

Approved by Resolution of  
JSC NC “KazMunayGas”  
Management Board  
dated March 17, 2016  
(Minutes No. 10, paragraph 6)

**STANDARD FORM  
OF COLLECTIVE AGREEMENT FOR  
JSC NC “KAZMUNAYGAS” GROUP COMPANIES**

**Astana, 2016**

## TABLE OF CONTENTS

Item No.	Section Names	Page Number
	GLOSSARY	
1.	DOCUMENT OBJECTIVE AND GENERAL PROVISIONS	
2.	RIGHTS AND OBLIGATIONS OF THE PARTIES	
3.	REMUNERATION MANAGEMENT	
4.	WORK TIME	
5.	REST TIME	
6.	OCCUPATIONAL HEALTH AND SAFETY	
7.	ENSURING EMPLOYMENT OF RELEASED PERSONNEL	
8.	PROBATION PERIOD	
9.	SOCIAL ASSISTANCE	
10.	VOCATIONAL TRAINING, RETRAINING AND ADVANCED TRAINING	
11.	TRADE UNION GUARANTEES	
12.	LABOUR DISPUTES	
13.	COLLECTIVE AGREEMENT PERFORMANCE MONITORING	
14.	LIABILITY OF THE PARTIES FOR FAILURE TO PERFORM THE COLLECTIVE AGREEMENT	
15.	FINAL PROVISIONS	
	SCHEDULE OF APPENDICES TO THE COLLECTIVE AGREEMENT	

## GLOSSARY FOR THE PURPOSES OF THIS DOCUMENT

1.	<b>Employer's Acts</b>	—	means internal documents of subsidiaries and affiliates duly issued (accepted) by the employer and directly related to the activities (job duties) of the employee (orders, directions, instructions, rules, regulations, shift schedules, rotation schedules, leave schedules issued by the employer).
2.	<b>Rotational Work Pattern</b>	—	means a special form of work outside the permanent residence of employees in case they cannot return to their permanent residence on a daily basis.
3.	<b>Released Employees</b>	—	means employees with whom labour relations are to be terminated due to employer's liquidation, manning or staff cuts, reduction in the scope of production, works and services, which resulted in deterioration of the employer's economic situation.
4.	<b>S&amp;A</b>	—	means subsidiaries and affiliates, including jointly controlled entities and joint ventures of JSC "National Company "KazMunayGas".
5.	<b>Disciplinary Offence</b>	—	means violation of labour discipline and improper performance of duties by an employee.
6.	<b>Dual Learning</b>	—	means a form of personnel training that combines training in an educational institution with mandatory periods of training and internship at the enterprise with provision of workplaces and compensation payments to trainees subject to equal responsibility of the enterprise, educational institution and the trainee.
7.	<b>Dual Learning Agreement</b>	—	means a written agreement between a trainee, a company providing a workplace for on-the-job training and internship and an educational institution regulating the conditions and procedures for on-the-job training.
8.	<b>Training Agreement</b>	—	means a written agreement between an employer and a trainee on the conditions of vocational training, retraining and advanced training.
9.	<b>Remuneration</b>	—	means labour remuneration depending on the qualification of the employee, complexity, quantity, quality and conditions of the work to be performed, as well as compensations and incentives.
10.	<b>Strike</b>	—	means work termination in full or in part in order to meet socio-economic and professional demands of employees in a collective labour dispute with the employer.
11.	<b>KMG</b>	—	means Joint-Stock Company "National Company "KazMunayGas".
12.	<b>Collective Agreement</b>	—	means a legal act in the form of a written agreement between employee representatives and the employer, which governs corporate social and labour relations.
13.	<b>Mediator</b>	—	means an independent individual engaged by the parties to conduct mediation on a professional and non-professional basis in accordance with the requirements of the Law of the Republic of Kazakhstan <i>On Mediation</i> .
14.	<b>Night Time</b>	—	means the time from 22:00 to 6:00.
15.	<b>Labour Rate Setting</b>	—	means determination of man-hours (working time) required to perform the work (manufacture a production unit) by

