

ENDORSED

by the resolution of the Board of
Directors of JSC NC “KazMunayGas”
dated May 31, 2011
Minutes №4/2011

APPROVED

by the resolution of the Sole Shareholder
of JSC NC “KazMunayGas”
dated August 5, 2011,
Order №69-П

(updated by the resolutions of the
Management Board of
JSC “Samruk-Kazyna”
#22/13 dated April 29, 2013)

REGULATION **on the Board of Directors of Joint-Stock Company** **“National Company “KazMunayGas”**

1. General provisions.

1. This Regulation on the Board of Directors (hereinafter – the Regulation) of JSC “National Company “KazMunayGas” (hereinafter - KMG) has been developed in line with the Law on Joint Stock Companies (hereinafter – the Law), the Law of the Republic of Kazakhstan “On Sovereign Wealth Fund” (hereinafter – the Law on the Fund), the Corporate Governance Code of KMG and the Charter of KMG.

2. This Regulation defines the status, procedure of formation and operation, composition of the Board of Directors of KMG and its interaction with other bodies of KMG, rights, obligations and liabilities of members of the Board of Directors and also the procedure of election and early termination of their powers.

3. In its activities the Board of Directors is guided by the Law, the Law on the Fund, the Charter of KMG, this Regulation, the Corporate Governance Code of KMG, and other internal documents of KMG.

4. The activity of the Board of Directors is based on the principles of professionalism, reasonableness, efficiency, good faith, honesty, efficiency, objectivity, and liability.

2. Status of the Board of Directors

5. The Board of Directors is the governing body of KMG carrying out general management of KMG’s activities, except for issues referred by the Charter of KMG to the exclusive competence of the Sole Shareholder or the Management Board, and control over the performance of the KMG Management Board within its competence.

3. Competence of the Board of Directors

6. The Board of Directors is empowered to adopt resolutions on issues referred to the exclusive competence of the Board of Directors in line with the Charter of KMG.

7. Issues referred to the exclusive competence of the Board of Directors cannot be transferred for the decision making to the KMG Management Board.

The Board of Directors shall not be entitled to adopt resolutions on issues, which are referred to the competence of the Management Board in line with the Charter of KMG, as well as any resolutions contradicting resolutions of the Sole Shareholder.

8. The Board of Directors shall:

- 1) monitor and, if possible, eliminate potential conflicts of interests at the level of officials and shareholders including the illegal use of KMG's property and abuse of powers upon entering into interested-party transactions;
- 2) monitor efficiency of the corporate governance practice in KMG.

4. Composition of the Board of Directors and procedure of electing its members

9. The quantitative composition of the Board of Directors is determined by the Sole Shareholder. The number of members of the Board of Directors shall be no less than six persons. No less than thirty percent of the membership of the Board of Directors shall be independent directors.

The Chairman of the Board of Directors on behalf of KMG concludes the contracts with Independent Directors as specified in Annex No1 to this Regulation.

10. The term of powers of the Board of Directors is 3 (three) years. The term of powers of the Board of Directors shall expire at the moment of the decision making by the Sole Shareholder on election of the new Board of Directors.

11. Any term of election into the composition of the Board of Directors for over 6 years in succession (e.g. two 3-year terms) shall be specially considered with account of a need for the qualitative renewal of the composition of the Board of Directors. One and the same person can not be elected to the Board of Directors for over 9 years in succession (e.g. three three-year terms). In exclusive cases the election for over 9 years is possible, but such person shall be elected to the Board of Directors on an annual basis.

5. Requirements to a member of the Board of Directors

12. While making a decision on election (appointment) of members of the Board of Directors the Sole Shareholder shall be guided by the following requirements for selection on candidates to the members of the Board of Directors:

- 1) trust of the Sole Shareholder and other members of KMG Board of Directors in a candidate;
- 2) candidate's unblemished reputation in business and industrial areas;
- 3) professional knowledge and qualification of a candidate, which allow him to make balanced decisions maximally meeting interests of the Sole Shareholder and KMG;
- 4) at least 3-year experience of work in a managerial position in the area correlating with the core activities of KMG;

5) availability of sufficient time, allowing to efficiently perform his functions. When making a decision on participation in bodies of another joint stock company or employment to another organization a candidate to the members of the Board of Directors shall take into account that he/she should have sufficient time for due performance of the assigned obligations.

13. Any persons, who are members of Boards of Directors (Supervisory Boards) or executive bodies of competing companies of KMG, cannot be elected to the KMG Board of Directors.

Members of KMG Board of Directors are recommended not to come forward as candidates or to participate in procedures on election of members of Boards of Directors (Supervisory Boards) or executive bodies of competitor companies of KMG. Such participation of a member of the Board of Directors in the Board of Directors (Supervisory Board) or the executive body of a competitor company may be grounds for early termination of powers of such member of the Board of Directors.

The Sole Shareholder may set additional qualification requirements to candidates to the position of Independent Directors of KMG.

14. Members of KMG Board of Directors shall strive for regular promotion of their qualification.

15. A person can not be a member of the Board of Directors, if he/she:

1) has an unspent conviction or conviction unexpunged or in the order established by the legislation;

2) was earlier the Chairman of the Board of Directors, a chief executive officer (head of the executive body), deputy head, chief accountant of another legal entity in the period no more than one year prior to the decision making on forced liquidation or forced redemption of shares or conservation of such legal entity deemed as a bankrupt in the established order. The above requirement shall be applied within five years from the date of the decision making on the forced liquidation or forced redemption of shares or conservation of such legal entity deemed as a bankrupt in the established order.

