

Approved by
the resolution of the Board of Directors
of JSC NC “KazMunayGas”
dated November “ 29 ”, 2018
Minutes No. №18/2018

Approved by
the resolution of the
Management Board
of JSC NC “KazMunayGas”
dated November “ 15 ” 2018
Minutes No. 47/16

JSC NC “KazMunayGas”
CODE OF BUSINESS ETHICS

2018

Dear colleagues,

The successful activities of JSC NC “KazMunayGas” today and KMG’s dynamic development prospects on the way of a world-class oil and gas company in the future depend on how we represent a team of like-minded people united by common goals, traditions and culture of doing business and business conduct.

In this regard, this Code of Business Ethics is a set of norms and rules for the individual and collective conduct of all KMG employees, regardless of profession, position and place of work.

The code is intended to create an inspiring working atmosphere where each employee can feel responsibility for KMG performance and reputation and at the same time rely on KMG’s attention to his/her personality when performing his/her job duties.

The Code of Business Ethics is one of the most important tools for creating such a Company, where each employee is a professional in his field and a part of a single Corporate Culture.

Corporate ethics is a key element uniting employees into a single social organism. A clear understanding of activity moral bearings is necessary for the coordinated work of all subdivisions. Adherence to high ethical standards will help maintain and strengthen confidence in the team, and in relations with external partners, society and the state.

Compliance with the Code is one of the steps in strengthening the KMG’s reputation today and ensuring sustainable development and achieving KMG’s strategic goals in the future.

Each employee determines KMG reputation and prestige through his/her work and conduct. That is why perfect observance of the Code shall be a top priority for KMG employees.

The Code is an open document and is freely distributed among KMG Business Partners and any other Stakeholders.

Chairman of the Board

Alik Aidarbayev

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1. General Provisions

1.1. This KMG Code establishes KMG's corporate values, defines the most important principles and rules of business conduct and relations with Stakeholders, and is a set of requirements of corporate ethics followed by all employees of KMG.

1.2. The Code was prepared pursuant to the legislative provisions of the Republic of Kazakhstan, the KMG Charter, the KMG Corporate Governance Code, other internal regulations of KMG, as well as recognized world standards and practices of business conduct and corporate governance.

1.3. If certain provisions of the Code conflict with the RoK's laws, the provisions of the RoK's laws shall apply. In the event that certain provisions of the Code conflict with traditions, customs or anyone's personal ideas about the relevant rules of conduct, the provisions of the Code shall apply.

1.4. The Code admits, promotes compliance, and does not contradict the provisions of the Code of Conduct of Samruk-Kazyna JSC, which is a shareholder of KMG. KMG accepts the provisions of the Samruk-Kazyna's Code of Conduct in proportion to its compliance risks.

2. Scope

2.1. The Code's provisions apply to all employees to the same extent, regardless of their position. Each Company's employee undertakes to review, accept, and confirm in writing the obligation to follow the provisions and requirements of the Code.

2.2. KMG and its employees accept, and continuously and strictly follow the Code's provisions, when making decisions at all job levels, in relations with all Stakeholders of KMG and the public in general, both when making strategic decisions and when performing daily work.

2.3. Based on the Code's provisions, without altering, but having the opportunity to supplement these provisions, KMG's SDEs can develop and approve similar own Codes of Ethics. KMG recommends KMG's SDEs to duly accept the provisions of this Code, or be guided by similar policies that do not contradict the provisions of this Code.

2.4. The Code, in the part that does not contradict the essence of the existing obligations, is of advisory nature for KMG's Stakeholders, external partners and legal entities, individuals working under civil law contracts concluded with KMG, as well as for suppliers, contractors and consultants who are agents performing orders, or representing KMG's interests to third parties, if they act on behalf of KMG.

3. Business Ethics Values and Principles

3.1. The core corporate values of KMG are:

3.1.1. SAQTYQ / Safety

1) the life and health of our employees is an absolute priority for KMG;

- 2) we are uncompromising in matters of occupational health and safety;
- 3) we care with respect to the environment and treat KMG's property as it is our own;
- 4) we comply with ethical norms and rules and try to do the right thing;
- 5) we keep confidential information.

3.1.2. BIRLIK / Unity

- 1) striving for the collective success of the KMG Group of Companies unites us into a single team;
- 2) people and interaction are more important to us than processes and tools;
- 3) we believe that every person can and wants to make the maximum contribution to the common;
- 4) we qualitatively solve tasks in a team, regardless of positions held and functions performed. The overall result is superior to the individual one;
- 5) we use the strengths of each and complement each other.

3.1.3. SABYR / Reasonableness

- 1) we treat each other with honesty and understanding;
- 2) we respect our colleagues, contractors and partners and treat them the way we would like other people to treat us;
- 3) we are ready for difficulties and overcome obstacles;
- 4) when making decisions, we comprehensively consider issues, take into account all the pros and cons, hear and take into consideration all points of view;
- 5) we respect the results and experience of the past, we ensure succession.

3.1.4. SAPA / Quality

- 1) we always try to achieve the highest results;
- 2) we always keep our promises with high quality and on time;
- 3) we work for the benefit of our internal and external clients;
- 4) we simplify, standardize and streamline our work;
- 5) we are constantly looking for new opportunities to make something better. We want to be the first and the best.

3.2. KMG's activities are based on the following principles:

3.2.1. Openness

3.2.1.1. KMG strives for maximum openness and reliability of information about KMG, its achievements and performance in view of the protection of commercial and other information protected by the laws of the Republic of Kazakhstan.

3.2.1.2. KMG's employees seek to be open to meetings, discussions and dialogue; strive to build long-term cooperation with colleagues and other Stakeholders, based on mutual interests, respect for rights and balance between the interests of KMG and Stakeholders.

