

**MINUTES**  
**from Extraordinary General Meeting of Shareholders of**  
**KazMunaiGas Exploration Production**

The extraordinary general meeting of shareholders ("Meeting" or "EGM") of KazMunaiGas Exploration Production Joint Stock Company ("Company") located at: Kabanbay Batyr, 17, Astana, 010000, Kazakhstan was held on 11 July 2018 at 10:00AM at: 3<sup>rd</sup> floor, assembly hall, Kabanbay Batyr, 17, Astana, 010000, Kazakhstan.

**The name and the location of the Company's executive body:** Management Board of KazMunaiGas Exploration Production, Kabanbay Batyr, 17, Astana, 010000, Kazakhstan.

Mr Marlen Orazbekov, the Managing Director of Legal Affairs, announced the opening of the Meeting, and gave the floor to a member of the Company's Counting Commission Ms Aigul Aliakparova.

The member of the Counting Commission stated that, in accordance with the list of the Company's shareholders provided by Securities Registrar as at 11 June 2018 (12:00 a.m.), the total number of shares placed by the Company was 74,357,042 including 4,136,107 preferred shares, and 70,220,935 ordinary shares.

The following shareholders attended the Meeting:

1. National Company KazMunayGas Joint Stock Company, the owner of 43,087,006 ordinary shares represented by Mr. Damir Teberikov, Deputy Director of Operational Excellence Department at National Company KazMunayGas Joint Stock Company (power of attorney No. 113-145 dated 9 July 2018);
2. Akmaral Ibragimova, the owner of 1,537 preferred shares of the Company; and
3. Bakytzhan Kudebayev, the owner of 201 preferred shares of the Company.

Pursuant to clause 3 of Article 13 of the Kazakh Stock Corporation Act, a preferred share does not entitle its owner to manage the company except as otherwise provided for in clause 4 of the above article.

According to subclause (8) of Article 1 of the Kazakh Stock Corporation Act, voting shares do not include shares bought back by the Company as well as those shares which are nominally held or belong to an owner without profile available in the central depository database. The number of common shares belonging to owners without profile available in the Central Depository database.

Total: one representative of a shareholder that is entitled to attend and vote at the Meeting was present holding 43,087,006 ordinary shares which makes 99.97% of the total number of the Company's voting shares based on shareholder register as at 11 June 2018, and two shareholders holding preferred shares of the Company.

Pursuant to Article 45:1 of Kazakh Stock Corporation Act No.415, a general meeting of shareholders may review and make a decision on any item on agenda if by the end of the registration of meeting attendants there have been registered shareholders or their representatives that are specified in the list of shareholders entitled to attend and vote at such meeting, and that hold in aggregate 50 or more per cent of company's voting shares.

The quorum for the meeting of shareholders was present.

Mr Marlen Orazbekov, the Managing Director of Legal Affairs, announced that pursuant to clause 2 of Article 46 of the Kazakh Stock Corporation Act if a member of the counting commission is not present at a meeting, the meeting may elect another member to the counting commission instead for the period of the Meeting. With that in mind, as Ms Lazzat Nurmagambetova, the then-incumbent chair of the counting commission, and Mr Shyngys



Iskakov, the member of the counting commission, were both missing, it was recommended that Ms Yelena Gorokhova, the Deputy Director of Company's Legal Department, and Anisa Shalabayeva, the Senior Specialist of Company's Corporate Financing and Investor Relations Department, be elected as members of the counting commission, and that Ms Aigul Aliakparova be elected as chair of the counting commission. The total number of the votes taking part in the voting was 43,087,006 votes.

**Votes:**

|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | no votes;         |
| <b>Abstained</b> | no votes.         |

**It was resolved:** that the Company's counting commission comprises the following people for the time of the Meeting:

1. Aigul Aliakparova, the Lead Analyst of the Company Secretary Team, as Chair of the counting commission;
2. Yelena Gorokhova, the Deputy Director of the Company's Legal Department, as a member of the counting commission;
3. Anisa Shalabayeva, the Senior Specialist of the Company's Corporate Financing and Investor Relations Department, as a member of the counting commission;

Mr Marlen Orazbekov suggested appointing Mr Dauren Karabayev, the Deputy Chair of the Management Board - Finance Director at National Company KazMunayGas, as the Chair of the Meeting of the Company.

The matter was put to a vote.

The total number of the votes taking part in the voting was 43,087,006 votes.

