

APPROVED
by the general meeting of shareholders
KazMunaiGas Exploration & Production
Joint Stock Company

(Minutes No. _____
dated October 30, 2007)

BY-LAWS ON THE BOARD OF DIRECTORS

**KazMunaiGas Exploration & Production
Joint-Stock Company**

Astana
2007

1. General Provisions

- 1.1. These by-Laws (hereinafter, the By-Laws) for the Board of Directors of KazMunaiGas Exploration & Production Joint Stock Company (hereinafter, the Company), are to work out in detail the legal corporate procedures for activity of the Board of Directors, which is the key corporate management body in the Company.
- 1.2. The By-Laws have been drafted in accordance with the laws of Republic of Kazakhstan, the charter of the Company and the Code on Corporate Governance.
- 1.3. These By-Laws shall define the procedure of forming, the status and the composition of the Board of Directors, the rights and responsibilities of the members of the Board of Directors, the organization of the Board operations, and its interaction with other bodies of the Company.
- 1.4. The Board of Directors shall act in accordance with the Law of Republic of Kazakhstan, the Company's Charter, the Code on Corporate Governance, and internal documents of the Company.
- 1.5. The relationship between the members of the Board of Directors and the Company shall be based on the norms of the law of the Republic of Kazakhstan, the Charter of the Company, the Code on Corporate Governance and other internal corporate documents, as well as on the civil contracts which shall be signed on behalf of the Company by the person authorized for that by the general meeting of shareholders of the Company.

2. Goals, principles and functions of the Board of Directors

- 2.1. The goals of the Board of Directors of the Company shall be general guidance of the Company's activity, to ensure achievement of the shareholders' interests, protect the shareholders' rights, establish principles and standards guiding the Company's activities, and control over the Management activities within the scope of its competence.
- 2.2. To achieve the goals, the Board of Directors shall adhere to the following principles:
 - 1) decisions shall be taken after joint and well-considered discussion of issues using true and complete information on the Company's activities;
 - 2) limitations on the shareholders' rights and lawful interests to participate in the operation of the Company, receive dividends and obtain information on the Company shall be precluded;
 - 3) interests of different groups of shareholders of the Company shall be balanced and the decisions of the Board of Directors shall be unbiased to the utmost and taken in the interests of all the shareholders of the Company.
 - 4) other principles set forth in the Code.
- 2.3. The key functions of the Board of Directors shall include:
 - 1) defining priority lines of development of the Company and setting major long-term reference points for it;
 - 2) unbiased assessment of the degree of keeping to the approved priority lines (with the market situation taken into account), the Company's financial standing and other factors influencing the Company's financial and economic activities;
 - 3) approving of the Company's internal procedures regulating the internal operation of the Company, procedures for risk management and internal control, ensuring that they are observed, as well as efficiency analysis and improvement thereof;
 - 4) solving corporate conflicts.
- 2.4. The issues within exclusive competence of the Board of Directors shall be governed by

the Charter of the Company.

3. Composition of the Board of Directors

3.1. A natural person can only be a member of the Board of Directors.

3.2. The members of the Board of Directors shall be elected from:

- 1) shareholders who are natural persons;
- 2) persons proposed (recommended) to be elected in the Board of Directors as representatives of the shareholders' interests;
- 3) other persons (subject to limitations imposed by paragraph 3.3 herein).

3.3. The members of the Board of Directors may be elected from persons who are not shareholders of the Company and have not been proposed/recommended to be elected in the Board of Directors as representatives of the shareholders' interests. The number of such persons may not exceed one half of the Board of Directors.

3.4. The number of the Board Members who are deemed Independent Directors by the Board of Directors in accordance with the legislation of the Republic of Kazakhstan and the Code on Corporate Governance of the Company may not be less than one third of the total number of Board Members. Independent Directors meet without other Board Members either via a telephone conference or otherwise for considering issues concerning general management of the Company's activity and, if necessary, considering any of the issues mentioned in paragraph 12.3 of Section 12 *Board of Directors* of the Charter.

3.5. The members of the Management Board, except its Chairman, may not be elected in the Board of Directors. CEO (Chairman of the Management Board) may not be elected Chairman of the Board of Directors or chairman of any committee of the Board of Directors.

3.6. The Board of Directors shall include at least 8 (eight) people, of which at least one third shall be Independent Directors

3.7 The term of office of the Board of Directors shall be determined by a decision of the General Meeting of Shareholders.