3.2.2. Accountability

3.2.2.1. KMG is aware of its responsibility for the impact on the economy, environment and society to Shareholders, a wide public and investors for the growth of a long-term value and sustainable development in the long term.

3.2.2.2. KMG's employees shall thoughtfully and rationally make decisions and take actions at every level.

3.2.3. Transparency

3.2.3.1. KMG's decisions and actions shall be clear and transparent to Stakeholders. KMG shall honestly, timely inform Shareholders and Stakeholders about the state of affairs in the prescribed manner.

3.2.3.2. KMG seeks to improve the transparency and availability of information based on improving the quality of reporting and accounting in accordance with the laws of the Republic of Kazakhstan. Disclosure of information provided by the laws and internal documents on the part of the employees shall be subject to the norms for protection of confidential information.

3.2.4. Ethical conduct

3.2.4.1. KMG strives to be trust worthy for Shareholders, Stakeholders and the public in general. Trust arises from a consistent commitment to high ethical standards.

3.2.4.2. Such values as respect, honesty, openness, team spirit and trust, honesty, and fairness underlie KMG decisions and employees' actions. KMG's employees carry out their activities on the basis of respectfulness, tolerance, goodwill, and decency.

3.2.4.3. Employees give an exceptional example of showing respect for the state and other languages, traditions and customs of the regions of presence, adhere to high moral and ethical norms of cultural behavior, do not allow anti-social and unethical behavior that could harm KMG's reputation in the present and in the future.

3.2.5. Respect

3.2.5.1. KMG respects the rights and interests of all Stakeholders, which follow from the laws, concluded agreements, or indirectly within the business relationships.

3.2.5.2. KMG respects human rights, recognizes their importance and universality, fully supports the fundamental principles established in the Universal Declaration of Human Rights, the Convention on the Protection of Human Rights and Fundamental Freedoms, the International Labor Organization Declarations and Conventions and other international documents in the field of human rights, as well as documents resulting from the Constitution and laws of the Republic of Kazakhstan.

3.2.5.3. Employees have the right to fair and just treatment regardless of gender, race, nationality, language, origin, property and official status, place of residence, attitude to religion and political beliefs.

3.2.6. Legality

3.2.6.1. Decisions, actions and behavior of KMG and its employees strictly, wholly and rigorously shall comply with the laws of the Republic of Kazakhstan, other applicable international laws, the KMG's Charter, Strategy and Shareholders' decisions.

3.2.7. Professionalism

3.2.7.1. Employees are the core value and the primary resource of KMG. The level of their professionalism and safety directly affects the performance and the cost created for Shareholders and Stakeholders.

3.2.7.2. KMG is aimed at improving the level of employees' skills, ensuring the necessary working conditions, providing an opportunity for professional and individual development.

3.2.7.3. The employees shall comply with all necessary qualification requirements, job descriptions, shall try to improve the level of their competence, have the ability to make weighed and responsible decisions, as well as be focused on the growth and development of their professional, personal qualities and a level of ethical culture.

3.2.8. Justice

3.2.8.1. KMG supports the principles of meritocracy, justice and objectivity; creates for each employee optimal conditions for new achievements and fairly evaluates the contribution of each KMG activity; contributes to the formation of a culture of understanding, interest and support by employees at all levels.

3.2.8.2. It is not allowed in KMG to provide any privileges and benefits to individual employees except on the basis of the laws of the Republic of Kazakhstan and/or internal documents, with the mandatory provision of equal opportunities to everyone.

3.2.9. Intolerance to corruption

3.2.9.1. KMG does not accept corruption in any of its manifestations. In collaboration with all Stakeholders, KMG seeks to develop a dialogue to raise their awareness of KMG's actions taken for combatting corruption.

3.2.9.2. To maintain KMG's high reputation, every employee in his/her daily work shall make reasonable efforts to mitigate the risk of business relationships with counterparties that were or may be involved in corrupt actions. Employees involved in corruption actions are subject to prosecution in the manner prescribed by applicable law.

3.2.9.3. KMG's internal control systems shall include measures aimed at avoiding, preventing and detecting corruption offenses.

3.2.10. Inadmissibility of conflicts of interest

3.2.10.1. In relations with partners, KMG, relying on the establishment and preservation of fiduciary relations in which the parties are obliged to act relative to each other as honestly, conscientiously, fairly and loyally as possible, takes measures to prevent, detect and eliminate conflicts of interest.

3.2.10.2. KMG seeks to exclude any possibility of a conflict of interest between KMG and the employees. The employees' personal interests shall not affect the impartial performance of their official and functional duties.

3.2.10.3. Employees shall refrain from actions that are risky from the point of view of a conflict of interest in relations with legal entities and individuals of other organizations.

3.2.10.4. Employees shall avoid financial and other business relations, as well as participation in joint work with organizations whose business may cause a conflict of interest and prohibit from the efficient performance of KMG.

3.2.10.5. Employees should immediately notify a direct supervisor of the occurrence of a conflict of interest, a threat to financial or other interests of KMG, the emergence of outside personal business interests, resulting in the threat of a conflict of interest.

3.2.10.6. In the event of a corporate conflict, the participants seek ways to resolve them through negotiations to ensure effective protection of the interests of KMG and its Stakeholders.

3.2.11. Environmental responsibility

3.2.11.1. In its activities, KMG strives to comply with the requirements of the laws of the Republic of Kazakhstan in the field of environmental, resource and health protection, as well as minimize the negative impact of its activities on the environment and society through the careful attitude towards resources.

3.2.11.2. KMG is aware of its responsibility to society and future generations for the rational use of natural resources and the preservation of a favorable environment, providing energy savings, reducing the negative impact on the environment, implementing innovative technologies aimed at careful and responsible use of resources and time, increasing productivity.

