
 - ~~43) — certificate on state registration (re-registration) of the Company as a legal entity;~~
 - ~~4) — the Code and competence of any committee under the Board of Directors;~~
 - ~~5) — statistical card of the Company;~~
 - ~~6) license for the Company to engage in any business and/or operation that require such license or permit;~~
 - ~~57) documents confirming the rights of the Company to property which is/was at the balance of the Company;~~
 - ~~68) prospectuses of the Company;~~
 - ~~79) documents confirming state registration of securities issuance of the Company, cancellation of securities, as well as approval of reports on results of placement and repayment of securities of the Company, submitted to an authorized body;~~
 - ~~810) regulations on branches and representative offices of the Company;~~
 - ~~911) minutes from general meetings of shareholders, minutes of voting results and ballots (including invalid ballots), materials on issues of agenda of general meetings of shareholders;~~
 - ~~1012) lists of shareholders submitted to general meetings of shareholders;~~
 - ~~1113) minutes from meetings of the Board of Directors (resolutions of the Board of Directors made by absent voting) and ballots (including invalid ballots), materials on agenda items of the Board of Directors;~~
 - ~~1214) minutes from meetings (resolutions) of the Management Board of the Company.~~
- ~~167~~¹⁷.5. Other documents including financial statements of the Company shall be kept during the period prescribed in accordance with Laws.

~~168~~17.6. In order to obtain the information/copies of documents a shareholder shall apply to the Management Board in written form. The application of the shareholder shall be included in the register of incoming documents in the prescribed manner. The Company shall provide the Company's shareholders at their request with information that is required to be provided to shareholders within 10 (ten) calendar days from the date of application.

Information regarding Company's operations marked as Confidential or For Official Use that has become known to shareholders may not be disclosed in writing or otherwise to any third party by such shareholders. A shareholder to whom such information is available shall keep it confidential.

Confidential information of the Company may only be disclosed by such shareholders with permission of the Board of Directors of the Company, otherwise such shareholders shall be liable in accordance with Laws.

The Board of Directors of the Company may impose restrictions on provision of information constituting official, commercial or other secret protected by the law.

~~169~~17.7. The Company shall keep a register of employees having information constituting official, commercial or other secret protected by the law.

~~170~~17.8. The Board of Directors shall define the information free access to which is available for a limited number of people on legal grounds, procedure for its communication and public disclosure to all persons concerned, as well as measures for protection of such information.

18. DISCLOSURE OF INFORMATION REGARDING AFFILIATES

~~171~~18.1 As provided by applicable Laws, the Charter and the Code and at the Company's request, the shareholders and/or officers of the Company shall provide the Company with information regarding their affiliates, including the full name, date and number of state registration and address (for legal entities) and the full name, date of birth and address (for individuals), the grounds and date of affiliation and other information regarding such affiliates as the Company may require.

~~172~~18.2 Company's shareholders and/or officers must provide, in accordance with laws, the Chief Executive Officer (Chair of the Management Board) with information regarding their affiliates within 7 (seven) days following the occurrence of the affiliation.

If a person that had been earlier indicated by a shareholder or an officer as an affiliate of such shareholder or officer, ceases to be an affiliate, then the shareholder or official of the Company must notify the Company's Chief Executive Officer (Chair of the Management Board) of the Company within five (5) calendar days ~~from~~ such cessation.

~~173~~18.3 A person in respect of which a shareholder and/or an officer of the Company provides information as about his/her affiliate, shall be deemed to be his/her affiliate until the Company is provided with documents evidencing the termination of the grounds on which such person was recognized as an affiliate.

~~174~~18.4 If a Company shareholder and/or officer fail to provide information regarding his/her affiliates which resulted in or promoted damage caused to the Company, the Company may request full indemnification of such damage from the person at fault.

~~175~~18.5 The Company shall maintain records of its affiliates on the basis of information provided by such affiliates.

~~176.18.6~~ The Company must ~~make sure that present~~ the list of its affiliates ~~is posted on the website of to a state authority that duly regulates and supervises financial statements depository in the manner and time specified by Laws~~ markets and financial organizations.

~~177.18.7~~ An affiliate which is recognized by the ~~Kazakh Stock Corporation~~ Act as a Company's related party, shall inform the Board of Directors through a notice addressed to the Company:

- 1) that it is a party to a transaction or a representative or an agent within three (3) business days;
- 2) the legal entities that they are affiliated with, as well as the legal entities in which they solely or jointly with their affiliates own 10 (ten) per cent voting shares (interest, equity stake) or more, and the authorities of legal entities where they hold office ;
- 3) on transactions they are entering or proposed transactions that they are aware of in which they can be recognized as related parties.

19. LEGAL PROTECTION OF COMPANY OWNERSHIP

~~178. The Company's property 19.1. Legal protection of ownership of the Company and rights are legally protected~~ owned by the Company shall be performed in accordance with Laws, the Charter and other applicable documents ~~laws and listing rules of any stock exchange on which the ordinary shares of the Company are listed.~~

~~20.~~

20. REORGANIZATION AND OF THE COMPANY

~~20.1. Reorganization of the Company (by merger, affiliation, separation, extraction, transformation) is effected in accordance with Laws.~~

~~20.2. Reorganization may be effected voluntarily or involuntarily.~~

~~20.3. Involuntarily reorganization may be effected upon the decision of the court authorities in cases stipulated by Laws.~~

~~20.4. If the Company terminates its activities in the event of reorganization, the issue of its shares shall be subject to cancellation in accordance with Laws.~~

21. LIQUIDATION OF THE COMPANY

~~17921.1. The decision on the voluntary liquidation of the Company may~~ shall be reorganized and liquidated ~~taken by resolution of~~ general meeting of shareholders or for any other reason under Laws.

~~The which determines the procedure of liquidation upon agreement with and under control of creditors in accordance with Laws.~~

~~21.2. Involuntary liquidation of the Company is performed by the court in the cases stipulated by Laws.~~

~~A demand for the Company liquidation may be brought to court by related parties unless otherwise is stipulated by Laws.~~

~~21.3. The liquidation commission must be appointed by court decision or decision of general meeting of shareholders on the Company's liquidation.~~

~~The liquidation commission has powers to manage the Company during the period of its liquidation and to act as provided for by Laws.~~

~~The liquidation commission shall include representatives of Company's creditors, representatives of major shareholders and other persons according to decision of general meeting of shareholders.~~

~~21.4. The procedure of liquidation and the procedure of creditors' claims settlement are governed by Laws.~~

~~21.21.5. Upon liquidation of the Company, its authorized shares including outstanding shares shall be cancelled in the manner prescribed by Laws.~~

~~21.6. The property of the Company which is subject to liquidation shall be divided in accordance with Laws.~~

22. FINAL PROVISIONS

~~180.22.1~~ If any provision of the Charter becomes invalid, it shall not affect other provisions. The invalid provision shall be replaced by one that is legally eligible and ~~by provision~~ with the meaning closest to it.

~~181.22.2 Except as expressly provided herein the Company shall be governed by Laws.~~

~~22.3~~ The Charter becomes effective from the date of cancellation of admission of global depositary receipts of the Company to the Official List and to trading on the London Stock Exchange.

~~182.~~ The Charter is subject to its state registration in justice agencies of the Republic of Kazakhstan in accordance with the procedure prescribed by the Legislation.

Chief Executive Officer

Chairman ~~Signature of the~~ **Management Board**
Iskaziye ~~person~~

Kurmangazy

authorized by the General Meeting of Shareholders _____ **Askar Balzhanov**