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

3.8. Shareholders may propose candidates to the Board of Directors within fifteen (15) days from the date of the notification of the forthcoming general meeting of shareholders with elections of the new Board of Directors on the agenda.

The Board of Directors may propose candidates to the Board of Directors no later than the date when preparation of the agenda papers for the shareholders is finished, but in any case no later than ten (10) days before the date of the meeting.

3.9. Shareholders may propose candidates to the Board of Directors in the following ways:

- 1) by sending a mail to the address of the place of performance of the Management Board of the Company;
- 2) by handing it personally to CEO (Chairman of the Management Board) of the Company, to the Chairman of the Board of Directors of the Company or to the Corporate Secretary of the Company or another person authorized with one of the people mentioned above affixing their personal signature.

The date of the candidate proposal shall be deemed the date it is received by the Company (if sent by mail) or by the date of the signature (if handed personally).

3.10. The proposal of a candidate to the Board of Directors (including self-proposal) shall contain the full name (if any) of the shareholder proposing the candidate, the amount and category (type) of the shares belonging to this shareholder, and the following candidate data:

- 1) his/her full name (at will);
- 2) education background, including advanced training (educational institution name, graduation date, qualification obtained);
- 3) information on affiliation with the Company;
- 4) information on the places and the posts the candidate has been employed at for the last three years as well as on the posts held by the candidate in managing bodies of other legal entities for the last five years;
- 5) the list of legal entities the candidate holds shares and participates in, with the number of shares/ownership interests in the charter capital of such entities specified;
- 6) information on the relations of the candidate with the Company's affiliated persons and entities and its major contractors;
- 7) information on whether the candidate has any outstanding conviction or administrative disqualification;
- 8) information on whether the candidate agrees to be proposed to the Board of Directors of the Company.

The proposal shall be signed by the shareholder or the shareholder's representative, with a duly executed power of attorney attached if necessary.

3.11. The Corporate Secretary of the Company shall consider the candidate proposals for the members of the Board of Directors and present the candidate proposals for consideration of the General Meeting of Shareholders on the following:

- 1) the dead-line for submitting the candidate proposal stipulated by paragraph 3.8 herein has not been observed;
- 2) whether the candidates specified in the proposal meet requirements set out by the legislation of the Republic of Kazakhstan, the Charter, the Code and these By-laws of the Company to members of the Board of Directors;
- 3) whether the proposal of the shareholder(s) meets requirements of the Charter and these By-Laws;
- 4) whether the candidate stated as an Independent Director in the proposal is an Independent Director;

3.12. Members of the Board of Directors shall be elected by cumulative voting at the general meeting of shareholders. Each shareholder may give his/her votes, according to the number of shares (s)he has, all to one candidate or distribute them between several candidates.

3.13. The candidates who scored the greatest numbers of votes shall be deemed elected in the Board of Directors. If two or more candidates for election scored equal, a further voting is held for such candidates. If it turns out after the voting that the requirements of paragraph 3.3 of the By-Laws are not met, a further voting for all the members of the Board of Directors is held by the shareholders (or their representatives) present at the general meeting of shareholders. If the fourth successive voting does not manage to form the Board of Directors that would meet the established requirements, then the item on election of the members of the Board of Directors is included into the agenda of the next

general meeting of shareholders and the nominating process is effected in accordance with these By-laws.

3.14. The Corporate Secretary shall explain to the newly elected members of the Board of Directors the regulations on the activity of the Board of Directors and other Company's bodies, the organizational structure of the Company, shall inform them on the officers of the Company, shall disclose them the internal documents of the Company, decisions of the General Meeting of Shareholders and the Board of Directors, shall give any other information necessary for proper performance of their duties.

4. Status of the members of the Board of Directors of the Company

4.1. No person may be member of the Board of Directors that:

- 1) does not have higher education or secondary professional education;
- 2) has any outstanding conviction not cancelled or lifted in accordance with the established legal procedure;
- 3) was earlier a Chairman of the Board of Directors, Chief Executive Officer (Chairman of the Management Board), Chief Accountant of a legal entity that was declared bankrupt or subject to laying-up, readjustment, or compulsory liquidation during the term of service of that person within one year from the date that the decision on forced liquidation or forced purchase of shares was made, or laying-up of another legal entity, duly declared to be bankrupt was taken. This requirement will have its effect within five from the date that the decision on bankruptcy, laying-up, readjustment, or forced liquidation was taken.

A natural person who had been earlier a public servant and had by virtue of their duties some powers to control and supervise the Company's activities on behalf of the State, may not be elected to the Board of Directors within one year from the date of termination of the said powers.