			employees under specific organizational and technical conditions and labour rate setting on this basis.
16.	<b>Master, Sectoral, Regional Agreements (hereinafter referred to as the Agreements)</b>	—	means a legal act between the parties to social partnership defining the content and obligations of the parties to ensure labour and employment terms and provide social guarantees for employees at the republican, sectoral and regional levels.
17.	<b>Holidays</b>	—	means days of national and state holidays in the Republic of Kazakhstan.
18.	<b>Trade Union / Employee Representatives</b>	—	means bodies of trade unions and their branches or, if none of the above are available, representatives elected and authorized by the majority vote of participants to the general meeting (conference) of employees attended by at least two thirds of employees (conference delegates).
19.	<b>Vocational Training</b>	—	means a form of vocational training aimed at personal development to obtain new or modified professional skills required to perform certain activities.
20.	<b>Retraining</b>	—	means a form of vocational training which allows to master another profession or speciality.
21.	<b>Advanced Training</b>	—	means a form of vocational training that provides an opportunity to maintain, gain, enhance and improve previously attained occupational knowledge, abilities and skills.
22.	<b>Invited Employees</b>	—	means employees hired by subsidiaries and affiliates from their subsidiaries and affiliates located in another area or from other third-party companies located in another area, subject to a written invitation from the subsidiaries and affiliates, as well as employees sent by subsidiaries and affiliates to work in another area within the Republic of Kazakhstan.
23.	<b>Mediation Procedures</b>	—	means successive consideration of a collective labour dispute, initially in the Mediation Committee and then, if no agreement is reached, in Labour Arbitration, in the Social Partnership Development and Labour Dispute/Conflict Settlement Council of JSC NC “KazMunayGas”, as well as by mutual consent of the parties using the mediation procedure.
24.	<b>Mediation Committee</b>	—	means a body established as agreed between the employer and employees (their representatives) to settle a collective labour dispute through conciliation of the parties.
25.	<b>Downtime</b>	—	means temporary work suspension due to economic, process, organizational or other operational or natural reasons.
26.	<b>Employer</b>	—	means an individual or a legal entity with which an employee has labour relations.
27.	<b>Employee</b>	—	means an individual, including foreign citizens and stateless persons, who is engaged in labour relations with the employer and directly performs work under an employment agreement.
28.	<b>Skilled Workers</b>	—	means an employee engaged in physical labour during production of goods, works and services. Depending on the role in the production process, the following types are distinguished: essential, support, service and social

			workers.
29.	<b>Work Time</b>	—	means time during which an employee, in accordance with the employer’s acts and the conditions of the employment agreement, performs his/her job duties, as well as other periods of time which, in accordance with the Labour Code of the Republic of Kazakhstan and other regulatory legal acts of the Republic of Kazakhstan, this Collective Agreement or the employer’s act, are classified as work time.
30.	<b>Overtime</b>	—	means work performed by an employee at the employer’s initiative beyond the established work time (in excess of the normal number of working hours for the reporting period).
31.	<b>Summarised Work Time Recording</b>	—	means work time recording by summing up work time for the reporting period set by the employer.
32.	<b>Shift Work</b>	—	means work in two or three or four shifts per day.
33.	<b>Social Leave</b>	—	means release of the employee from work for a definite period in order to create favourable conditions for maternity, child care, on-the-job education and other social purposes.
34.	<b>Social Partnership</b>	—	means a system of relations between employees (Trade Union /Employee Representatives), employers (representatives of employers), governmental authorities focused on aligning their interests on regulation of labour relations and other interests directly associated with labour relations.
35.	<b>Technical Safety Inspector</b>	—	means a representative of employees who carries out internal control over occupational safety and health.
36.	<b>Labour Dispute (Conflict)</b>	—	means disagreements between the employee(s) and employer(s) on application of RoK labour laws, implementation or amendment to the terms and conditions of the agreements, employment agreement and/or collective agreement, and employer’s acts.
37.	<b>Labour Arbitration</b>	—	means a temporary body established by the collective labour dispute parties involving authorized persons to resolve a labour dispute, failing agreement by the mediation committee.

The definitions used, but not described in detail in the Glossary, correspond to the definitions used in the laws of the Republic of Kazakhstan, the Model Rules on Remuneration of Employees Engaged in Subsidiaries and Affiliates of JSC NC “KazMunayGas”, the Model Rules on Social Assistance to Employees of JSC NC ‘KazMunayGas’ Subsidiaries and Affiliates.