5. Rights of a member of the Board of Directors

16. A member of the Board of Directors shall be entitled:

1) to call for a meeting of the Board of Directors through sending a written notification to the Chairman of the Board of Directors, with an assumed agenda of a meeting of the Board of Directors;

2) to address the KMG Management Board calling for a meeting of the Board of Directors in case of refusal by the Chairman of the Board of Directors to convene a meeting;

3) to express own opinion on agenda items submitted for consideration by the Board of Directors (in case of disagreement with a resolution adopted by the Board of Directors, a member of the Board of Directors shall have the right to state his point of view (dissenting opinion) in writing;

4) to participate in meetings of the Board of Directors and its Committees and in discussion of issues considered there;

5) to submit enquiries and receive information and documents from the KMG Management Board on all aspects of KMG's activities and also information and documents from the Internal Audit Service required for exercising his/her rights and obligations;

6) to remove from office ahead of schedule by giving a written notice to the Board of Directors;

7) to undergo induction programs and professional development programs as well as training for a relevant position;

8) to receive remuneration (in case if a member of the Board of Directors receives remuneration for his/her work in the Board of Directors in line with the resolution of the Sole Shareholder) and compensation for expenses (costs) related to his/her performance of obligations of a member of the KMG Board of Directors;

9) to require for recording a special (dissenting) opinion on agenda items in the minutes of a meeting of the Board of Directors;

10) enjoy other rights specified by the Law and the KMG Charter.

7. Obligations of a member of the Board of Directors

17. A member of the Board of Directors shall be obliged:

1) to perform the assigned duties in good faith and to apply methods, which maximally reflect the interests of KMG and the Sole Shareholder;

2) to abstain from actions, which result in or potentially may cause a conflict of interests between him\her, KMG and the Sole Shareholder and in case of occurrence of such conflict to immediately inform the Chairman of the Board of Directors of it in writing;

3) to immediately notify the Board of Directors in writing through the Corporate Secretary of an intention to conclude a transaction with KMG, in which he/she can be deemed as an interested party, with indication of the grounds of such interest, and also of any intention to conclude on his/her behalf transactions with securities (participation interest) of subsidiary (dependent) organizations of KMG;

4) to inform KMG Board of Directors of legal entities, in which he/she directly or indirectly holds voting shares or participation interests;

5) not to vote on issues in which he is interested or if there is any conflict of interests;

6) to participate in meetings and work of the Board of Directors and a Committee (Committees), in which he is a member and review all the necessary information (materials);

7) not to disclose any confidential information of KMG including the insider information, to any persons, who do not have access to confidential information of KMG including the insider information; and not to use the above information in personal interests or in interests of any other third parties, both while performing

duties of a member of the Board of Directors and within three years from the date of termination of his/her powers;

8) to follow all the rules and procedures, specified in internal documents of KMG on safety and integrity of confidential information of KMG;

9) not to receive from individuals or legal entities any gifts, services, or any benefits, which represent or can be deemed as remuneration for resolutions or actions, adopted or taken by a member of the Board of Directors within his/her official powers, except for symbolic characters of attention in line with the common rules of politeness or any souvenirs in official events;

10) not to establish and not to participate in the bodies of KMG's competitor companies or the companies within the vertical structure of KMG's assets;

11) not to use KMG's property and not to allow using it in contradiction with the KMG Charter and resolutions of the Sole Shareholder and the Board of Directors and for any personal purposes, and to abuse powers while entering into transactions with affiliates;

12) to ensure integrity of accounting and financial statements systems including independent auditing;

13) to initiate meetings of the Board of Directors to make urgent decisions;

14) to control the disclosure and provision of information about KMG's activities in line with requirements of the laws of the Republic of Kazakhstan;

15) to act in line with requirements of the laws of the Republic of Kazakhstan, the Charter and internal documents of KMG based on the information awareness, transparency, and in the interests of KMG and its Sole Shareholder;

18. An independent director shall:

1) treat the Sole Shareholder with justice and express an objective independent opinion on corporate issues;

2) abstain from actions, which lead to forfeit of the criteria of an independent director, specified by the Law. In case of such actions and also in case of any circumstances, causing any inconsistency with the independence criteria, he/she shall notify the Board of Directors and the Sole Shareholder on it in writing within 2 days.

8. Chairman of the Board of Directors

19. The Chairman of the Board of Directors is elected (appointed) by the Sole Shareholder.

20. The Chairman of the Board of Directors shall be a person, with an unblemished reputation and the experience of work at managerial positions, enjoying trust of the Sole Shareholder and members of the Board of Directors and possessing such qualities as honesty and adherence to principles.

21. The Sole Shareholder is entitled to re-elect the Chairman of the Board of Directors at any time.

22. The powers of the Chairman of the Board of Directors are determined by the Law and the Charter.

23. In case of absence of the Chairman of the Board of Directors, his functions shall be performed by one of the members of the Board of Directors by the resolution of the Board of Directors.

9. Procedure of conducting meetings and drawing up resolutions of the Board of Directors

24. Meetings of the Board of Directors are held based on principles of rationality, efficiency and regularity.

25. Meetings of the Board of Directors can be either scheduled or extraordinary. Scheduled meetings of the Board of Directors are held no less than once every six weeks on the basis of the annual Activity Plan of the Board of Directors, drawn up with account of proposals of the Sole Shareholder, members of the Board of Directors, the Internal Audit Service and the Management Board of KMG.

26. The Chairman of the Board of Directors carries out control over the development of the annual activity plan. The activity plan of the Board of Directors shall be subject to revision at the end of the 1st half of a year.

27. Scheduled meetings of the Board of Directors are convened by the Chairman of the Board of Directors in line with the annual activity plan of the Board of Directors; extraordinary meetings are convened in line with the laws of the Republic of Kazakhstan and the KMG Charter.