3.2.11.3. Every employee is responsible for the rational use of natural resources and environmental protection in their workplaces by careful attitude towards resources.

3.2.12. Safety

3.2.12.1. KMG considers human life as the highest value and seeks to pay special attention to supporting healthy lifestyles and protecting the employees' health. KMG strives to ensure labor safety, conservation of the lives and health of its employees in accordance with international standards.

3.2.12.2. Each employee is responsible for his/her own safety and for the safety of the people around him and shall, through personal example, demonstrate commitment to safety, health, industrial and fire safety issues.

4. Ethical Standards

4.1. Compliance with the Laws

4.1.1. KMG strictly and rigorously complies with the laws of the Republic of Kazakhstan, the laws of foreign countries, where applicable, and requirements in international capital markets in the case of operations outside the Republic of Kazakhstan.

4.2. Weighted Decision Making

4.2.1. The criteria for production, investment and other decisions made by KMG are not exclusively economic in nature, they also take into account social, environmental indicators and principles of sustainable development.

4.3. Confidentiality of Information

4.3.1. Confidential information of KMG is information classified as such in accordance with the laws of the Republic of Kazakhstan and KMG's internal documents.

4.3.2. KMG respects and protects the confidentiality of personal data of employees of KMG and maintains the information security policy. KMG undertakes to protect information constituting state secrets.

4.3.3. Employees show a special degree of responsibility when working with data that compiles confidential information, including personal data in accordance with the laws of the Republic of Kazakhstan and KMG's internal documents, and take all necessary measures to protect this information.

4.3.4. Any confidential information of KMG's officials and employees shall be kept confidential both throughout the employment period in KMG and after the employment termination, unless otherwise expressly provided by the laws of the Republic of Kazakhstan.

4.3.5. Employees shall take care to prevent unauthorized access and disclosure of confidential information to other employees who do not have access to confidential information, as well as to any third parties outside KMG, and to prevent loss or destruction of data.

4.3.6. Employees shall follow the rules and procedures stipulated by KMG's internal documents and related to the safety procedures and work with confidential information.

4.3.7. When receiving information about violation of the privacy policy or violation of the security of systems or devices, the employee shall immediately report this fact in the manner prescribed by KMG's internal document.

4.3.8. Employees who have access to confidential and/or insider information of KMG, personal data of employees or KMG's stakeholders shall use such information/data to the extent that is needed to discharge their duties.

4.4. Corruption and Prohibited Payment

4.4.1. Corruption is an unlawful use by persons holding a responsible public position, persons authorized to perform public functions, persons equated to persons authorized to perform public functions, officials to perform their official

powers and related opportunities in order to gain or derive property (non-property) benefits and advantages for themselves or third parties personally or through intermediaries, as well as the bribing of these persons by giving benefits and advantages.

4.4.2. KMG prohibits any actions of officials in order to gain or derive property (non-property) benefits and advantages for themselves or third parties personally or through intermediaries, as well as the bribing of these persons by giving benefits and advantages.

4.4.3. The direct responsibility for countering corruption lies with each employee of KMG.

4.4.4. Employees are obliged to report of cases of corruption offenses that have become known to them in accordance with the procedure established by KMG's internal documents. At the same time, the employment agreement cannot be terminated with any employee of KMG, no employee can be demoted, deprived of bonuses or other forms of reward, if he/she reported of the alleged fact of illegal actions, or if he/she refused to give or take a bribe, make a commercial bribery or mediate in bribery.

4.5. Conflict of Interest Prevention and Settlement

4.5.1. Conflict of interests is a situation when an employee's personal interest influences or can affect his/her objective and impartial performance of official duties, and when a contradiction arises or may arise between the employee's personal interest and KMG's legitimate interests that could harm KMG's legitimate interests.

4.5.2. The presence of a conflict of interest or a potential existence of such a conflict is a threat to KMG's reputation.

4.5.3. In its activities, KMG seeks to avoid conflict between the personal interests of officials and employees and their professional duties. All employees are responsible for making transparent, timely and adequate decisions free from conflicts of interest. Employees shall avoid situations when they have or may have a conflict of interest.

4.5.4. No employees' activity shall violate obligations to KMG or harm KMG's reputation. It is prohibited to abuse KMG's resources, including its intangible resources. Even in the absence of malicious intentions, a conflict visibility can have negative consequences. Employees need to consider the nature of their actions and avoid situations that may be perceived as a conflict of interest.

4.5.5. KMG ensures the earliest possible resolution of the identified corporate conflicts and conflicts of interest, as well as the precise coordination of the actions of KMG's responsible structural divisions, namely: ensures the detection of conflicts at early stages of development, determines its position on the merits of the conflict, takes the appropriate decision and brings it to the attention of the Parties to the conflict as soon as possible.

4.5.6. In order to comply with the principles of corporate governance and the procedure for consideration and resolution of corporate conflicts and personal

conflicts of interest, the competences of KMG's structural divisions shall be clearly segregated.

4.6. Compliance with the Competition Requirements

4.6.1. KMG does not enter into agreements or arrangements that interfere with the competition, and complies with the laws of the Republic of Kazakhstan.

4.6.2. Employees shall refrain from proposing an entrance into agreements that are explicit or implicit, formal or informal, written or oral, and aimed at restricting competition.

4.6.3. Employees shall comply with the legal requirements of the Republic of Kazakhstan and those countries under whose jurisdiction KMG carries out its external activities relating to competition, as well as instructions of anti-monopoly authorities.

4.7. Equal Terms for Employment and Labor

4.7.1. KMG complies with the labor law of the Republic of Kazakhstan and creates comfortable working conditions for its employees. Employees are required to adhere to the norms of the labor law of the Republic of Kazakhstan and KMG's labor regulations.