**Votes:**

|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | no votes;         |
| <b>Abstained</b> | no votes.         |

**It was resolved:** to elect Dauren Karabayev, the Deputy Chair of the Management Board - Finance Director at National Company KazMunayGas, as Chair of the Meeting of the Company.

Mr Marlen Orazbekov informed that, in accordance with clause 85 of the Company's Charter, Company Secretary should act as Secretary of Company's Meeting. Therefore, it was suggested that Ms Aigerim Suleimenova, the Company Secretary, be elected as the Secretary of the Company's Meeting.

The matter was put to a vote. The total number of the votes taking part in the voting was 43,087,006 votes.

**Votes:**

|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | no votes;         |
| <b>Abstained</b> | no votes.         |

**It was resolved:** to elect Aigerim Suleimenova as the Secretary of the Company's Meeting.

Mr Marlen Orazbekov then gave the floor to Mr Dauren Karabayev, the Chair of the Meeting.





The Chair informed the shareholders about the manner and the form of voting at the Meeting. Pursuant to Article 50:1 of the Kazakh Stock Corporation Act, the voting at a general meeting of shareholders should be done on a “one share – one vote” principle except for the following cases: (1) if the number of votes on shares that one shareholder holds is limited under Kazakh laws; (2) if cumulative voting takes place when a member is being appointed to the Board; (3) if each person that is entitled to vote at a general meeting of shareholders is given one vote to cast on procedure for holding a general meeting of shareholders. It was recommended that open voting is used.

The matter was put to a vote. The total number of the votes taking part in the voting was one vote.

**Votes:**

|                  |           |
|------------------|-----------|
| <b>For</b>       | one vote; |
| <b>Against</b>   | no votes; |
| <b>Abstained</b> | no votes. |

**It was resolved:** that open voting is used to vote on matters on the agenda of the Company’s Meeting pursuant to Article 50:1 of the Kazakh Stock Corporation Act.

The Chair of the Meeting Mr Dauren Karabayev gave the floor to the Secretary of the Company’s Meeting Ms Suleimenova who said there were no comments as to change of the agenda. Also, Ms Suleimenova suggested allowing each speaker on an agenda item up to ten minutes; up to five minutes to a speaker in a debate; and up to seven minutes to the Counting Committee to count votes.

Since no other recommendations were made on this matter at the Meeting, the matter was put to a vote. The total number of the votes taking part in the voting was one vote.

**Votes:**

|                  |           |
|------------------|-----------|
| <b>For</b>       | one vote; |
| <b>Against</b>   | no votes; |
| <b>Abstained</b> | no votes. |

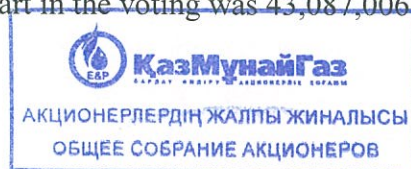
**It was resolved:** to approve the following time limits of the Company’s Meeting: allow each speaker up to ten minutes to speak on an agenda item; up to five minutes to a speaker in a debate; and up to seven minutes to the Counting Commission to count votes.

The Chair of the Meeting Mr Dauren Karabayev gave the floor to the Secretary of the Company’s Meeting Ms Suleimenova regarding an item on the agenda. Ms Suleimenova reported that on 22 May 2018 the Company’s Board of Directors made the decision to convene an Extraordinary General Meeting of Shareholders. The notice of the convention of the Meeting was published in the newspapers *Yegemen Kazakhstan* and *Kazakhstanskaya Pravda* both dated 25 May 2018. No recommendations have been made to make any change to the agenda.

Therefore, it was recommended to approve the following agenda of the Meeting:

- 1) Amendments to the Charter of KazMunaiGas E&P;
- 2) Board of Directors of KazMunaiGas E&P;
- 3) KazMunaiGas E&P Share Valuation Method for the period when those Shares are to be bought back by KazMunaiGas E&P.

Since no other comments or recommendations were made on this matter, the matter was put to a vote. The total number of the votes taking part in the voting was 43,087,006 votes.



**Votes:**

|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | no votes;         |
| <b>Abstained</b> | no votes.         |

**It was resolved:** to approve the following agenda of the Meeting:

- 1) Amendments to the Charter of KazMunaiGas E&P;
- 2) Board of Directors of KazMunaiGas E&P;
- 3) KazMunaiGas E&P Share Valuation Method for the period when those Shares are to be bought back by KazMunaiGas E&P.