28. A written request for convening an extraordinary meeting of the Board of Directors is submitted to the Chairman of KMG Board of Directors signed by the initiator through a written notice, with the proposed agenda of a meeting of the Board of Directors and other necessary information:

- 1) by sending via a facsimile communication with subsequent delivery of the original message by any of the methods specified in sub-items 2) and 3) of this item;
- 2) by mail;
- 3) by delivery against receipt to the Chairman of the Board of Directors or the Corporate Secretary.

29. The date of a request for convening an extraordinary meeting of the Board of Directors shall be defined on the date specified in an incoming fax message, post stamp, or the date of delivery to the Chairman of the Board of Directors or the Corporate Secretary.

30. The Chairman of the Board of Directors is not entitled to refuse to convene a meeting of the Board of Directors of KMG except for cases when:

- 1) a request about convocation of a meeting does not comply with this Regulation;
- 2) a person, who submitted a request is not entitled to call for a meeting of the Board of Directors;
- 3) the proposed agenda items do not refer to the competence of the Board of Directors.

31. The Chairman of the Board of Directors is obliged to review the request about convocation of a meeting and send to an initiator of such convocation of a

meeting a notification on the resolution made on holding of a meeting of the Board of Directors within 15 (fifteen) working days from the date of the request.

The Chairman of the Board of Directors is obliged to convene an in-person meeting of the Board of Directors no later than ten calendar days from the date of receiving the Sole Shareholder's request for convocation of a meeting of the Board of Directors to review issues on reimbursement of KMG losses caused by KMG officials and return of received profit (incomes) by KMG officials and (or) their affiliates as a result of the decision making about entering into (proposals to enter into) major transactions and (or) interested party transactions.

The Sole Shareholder shall be informed of the resolution of the Board of Directors regarding the relevant request within three calendar days from the date of a meeting. Upon receipt of the above resolution of the Board of Directors or failure to receive it within the term set out in this item, the Sole Shareholder shall be entitled to file a claim in court on its behalf to protect KMG interests upon availability of documents confirming the Sole Shareholder' addressing the Chairman of KMG Board of Directors on the above mentioned issue.

32. If the Chairman of the Board of Directors satisfies the request for convening of a meeting of the Board of Directors, the Chairman of the Board of Directors shall be entitled to specify the form of a meeting.

33. In case of motivated refusal by the Chairman of the Board of Director to convene an extraordinary meeting, the initiator of convocation of an extraordinary meeting shall be entitled to apply to the KMG Management Board with the request to convene a meeting. The date of submitting a request for convocation of a meeting shall be the date of registration of a written request of the initiator by KMG's structural subdivision responsible for registration of correspondence.

34. An extraordinary meeting is convened no later than fifteen working days from the date of receipt of a relevant request by the Chairman of the Board of Directors or the KMG Management Board.

35. A meeting of the Board of Directors shall be held with the obligatory invitation of a person that submitted a request about convocation of a meeting.

36. Written notifications to members of the Board of Directors on the date, place and time as well as the form of a scheduled and extraordinary meeting of the Board of Directors with specification of the agenda of a meeting, an initiator of a meeting (if an initiator is not the Chairman of the Board of Directors) and attachment of materials required for the decision making shall be handed out by the Corporate Secretary personally against receipt or sent by mail or by fax or e-mail to each member of the Board of Directors no less than seven calendar days prior to the date of a meeting. The Corporate Secretary shall not accept any Materials for a meeting of the Board of Directors after the above specified term. Materials including a commercial secret of KMG and also information referred to state secrets can not be sent by fax or e-mailed.

The date of submitting notices shall be determined per the date of out coming facsimile or e-message, post stamp, or date of handing out a notification.

37. Materials for a meeting of the Board of Directors should include the whole information on agenda items necessary for making reasonable decisions by the Board of Directors including an explanatory note providing for a brief description of an issue with the disclosure of its economic (financial) value for KMG as well as potential benefits (losses) in case of adoption/ failure to adopt a resolution, stating the enforceability, reasonability, efficiency, and eligibility of the proposed resolution.

38. In case of consideration of an issue on entering into a major transaction and/or an interested party transaction, information about such transaction should include the data about parties to a transaction, timeframe and conditions of a transaction, its character and participation interests of engaged parties as well as the report of an appraiser (in cases specified in item 1 of Article 69 of the Law).

Should a member of the Board of Directors need any additional information or materials for the decision making while considering issues submitted for review by the Board of Directors, the Corporate Secretary of KMG (hereinafter referred to as the Corporate Secretary) shall take measures on their provision by interested structural subdivisions, the Management Board and Internal Audit Service of KMG.

The Chairman of the Board of Directors and the Corporate Secretary are responsible for provision of members of the Board of Directors with information to the extent allowing members of the Board of Directors to adopt justified resolutions on items of the agenda of the Board of Directors' meeting.

39. Materials for a meeting of the Board of Directors shall be developed by the Management Board of KMG in line with the following requirements:

1) draft resolutions of the Board of Directors and explanatory notes on each agenda item and other related materials on issues submitted for consideration by the Board of Directors are prepared by a relevant structural subdivision initiating such issue;

2) materials submitted for consideration by the Board of Directors shall be initialed on each page by a head of a structural subdivision initiating an issue;

3) draft resolutions of the Board of Directors and explanatory notes shall be agreed upon with heads of a structural subdivision initiating consideration of an issue, a relevant structural subdivision of the legal support unit, other structural subdivisions and also members of the Management Board to the competence of which such issue refers;

4) upon coordination and submission of these materials to the Corporate Secretary, the Corporate Secretary shall prepare a letter (convocation) in the name of the Chairman of the Board of Directors with attachment of the proposed agenda signed by the Chairman of the Management Board of KMG;

5) the Chairman of KMG Management Board shall sign a letter (convocation) in the name of the Chairman of the Board of Directors and after that all materials shall be sent to the Chairman of the Board of Directors in the established procedure;

6) based on the resolution of the Chairman of the Board of Directors on convocation of a meeting of the Board of Directors the Corporate Secretary shall deliver a notification to members of the Board of Directors about holding of a

meeting of the Board of Directors with attachment of all relevant materials no later than seven calendar days from the date of a meeting.

