

# **Programme for repurchase of preferred shares of KazMunaiGas Exploration Production from the Kazakhstan Stock Exchange (“KASE”)**

## **Instructions for holders of preferred shares**

**Programme for repurchase of preferred shares of KazMunaiGas Exploration Production (“KMG EP” or “Company”) has been running from 13 August 2018 till 16 November 2018 at price of 12 800 (price is fixed for duration of the entire programme). Preferred shares will be repurchased from KASE through open tender twice a month within three months from First Settlement Date to Final Settlement Date.**

**To implement the KMG EP repurchase programme a call center has been established jointly with Kazpost (toll-free number 1499 for calls within Kazakhstan from land line and mobile phones).**

**Key steps that need to be taken to exercise your right to participate in the programme for repurchase of preferred shares of KazMunaiGas Exploration Production from KASE:**

1. Open an account with a Broker through which you may sell your shares as part of a special trading but sign a contract first with such Broker. In provinces you may open an account through local offices of Kazpost. Please find such offices of Kazpost below.
2. Transfer shares kept at your account with Registrar\* to newly opened account with the Broker but first make sure that your data with Securities Registrar is up-to-date and accurate (*shares shall be transferred through simultaneous filing of counter orders*):
  - 2.1 *File an order with the Registrar to debit shares;*
  - 2.2 *File an order with the Broker to credit shares.*
3. File an order with the Broker to sell shares as part of a special trading and specify the quantity and price per share.

More details are given below.

\*Kazpost renders Transfer Agent services to the Registrar.

## Instructions

Steps	
<b>1.</b>	<b>Open an account with a Broker [if you have no Broker]</b>
a	Please select a Broker from among those who have valid Kazakh broker-dealer licence and who are members of KASE as per relevant category (“stock exchange” category) <a href="http://www.kase.kz/membership">http://www.kase.kz/membership</a> . Kazpost renders brokerage services in all Kazakh provinces.
b	Please carefully read the terms and conditions of broker’s services including fees for securities transactions. While talking to the Broker please mention your intentions, for instance, intention to sell preferred shares of KMG EP as part the repurchase programme from KASE.
c	Please sign a contract with a broker for broker’s services. Broker’s obligations under the contract must include among other opening an account for a client to account securities in the system of Central Depository of Securities (“Central Depository”). Broker must be able to accept and implement your order (request) to sell securities at KASE as part of a special trading.
d	Once you open an account (accounts) with Broker, please receive a notice from the Broker of opening an account (accounts) with details such as account number.
e	Please also request a form of the order (as per Broker’s form) to credit securities.
<b>2.</b>	
	<p>Shareholder must make sure that securities are accounted with Central Depository through transfer of its securities from the account of Registrar to its account with Broker. All expenses associated with Registrar’s services and broker’s services must be borne solely by holders of securities.</p> <p><b>Please note that fees of Kazpost as Broker and Transfer Agent for individuals will be borne by the Company.</b> Registrar and Broker act as shareholder’s agent which perform on their behalf based on written instructions (orders) that a shareholder files with them. To transfer shares to your account with the Broker you must file two orders: one with Registrar to debit shares (<a href="#">please see item 2.1 below</a>), the other one with your Broker to credit shares (<a href="#">please see item 2.2 below</a>).</p> <p>For the avoidance of misunderstanding, a shareholder may not be able to participate in programme for repurchase of preferred shares of KazMunaiGas Exploration Production if shares owned by such shareholder are kept at the account of Registrar.</p>
2.1	<b>File an order with Registrar to debit preferred shares</b>
a	<p>Please note that Registrar’s offices are only located in Astana and Almaty. Shareholders in provinces may contact Registrar’s Kazpost transfer agents. Please contact Registrar or Kazpost transfer agent.</p> <p>Registrar’s contacts:            Almaty, Bostandyk district, Satpayev street, block 30A/3, tel. +7 (727) 272-47-60 ext. 150, website: <a href="http://tistr.kz">tistr.kz</a>            Astana, 010000, Imanov street, block 13, office 101 Tel.: +7(7172) 47-61-88, +7(7172) 47-61-89.</p> <p>Kazpost contacts:            Kokshetau, 108 Abaya 1088, tel. + 7 7162-25-14-85 ext.72029            Aktobe, 62 Abulkhair khan, tel. +7 7132-97-24-16 ext.74048            Taldykorgan, 53 Tauelsizdik, tel. +7 7282-60-11-33 ext.60031            Atyrau, 6 Abay, tel. +7 71 22-95-69-93 ext.76061            Ust Kamenogorsk, 57 Kasym Kaysenov, tel. +7 7232-50-57-41 ext.52051            Semey, 48 Urankhayev, tel. + 7 72 22-52-69-82            Taraz, 79 Tole bi, tel. +7 72 62-96-34-22 ext. 78085</p>