4.2. People elected in the Board of Directors may be re-elected for any number of times, unless otherwise envisaged by the Legislation or these By-Laws.

4.3. The general meeting of shareholders may early terminate the powers of the entire Board of Directors, as well as of single members of the Board of Directors.

4.4. Early termination of the powers of a member of the Board of Directors at his/her own shall be executed upon written notification of the Board of Directors. The powers of such a member of the Board of Directors shall be deemed terminated from the moment that the Board of Directors receives the notification in question.

4.5. In case of early termination of the powers of a member of the Board of Directors a new member of the Board of Directors shall be elected by cumulative voting of shareholders present at the General Meeting of Shareholders, and the powers of such a newly elected member of the Board of Directors shall expire at the same time when the powers of the whole Board of Directors shall expire.

4.6. The members of the Board of Directors shall:

- 1) act in good faith, reasonably and justly, observing the provisions of the legislation of the Republic of Kazakhstan, the Charter, the Code and the By-laws, the moral principles of the society and business ethics conventions in the best interests of the shareholders and the entire Company;
- 2) maintain confidentiality of all the Company information they come to know because

of their work as the members of the Board of Directors of the Company, within three years from the day they have ceased working for the Company;

- 3) monitor the Company position and maintain stable contacts with other bodies and officers of the Company;
- 4) participate in meetings and activity of Committees of the Board of Directors they are elected to;
- 5) notify the Management Board of the impossibility to participate in the Board meeting in advance, with the cause for their absence provided;
- 6) Independent Directors shall refrain from actions which may result in their failure to maintain independence. If an Independent Director ceases to be independent due to changing circumstances, (s)he shall notify the Board of Directors of the fact in writing within two (2) days;

4.7. The members of the Board of Directors shall observe the following rules and requirements concerning an interest conflict:

- 1) inform the Chairman of the Board of Directors in writing immediately of any personal commercial or other interest (direct or indirect) in transactions, contracts, or projects associated to the Company, including his/her intentions to enter into transactions with securities of the Company or its affiliates, and disclose information on transactions with such securities effected by him/her, after the procedure provided by the Company's internal documents;
- 2) not receive presents, services or any privileges from natural persons or legal entities, which are, or may be considered, a reward for decisions or actions taken by the member of the Board of Directors in the course of his/her duties, except symbolic signs of respect given of common courtesy or souvenirs given at official events;
- 3) not disclose confidential, insider and other information they come to know during their work as members of the Board of Directors to people not having access to such information, nor use it in their interest or the interest of any third parties, both during their work as members of the Board of Directors and within three years after they cease working in the Company;
- 4) follow all regulations and procedures set out by the Company internal documents concerning internal security and safety of the Company confidential information;

4.8. Members of the Board of Directors shall be liable to the Company and the shareholders for damages suffered due to their actions/inaction, including the losses, according to the procedure provided by the legislation of the Republic of Kazakhstan.

4.9. Board members shall be entitled to:

- 1) demand that the meeting of the Board of Directors be held;
- 2) demand that their dissenting opinion on the agenda issues or decisions taken be included into the minutes of the meeting of the Board of Directors.
- 3) take any other actions provided for by the legislation of the Republic of Kazakhstan, the Charter, the Code and any other internal documents of the Company.

5. Chairman of the Board of Directors

5.1. Chairman of the Board of Directors shall be elected from its members by a majority of votes of all the members of the Board of Directors by open vote.

5.2. Chairman of the Board of Directors shall, in accordance with the procedures established

by the legislation of the Republic of Kazakhstan, the Charter and the Code:

- 1) arrange activities of the Board of Directors;
- 2) hold meetings of the Board of Directors;
- 3) convene meetings of the Board of Directors, and chair such meetings;
- 4) sign individual labour contract with CEO (Chairman of the Management Board) on behalf of the Company;
- 5) approve job description of Head of Internal Audit Service of the Company;

5.3. If the Chairman of the Board of Directors is absent his functions are exercised by one of the members of the Board of Directors at the decision of the Board made by majority votes of its members participating at the meeting.

6. Meetings of the Board of Directors

6.1. Meetings of the Board of Directors shall be held based on the principles of reasonability, efficiency and regularity. The meetings shall be held regularly in accordance with the activity plan approved at the meeting of the Board of Directors. If necessary the Board of Directors shall consider issues not included into the operation plan.

6.2. Independent Directors shall hold their meetings without other members of the Board of Directors taking part, regularly enough to efficiently fulfill their specific duties.