## CHAPTER 1. DOCUMENT OBJECTIVE AND GENERAL PROVISIONS

- 1.1. The present Collective Agreement between the Parties specified below is developed according to the requirements of the Labour Code of the Republic of Kazakhstan (hereinafter referred to as the Code), the Law of the Republic of Kazakhstan *On Trade Unions* and other regulations effective in the Republic of Kazakhstan, and is a legal act that governs social and labour relations in \_\_\_\_\_ (*indicate the name of the legal entity*)(hereinafter referred to as the Company).
- 1.2. The Parties to this Collective Agreement are:

- 1) The employer: \_\_\_\_\_ (*name of legal entity*) represented by its representative: \_\_\_\_\_, acting on the basis of the \_\_\_\_\_, on the one part, and
- 2) Employees of subsidiaries and affiliates represented by \_\_\_\_\_ (*Trade Union or, if none available, other Employee Representatives*), acting (authorised) on the basis of \_\_\_\_\_, on the other part, collectively referred to as the Parties.

1.3. The objectives of this Agreement are as follows:

- 1) To improve social welfare of each Employee
- 2) To achieve the optimum balance of interests between the Parties to the social partnership
- 3) To improve the Company's performance
- 4) To enhance responsibility of the Parties for production and economic performance.

The Parties acknowledge the legal significance and legal nature of the Collective Agreement and undertake to implement it throughout its validity term.

1.4. The terms and validity of this Collective Agreement shall apply to the Employer and Employees of the Company on whose behalf such collective agreement was concluded and to Employees who joined it based on their written application, irrespective of their membership in the Trade Union.

Newly hired Employees shall receive an accession request form according to Appendix 1 to this Collective Agreement together with the employment agreement. Employees who have expressed their intention to join the Collective Agreement shall sign this request, which shall be registered as \_\_\_\_\_ (*indicate the business unit in charge*).

The Employees who have not participated in execution of the Collective Agreement and have expressed the intention to join the same shall send the corresponding written request according to the specified form to \_\_\_\_\_ (*indicate the business unit in charge*).

The request submission date shall be deemed the date when the Employee joins the Agreement.

1.5. The Collective Agreement shall not restrict the rights of Employees, lead to deterioration of the working conditions and violate the guarantees established by the laws of the Republic of Kazakhstan. If the Republic of Kazakhstan (during the validity period of the Collective Agreement) adopts any laws or other regulations that improve the working conditions or enhance the rights and guarantees of Employees as compared to this Collective Agreement and are imperative by nature, these regulations shall apply. Otherwise (unless any conflict arises between the terms of this Collective Agreement and the effective laws of the Republic of Kazakhstan) the Collective Agreement shall apply.

1.6. Employees who are not members of the Trade Union may authorize a Trade Union body/elected employee representatives (if no Trade Union exists in the company) to represent their interests in their relations with the employer. Based on a written application from an employee, Trade Union bodies/elected employee representatives shall ensure representation of their interests.

## **CHAPTER 2. RIGHTS AND OBLIGATIONS OF THE PARTIES**

2.1. The Employer shall:

- 1) Comply with the requirements of the labour laws of the Republic of Kazakhstan, Agreements, Collective and Employment Agreements, as well as its own Acts
- 2) Upon employment, enter into employment agreements with employees subject to the procedure and the terms set forth in the labour laws of the Republic of Kazakhstan
- 3) Provide the employee with a job under the employment agreement
- 4) Familiarise the employee with the internal regulations, other employer's acts directly related to the work (job duties) of the employee and the collective agreement
- 5) Pay remuneration and effect other payments to the employee timely and in full as specified in the regulations of the Republic of Kazakhstan, employment and collective agreements and employer's acts
- 6) Grant to the Employee an annual paid leave and social leaves as specified in the laws of the Republic of Kazakhstan, Agreements, Collective and Employment Agreements and Employer's Acts
- 7) Consider the proposals made by employee representatives and provide full and accurate information to the Trade Union/Employee Representatives as necessary for collective negotiations, execution and administration of collective agreements
- 8) Conduct collective negotiations as stipulated in the Labour Code of the Republic of Kazakhstan and execute a collective agreement
- 9) Provide working conditions for the employees in accordance with the labour laws of the Republic of Kazakhstan, employment and collective agreements
- 10) Carry out internal control over occupational safety and health
- 11) Insure employees against occupational accidents
- 12) Suspend the work if it causes a potential threat to the life and health of the employee and other persons
- 13) Compensate for damage caused to the employee's life and health while performing their job duties in accordance with the Labour Code of the Republic of Kazakhstan and other laws of the Republic of Kazakhstan
- 14) Provide compulsory social insurance to employees
- 15) Hold general and performance meetings with Employees based on performance for the previous six months and calendar year
- 16) Issue Acts referred to in Appendix 5 taking into account the opinion of the Trade Union / Employee Representatives
- 17) Temporarily transfer the employee to an easier job against a medical certificate due to an occupational injury, occupational illness or other health damage related to job duties or other non-occupational health damage until rehabilitation or categorization of physical or occupational disability with remuneration paid based on the actual work.

