

BUSINESS PRINCIPLES KAZMUNAIGAS EXPLORATION PRODUCTION JOINT-STOCK COMPANY

This document sets out general business principles of KazMunaiGas Exploration Production Joint-Stock Company (herein referred to as “Company”) to be adhered to by each employee and official in order to achieve corporate goals, and serves as the foundation of the corporate culture within the Company

Principle 1. Responsibility

The Company values its public image and acknowledges its responsibilities:

To its employees

To provide a comfortable social environment inside the Company based on respect to all employees, ensuring equal opportunities to all staff regardless of their gender, ethnic origin or religious affiliation;
provide safe working conditions;
contribute to employees’ professional growth and encourage development and demonstration of employees’ talents and creative initiatives.

To its shareholders

To maximize shareholders’ value of investment;
equally protect shareholders’ interests;
ensure effective corporate governance.

To the society

To carry out business with a social responsibility, adhering to legal and moral norms of those countries where the Company operates;
contribute to sustainable development of those countries and regions and conduct business in a socially responsible manner.

To its partners

The Company inviolately and properly executes all of its obligations under contract and expects a similar business approach from its partners.

To its customers

To provide required quality and reliability levels of production delivery.

Principle 2. Continuous improvement

The Company strives towards the continuous improvement of product quality and services as well as towards an increase in performance of both production-related and management processes.

The Company is committed to continuous improvement of business processes by making the most of the resources available.

The Company employees are continuously improving their professional and practical skills.

Principle 3. Legitimacy, transparency and honesty in business

The Company conducts its business in an honest, transparent and fair way and expects a similar business approach from its partners and customers.

The Company reports on its activity to its shareholders, personnel and general public in a regular and timely manner.

All employees of the Company recognize their general and personal responsibilities and execute their duties within relevant legal constraints and internal company policies.

Direct or indirect offer, payment, extortion or taking of bribes in any form are absolutely inadmissible for the Company.

All employees should avoid conflict of interests between their own financial interests and business operations of the Company which they participate in. Should such a conflict arise, employees shall promptly notify appropriate services thereof.

Principle 4. Quality, Health, Safety and Environment

The Company follows the principle of reducing negative impact to the environment and the rational usage of natural resources.

This principle is supported by constant improvement of production and environment safety and by

increasing efficiency of control in observing production safety and environmental monitoring requirements in the Company’s facilities.

All management and engineering decisions in the Company are accepted and implemented only after a mandatory consideration of the environment aspects of planned activities, production and services rendered.

The Company requires its contractors to apply the same standards and norms which are adopted in KMG EP in the field of production and environment safety, labor and health protection.

Principle 5. Economic efficiency

The Company’s key economic principle is profitability, considered as a necessary condition of the Company’s existence.

This profitability is achieved through efficient organization, management and control of the operational, financial and investment activity.

Principle 6. Politics

The Company does not make any payment to political parties, organizations or their representatives, and takes no part in political activities. However, the Company acknowledges the rights of its employees to participate in political parties, organizations or be their representatives, and to take part in political activities.

Principle 7. Effective competition

KMG EP supports free enterprise and strives towards fair competition abiding by moral code and legislative regulation without preventing others from free competition with KMG EP.