The requirement specified in sub-item 3) of this item shall not be applicable to the materials on issues initiated by members of the Board of Directors, the Internal Audit Service, and the Sole Shareholder.

40. The Corporate Secretary shall ensure timely submission of materials on issues of the agenda to members of the Board of Directors.

41. If the agenda of a meeting of the Board of Directors includes an issue about election of members of the Management Board, the materials related to this issue shall provide for the consent of a nominee for holding relevant position, the candidate's CV and the minutes of the Remuneration Committee of the Board of Directors. In the absence of a written consent a nominee attends a meeting of the Board of Directors and gives his consent orally for a relevant position.

42. A quorum to hold a meeting of the Board of Directors makes no less than a half of the number of members of the Board of Directors and is determined with account of members participating via a videoconference (interactive audiovisual communication), conference call (simultaneous talks of members of the Board of Directors in the regime of "conference call"), or other means of communication, and with account of absent members of the Board of Directors (upon availability of their votes expressed in writing).

If the total number of members of the Board of Directors is insufficient for the quorum as specified in the preceding paragraph of this item, the Board of Directors shall be obliged to submit the issue on election (appointment) of new members of the Board of Directors for consideration of the Sole Shareholder. The remaining members of the Board of Directors shall be entitled only to make a decision on submitting such an issue for consideration of the Sole Shareholder.

43. The quorum to make decisions on issues specified in sub-items 1), 4), 5), 7-14), 21), 23), 24) of item 67 of KMG Charter makes two thirds of members of the Board of Directors; moreover the majority of independent directors shall attend such meeting of the Board of Directors.

Should the total number of members of the Board of Directors be insufficient for the quorum as specified in the preceding paragraph of this item, consideration of the above specified issues shall be postponed till the next meeting of the Board of Directors. In case of reconsideration of issues mentioned in the preceding paragraph of this item, the requirements to the quorum and the number of independent directors shall not be applied.

44. Each member of the Board of Directors shall have one vote in voting at a meeting of the Board of Directors.

45. In case of an equality of votes, the Chairman of the Board of Directors or a person chairing the meeting of the Board of Directors shall have the casting vote.

46. The Board of Directors is entitled to adopt a resolution on holding a closed meeting, in which only members of the Board of Directors can participate.

47. A member of the Board of Directors cannot transfer his/her vote to any other member of the Board of Directors or transfer the voting right to any person.

48. Resolutions of the Board of Directors shall be adopted by the majority of votes of members of the Board of Directors participating in a meeting or having submitted a letter of acknowledgement, unless otherwise is stated by the law or the Charter.

In calculation of votes, the votes of members of the Board of Directors, who participate in a meeting via a video conference (interactive audio visual communication), conference call (simultaneous talks of members of the Board of Directors in the regime of “conference call”) and with the use of other means of communication, which allow participants of a meeting to hear and talk to each other shall be taken into account.

49. A resolution about concluding an interested party transaction shall be adopted by a simple majority of votes of members of the Board of Directors not interested in it. If all members of the Board of Directors except for independent directors are interested in such transactions a resolution shall be adopted by a simple majority of votes of independent directors.

In case of an equality of votes, a resolution about concluding an interested party transaction shall be adopted by the Sole Shareholder.

50. Meetings of the Board of Directors can be held in-person or through absentee voting; however the number of absentee meetings shall be minimized.

51. In special cases both forms of a meeting of the Board of Directors can be combined. This is a situation when one or several members of the Board of Directors (not more than 30%) cannot personally attend a meeting of the Board of Directors. An absent member of the Board of Directors can participate in discussion of issues using technical means of communication and should submit his opinion in writing.

52. An in-person meeting of the Board of Directors as the most effective form is efficient to consider issues and make decisions on the most important, key, strategic issues of KMG activities.

53. An in-person meeting is held with the personal attendance of members of the Board of Directors, and via a video conference (interactive audiovisual communication), conference call (simultaneous talks of members of the Board of Directors in the regime of conference call) and also participation with use of other communication means, that allow participants to hear and talk to each other. A person thus participating in a meeting is deemed as personally attending a meeting and is entitled to vote and to be accounted in a quorum in line with the Charter.

54. A member of the Board of Directors is obliged to notify the Chairman of the Board of Directors and the Corporate Secretary of impossibility of his participation in an in-person meeting in advance. At that such a member of the Board of Directors shall not vote on issues of the agenda. An absent member of the Board of Directors shall be entitled to provide a letter of acknowledgement (written opinion) on agenda items in any form.

A letter of acknowledgement (written opinion) should contain:

- 1) the date of the letter of acknowledgement;
- 2) the agenda, on which an absent member of the Board of Directors expresses his opinion by sending a letter of acknowledgement;

- 3) a clear position on each item of the agenda;
- 4) the signature of a member of the Board of Directors;
- 5) other data referred to the agenda at the discretion of a member of the Board of Directors.

55. A letter of acknowledgement (written opinion) of a member of the Board of Directors can be delivered to the Chairman of the Board of Directors by the registered mail or courier, delivered by hand to the Corporate Secretary or via a representative, and also via fax or e-mail.

56. A letter of acknowledgement submitted by a member of the Board of Directors shall be taken into account in calculation of the quorum and voting results and shall be filed to the minutes of a meeting.