**Item one.** The Chair of the Meeting Mr Dauren Karabayev gave the floor to Marlen Orazbekov, the Managing Director of Legal Affairs.

Mr Orazbekov reported that pursuant to subclause 1) of Article 36 of the Kazakh Stock Corporation Act and subclause 1) of clause 103) of the Company's Charter, amendments to the Charter of KazMunaiGas E&P fall under the sole responsibility of general meeting of shareholders.

As part of the integration of KMG EP into National Company KazMunaiGas ("KMG") and to implement a new operating management model within the KMG Group; to have a top-down approach when it comes to making managerial decisions; to harmonize constitutional documents of the KMG Group; and to cut costs of the management body to improve performance of KMG EP, amendments need to be made to the Charter of KMG EP.

The key amendments are to do with regulations for approval by KMG of transactions/investment projects that cost over 8 bn tenge; setting the limit of 20 bn tenge for a major transaction; reducing the overall number of members of the Board of Directors (up to four people). It is also proposed that the Internal Audit Team is discontinued as the staff of the Internal Audit Team is moving to KMG as part of the integration of KMG EP into KMG. The matter has been endorsed by the Company's Board of Directors (Minutes No. 19 dated 22 May 2018).

The following resolution was recommended to Company's shareholders:

To make amendments to the Charter of KazMunaiGas E&P.

The matter was put to a vote. The total number of the votes taking part in the voting was 43,087,006 votes.

**Votes:**

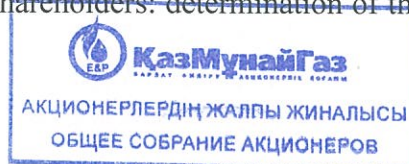
|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | no votes;         |
| <b>Abstained</b> | no votes.         |

**It was resolved:**

1. to make amendments to the Company's Charter;
2. that Mr Kurmangazy Iskazyev, the Company's Chief Executive Officer and Chair of the Management Board, takes steps required for this resolution to be implemented.

**Item two.** The Chair of the Meeting Mr Dauren Karabayev gave the floor to Ms Aigerim Suleimenova, the Company Secretary.

She reported that pursuant to subclause 5) of clause 1 of Article 36 of the Kazakh Stock Corporation Act and subclause 10) of clause 103 of the Company's Charter, the following fall under the sole responsibility of general meeting of shareholders: 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.

On 22 May 2018, general meeting of shareholders resolved that the Board of Directors comprises eight people and elected the following people to the Board of Directors for the period from 22 May 2018 through 22 May 2019: Dauren Karabayev, the Chair; Kurmangazy Iskaziyeu; Zhannat Yertlesova; Baltabek Kuandykov; Geroy Zholtayev; Oleg Karpushin; Ardak Mukushov; and Asiya Syrgabekova.

To cut costs associated with the Board of Directors, we would recommend that the Board of Directors comprises four members, and that some members are removed before the end of their term of powers. We are also recommending making respective amendments to the Company's Charter.

Therefore, once general meeting of shareholders adopts the resolution, the following people will remain with the Board: Dauren Karabayev, the Chair; Kurmangazy Iskaziyeu; Zhannat Yertlesova, the independent director; and Baltabek Kuandykov, the independent director.

It was recommended that the general meeting of Company's shareholders resolve that:

1. the Board of Directors comprises four people; and
2. the following members from the Company's Board of Directors be removed:
  - 1) Geroy Zholtayev, independent non-executive director;
  - 2) Oleg Karpushin, representative of NC KazMunaiGas;
  - 3) Ardak Mukushov, representative of NC KazMunaiGas; and
  - 4) Asiya Syrgabekova, representative of NC KazMunaiGas.

The matter was put to a vote. The total number of the votes taking part in the voting was 43,087,006 votes.

**Votes:**

|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | no votes;         |
| <b>Abstained</b> | no votes.         |

**It was resolved:**

1. the Board of Directors comprises four people; and
2. the following members from the Company's Board of Directors be removed:
  - 1) Geroy Zholtayev, independent non-executive director;
  - 2) Oleg Karpushin, representative of NC KazMunaiGas;
  - 3) Ardak Mukushov, representative of NC KazMunaiGas; and
  - 4) Asiya Syrgabekova, representative of NC KazMunaiGas.

**Item three.** The Chair of the Meeting Mr Dauren Karabayev gave the floor to Mr Mukhtar Avutbayev, the Director of Corporate Financing and Investor Relations Department.