	<p>Uralsk, 104/1 Amanzholov, tel. +7 71 12-51-14-95 ext. 64048  Karaganda, 39 Bukhar Zhyrau, tel. + 7 7212-60-42-13 ext. 24047  Zhezkazgan, 9 Zheltoksan, tel. + 7 7102-72-22-40  Kyzylorda, 38 Muratbayev, tel. +7 7242-23-62-82 ext. 28021  Kostanai, 69 Al Farabi, tel. +7 7142-90-25-19 ext. 26057  Aktau, microdistrict 8, block 20, ext. 8-7292-20-35-66  Zhanaozen, Shanyrak microdistrict, block 46E8, tel. +7 72934-71790  Pavlodar, 50 Satpayev, member of the Academy of Sciences, tel. +7 71 82-32-07-68 ext. 66012  Petrovavlovsk, 61 Pushkin -tel. +7 7152-46-13-96  Shymkent, 24 Kazybek bi tel. +7 7252-53-73-28  Atyrau, 52a Smagulov tel. +7 71 22 32 45 53  Atyrau, Avangard microdistrict 3, block 49 tel. +7 71 22 95-69-69  Atyrau, Avangard microdistrict 3, block 49 tel. +7 71 22 21-30-02  Kulsary, 23 Makhambet tel +7 71237 5-17-38  Makat village, 19 Mukashev tel. +7 71 239 31 718  Dossor village, 1 Suleimenov tel. + 7 71 239– 42-12-10</p>
b	<p>While talking to an employee of Registrar/transfer agent you must mention your intent to transfer your preferred shares from your account with Registrar to your account opened with Broker (i.e. transfer of securities to nominal holding in Central Depository).</p>
c	<p>Registrar/transfer agent will check the accuracy and completeness of your details specified in Shareholders' Register. If the data is incomplete or not up-to-date please follow the instructions of Registrar/transfer agent. In such case you must file an order to change data (details) which must include details of your valid identity card, address, individual identification number and other data that Registrar may request.</p> <p><i>Up-to-date forms of orders to Registrar are available on its website at <a href="http://www.tisr.kz/index.php/klientam/formy-prikazov">http://www.tisr.kz/index.php/klientam/formy-prikazov</a></i></p> <p>Under Kazakh Stock Corporation Act a shareholder must notify company's registrar and nominal holder of shares that such shareholder owns within ten days about change of data needed for maintaining of a system of registers of company's shareholders. In other words, a shareholder is responsible for up-to-dateness and accuracy of data specified in Company's shareholders register.</p>
d	<p>Together with an order to update your details (if needed) you must complete an order as per form established by Registrar to debit preferred shares to an account opened with Broker. Registrar/transfer agent will advise how to properly complete the form of order, however, in general the order must contain the following:</p> <ol style="list-style-type: none"> <li>1) Your full name</li> <li>2) Account number from which you debit shares</li> <li>3) Account number to which you credit shares</li> <li>4) Type of securities and their national identification number (for instance, preferred shares of KMG EP, KZ1P51460114)</li> <li>5) Number of debited shares</li> <li>6) Other details that Registrar may request</li> </ol> <p><i>Up-to-date forms of orders to Registrar are available on its website at <a href="http://www.tisr.kz/index.php/klientam/formy-prikazov">http://www.tisr.kz/index.php/klientam/formy-prikazov</a></i></p> <p>Transfer agent must make a note on acceptance of an order, sign and stamp it. Please ask from a representative of transfer agent a copy of an order accepted by it to debit shares with its note.</p>
e	<p>Please remember that when you file any order with Registrar you must always attach copy of ID card. Please ask for a <u>complete</u> list of necessary documents from Registrar/transfer agent.</p> <p>Under Kazakh laws all orders must be signed solely by a shareholder with a presence of employee of Registrar/transfer agent or proxy holder that acts based on power of attorney issued by a notary.</p>