57. A letter of acknowledgement (written opinion) shall be submitted by a member of the Board of Directors to the Chairman of the Board of Directors or the Corporate Secretary prior to a meeting of the Board of Directors.

58. If a member of the Board of Directors, who earlier provided a letter of acknowledgement, participates and votes at the meeting of the Board of Directors his/her letter of acknowledgement (written opinion) shall not be taken into account.

59. The decisions cannot be made through an absentee meeting on issues specified in sub-items 1), 4), 5), 7-14), 21), 23), 24) of item 67 of KMG Charter and on the following issues:

- hearing of the status reports/ reports on implementation of the Development Strategy and the Development Plan of KMG;
- hearing of the performance reports of the Internal Audit Service of KMG and the external auditor of KMG;
- consideration of the investment/ loan projects;
- the performance assessment of members of the KMG Management Board;
- employment issues.

If any member of the Board of Directors objects to consideration of an issue at an absentee meeting, the issue shall be included into the agenda of a regular in-person meeting.

The agenda of a meeting of the Board of Directors shall be formed by the Chairman of the Board of Directors based on the annual activity plan of the Board of Directors at the initiative of the Chairman of the Board of Directors or the Management Board or by request (offers, notifications) of any bodies (persons), who have such powers in line with the laws of the Republic of Kazakhstan and the KMG Charter.

60. The agenda shall be approved by the majority of votes of members of the Board of Directors, participating in a meeting.

No amendments or additions to the agenda are allowed in case if the Board of Directors is making decisions through an absentee vote.

61. The agenda of an in-person meeting of the Board of Directors can be changed and (or) supplemented by a unanimous resolution of members of the Board of Directors, who participate in a meeting, except for the cases when an in-person meeting of the Board of Directors is held with the use of letters of acknowledgement.

62. The Board of Directors shall not be entitled to consider issues that are not included into agenda and make decisions on such issues.

63. An absentee vote shall be carried out through distribution of voting papers as per the form according to Annex 2 to this Regulation by the Corporate Secretary to members of the Board of Directors by means of the registered mail, fax or e-mail, or delivered against receipt.

A member of the Board of Directors, who received materials by fax or e-mail shall fill in a voting paper and send the filled in voting paper by fax or e-mail to KMG with simultaneous delivery of the original by registered mail.

The Corporate Secretary shall verify correctness and uniformity of voting papers by his/ her signature.

64. A voting paper for absentee voting shall include:

- 1) the name and location of KMG (its Management Board);
- 2) the date of submission of the signed voting paper to the Corporate Secretary;
- 3) the agenda of a meeting;
- 4) issues put for voting and options of voting on them, expressed as “Pro”, “Contra” and “Abstained”;
- 5) any other data.

65. A voting paper for an absentee vote shall be signed by a member of the Board of Directors. A voting paper without a signature shall be deemed as invalid.

66. Upon counting of votes, the votes are taken into account on those issues, on which a member of the Board of Directors followed the voting procedure, set in a voting paper, and only one of possible options of voting is marked. If members of the Board of Directors have any remarks (offers, amendments) on documents and/or wording of draft resolutions submitted for absentee voting, not affecting the voting results, a member of the Board of Directors shall be obliged to notify the Corporate Secretary of such remarks (offers, amendments) in writing not later than three working days prior to expiry of the deadline set for submission of voting papers to the Corporate Secretary, for due provision of his/her opinion to the rest members of the Board of Directors for familiarization, and for drafting the minutes of the meeting with account of the proposed changes in case of agreement of the majority of members of the Board of Directors.

67. The date of submission of a voting paper by a member of the Board of Directors shall be defined by a postal mark or the date of submitting of a voting paper to the Corporate Secretary.

68. On the day of final submission of voting papers by phone, fax or e-mail or any other way, the Corporate Secretary shall request information from members of Board of Directors about their submitting of voting papers to KMG.

69. Resolutions made through an absentee voting shall be deemed as adopted if voting papers received within the established term make a quorum required for adoption of such resolution.

70. A resolution made at an absentee meeting shall be minuted within three working days from the final date of submission of voting papers and shall be signed by the Chairman of the Board of Directors and the Corporate Secretary.

A resolution shall specify:

- 1) the name and location of KMG (its Management Board);
- 2) the date and venue of written formation of a resolution of absentee voting;
- 3) the data on composition of the Board of Directors;
- 4) a person (body), who called for a meeting;
- 5) the agenda for absentee voting;
- 6) records stating availability / absence of a quorum for the decision making;
- 7) the results of voting on each agenda item and the adopted resolutions;
- 8) any other data.

71. Within twenty days from the date of its formalization a resolution of an absentee meeting shall be delivered by registered mail or handed out against receipt to members of the Board of Directors (with the enclosure of copies of voting papers, on the basis of which such resolution was adopted). The Corporate Secretary shall take necessary measures to inform the Board of Directors of such resolution in the shortest possible time.

72. Resolutions of the Board of Directors adopted at an in-person meeting shall be recorded in the minutes of the meeting of the Board of Directors, in which the discussion of all issues is reflected. The minutes of an in-person meeting shall be signed by members of the Board of Directors and the Corporate Secretary within three business days from the date of a meeting and shall cover the results of voting. KMG shall keep and store shorthand notes showing the adoption of important resolutions by the Board of Directors, for example, such as approval of major transactions; interested-party transactions; acquisition of equity stakes (participation interests); and foundation of legal entities.

73. The Minutes of a meeting of the Board of Directors shall be kept and formalized by the Corporate Secretary.

74. In case of disagreement with the resolution of the Board of Directors, a member of the Board of Directors shall be entitled to require fixing his/ her disagreement in the minutes.