In case no easy jobs are available, release an employee from work until rehabilitation or categorization of physical or occupational disability, with a monthly compensation payment:

- In the event of an occupational injury, occupational illness or other occupational health damage: in the amount of \_\_\_\_\_ (to be determined by the parties)
- In the event of other non-occupational health damage: in the amount of \_\_\_\_\_ (to be determined by the parties).

2.2. The Employer shall be entitled to:

- 1) Adopt Acts governing employment relations with Employees within its authority
- 2) Encourage Employees, impose disciplinary penalties and hold employees financially liable in cases and according to the procedure stipulated in the Labour Code of the Republic of Kazakhstan, and require employees to comply with the terms and conditions of employment and collective agreements, internal regulations and other employer's acts
- 3) Implement other measures on management and control over labour relations and production processes stipulated in the laws of the Republic of Kazakhstan and this Collective Agreement and not contradicting the same
- 4) Provide vocational training, retraining and advanced training to employees in accordance with the labour laws of the Republic of Kazakhstan at the expense of the Employer or using other funds not prohibited by the laws of the Republic of Kazakhstan
- 5) Consistently apply to the mediation committee or court to resolve an individual labour dispute as stipulated in the labour laws of the Republic of Kazakhstan.

2.3. The Trade Unions/ Employee Representative shall:

- 1) Contribute in every way to the socio-economic development of the Company, promote high morale and favourable psychological climate in the team
- 2) Strictly fulfil the conditions and obligations of this Collective Agreement and make sure that Employees strictly comply with the same
- 3) Promote employees' compliance with internal regulations and work discipline, as well as safety and health rules
- 4) Educate trade union members to improve their legal literacy, including the fundamentals of RoK labour laws, enhance the skills needed to negotiate and reach consensus in labour disputes
- 5) Immediately notify the Employer of any issues and disputes in the team
- 6) Within its authority, take measures to prevent social and labour conflicts
- 7) Ensure that trade union members observe the procedure established by the laws of the Republic of Kazakhstan for arranging and conducting strikes, peaceful assemblies, rallies, marches, pickets and demonstrations
- 8) Inform the trade union members about the money received and spent under the conditions and in the manner prescribed by the charter
- 9) Provide full and unbiased information to the Employee on the financial status of subsidiaries and affiliates and the Employer's actual capabilities in terms of remuneration and social assistance
- 10) Protect the social and labour rights and interests of Trade Union members
- 11) Act on the basis of equitable distribution of social assistance measures
- 12) Provide free advice and assistance to the families of Employees who were injured or died at work, as well as to the Employees who have suffered injuries at work, to resolve the issues related to timely and full compensation for occupational health damage
- 13) Promote a healthy lifestyle and, together with the Employer, work at arranging and conducting various sports and cultural events at the Employer's expense
- 14) Ensure clarification of the labour laws of the Republic of Kazakhstan, promote conscious and careful attitude of Employees towards the Company's property
- 15) After signing the Collective Agreement, provide explanations on its content within one month



- 16) Familiarise the Employer with the documents accepted by Trade Union collective bodies, notify on the scheduled collective events on the timely basis
- 17) Provide, upon the Employer's written demand, information on employees who are members of elected trade union bodies and who are not released from their main job when disciplinary action is taken in respect of such employees, as well as on termination of the employment agreement with such employees at the Employer's initiative
- 18) Coordinate actions with the Employer aimed at fulfilling the terms and conditions of the Collective Agreement
- 19) Represent employees who are not trade union members on the same terms as those set forth for union members
- 20) Agree with the employer on the regulations as related to employees' meetings (conferences), venue, time, number of participants of the meeting (conference).