4.7.2. KMG ensures availability of uniform rules for hiring, evaluating achievements and promoting employees and officials based on clear and transparent criteria. Employees involved in making decisions about hiring, evaluating achievements and promoting employees are required to adhere to these rules.

4.7.3. KMG does not allow any discrimination on the basis of sexual, racial, national or religious affiliation, the granting of any privileges and benefits to certain employees.

4.7.4. KMG recognizes the right of workers to unite and enter into collective agreements to protect or preserve the employees' rights, as well as to provide them with additional social benefits.

4.8. Property Protection and Internal Control

4.8.1. All employees shall ensure the safety of KMG's property entrusted to them and ensure its effective targeted use. Any property of KMG shall be used only for legal purposes related to the implementation of KMG's activities.

4.8.2. Employees are prohibited from using or transferring to third parties business opportunities that may arise through the use of corporate property, information or official position in KMG.

4.8.3. Employees are prohibited from using corporate property, information or official position for personal gain.

4.8.4. Intellectual property is one of KMG's most valuable assets. All employees shall protect patents, trademarks, copyrights, trade secrets and other information that is the property of KMG.

4.8.5. At the same time, the legal rights of others to intellectual property shall be respected. The unlawful use of someone else's intellectual property may expose

KMG and even its individual employees to prosecution and obligations to pay compensation, including significant fines and criminal penalties.

4.8.6. Employees are obliged to strictly adhere to established internal control procedures and report of any violations of internal control procedures or cases of fraud in the manner prescribed by internal documents.

4.8.7. Employees are obliged to timely and objectively submit reports on financial transactions, comply with the rules on document flow and store all necessary documentation in accordance with the established procedure.

4.9. Exchanging Gifts and Hospitality

4.9.1. KMG develops partnerships with customers and counterparties and allows for the exchange of corporate gifts corresponding to business practices. Every employee shall be aware that the exchange of business gifts and invitations to representative events is a socially recognized component of business relations, but he/she should be remembered that such cases shall under no circumstances cause damage to KMG's business reputation. Gifts shall be directly related to the legitimate purpose of donation and not create the impression of unlawful actions.

4.9.2. KMG determines the main regulatory tasks, rules and restrictions in the field of receiving/providing gifts and services in the course of business communication in connection with the performance of official duties by KMG's employees, as well as the reasons for their acceptance/donation. Any unpermitted gifts shall be rejected/returned to the donator at the time of their delivery.

4.9.3. A gift is any value in material or non-material form, for which there is no obligation to pay the regular price, including money, securities and other property, benefits and services of a property nature (work, services, payment for entertainment, recreation, transportation costs, discounts, provision of property for use, including housing, charitable contributions, etc.) received in connection with the work in KMG.

4.9.4. Donations and acceptance of gifts are not allowed, with the exception of regular gifts, the value of which does not exceed two Monthly Calculation Indices (2 MCIs). The MCI amount is established by the authorized state bodies in accordance with the laws of the Republic of Kazakhstan, or other applicable laws in the region of presence, for the current year.

4.9.5. At the same time, the collective gift-giving to an employee is allowed if the amount of a gift or cash contribution from one person (i.e. an employee) does not exceed the above-mentioned amount.

4.9.6. Under no circumstances shall the giving/receiving of gifts be a hidden reward that could adversely affect the reputation of an employee and/or KMG as a whole.

4.9.7. Gifts to family members, relatives or other close persons of KMG's Employee, transferred due to the commitment of this Employee of any actions (inaction) related to his/her functional and official duties in KMG, promotion, or appointment.

4.9.8. Each employee is responsible for the offenses that create the conditions for corruption, as well as corruption offenses related to the unlawful receipt of benefits and advantages, in accordance with the laws of the Republic of Kazakhstan.

4.9.9. The hospitality, including business hospitality, which can be provided to other persons and organizations by employees on behalf of KMG, or which can be received by employees from other persons and organizations in connection with their work in KMG, shall meet the combination of all the criteria specified below:

4.9.9.1. be directly related to the legitimate goals of KMG;

4.9.9.2. be reasonably justified, proportionate and not a luxury item;

4.9.9.3. not to constitute a hidden reward for a service, action, inaction, connivance, patronage, granting rights, making a certain decision about a transaction, agreement, license, permit, etc. or attempt to influence the recipient with a different illegal or unethical purpose;

4.9.9.4. not to create a reputational risk for KMG, its employees and other Stakeholders in the event of the disclosure of information on gifts or hospitality;

4.9.9.5. not to contradict the principles and requirements of this Code, other internal documents of KMG and the norms of applicable law.

5. Sustainable Development

5.1. KMG is aware of the importance of its influence on the economy, ecology and society, and striving for the growth of long-term value, ensures its sustainable development in the long term, observing a balance of interests of the Stakeholders.

5.2. KMG supports the principles of the United Nations Global Compact in the field of human rights, labor relations, environmental protection and anti-corruption that are specified in Annex No. 1 to this Code.

5.3. Every employee shall be aware of his/her influence and proportionate responsibility for the sustainable development of KMG and society in the long term, and make efforts to continuously improve his/her knowledge in the field of sustainable development.

6. Business Relations

1) Interaction with Stakeholders is an integral part of KMG's activities. Building constructive relationships with both external and internal Stakeholders has a significant impact on the business reputation and efficiency of KMG, and also contributes to the prevention of compliance risks;

2) A partnership involving long-term, productive, trusting and mutually beneficial relations with Shareholders and investors, government authorities, the public, and Business Partners is one of the most important resources for further development, ensuring the achievement of KMG's strategic goals;

3) Shareholders and investors, authorities, society and public organizations, Business Partners, customers and competitors are Stakeholders external to KMG.