f	Registrar will charge a fee for certain transactions including transaction on change of data (details) and debiting shares (or also called as “introduction into nominal holding”). Please ask from the office of Registrar/transfer agent about exact size of fees and procedure for their payment. Fees of Kazpost as Broker and Transfer agent for individuals will be reimbursed by Company.
<b>2.2</b>	<b>File an counter order with Broker to credit preferred shares</b>
a	Form of <b>order to credit</b> securities that was received earlier from Broker must be completed as per data that has been used upon completion of <b>order to Registrar to debit shares</b> (with this aim in view please use copy of order received from Registrar). Data such as full name, type of securities, their identification number (НИИ) and quantity must be identical in both orders. Please remember that Broker and Registrar use their own forms of orders which may significantly differ. However, for orders to meet in the system of Central Depository and to facilitate the transfer you must make sure that key parameters contained in orders do not vary from each other, otherwise shares will not be transferred.
b	As per operational procedure of Registrar and Broker, orders for debiting and crediting must meet in the system of Central Depository and should they successfully account shares will automatically be credited to your account with Broker. In an ideal scenario, both of these orders must be filed simultaneously as effective laws stipulate the validity of such order for three (3) business days. Please regularly request from your Broker an update on implementation of your order.
<b>3.</b>	<b>File an order to sell as part of a special trading</b>
a	Once your Broker confirmed you that preferred shares have been credited to your broker’s account, your next step will be to file an order (request) with Broker as per its form to participate <b>in a special trading</b> of preferred shares of KMG EP at KASE. Please specify in the order among other things the quantity of shares to be sold. Based on this order (request) Broker will file a request to sell shares as part of a special trading at KASE.
b	Share settlements
c	At Settlement date KMGEP will pay the full repurchase price of preferred shares as per stock exchange summary sheet of received requests to all shareholders holding preferred shares that have accepted the repurchase offer as per this document to their brokers’ accounts.  Procedure for transfer of money from broker’s accounts to accounts of shareholders that own preferred shares and accepted the repurchase offer is regulated by respective broker’s contract between a shareholder and relevant broker.  To receive money sums from sales of preferred shares you must file Client’s request in the prescribed form to a broker.

## DEFINITIONS

The definitions below are used herein unless the context requires otherwise

KazMunaiGas Exploration Production .....	Company, KMG EP
Holder of preferred shares.....	Shareholder
Preferred shares.....	Shares, securities
Request to sell.....	Order to sell, request to sell
Registrar .....	The Integrated Securities Registrar, a legal entity incorporated under Kazakh laws, that maintains stockholder registers;
Central Depository .....	Special noncommercial entity , the only one in Kazakhstan that runs custody business;
Transfer Agent .....	securities trader that renders services on acceptance and transfer of documents (information) among its clients

## CALENDAR FOR GATHERING REQUESTS AND SETTLEMENT DATES

17.08.2018 -28.08.2018	the first period for client orders for sale of preferred shares through special trading
29.08.2018	First Settlement Date
03.09.2018-13.09.2018	the second period for client orders for sale of preferred shares through special trading
14.09.2018	Second Settlement Date
17.09.2018-27.09.2018	the third period for client orders for sale of preferred shares through special trading
28.09.2018	Third Settlement Date
01.10.2018-15.10.2018	the fourth period for client orders for sale of preferred shares through special trading
16.10.2018	Fourth Settlement Date
17.10.2018-31.10.2018	the fifth period for client orders for sale of preferred shares through special trading
01.11.2018	Fifth Settlement Date
02.11.2018-15.11.2018	the final period for client orders for sale of preferred shares through special trading
16.11.2018	Final Settlement Date

## USEFUL INFORMATION AND LINKS

		To obtain more details on the programme and securities market we recommend you to refer to the following:
		<ol style="list-style-type: none"><li>1. call center on the programme for repurchase of preferred shares of KMG EP (toll-free number 1499 for calls within Kazakhstan from land line and mobile phones)</li><li>2. KMG EP's website: <a href="http://www.kmgep.kz/">http://www.kmgep.kz/</a></li></ol>