6.3. Meetings of the Board of Directors may be in person or by correspondence.

6.4. Meetings of the Board of Directors in person are the most efficient and are advisable for considering issues and taking decisions on key issues concerning the Company's activities. The form is implemented through co-presence at the meetings or through video conferences or telephone conferences or via other means of communication. Any member of the Board of Directors may participate in the meeting in person by telephone conference or using another communication media which enables all the participants of the meeting to hear each other and speak to each other. The person participating in the meeting in this way shall be deemed present at the meeting in person and, in accordance with the Charter, shall be entitled to vote and count in a quorum.

6.5. The meeting of the Board of Directors by correspondence is not allowed when decisions are taken on the priority lines of the Company's activities; when a new Chairman of the Board of Directors is elected; and when other issues, determined by the Board of Directors, are considered.

6.6. The agenda of the first meeting of the Board of Directors held at the date it is elected by the general meeting of shareholders of the Company, shall by all means include the following issues:

- 1) on the election of the Chairman of the Board of Directors;
- 2) on the establishment of the Committees of the Board of Directors.

6.7. The meeting of the Board of Directors may be convened on the initiative of its Chairman or the Management Board upon request of:

- 1) any member of the Board of Directors;
- 2) the Internal Audit Service of the Company;

3) the audit firm that audits the Company;

4) a principal shareholder.

6.8. The request to convene the meeting of the Board of Directors shall be submitted to the Chairman of the Board of Directors by sending in an appropriate written message.

6.9. The request to convene the meeting of the Board of Directors shall include:

- 1) the name of the initiator or the name of the Company body or legal entity submitting the request to convene the meeting of the Board of Directors;
- 2) the agenda of the meeting;
- 3) papers on the agenda items;
- 4) power of attorney, minutes or other documents confirming the powers of the person who signed the request.

The request to convene the meeting may also contain other information at the initiator's discretion, including draft resolutions on the agenda items.

6.10. The Chairman of the Board of Directors may not refuse the convening of the meeting, unless:

- 1) the request to convene the meeting does not comply with the By-Laws;
- 2) the person submitting the request is not entitled to request the convening of the meeting of the Board of Directors.
- 3) resolution on the issues proposed for consideration by the Board of Directors does not pertain to the competence of the Board of Directors.

6.11. The Chairman of the Board of Directors shall consider the submitted request on convening the meeting within three (3) days and send the initiator a notification of the decision (s)he has taken within two (2) days from the date of such decision.

6.12. If the Chairman of the Board of Directors satisfies the request to convene the meeting of the Board of Directors, (s)he is entitled to determine the proposed form of the meeting and make additions to the proposed agenda.

6.13. In case of refusal of the Chairman of the Board of Directors in the convening of the meeting, the initiator is entitled to submit the said request to the Management Board of the Company, which shall convene the meeting of the Board of Directors. The functions of the Chairman of the Board of Directors concerning the convening and holding of the meeting shall then be executed by CEO (Chairman of the Management Board) of the Company.

6.14. The meeting shall be convened by the Chairman of the Board of Directors of the Management Board of the Company no later than ten (10) days from the receipt of the request to convene the meeting. The person who submitted the said request shall be invited without fail to such a meeting of the Board of Directors.

6.15. The preparation of papers for the meeting of the Board of Directors on the issues initiated by the Management Board or the CEO (Chairman of the Management Board) of the Company, as a member of the Board of Directors, shall be carried out by the respective business units of the Company in the following manner:

- 1) the draft resolution of the Board of Directors, the explanatory note thereto in the form set out in Schedule 1 thereto and other papers on the issue proposed to the Board of Directors shall be made by the business unit initiating this issue on the instructions of the CEO (Chairman of the Management Board);