6.1. Shareholder Relations

6.1.1. Compliance and protection of KMG Shareholders' rights are among the main priorities. The system of relations with shareholders is based on the principles of transparency, accountability and responsibility in accordance with the legal requirements of the Republic of Kazakhstan, the KMG's Charter and internal documents, as well as the provisions of the KMG's Corporate Governance Code.

6.1.2. The procedure for information exchange between KMG and shareholders is governed by the laws of the Republic of Kazakhstan, the KMG's Charter and internal documents.

6.2. Government Relations

6.2.1. KMG interacts with government bodies in accordance with the legal requirements of the Republic of Kazakhstan, the KMG's Charter and internal documents, as well as the provisions of the KMG's Corporate Governance Code, based on the independence of the parties, in observance of the principle of preventing corruption and other illegal actions, and on the part of KMG's employees.

6.2.2. KMG interacts with the government bodies of the Republic of Kazakhstan on the principles of friendly cooperation and mutual respect.

6.2.3. KMG and its employees strictly comply with the laws of the Republic of Kazakhstan and the laws of those countries under whose jurisdiction KMG carries out its external activities.

6.2.4. KMG does not accept any assumptions of unfair competition, non-compliance with anti-corruption and anti-monopoly laws of the Republic of Kazakhstan, as well as other illegal actions.

6.3. Relationship with Business Partners

6.3.1. KMG is interested in building stable, long-term, transparent and mutually beneficial relations with investors, Business Partners and suppliers.

6.3.2. KMG interacts with investors and business partners on the principles of laws, efficiency, fairness, mutual benefit, information transparency, responsibility for the obligations assumed, strict observance of the agreement terms and conditions.

6.3.3. Partners and suppliers of goods, works, and services are selected by KMG on a transparent basis in accordance with the legal requirements of the Republic of Kazakhstan and the rules adopted by KMG, and is based on the preference for the best price, quality and conditions, as well as the business reputation of a counterparty.

6.3.4. KMG's relations with organizations, including potential and existing suppliers, are based on the principles of laws, honesty, impartiality, integrity and intolerance to any manifestations of corruption in the evaluation and selection of potential suppliers, efficiency and fair competition.

6.3.5. KMG provides suppliers with equal competitive opportunities. Employees shall refrain from any actions that may result in undue advantage by any supplier.

6.3.6. KMG provides independent work of the tender commission and non-interference in its activities. Employees who are members of the tender commission shall inform the tender commission in the event of a conflict of interest when selecting a supplier.

6.3.7. KMG expects the suppliers to comply with laws that require them to treat employees fairly, ensure safe and healthy working conditions and protect the environment.

6.3.8. KMG does not allow providing unreasonable benefits and privileges to Business Partners in its activities.

6.3.9. KMG may provide benefits to Kazakhstani suppliers in accordance with the rules adopted in KMG and in the event that the quality of services and goods of domestic suppliers meets its needs.

6.3.10. KMG's relationship with affiliates, suppliers, Business Partners and other Stakeholders, relations with KMG are based on the compliance with the laws, honesty, efficiency and fair competition.

6.3.11. KMG expects the affiliates of other Stakeholders to strictly comply with the requirements of the laws of the Republic of Kazakhstan, procurement rules adopted and applied by KMG, fair treatment of their employees, ensure safe working conditions, protect the environment, and comply with the provisions of this Code.

6.4. Public

6.4.1. KMG is aware of its social responsibility to the public and adheres to implementing the principles of sustainable development and corporate social responsibility. Participation in sponsorship and charity activities is determined in accordance with the resolutions of Shareholders and authorized bodies of KMG.

6.4.2. KMG strives to support programs aimed at the development of socially significant spheres of the economy, if this does not contradict the KMG's Charter, the expectations and requirements of KMG's shareholders and other KMG's internal regulations.

6.4.3. KMG contributes to the growth in the living standard of the population, directly or indirectly by promoting the growth of business and investment activity, and also implements the principles of business social responsibility.

6.4.4. KMG supports the development of the region social infrastructure in the places of its activities, cooperating with local executive bodies, directly or indirectly implementing various social projects aimed at improving the quality of life and health of the local population.

6.4.5. KMG seeks to establish constructive relationships with organizations (public, non-governmental, non-profit and others) to improve public relations, improve the environment and ensure the safety of life, public health and the integrity of the assets of KMG and its Stakeholders.

6.5. Media Relations

6.5.1. KMG provides for the creation of opportunities for obtaining free and easy access to information about KMG. Information about KMG, its activities and major significant events, corporate governance, SDEs' activities, as well as personnel policy, contact details, etc. is publicly available on the KMG corporate website (<http://www.kmg.kz>).

6.5.2. The KMG management and authorized structural divisions provide information relating to KMG activities to the media in the prescribed manner.

6.5.3. KMG's responsible persons, providing information to the media in the prescribed manner, are personally liable for its accuracy and the lack of information that constitutes official and commercial secrets, as well as confidential information.

6.5.4. Each employee shall understand and always remember that any point of view or common information expressed by him/her as a KMG employee is directly related to KMG itself, its image and affects its reputation in the business community.

6.5.5. Recommendations for all employees for posting information on social media, corporate and personal blogs, comments to online media publications are disclosed in Annex No.2 hereto.

7. Employees Conduct

7.1. Compliance with the Code

KMG employees undertake to:

7.1.1. Carefully study, understand, and conscientiously follow the principles and provisions of this Code and the rules of conduct established hereby, as evidenced by completing the relevant Annex hereto.

7.1.2. When making decisions in the course of their strategic and operational activities, employees shall be guided by the ethical values, principles and norms stipulated hereby.