2.4. The Trade Union/Employee Representative shall be entitled to:

- 1) Make proposals on the content of the Collective Agreement, management of control measures taken to develop the Collective Agreement and review its implementation
- 2) Represent and defend the rights and interests of Trade Union members in their relationship with the Employer, file claims in court to defend the rights and interests of Trade Union members, act in their interests in mediation, court and other bodies, render other legal assistance, consider individual labour disputes in mediation committees and participate in resolution of collective labour disputes (conflicts) in mediation committees, enter into collective agreements.

2.5. Employees shall:

- 1) Discharge their job duties according to the arrangements, employment and collective agreements, employer's acts
- 2) Strictly observe labour discipline
- 3) Observe health and safety, fire safety, industrial safety and occupational health requirements at the workplace
- 4) Carefully handle the property of the Employer and Employees
- 5) Inform the Company about situations causing a threat to life and health of people, security of the employer's and third party's property, as well as about downtime
- 6) Not disclose any information constituting state secrets, business, commercial or other secrets protected by law which became known to them in connection with their job duties
- 7) Reimburse the Employer for damage to the extent specified by the RoK laws
- 8) Abstain from declaring strikes, provided that the Employer fulfils its obligations, use mediation procedures stipulated by the laws of the Republic of Kazakhstan to the maximum extent possible while resolving collective labour disputes.

2.6. The Employees shall be entitled to:

- 1) Perform their job duties subject to observance of all rights and guarantees stipulated by the laws of the Republic of Kazakhstan and this Collective Agreement
- 2) Enjoy the social guarantees and benefits established by this Collective Agreement
- 3) Duly protect their rights and guarantees related to performance of their job duties.

- 2.7. The Parties undertake to:
- 1) Strictly observe the terms of this Collective Agreement, respect each other's interests, avoid confrontation and seek mutual understanding. Resolve all disputes through negotiations and consultations in accordance with Chapter 12 of this Collective Agreement
  - 2) Fulfil their obligations under the accepted and existing rights, guarantees and benefits established by the Collective Agreement.
- 2.8. The Parties shall have other rights and discharge other obligations as stipulated by the laws of the Republic of Kazakhstan.

### **CHAPTER 3. REMUNERATION MANAGEMENT**

Remuneration systems, tariff rates and basic salaries, allowances and additional payments to Employees, including those engaged in heavy work, work in harmful (extremely harmful) and/or hazardous conditions, compensation payments shall be regulated in accordance with the Terms of Reference/Rules for Remuneration in the Company, which is Appendix \_\_\_ to this Collective Agreement.

### **CHAPTER 4. WORK TIME**

#### **§1. General Provisions**

- 4.1. Work time shall be set out in the Company's Internal Regulations.
- 4.2. Work time duration may be normal, shortened and part-time to be indicated in each Employee's employment agreement.
- 4.3. Normal work time shall not exceed 40 hours per week. Normal work time shall be established for \_\_\_\_\_ (*job categories working 40 hours per week to be indicated*).
- 4.4. Shortened work time shall established for the following Employees: \_\_\_\_\_ (*job categories with shortened work time to be indicated, if such categories are present in subsidiaries and affiliates*).
- 4.5. Upon agreement between the Parties, the employment agreement of an Employee may establish *part-time work* and its duration. Part-time work shall not impose restrictions on the Employee as related to the duration of paid annual leave, employment record calculation and other labour rights established by the labour laws of the Republic of Kazakhstan, employment agreement, this Collective Agreement and the Agreements.
- However, remuneration shall be paid on an hourly basis for the time actually worked.
- 4.6. The company has \_\_\_\_\_ (*five-day and/or six-day working week, specify one type adopted at subsidiaries and affiliates*).
- 4.7. A working week with the daily work duration of \_\_\_\_\_ to \_\_\_\_\_ hours, with a lunch break of \_\_\_\_\_ to \_\_\_\_\_ hours shall be established for \_\_\_\_\_ (*the respective category of Employees to be indicated*).
- 4.8. Work time shall be recorded in the time sheet, which is the Employer's Act used to calculate remuneration for the Employees. The time worked and not worked by the Employee shall be indicated in the time sheet by the Employer.
- 4.9. As part of the time worked, the actual Work Time and other periods of time (*the periods of time to be indicated which the subsidiary or affiliate classifies as work time as per paragraph 1 of Article 67 of the Labour Code of the Republic of Kazakhstan*) classified as

work time shall be recorded. Overtime Work, Night Time Work, Work on Weekends and Holidays, and business trips shall be recorded separately.