- 2) all the papers proposed to the Board of Directors shall be initialled per sheet by the person who prepared them for the initiating business subdivision of the Company;
 - 3) the content of the explanatory note shall not exceed five (5) pages of text;
 - 4) the draft resolution of the Board of Directors and the explanatory note thereto shall be signed by the heads of the organization department initiating the consideration of the issue, of the legal department, document-recording office, organization departments (if the issue falls within their competence), as well as of Deputy CEO and/or Managing Directors of the Company supervising the abovementioned organization departments, and then they shall be translated into English. The translated documents shall be initialled by the translator, the head of organization department initiating the issue and by the employee of the legal department of the Company;
 - 5) the Corporate Secretary shall verify the completeness of all papers proposed to the Board of Directors, prepare a draft of request to convene the meeting of the Board of Directors and a draft of the minutes/resolution of the Board of Directors based on the submitted papers and shall send them to the CEO (Chairman of the Management Board) for consideration;
 - 6) the CEO (Chairman of the Management Board) acting as a member of the Board of Directors shall sign the request to convene a meeting of the Board of Directors and the explanatory note on the issue initiated, following which the Corporate Secretary shall send all the papers to the Chairman of the Board of Directors in the prescribed manner;
 - 7) the Corporate Secretary based on the resolution of the Chairman of the Board of Directors to convene the meeting of the Board of Directors shall notify the members of the Board of Directors in writing on holding of the meeting, with papers on the agenda issues attached, at least five (5) days before the date of the meeting. The notification on the holding of the meeting of the Board of Directors must include the date, time, place and agenda of the meeting.
- 6.16. Papers on the agenda items of the meeting of the Board of Directors may be sent through e-mail, except for information containing business secret of the Company, as well as information relating to state secret. The Corporate Secretary shall be responsible for the timely provision of the members of the Board of Director with the papers on the agenda issues.
- 6.17. The Corporate Secretary together with the organization departments responsible for the office management of the Company shall organize the meetings of the Board of Directors, the determination of the quorum necessary for plenipotentiary meeting of the Board of Directors.
- 6.18. The procedure for determining whether a quorum is present shall be fixed by the Charter.
- 6.19. Each member of the Board of Directors shall have one vote. The Board of Directors shall make decisions by a majority of votes of the Board members present at the meeting, unless otherwise provided by the legislation of the Republic of Kazakhstan or the Charter of the Company. No transfer of the right to vote by a member of the Board of Directors to another person, including another member of the Board of Directors of the Company, is permitted. The members of the Board of Directors may not appoint a deputy to act for a director during his/her absence at any Board meeting.

If there is a tie vote, the vote of the Chairman of the Board of Directors shall be

decisive.

- 6.20. If the member of the Board of Directors is fully or partially disagreed with the decision taken by the Board of Directors, (s)he shall set forth a dissenting opinion on the issue put to a vote, which is recorded by the Corporate Secretary in the minutes of the meeting of the Board of Directors in person. If the decision is made by the Board of Directors by absentee vote, the dissenting opinion of the member of the Board of Directors shall be made in writing and attached to the filled absentee ballots.
- 6.21. The Board of Directors may decide to hold a closed meeting where only Board members may participate.
- 6.22. The resolutions of the meeting in person of the Board of Directors shall be documented as minutes in the form attached hereto as Schedule 2 within three (3) days from the day of the meeting and be signed by the Chairman of the Board of Directors and the Corporate Secretary of the Company.

The minutes of the meeting of the Board of Directors in person shall include:

- 1) full name of the Company and its place of performance;
- 2) date, place (including the address) and time of the meeting;
- 3) the agenda of the meeting;
- 4) information on persons participated in the meeting;
- 5) speech of the persons participated in the meeting of the Board of Directors;
- 6) voting issues and the results of the vote, as well as the results of the individual voting;
- 7) dissenting opinions of the members of the Board of Directors;
- 8) decisions taken;
- 9) other information, in accordance with the decision of the Board of Directors.

6.23. At the discretion of the Chairman of the Board of Directors, the Board may decide on the issues being considered by absentee vote. Absentee ballots may be used for such voting. The decision taken by absentee vote shall be deemed taken if there is a quorum in the absentee ballots received by due date.

6.24. The absentee ballots shall be executed in the form attached hereto as Schedule 3 and shall include:

- 1) full name of the Company and its place of performance;
- 2) wording of the issues for vote and decisions on each issue;
- 3) voting variants on each issue: "for", "against", "abstention";
- 4) dissenting opinion;
- 5) postal address where the completed absentee ballots shall be sent;
- 6) the dead-line for absentee ballot receipt.

6.25. The decision of an absentee vote of the Board of Directors shall be executed in writing attached hereto as Schedule 4 within three (3) days from the dead-line date for absentee ballot receipt and signed by the Chairman of the Board of Directors and the Corporate Secretary of the Company. Within 20 (twenty) days from the date the decision was executed it shall be sent to the members of the Board of Directors, with copies of the absentee ballots that caused such a decision attached.

The decision of the meeting held by correspondence shall include:

- 1) issues put to the absentee vote;

- 2) wording of the decisions on each issue;
 - 3) dissenting opinions of the members of the Board of Directors;
 - 4) the results of the vote for each issue, as well as the results of the individual voting.
- 6.26. The Corporate Secretary of the Company shall be responsible for the accuracy of the minutes and decisions of the meetings held in person or by correspondence.