7.1.3. Report violations of the Code's principles and provisions, contact the Ombudsman and/or the responsible structural division for compliance issues to take appropriate measures. At the same time, KMG guarantees that the employees' rights will not be infringed, and their anonymity will not be violated in the event of such communication.

7.1.4. The issues of corporate ethics and/or cases of violation of the principles of corporate ethics can be discussed by employees also with their immediate supervisor. If, as a result of the discussion, the answer/acceptable solution is not found, then the relevant issue shall be addressed to the responsible structural division for compliance issues and/or the corporate Ombudsman to receive recommendations and/or take relevant measures.

7.1.5 Any doubts about the observance of the rules of conduct envisaged hereby shall be considered in accordance with the procedure established by internal documents.

7.1.6. Employees, regardless of their position, may be personally liable for non-compliance with the principles and requirements hereof, as well as for the actions (inaction) of persons accountable to them who violate these principles and requirements with their knowledge or connivance.

7.1.7. Employees who have committed or permitted actions (inaction) that violate the requirements hereof, if justified, shall be brought to justice in the prescribed manner.

7.2. Behavioral Responsibilities of employees and Supervisors

7.2.1. The following requirements apply to all employees, regardless of their position:

7.2.1.1. Employees shall, by their attitude towards work and behavior, help create a benevolent and respectful environment in the team. Each employee contributes to the formation of a culture of behavior in the team and in interactions with stakeholders, supporting adherence to the principles of corporate business ethics.

7.2.1.2. Cases of violation of the Code of Business Conduct by members of the executive body shall be brought to the notice of the KMG's Board of Directors by the head of the executive body.

7.2.1.3. A member of the executive body who has violated the norms of the Code of Business Ethics may not be a member of the executive body of another organization, where over 50% of the voting shares or stake in the authorized capital is owned by Samruk-Kazyna JSC.

7.3. Employees shall:

7.3.1. respect the honor and dignity of any person and citizen, regardless of origin, social, official and financial status, gender, race, nationality, language, attitude to religion, belief, place of residence, place of work, employment or any other circumstances;

7.3.2. be respectful towards the state symbols of the Republic of Kazakhstan - Coat of Arms, Flag, Anthem;

7.3.3. be respectful towards the KMG's corporate symbols, as well as the symbols of KMG's Stakeholders;

7.3.4. comply with generally accepted moral and ethical standards, be respectful towards the state and other languages, traditions and customs of all nations and representatives of religious denominations;

7.3.5. be polite and correct;

7.3.6. be intolerant of indifference and rudeness;

7.3.7. always thank for assistance, even if it is not fully provided;

7.3.8. be attentive to the opinions of others;

7.3.9. try to ensure the unity of words and deeds, keep promises;

7.3.10. be able to admit their wrongness and/or mistakes;

7.3.11. adhere to a neat, business and corporate style in dress and appearance; not allowing openness, indiscretion, and excessive flashiness.

7.4. Employees do not allow for:

7.4.1. public utterances that misrepresent, refract, falsify KMG's work, its employees, Stakeholders, or personal work in KMG.

7.4.2. abuse of drugs and banned psychotropic substances;

7.4.3. drinking alcohol at the workplace, within KMG or at the place of work on behalf of KMG, with the exception of special events, subject to the observance of business ethics; being in the workplace under the influence of alcohol;

7.4.4. smoking outside designated areas;

7.4.5. aggressive, humiliating or degrading, hostile, intimidating acts, actions, behavior, implication in such behavior of others, or acquiescence in such behavior of others;

7.4.6. distribution of offensive material, including drawings.

7.4.7. If an employee performs political, religious, cultural or other activities that are not related to his/her official duties, then within such activities he/she can act only as a private individual, but not as a representative of KMG (except for educational activities organized by the KMG's SDE).

7.4.8. The employee does not have the right to make public utterances on behalf of KMG, if it is not within his (her) competence, and he (she) has no corresponding official authority to do so.

7.4.9. Employees shall refrain from actions that could directly or indirectly adversely affect the image and reputation of KMG. Any utterances on behalf of KMG are made by employees in a strictly regulated manner and (or) by persons determined by this procedure;

7.4.10. Employees of KMG are prohibited from representing KMG in business relations with organizations in which the employee has a substantial personal interest that differs from the interests of KMG, including (but not limited to) cases of predominant participation in the authorized capital or management bodies of such organizations of an employee himself/herself, his/her close relatives or family members.

7.5. Responsibilities of Executives:

7.5.1. To form a culture of behavior in which employees understand their rights and obligations and freely express concern about possible non-compliance with the rules without fear of prosecution;

7.5.2. Encourage ethical behavior and compliance with the laws of the Republic of Kazakhstan by personal example;

7.5.3. Consider the commitment of employees to the rules of conduct in evaluating and promoting their work; to do everything possible so that the employees understand that the ethical behavior of an employee is no less important than the results of KMG's activities;

7.5.4. Ensure familiarization with the provisions of the Code of Employees, their understanding and compliance with the principles hereof.