75. If a member of the Board of Directors “abstained” on an issue, submitted for consideration by the Board of Directors a relevant reason of such voting shall be specified in the minutes (resolution of absentee voting).

76. A member of the Board of Directors, who has an interest in an issue, submitted for consideration by the Board of Directors, shall not participate in discussion and voting on this issue, and a relevant record shall be made in the minutes of the Board of Directors.

77. The Minutes of an in-person meeting of the Board of Directors shall cover the following information:

- 1) a full name of KMG and location of KMG (its Management Board);
- 2) the date, time and venue of a meeting of the Board of Directors;
- 3) the data on persons, who participated in a meeting of the Board of Directors;
- 4) the data on members of the Board of Directors, who did not participate in a meeting, but submitted their letters of acknowledgements;
- 5) the agenda of a meeting;

- 6) the key points thesis of speeches and discussions on items of the agenda;
- 7) issues put for voting and the results of voting on them showing the results of voting of each member of the Board of Directors on each item of the agenda of a meeting of the Board of Directors;
- 8) the adopted resolutions;
- 9) a record on voting of a member of the Board of Directors through submission of a letter of acknowledgement on the agenda (in case if there is any letter of acknowledgement)
- 10) a record on a meeting via a videoconference (interactive audiovisual communication), conference call (simultaneous talks of members of the Board of Directors in the regime of “conference call”) and also participation with the use of other means of communication;
- 11) a record on facts of non-voting of a member of the Board of Directors on issues in which he is interested;
- 12) any other data about a resolution of the Board of Directors.

78. The Corporate Secretary and the Chairman of the Board of Directors shall be liable for correct drawing up of minutes of in-person meetings and resolutions made through an absentee voting.

79. The Minutes of in-person meetings and resolutions made through an absentee voting of the Board of Directors shall be stored by the Corporate Secretary in safes.

80. At the request of a member of the Board of Directors or by a written request of KMG’s structural subdivisions the Corporate Secretary shall provide originals of documents for familiarization as well as the copies and (or) extracts from minutes (resolutions) of meetings duly signed by the Corporate Secretary and stamped with the seal of the KMG’s Board of Directors within 3 (three) business days.

10. Control over implementation of resolutions of the Board of Directors

81. The Board of Directors shall control implementation of its resolutions through consideration of reports of the Management Board of KMG, Committees of the Board of Directors, the Internal Audit Service of KMG, and the Corporate Secretary on implementation and (or) status of implementing resolutions of the Board of Directors, which are submitted for each meeting of the Board of Directors.

82. The Corporate Secretary shall inform the Management Board of KMG and the Internal Audit Service of KMG about the adopted resolutions and relevant instructions and inform the Board of Directors of deadlines for implementation of resolutions of the Board of Directors.

83. Following consideration of submitted report, the Board of Directors shall be entitled to give relevant instructions within its competence.

11. Committees of the Board of Directors

84. In compliance with the laws of the Republic of Kazakhstan and the KMG Charter, Committees of the Board of Directors can be established to promote efficient performance of functions of the Board of Directors KMG.

The performance of all Committees shall be governed by internal documents of KMG approved by the Board of Directors and covering the information about the composition, competence, election of members of Committees and the procedure of work of Committees as well as the rights and obligations of members of Committees.

85. Committees of the Board of Directors consist of members of the Board of Directors with an obligatory involvement of independent directors and experts duly qualified for working in a certain Committee. The Chairman of the Committee shall be elected from among its members. The Chairman of the KMG Management Board cannot be elected as the Chairman of any Committee of the Board of Directors.

86. Terms of powers of members of the Committee coincide with the terms of their powers as members of the Board of Directors and annually reviewed by the Board of Directors.

87. If necessary consultants that have necessary professional knowledge for working in a particular Committee, can be involved in the Committee.

The rates of remuneration for experts and consultants shall be defined by the Board of Directors.

88. An opinion of a Committee submitted to the Board of Directors shall be of a recommendatory nature.

89. In order to ensure performance of the Committees of the Board of Directors KMG shall provide for financing of activities of each established Committee.

90. The Board of Directors shall elect members of Committees by the majority of votes of the total number of members of the Board of Directors.

12. Mutual relations with the Sole Shareholder and the Management Board of KMG

91. Resolutions of the Sole Shareholder adopted within its competence shall be binding for the Board of Directors. The Board of Directors and the Management Board shall annually report on their activities to the Sole Shareholder through submission of a year-end progress report.

13. Liabilities of members of the Board of Directors

92. Members of the Board of Directors shall be liable to KMG and the Sole Shareholder in line with the laws of the Republic of Kazakhstan for any damage caused by their actions and (or) inactivity and for any losses incurred by KMG in line with the Laws.

93. Excluded.

94. Excluded.

95. When determining the basis and extent of liability of members of the Board of Directors normal business practices and other circumstances related to the case shall be taken into account.

96. KMG is obliged to underwrite liability of members of the Board of Directors at the expense of KMG.

96-1. The KMG Board of Directors is obliged to recommend the Sole Shareholder to terminate ahead of schedule the powers of a member of the Board of Directors that took part in less than 50% meetings in the reporting period.

14. Remuneration of members of the Board of Directors

97. The data on the amount of remuneration for members of the Board of Directors for the accounting period shall be subject to a required disclosure within the annual report of KMG.

98. By resolution of the Sole Shareholder, an Independent Director may receive remuneration and (or) compensation for expenses related to his/ her performance of functions of a member of the Board of Directors.

99. Terms and conditions of remuneration payment and compensations to an Independent Director shall be determined by a resolution of the Sole Shareholder.

15. Validity of the Regulation.

100. Approval of the Regulation, and introduction of any additions and amendments to it refers to the competence of the Sole Shareholder.