- 4.10. The Parties to this Collective Agreement acknowledge that the specific business tasks of the subsidiary or affiliate may require Night Time Work, Work on Weekends and Holidays, and Overtime Work, depending on the employee's engagement in the Company's process.
- 4.11. The Employer may engage Employees in Night Time Work, Work on Weekends and Holidays, and Overtime Work subject to the restrictions established by the laws of the Republic of Kazakhstan.

## **§2. Rotational Work Pattern**

*(to be described in the Collective Agreement if applied at the company)*

- 4.12. The Rotational Work Pattern shall be applied at:

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*(the work sites to be listed where the Rotational Work Pattern is applied).*

- 4.13. A rotation shall include the period of work at the facility and rest time between shifts.
- 4.14. The following shall be established for the employees working according to the rotational pattern:
- The rotation duration shall be \_\_\_\_\_ calendar days
  - The duration of rest between shifts shall be \_\_\_\_\_ calendar days.
- 4.15. The Employer shall provide hot meals and accommodation to the Employees working according to the rotational pattern when they stay at the work site in order to support their vital functions, transportation to/from the workplace and proper conditions to perform works and to rest between shifts.
- 4.16. In case of the rotational work pattern, summarised work time recording shall be established, with the reporting period equal to one calendar year.

The recording period shall cover the work time, rest time, time of travel from the employer's location or from the embarkation point to the workplace and back, and other periods within the given calendar period. The total working time for the recording period shall not exceed the limits established by the labour laws of the Republic of Kazakhstan.

Work time shall not include time spent in transit from the employer's location or from the embarkation point to the workplace and back.

If the shift duration exceeds eight hours, the rest and lunch break shall be at least one hour.

- 4.17. The Employer shall keep records of work and rest time for each Employee working according to the rotational pattern.

## **§3. Shift Work**

*(to be described in the Collective Agreement if applied at the subsidiary or affiliate)*

- 4.18. Shift work may be established when the production process duration exceeds the permitted daily work duration.

Shift work shall be established for employees engaged in maintaining continuous production cycles and production facilities.

\_\_\_\_\_ *(work types and job categories to be listed).*

4.19. In case of shift work, duration of the work shift and shift handover shall be established in the shift schedules.

Shift schedules shall be communicated by the employer to the employees not later than 10 calendar days before their effective date.

4.20. Should a back-to-back Employee be absent in case of shift work that must not be disrupted, the Employee shall continue to work, and the Employer shall immediately take measures to replace such Employee with another Employee.

4.21. Engaging an Employee in two successive shifts shall be prohibited.

4.22. In case of shift work, summarised work time recording shall be established with the recording period equal to one calendar year.

#### **§4. Daily Work (Work Shift) Splitting**

4.23. Daily work (work shift) splitting shall be permitted:

- 1) In case of tasks with varying intensity
- 2) On the employee's initiative due to his/her social, domestic and other personal needs.

In case of daily work (work shift) splitting, the total work time shall not exceed the established daily work (work shift) duration.

4.24. The types of work subject to daily work (work shift) splitting, the number and duration of breaks, as well as the types and amounts of compensation payments to employees for work under such terms shall be established by agreement between the parties.

Breaks associated with the daily work (work shift) splitting shall be provided for employees' rest and shall not be classified as work time.

#### **§5. Downtime Recording Procedure**

4.25. In case of downtime, the Employee shall immediately send a written notification on impossibility of performing his/her job duties to his/her immediate supervisor (heads of departments, sites, workshops, etc.) or to another representative of the Employer, who in turn shall draw up a downtime act and downtime recording documents and send the corresponding memo to the chief executive officer or another authorized person.

On the basis of these documents, the Employer shall issue a downtime order, which shall contain the following:

- Downtime commencement date (starting from which the Employee's work time is considered downtime) and completion date (*if known*)
- Reason for downtime, its nature and underlying circumstances
- Party responsible for downtime (*employer, employee or reasons beyond control of the parties*)
- Positions (*occupations*), full names of employees and (*or*) names of the company's business units subject to declared downtime
- Downtime payment amount with reference to the regulations set forth in the RoK laws (subject to the Regulations on Remuneration of Company's Employees)
- Need for presence at the workplace for employees subject to downtime or permission not to attend work (*with indication of specific full names, positions (occupations), business units or the company as a whole*).