7.6. Direct Responsibilities of Executives:

7.6.1. to precisely define the tasks and the volume of functional duties of subordinates, in accordance with the positions they occupy and objective considerations of labor valuation, and evenly distribute them among the subordinate employees;

7.6.2. not to contribute to the manifestations of bureaucracy and excessive red tape when performing its obligations, as well as to contribute in every way to improving the work performance, personally taking feasible measures to facilitate the work process;

7.6.3. not to allow unfounded accusations, facts of rudeness, humiliation of human dignity, tactlessness and indifference in relation to subordinates;

7.6.4. to show modesty, benevolence, clarity in statements, be able to behave with dignity and calmness in stressful and conflict situations;

7.6.5. not to emphasize and not use their official position to the detriment of the interests of subordinates;

7.6.6. to serve as an example of justice, responsibility, professionalism and fairness by their behavior;

7.6.7. not to allow prosecution for criticism, as well as attentively, politely and tolerantly refer to appeals of subordinates,

7.6.8. to use constructive criticism to eliminate shortcomings and improve the professional activities of subordinates;

7.6.9. not to force subordinate employees to commit violations of the law and requirements, unlawful misconduct or actions incompatible with generally accepted moral and ethical standards of conduct;

7.6.10. to ensure an impartial and fair treatment of all employees of KMG, without exception, to prevent any form of discrimination against employees, as well as the provision of illegal benefits and privileges to certain categories of peopleлюдей;

7.6.11. to create an open communication environment in the team, in which each employee feels comfortable bringing up a question for discussion;

7.6.12. to ensure active interaction of subordinates and employees with KMG's structural divisions on ethics issues, support employees who faithfully initiate the discussion of ethical issues;

7.6.13. to immediately take measures to eliminate violations of the requirements hereof, as well as take the necessary corrective actions;

7.6.14. to consider the compliance of employees with the requirements hereof and the contribution of employees in developing the culture of conduct in KMG during their evaluation.

7.6.15. to comply with the requirements of the Job Description (professionally by education and managerial experience), the Code, the RoK's Laws and be literate, demanding, humane in organizing work and resolving disputes and conflict situations when they arise. Bear full responsibility for the moral and psychological climate in the team.

8. Institute of Ombudsman

8.1. The Institute of Ombudsman was established as part of initiatives, measures and actions taken by Shareholders, the KMG's Board of Directors and the Management Board in order to:

8.1.1. ensure compliance with the provisions of the Code by structural divisions and all employees of KMG;

8.1.2. strengthening measures to prevent and resolve corporate conflicts and personal conflicts of interest.

8.2. The powers of the Ombudsman are appointed and early terminated by KMG's Board of Directors.

8.3. A candidate for the post of Ombudsman shall have an impeccable business reputation, high professional authority and have the ability to make impartial decisions.

8.4. The main functions of the Ombudsman are to collect information on non-compliance with the provisions hereof, consultation of officials and employees on the provisions hereof, initiation of consideration of disputes on violation of the provisions hereof and participation in their settlement.

8.5. The key duties of the Ombudsman are to provide explanations and advice to employees and officials on the provisions hereof, to monitor timely processing of complaints, coordinate investigations of violations, analyze the source of social discontent, develop measures to reduce them.

8.6. The Ombudsman is neutral, impartial and independent, advocates fair and equal conduct of the proceedings in the consideration of cases and does not act for any of the employees. The Ombudsman does not participate in any formal investigations initiated and carried out by authorized state bodies or trials.

8.7. In his/her activities the Ombudsman strives to:

8.7.1. prevent escalation (exacerbation, spread) of conflict situations to the level of official investigations, thereby helping to preserve the proper reputation and image of KMG, reduce costs for possible lawsuits;

8.7.2. ensure the full confidentiality of information that has become known to him and the anonymity of the employee, the official who has applied for violations of his/her rights and provisions hereof;

8.7.3. promote adherence to the principle of equal treatment and the prevention of any kind of discrimination;

8.7.4. advise employees, within his/her competence, who reported, participants in labor disputes, conflicts and assist them in developing a mutually beneficial, constructive and implementable solution, in view of the compliance with the laws of the Republic of Kazakhstan and the principles hereof, assists in solving problematic social and labor issues of employees;

8.7.5. help the parties to the conflict to resolve it through a peaceful settlement, acting as a consultant, negotiator, mediator and/or conflict resolver, while strictly observing the principles of objectivity, confidentiality, independence and impartiality;

8.7.6. submit to the relevant bodies and officials of KMG the identified problematic issues that are of a systemic nature and require the adoption of relevant decisions (comprehensive measures), putting forward constructive proposals for their solution.

8.8. Rights of the Ombudsman:

8.8.1. to initiate procedures within his/her competence for identifying violations of the provisions hereof, both on the basis of received appeals and on their own initiative;

8.8.2. to apply personally to all employees regarding non-compliance with the Code;

8.8.3. to explain and interpret the provisions hereof to employees.

8.9. Responsibilities of the Ombudsman:

8.9.1. to participate in the consideration of issues regarding non-compliance with the Code;

8.9.2. to keep records of appeals of employees, officials, as well as business partners and stakeholders on the issues of non-compliance with the provisions hereof;

8.9.3. within the period established hereby, to explain the provisions hereof to Company's employees in the event of their appeal;

8.9.4. to observe independence and impartiality with the participation of the consideration of disputes concerning non-compliance with the Code;

8.9.5. to ensure the anonymity of the employee who reported the violation of the provisions hereof;

8.10. The Procedure for Considering Appeals to the Ombudsman:

8.10.1. In the event that KMG's employees violate the approved business ethics standards, legislation and internal documents of KMG, the Ombudsman will prepare materials for further submission and decision making to the relevant bodies and structural divisions of KMG, whose competence is to allow such appeals on the merits.

8.10.2. The period for consideration and decision making by the authorized bodies shall be no more than one month from the date of receipt of the application.

8.10.3. Officials and heads of competent departments and the Ombudsman guarantee the confidentiality, impartiality and open-mindedness of reviewing information about violations of the provisions hereof, legislation and internal documents. The rights of the petitioner shall not be infringed either during the consideration of his(her) appeal or after the decision is delivered.