101. If upon amendment of the Law or the KMG Charter separate provisions of the Regulation contradict them, such norms of the Regulation shall be void and until amendment of the Regulation, officials and employees of KMG shall be guided by the current legal acts of the Republic of Kazakhstan and the KMG Charter.

Model Contract with an Independent Director of JSC NC “KazMunayGas”

Astana

« ____ » _____ 20__

JSC NC KazMunayGas (hereinafter referred to as KMG) represented by the Chairman of KMG Board of Directors acting in compliance with resolution of the Sole Shareholder of KMG No__ dated _____ 20__, on the one part, and Mr. _____ elected as the Independent Director of KMG (hereinafter referred to as the Independent Director) in compliance with the resolution of the KMG Board of Directors dated _____ 20__, No__, on the other part, hereinafter collectively referred to as the Parties, concluded this Contract (hereinafter – the Contract) as follows:

1. Subject of the Contract

1. This Contract shall set out the rights and obligations of the Independent Director in compliance with the laws of the Republic of Kazakhstan (hereinafter – the laws), the Charter, and internal documents of KMG, and also an obligation of KMG to pay remuneration and (or) to compensate for expenses of the Independent Director related to performance of obligations under this Contract.

2. While performing their obligations the Parties shall be guided by the laws, this Contract, the Charter and internal documents of KMG.

2. Rights of the Independent Director

3. The Independent Director shall be entitled:

3.1. to request and /or timely receive any information from officials and bodies of KMG necessary for performance of his/ her functions with account of requirements of the laws and contract terms;

3.2. to use an office, company’s car and communication means provided by KMG for performance of functions specified in the Contract, the Charter and internal documents of KMG including the mobile communication the expenses for which will be compensated by KMG;

3.3. to participate in all meetings of the KMG Board of Directors, express his opinion on issues under consideration or letters of acknowledgements in case of impossibility of attendance, vote on agenda items of a meeting of the Board of Directors in the order specified in the charter and internal documents of KMG;

3.4. receive from KMG remuneration and/or compensation of expenses related

to performance of obligations of a member of the Board of Directors in the order specified in the Charter, other internal documents of KMG and the Contract; \

3.5. have other powers of a member of KMG Board of Directors, specified in the legislation, Charter and other internal documents of KMG.

3. Obligations of the Independent Director

4. When exercising rights and performing obligations the independent director shall act in the interests of KMG and its shareholder in good faith, reasonably and fairly, observing requirements contained in the legislation, ethical principles of KMG and also rules of business ethics.

5. The independent director shall be obliged to:

5.1. perform obligations with account of requirements of legislation, charter and internal documents of KMG;

5.2. attend in-person meetings of KMG Board of Directors, committees of the Board of Directors, including at the place and time, which will be announced in advance in the order specified by the charter and internal documents of KMG personally or at distance (by phone or otherwise);

5.3. submit to the Board of Directors signed voting papers for absentee voting on issue considered at absentee meetings of the Board of Directors at established terms and in the presence of remarks and objections to submit their letters of acknowledgement at established terms;

5.4. participate personally (by phone or otherwise) in work of Committees of the Board of Directors, where he was elected;

5.5. perform instructions of KMG Board of Directors and its Chairman given within the competence of the Board of Directors;

5.6. duly prepare to meetings of the Board of Directors, committees of KMG Board of Directors in particular: in advance familiarize with materials related to meetings, collect and analyze necessary information, prepare own conclusions and recommendations;

5.7. on expiry of the term of powers of the Independent director including an early termination of his powers, termination of this contract within 5 working days to hand over to a person appointed by KMG all documents and other property under a handover act, if those were provided;

5.8. as required by the Sole Shareholder of KMG to provide any information within the scope of matters in the competence of KMG Board of Directors except for personal confidential information;

5.9. in the manner prescribed by the legislation to share liabilities with all members of KMG Board of Directors for efficient management of KMG within the competence of KMG Board of Directors;

5.10. fulfill other liabilities specified by the legislation, the Charter, internal documents of KMG, this contract on the basis of information awareness, transparency, in the interests of KMG and its Sole Shareholder.

6. The Independent Director shall be obliged to comply with the following rules and requirements:

6.1. immediately inform KMG Board of Directors of any personal commercial or any interest (direct or indirect) in transactions, contracts, projects associated with KMG in accordance with internal documents of KMG;

6.2. not to receive from individuals or legal entities gifts, service or any other benefits, which represent or can be considered as remuneration for resolutions or actions, adopted and taken by the independent director as a member of KMG Board of Directors;

6.3. not to disclose commercial or any secret protected by a the law and also inside information not be disclosed, which became known to the Independent Director in connection with performance of obligations of a member of the Board to persons, who do not have access to such information and also to use it in his interests or interests of third parties within the period of performance of obligations of a member of the Board of Director and during five years upon termination of the contract and also during the period established in documents (information), which became known, unless longer period is stated in KMG documents (except for the right of the independent director to disclose the above information in cases established by the legislation of the Republic of Kazakhstan and also in cases when such requirement of disclosure of the above information is given by judicial and/or law enforcement bodies and bodies of international arbitrage (if considered requirement under the legislation of the Republic of Kazakhstan, arbitrage agreement or other basis not contradicting to the legislation of the Republic of Kazakhstan is compulsory in a particular case for a member of the Board of Directors);

6.4. during the work in the premises of KMG follow the rules and procedures specified by internal documents of KMG and connected with safety regime and work with confidential information of KMG.

4. Rights of KMG

7. KMG shall be entitled to:

7.1. request the Independent Director to duly perform liabilities of a member of the Board of Directors specified by the legislation, the Charter, internal documents of KMG and this Contract;

7.2. use other rights, specified in the legislation of the Republic of Kazakhstan, the Charter, internal documents of KMG and this Contract;

7.3. exercise other rights established by this contract.