Mr Avutbayev reported that pursuant to subclause 17) of Article 103 of the Charter of KazMunaiGas E&P (the "Company"), general meeting of shareholders is solely authorized to approve share valuation method for the period when shares are to be bought back by the Company on an over-the-counter market and any amendments thereto.

General meeting of Company's shareholders by its resolution that was adopted on 23 January 2008 approved the share valuation method for the period when shares are to be bought back by the Company (the "Method") that covers valuation of shares for the period when shares



are to be bought back by the Company both on an over-the-counter market and on a formal market. The general meeting of the Company's shareholders by its resolution that was adopted on 22 January 2018 made amendments to the Method as regards valuation of ordinary shares when bought back by the Company on a formal market.

For the Method to be interpreted consistently, to have a single approach to valuation of ordinary and preferred shares of the Company, and to vest the Board of Directors with the authority to approve the buyback price with due account being made for the market value of the shares, the Company's growth prospects and other factors, it is recommended that the following amendments be made to the Method:

Clauses 8, 9, and 11 of the Method are amended to read as follows:

"8. Shares that are being traded on an Organized Securities Market upon Company's initiative must be bought back at current market price quoted on the Organized Securities Market where the Company's Shares are being traded or at any other price set by the Board of Directors with due account being made for the market value of the Shares, the Company's equity capital, its potential change as per Company's growth plan and/or any other factor.

9. Shares that are not being traded on an Organized Securities Market upon Company's initiative may be bought back upon consent from a shareholder at a price determined by a third party assessor at a date at least 30 calendar days prior to decision made by the Company's Board of Directors to buy back the Shares, or at any other price set by the Board of Directors with due account being made for the Company's equity capital, its potential change as per Company's growth plan and/or any other factor.

11. Shares that are not being traded on an Organized Securities Market upon Company's initiative may be bought back at book value of the Shares less 50 percent discount from the amount received.

The book value of Shares must be calculated by reference to the latest Company's consolidated financial statements prepared in accordance with the IFRS as at the date of registration with the Company's document control office of the statement from a shareholder to repurchase Shares owned by the shareholder, and must be calculated in accordance with the following formula:

$P=E/Q$ , where:

P means the book value of shares;

E means the book value of Company's equity as at the date of reporting;

Q means the number of outstanding Shares (with due account for respective depositary receipt to a share ratio) as at the reporting date."

The following resolution was brought before the general meeting of shareholders:

To make the attached amendments to the KazMunaiGas E&P share valuation method for the period when those shares are to be bought back by the company that was approved by general meeting of shareholders of KazMunaiGas E&P on 23 January 2008.

Then Mr Bakytzhan Kudebayev, the owner of preferred shares of the Company, reported that the rights of minority shareholders of the Company including those holding preferred shares of the Company had been protected independent directors of the Company, and that currently no one was there to protect those rights.



Mr Karabayev responded that independent directors were still with the Company's Board and they were still representing the interests of all shareholders of the Company including holders of preferred shares.

Ms Akmaral Ibragimova asked when tender offer was going to be made and what the repurchase price would be.

Mr Karabayev responded that a decision as regards repurchase of shares or other securities and the price are under the responsibility of the Board of Directors. The details would be announced to the shareholders as soon as they are known, as laws require.

The matter was put to a vote. Pursuant to subclause 1-1) of clause 4 of Article 13 of the Act, shareholders that hold preferred shares of the Company voted on the matter. The total number of the votes taking part in the voting was 43,088,744 votes.

**Votes:**

|                  |                   |
|------------------|-------------------|
| <b>For</b>       | 43,087,006 votes; |
| <b>Against</b>   | 1,738 votes;      |
| <b>Abstained</b> | no votes.         |

**It was resolved:**

To make the attached amendments to the KazMunaiGas E&P share valuation method for the period when those shares are to be bought back by the company that was approved by general meeting of shareholders of KazMunaiGas E&P on 23 January 2008.

There being no further business to be conducted at the meeting, the Chair of the Meeting Mr Dauren Karabayev thanked the shareholders for their participation and brought the meeting to a close.

The Company's Meeting was closed at 11:00 a.m.

Chair of the General  
Meeting of Shareholders

Dauren  
Karabayev

Secretary of the General  
Meeting of Shareholders

Aigerim  
Suleimenova

Members of the  
Counting Committee:

Aigul  
Aliakparova

Yelena  
Gorokhova

Anisa  
Shalabayeva

From the Shareholder  
holding more than 10%  
of Ordinary shares

Damir Teberikov