9. Communication Channels on Compliance with the Business Ethics

9.1. In order to comply with the provisions of the Code, KMG has established a safe, confidential and accessible channel for informing the Board of Directors about violations of the laws of the Republic of Kazakhstan, internal procedures, and the Code by an official;

9.2. KMG maintains statistics and records of employees' appeals (internal appeals), requests and appeals from third parties (external appeals - customers,

partners, and other interested parties) on violations of business ethics and statutory regulations;

9.3. If any of KMG employees has doubts about the ethics or legitimacy of their actions, as well as actions, omissions or suggestions of other employees, bodies, contractors or other stakeholders who interact with KMG, they can report this (including anonymously) through the following communication channels (hot line):

Ombudsman

Contacts: +7 (7172) 78 65 60,

e-mail: ombudsman@kmg.kz

Reception days: Wednesday, Thursday, Friday from 3.00 pm to 5.00 pm

Address: 19 Kabanbay Batyr Avenue, 010000 Astana.

10. Final Provisions

10.1. All officials of KMG and KMG shall sign a confirmation form that they have read and understood the Code in accordance with Annex No.3 to the Code and regularly confirm their knowledge of the Code's provisions.

10.2. KMG regularly conducts training for all employees aimed at understanding the Code.

10.3. The Code is not an exhaustive set of rules and may not provide recommendations for all possible situations that employees and Stakeholders may encounter during the execution of their official duties and in relations with KMG.

10.4. If it is necessary to make decisions in a situation not expressly provided for by the Code, each employee and/or a Stakeholder should ask himself/herself the following questions:

- ✓ *Is the act of concern legal?*
- ✓ *Does it correspond to KMG corporate values and interests?*
- ✓ *Does it expose KMG to any unacceptable risks?*
- ✓ *Will this adversely affect the KMG's reputation?*
- ✓ *Is it fairly and justly?*
- ✓ *Do I have the authority?*
- ✓ *Will my actions be a good example for other KMG employees?*

10.5. If the answer to any of these questions is negative, or questions arise due to the application hereof, then the situation shall be discussed with the line manager, KMG Ombudsman, or with representatives of the responsible compliance division without delay. KMG guarantees that no employee will be subject to sanctions if he/she reports of valid or suspected non-compliance with the Code or other violations.

11. Terms, Definitions and Abbreviations

Shareholders – Samruk-Kazyna, joint-stock company, and the National Bank of the Republic of Kazakhstan, republican state enterprise;

Company – the cumulative name of Joint-Stock Company “National Company “KazMunayGas” and its subsidiaries and dependant entities;

KMG – Joint-Stock Company “National Company “KazMunayGas”;

SDE – Subsidiaries and dependant entities, including jointly-controlled organizations and joint ventures of KazMunayGas;

Business partners – legal entities (their associations) that are participants in mutually beneficial cooperation, including strategic partners;

Stakeholders – individuals and legal entities that may influence the implementation of activities or decision-making of KMG/ project, or whose interests are affected within KMG’s activities;

Employees – individuals who have an employment relationship with KMG and perform work under an employment agreement;

Executives – supervisors who have authority over other employees and/or structural subdivisions, heads of structural subdivisions, branches, representative offices, directorates, departments, services, divisions, workshops, sites and others, determined in accordance with the human resources management regulations;

Code – this Code of Business Ethics of Joint-Stock Company “National Company “KazMunayGas”;

Ombudsman - a person appointed by the KMG’s Board of Directors, whose role is to advise employees of KMG, Companies who applied to them and assist in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as adhering to the principles of business ethics of KMG employees.

Annex No.1
to the Code of Business Ethics
of JSC NC “KazMunayGas”

**JSC NC “KazMunayGas” undertakes to respect the ten principles of
the UN Global Compact**

Human Rights:

1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Businesses should make sure that they are not complicit in human rights abuses.

Labour:

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Businesses should ensure the elimination of all forms of forced and compulsory labour;
5. Businesses should ensure the effective abolition of child labour;
6. Businesses should ensure the elimination of discrimination in respect of employment and occupation.

Environment:

7. Businesses should support a precautionary approach to environmental challenges;
8. Businesses should undertake initiatives to promote greater environmental responsibility;
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption:

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Annex No.2
to the Code of Business Ethics
of JSC NC “KazMunayGas”

Recommendations for all employees for posting information on social media, corporate and personal blogs, comments to online media publications:

1. If you are posting information on your own behalf in the web space (on social media, forums, a personal blog, etc.), please use a disclaimer, something like this: “This post expresses only my personal opinion and does not necessarily reflect the position of KMG.” If possible, limit the posts regarding the activities of KMG on your personal pages.

2. If any of your statements are regarded as causing reputational damage to KMG, KMG reserves the right to ask you to make corrections, delete relevant posts and comments, even if they were posted on your personal pages.

3. The disclosure of information intended for internal use, confidential information or information that is the property of KMG is prohibited on the Internet. For example, if media representatives ask a top manager questions on his personal Facebook page, they should be redirected to the competent department in KMG to prepare an official response.

4. Personal posts shall not contain KMG logos or trademarks (unless authorized to do so).

Annex No.3
to the Code of Business Ethics
of JSC NC “KazMunayGas”

Confirmation Form

Please use this form to confirm that you have carefully read, understood and undertake to faithfully follow the principles of business ethics and rules of conduct established by the Code of Business Ethics of KazMunayGas.

The filled in and signed confirmation form is stored in the personal file of each employee from the date of performance of employment and/or official duties in KMG during the time for performance of labor duties in KMG.

Confirmation

(Please fill in this form, sign and send it to the structural division supervising HR work).

1. I confirm that I have read and understood the Code of Business Ethics of JSC NC “KazMunayGas”.
2. I undertake to follow in good faith the principles of business ethics and the rules of conduct established by the Code of Business Ethics of JSC NC “KazMunayGas”.

Full name _____

Signature _____

Date _____ ” ____ ” 20 ____ .