6.27. The minutes of the meetings of the Board of Directors and the decisions of the Board of Directors held in person or by correspondence shall be kept by the Corporate Secretary for one calendar year and then transferred to the Company archive. The minutes and resolutions of the meetings of the Board of Directors held in person or by correspondence shall have index numbers assigned for the calendar year. The Corporate Secretary of the Company shall, at the request of a Board member, give him/her the original of the minutes/resolution of the Board meeting for examination and, if necessary, pass him/her a copy of the minutes/resolution and/or excerpts from the minutes and resolutions certified by the Corporate Secretary's signature and the Company seal.

7. Committees of the Board of Directors

7.1. The following committees shall be established within the Board of Directors:

- 1) on strategy planning;
- 2) on human resources
- 3) on remuneration;
- 4) on internal audit;
- 5) on social matters;
- 6) on business planning;
- 7) on corporate governance;
- 8) and other committees on the issues stipulated by the legislation of Kazakhstan and internal documents of the Company.

7.2. The establishment of the committees, their quantitative composition and the procedures for their activities, as well as procedures for their interaction with the Board of Directors of the Company shall be determined by internal documents of the Company drafted in accordance with the best international practice of the listing agencies and shall be approved by the Board of Directors.

8. Corporate Secretary of the Company

8.1. The Corporate Secretary of the Company shall provide for the activities of the Board of Directors; the Corporate Secretary shall be appointed by the Board of Directors and his/her status shall be determined by the By-laws on the Corporate Secretary of the Company.

8.2. Principal duties of the Corporate Secretary of the Company:

- 1) to ensure the timely composition of the agenda of the meeting of the Board of Directors and provision of the members of the Board of Directors with true and accurate information;
- 2) to prepare the meetings of the Board of Directors;
- 3) to render methodical and other necessary help to the business units of the Company in preparing materials for the meetings of the Board of Directors;
- 4) to inform the members of the Board of Directors of the Board meetings in the manner and in time set out herein;

- 5) to keep and execute the minutes of the meetings of the Board of Directors;
- 6) to perform other functions stipulated by the legislation of the Republic of Kazakhstan, the Charter, the Code, these By-laws and the By-laws on the Corporate Secretary of the Company.

8.3. Basic rights of the Corporate Secretary of the Company:

- 1) to demand that the executives of the Company provide him/her with information and documents necessary for preparation of papers for the meeting of the Board of Directors;
- 2) to appeal directly to the Chairman of the Board of Directors concerning violation or non-observance of corporate procedures by management bodies or officers of the Company;

9. Assessment of the Board Activities

9.1. Along with the annual report and the consolidated financial statements of the Company the Board of Directors shall present a report on work of the Board of Directors and Management Board, including full information on the issues which were decided upon by the Board of Directors or by the Management Board, as well as on such issues that require the powers of CEO (Chairman of the Management Board) to decide upon.

9.2. The Board shall hold an annual comprehensive assessment of its work, of the work of its committees and each of the Directors within a month from termination of financial year. Such assessment on behalf of the Board of Directors shall be carried out by the Nomination Committee of the Board of Directors. The purpose of the individual assessment of the Board members is to verify whether each member of the Board continues to contribute efficiently to the Board activities, as well as if (s)he shows willingness to carry out his/her functions (including the responsibility to participate in the Board and Committee meetings and any other responsibilities).

9.3. The results of the assessment of the Board activities shall be heard at the annual general meeting of shareholders.

10. Remuneration to the members of the Board of Directors

10.1 The Company shall disclose the information on the remuneration of the Board members for any interested person in accordance with the legislation of the Republic of Kazakhstan. The data on the remunerations of the Board members for the accounting period are obligatory for disclosure in the annual report prepared for the shareholders taking part in the annual shareholders meeting.

10.2. The general meeting of shareholders may decide that the members of the Board of Directors should be compensated during their term for their expenses related to their performing of the Board member and committee member functions, and whether the remuneration should be paid.

10.3. The remuneration of the Board members shall be agreed upon in the agreement with the Board of Directors and shall consist of two parts:

- 1) fixed remuneration;
- 2) additional remuneration that can be paid depending on the results of the Company and the assessment of the contribution of each member of the Board of Directors to

the achievement thereof, as well as for participation in the work of the committees of the Board of Directors and for acting as Chairman of the Board of Directors.