5. Obligations of KMG

8. KMG shall be obliged to:

8.1. timely and fully pay to the Independent Director remuneration specified in this Contract and (or) reimburse expenses associated with performance of liabilities of a member of KMG Board of Directors;

8.2. timely provide the independent director with information, materials and documents necessary for proper performance of obligations with account of requirements of the legislation;

8.3. if necessary provide the independent director with services of a translator, a premise, communication means and other necessary technical assistance for performance of obligations during in-person meeting of KMG Board of Directors;

8.4. perform other obligations specified in the legislation of the Republic of Kazakhstan, the Charter and internal documents of KMG.

6. Remuneration and (or) compensations paid to the Independent Director

9. For performance of obligations of a member of KMG Board of Directors the Independent Director shall receive fixed remuneration, defined KMG the Board of Directors. In case of participation of the independent director in no less than a half of all in-person and absentee meetings of the Board of Directors except for absence in an in-person meeting for the reason of disease, vocation, business trip, fixed remuneration shall not be paid.

10. Fixed remuneration shall be paid to KMG during a month following an accounting period of remuneration payment. The accounting period for remuneration payment shall be half of a year of a relevant calendar year.

The amount of annual fixed remuneration shall make in compliance with a resolution of the Board of Directors (minutes No dated), ___ US dollars (or equivalent amount in Tenge at the exchange rate of the National Bank of the Republic of Kazakhstan on the day of payment).

Remuneration shall be paid by KMG in cash twice a year in proportion with the period of work of the independent director in a relevant year.

11. Additional remuneration shall be established:

for attending each meeting of a committee in ___ US dollars (or equivalent amount in Tenge at the exchange rate of the National Bank of the Republic of Kazakhstan on the day of payment) after deduction of taxes;

for attending each in- person meeting of a committee as a chairman of the committee in the amount of _____ US dollars (or equivalent amount in Tenge at the exchange rate of the National Bank of the Republic of Kazakhstan) after deduction of taxes.

Additional remuneration shall be paid by KMG during a month following a date of in- person meeting of a committee under the Board of Directors.

12. The Independent Director shall be reimbursed for expenses (travel, accommodation, per diem) related to the visit to the meetings of the Board of Directors, Committees of the Board of Directors and meetings initiated by the Chairman of the Board of Directors or the Chairman of KMG Management Board held beyond the residence of the Independent Director.

13. Expenses related to accommodation and travel shall be reimbursed by KMG on actual expenses on submission of confirming documents. Per diem allowance shall

amount to 6 (six) monthly calculation indices per each day for a period of stay for attendance of a meeting.

14. Remuneration and (or) reimbursement of expenses to the independent director shall be transferred to a bank card or account or shall be made by cash via cashier's office of KMG at the discretion of the independent director. The independent director shall pay remuneration to a bank for card service.

7. Liabilities of the Parties

15. The Independent Director shall be liable to KMG for losses caused to KMG by guilty actions (failure to act) of the Independent Director including in case of violation of requirements of item 6 of the contract, unless other bases and rate of liability is stated in the laws of the Republic of Kazakhstan or judicial bodies.

16. The Independent Director shall not be liable if he voted against a resolution, which incurred losses for KMG or if he did not participate in such voting.

17. When determining bases and the rate of liabilities of the independent director usual conditions of business practice and other circumstances of importance shall be taken into account.

8. Duration of the contract and terms of its termination

18. The Contract shall come into effect from the date of election of the independent director and shall be effective till expiry of powers of the independent director.

19. KMG shall have a right at any time, for reasons and without caused to terminate the Contract with the independent director in line with the resolution of the Sole Shareholder of KMG.

20. The date of termination of this contract shall be the date of adoption of a resolution about early termination of powers of the independent director in general, or the date of receipt by the Board of Directors of a notification about early termination of powers by own initiative from the independent director.

9. Final provisions

21. This contract shall be concluded in six copies, one in Kazakh, Russian and English for each of the parties.

22. In case of discrepancies, the Russian version shall prevail.

23. In case of re-election of the independent director as a member of KMG Board of Directors, KMG shall conclude a new contract with him.

24. All issues not governed by this contract shall be governed by the legislation of the Republic of Kazakhstan, the charter and internal documents of KMG.

10. Details and signatures of the Parties

JSC NC KazMunayGas

Independent Director:

Location: _____

Full name:

Bank details

passport _____ №
Issued by

Chairman of the Board of Directors

Home address:

(signature, full name)

(signature, full name.)

**Voting paper for absentee voting
of the Board of Director of JSC NC “KazMunayGas”**

Astana

No of 20

Member of the Board of Directors _____

Location of JSC NC “KazMunayGas” (KMG):

Initiator of the meeting:

Agenda:

- 1.
- 2.

Resolved:

- 1.
- 2.

FOR **AGAINST (dissenting opinion)** **ABSTAINED (dissenting opinion)**

Note: a dissenting opinion, if any, is provided in wiring and attached separately

Clarification on the procedure of filling in a voting paper:

A member of the Board of Director shall sign (or tick) in one of boxes (For, Against, or Abstained) on all issues for voting specified in this voting paper. In case of voting “Against” or “Abstained”, a member of the Board of Directors shall have the right to express a dissenting opinion, which is attached separately in writing.

Final date of submission of the signed voting paper to the Corporate Secretary of JSC NC KazMunayGas is: _____

Voting paper of absentee voting shall be submitted at the address: _____

Member of the Board of Directors: _____ « » _____ 20 .

Corporate Secretary: _____ « » _____ 20 .