10.4. The work of Board of Directors and each of its members shall be assessed in accordance with the criteria developed by the Human Resources Committee and the Remuneration Committee of the Board of Directors.

11. Final provisions

11.1. Approval of the By-Laws, as well as amendments hereto, shall be within the competence of the general meeting of shareholders of the Company.

11.2. If amendments to the legislation of the Republic of Kazakhstan, the Charter or Code on Corporate Governance of the Company cause certain provisions of the By-Laws to contradict them, such provisions shall become void, and it shall be necessary to follow the applicable legislation of the Republic of Kazakhstan, the Charter and the Code on Corporate Governance of the Company until the amendments are introduced hereto.

MINUTES No. 1 (INDICATE THE INDEX NUMBER)**Astana****(indicate the date of the meeting)**

The place of performance of KazMunaiGas Exploration & Production JSC (hereinafter, the Company): (indicate the legal address of the Company).

The venue of the meeting of the Board of Directors held: (indicate the place of the meeting).

The meeting of the Board of Directors of the Company is opened (indicated time of the meeting).

The following members of the Board of Directors present at the meeting:

Chairman of the Board of Directors:

(full name)

(title)

Members of the Board of Directors:

(full name)

(title)

(full name)

(title)

(full name)

(title)

(full name)

(title)

(full name)

(title)

(full name)

(title)

(full name)

(title)

Participants invited on the part of the Company: (indicate full names of the invited employees of the Company).

Participants invited on the part of KazMunaiGas E&P JSC: (indicate full names of the invited employees on the part of NC KazMunaiGas JSC).

Invited third persons: (indicate full names of the invited people).

In accordance with paragraph 1, Article 58 of the Law of the Republic of Kazakhstan *On Joint Stock Companies* and paragraph 12.25 of the Company's Charter the quorum for plenipotentiary meeting of the Board of Directors shall be greater or equal than 2/3 of the total number of Board members, including at least 2/3 of the Independent Directors.

The quorum for the meeting of the Board of Directors is present.

The following agenda is proposed to the members of the Board of Directors of the Company taking part in the meeting:

1. (indicate the issue on the agenda).
2. (indicate the issue on the agenda).
3. (indicate the issue on the agenda).

.....

The Chairman has put the proposed agenda to vote.

Votes:

“For” - (indicate the number of votes and full names of the members of the Board of Directors).

“Against” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons for voting against the proposal or having particular remarks).

“Abstained from voting” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons reason for refusal to vote on certain issue or to have particular remarks).

“Did not vote” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons for the member of the Board of Directors not to take part in the voting or to have special remarks). The member of the Board of Directors shall not take part in the voting if he/she is interested in the settlement of the transaction according to articles 64,71 and 73 of the Law of Kazakhstan *On the Joint Stock Companies*, and shall make the appropriate record thereon.

Approve the following agenda:

- a. (indicate the issue on the agenda).
- b. (indicate the issue on the agenda).
- c. (indicate the issue on the agenda).

(indicate the title, full name of the speaker) has spoken to the meeting **on the first issue of the agenda**... S/he has mentioned that (summary of the issue stated by the speaker).

The issue was discussed by the following people (indicate full names of those who have taken part in discussion and the summary of their comments).

Having considered the item on the agenda and the papers submitted in accordance with (indicated provisions of the Charter, which assign this issue to the competence of the Board of Directors) it was resolved by the Board of Directors that:

“For” - (indicate the number of votes and full names of the members of the Board of Directors).

“Against” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons for voting against the proposal or having particular remarks).

“Abstained from voting” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons of the member of the Board of Directors for refusal to vote on certain issue or for having particular remarks).

“Did not vote” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons for the member of the Board of Directors not to take part in the voting or to have special remarks). The member of the Board of Directors shall not take part in the voting if he/she is interested in the settlement of the transaction according to articles 64, 71 and 73 of the Law of Kazakhstan *On the Joint Stock Companies*, and shall make the appropriate record thereon.

1. (indicate the item of the decision of the Board of Directors).
2. (indicate the item of the decision of the Board of Directors).
3. (indicate the item of the decision of the Board of Directors).

Chairman of the Board of Directors: (full name)

Corporate Secretary of the Company (full name)

Members of the Board of Directors:
(full name)
(full name)
(full name)

**Absentee ballot of a member of the Board of Directors
of KazMunaiGas Exploration & Production JSC**

The place of performance of the Management Board of KazMunaiGas Exploration & Production JSC (hereinafter, the Company): (indicate the legal address of the Company).

THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY IS CONVENED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS (INDICATE THE FULL NAME OF THE CHAIRMAN).

The date of delivery of this ballot to a member of the Board of Directors (indicate full name): (indicate the date).

The signed ballot is to be submitted to the Corporate Secretary of the Company by hand, tel. (indicate tel.) by (indicate date and time).

Agenda

1. (indicate the issue on the agenda).
2. (indicate the issue on the agenda).
3. (indicate the issue on the agenda).

Concerning the first item on the agenda a member of the Board of Directors resolves:

1. (indicate the item of the decision of the Board of Directors).
2. (indicate the item of the decision of the Board of Directors).
3. (indicate the item of the decision of the Board of Directors).

voting options *

| Name | For | Against | Abstained | NOTE ** |
|--|-----|---------|-----------|---------|
| (indicate the full name of the member of the Board of Directors) | | | | |

Corporate Secretary of the Company

(full name)

* A voting option is marked by the signature of a voting member of the Board of Directors.

The vote on this ballot shall be counted provided that a voting member of the Board of Directors has marked only one possible voting option.

** In Note section should be stated reasons for which the member of the Board of Directors has voted "Con", "Abstained" or did not take part in the voting or has certain comments.

A Board of Directors member does not participate in the voting in case of his/her interest in concluding a transaction by the Company as stated in Articles 64, 71 and 73 of the Law of the Republic of Kazakhstan *On Joint-Stock Companies* of which he/she makes a respective note.

**Resolution
of a meeting of the Board of Directors of KazMunaiGas EP JSC held by
correspondence**

Astana

(indicate the date of the meeting)

The place of performance of KazMunaiGas Exploration & Production JSC (hereinafter, the Company): (indicate the legal address of the Company).

THE COMPOSITION OF THE BOARD OF DIRECTORS

Chairman of the Board of Directors:

| | |
|-------------|---------|
| (full name) | (title) |
|-------------|---------|

Members of the Board of Directors:

| | |
|-------------|---------|
| (full name) | (title) |
| (full name) | (title) |
| (full name) | (title) |
| (full name) | (title) |
| (full name) | (title) |
| (full name) | (title) |
| (full name) | (title) |

THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY IS CONVENED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS (INDICATE THE FULL NAME OF THE CHAIRMAN).

In accordance with the law of Kazakhstan *On Joint Stock Companies* dated May 13, 2003 and the Charter of the Company, at the sole discretion of the Chairman of the Board of Directors, the decisions on the agenda issues shall be made by absentee vote on the basis of counting of voices according to the number of duly signed ballots (attached).

The signed ballots have been received from all members of the Board of Directors by due date indicated therein.

The following agenda is proposed to the members of the Board of Directors of the Company taking part in the meeting:

- a. (indicate the issue on the agenda).
- b. (indicate the issue on the agenda).
- c. (indicate the issue on the agenda).

.....

The quorum required for decision-making is present.

Concerning the **first item** on the agenda, having considered the materials submitted in accordance with (indicated provisions of the Charter, which assign this issue to the competence of the Board of Directors) it **WAS RESOLVED** by the Board of Directors that:

“For” - (indicate the number of votes and full names of the members of the Board of Directors).

“Against” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons for voting against the proposal or having particular remarks).

“Abstained from voting” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons reason for refusal to vote on certain issue or to have particular remarks).

“Did not vote” - (indicate the number of votes and full names of the members of the Board of Directors and the reasons for the member of the Board of Directors not to take part in the voting or to have special remarks). The member of the Board of Directors shall not take part in the voting if he/she is interested in the settlement of the transaction according to articles 64, 71 and 73 of the law of Kazakhstan *On the Joint Stock Companies*, and shall make the appropriate record thereon.

1. (indicate the item of the decision of the Board of Directors).
2. (indicate the item of the decision of the Board of Directors).
3. (indicate the item of the decision of the Board of Directors).

Chairman of the Board of Directors: (full name)

Corporate Secretary of the Company (full name)

Explanatory note (the name of the issue)

Date

Venue

Explanatory note shall contain:

1. Goals
2. Objectives
3. Economic effect
4. Brief description of the issue being submitted for consideration of a shareholder or the Board of Directors with information disclosed on review held (financial, legal, technical)
5. Compliance with the laws of the Republic of Kazakhstan
6. Main problems, risks, possible consequences arising out of taking or not taking a resolution

Chief Executive Officer

(Chairman of the Management Board)

Signature

Full name, initials