- 4.26. Employees shall be familiarised with the downtime order against their signatures. In case of refusal to be familiarised with such order, an act shall be drawn up; since the amount of downtime payment depends on the reason for its occurrence (*except for downtime due to the employee's fault*), each downtime case shall be documented indicating the reason.
- 4.27. If an employee disagrees that downtime occurred due to his/her fault, a committee shall be established with the participation of relevant specialists consisting of at least 3 persons and an official investigation shall be conducted (*with the participation of the employee*). The employee shall familiarize himself/herself with the records and results of the internal investigation. In case the employee disagrees with the employer's actions, he/she shall be entitled to appeal.
- 4.28. In case of downtime, the Employer shall be entitled to transfer the Employee to another job without his/her consent for the full duration of such downtime, provided that such job is not against medical advice for health reasons.

## CHAPTER 5. REST TIME

### §1. General Provisions

- 5.1. Rest time shall be established by the Internal Regulations, which are Appendix \_\_\_ to this Collective Agreement, or by internal Employer's Acts.
- 5.2. The rest time types shall be as follows:
  - 1) Breaks during the working day (work shift): breaks for rest and meals; intra-shift and special breaks
  - 2) Daily rest (rest between shifts)
  - 3) Days off
  - 4) Holidays
  - 5) Leaves.
- 5.3. The Employee shall have one break during the daily work (shift) for rest and lunch of the following duration: \_\_\_\_\_ (*the duration not shorter than half an hour to be indicated*).

Rest and meal break times shall not be included in Work Time.

In case no break can be provided due to production conditions, the Employer shall provide to the Employee an opportunity to rest and take meals during Work Time in a dedicated place (*the list of such works, procedure and place for rest and taking meals to be established either in the collective agreement or in the appendix thereto, or by reference to the Employer's Act to be issued upon agreement with the Trade Union*).

- 5.4. Employees engaged in the following occupations shall be provided with breaks between shifts due to work practices and management methods, with such breaks to be included in work time: \_\_\_\_\_ (*types of works subject to the provisions on rest between shifts and occupations engaged in such works, duration and procedure for granting rest between shifts to be established in the Collective Agreement or by reference to the Employer's Acts issued upon agreement with the Trade Union*).
- 5.5. Employees working outdoors in cold or hot seasons, those working in enclosed unheated rooms and those engaged in loading and unloading operations shall have special breaks to warm up or cool down and rest, with such breaks included into work time. The employer

shall provide the premises for employees to warm up, cool down and rest. The duration and procedure for granting such breaks shall be determined by the Employer's Acts.

- 5.7. Working women who have children under eighteen months old, fathers (adopters) raising children under eighteen months old alone shall be provided with additional breaks for feeding a child (children) at least every three hours of work, with the following duration:

- 1) For those who have one child: at least thirty minutes per break
- 2) For those who have two and more children: at least one hour per break.

Upon application from an employee indicated in item 3 of this article, breaks for feeding a child (children) shall be added to the rest and meal breaks; alternatively, combined breaks shall be provided at the beginning or at the end of the working day (shift).

Breaks for feeding a child (children) shall be included in the work time. Women, fathers and adopters shall retain their average salary for the break durations.

- 5.8. The Employee's daily rest (rest between shifts) between work completion and work commencement on the next day (shift) shall not be less than twelve hours.

- 5.9. Employees shall be given days off on a weekly basis.

In case of a five-day work week, employees shall be granted two days off per week (Saturday, Sunday), and case of a six-day work week, one day off shall be granted (Sunday).

- 5.10. In case of employees engaged in continuous production processes or at production facilities where work cannot be stopped on days off due to production and technical conditions or due to the need for continuous public services, days off shall be granted on different days of the week in turn according to shift schedules (*the list of such work to be provided either in the Collective Agreement or in an Appendix thereto, or by reference to the Employer's Act*).

- 5.11. The first day of Kurban-ait celebrated according to the Muslim calendar and January 7 (Orthodox Christmas) shall be days off, regardless of the applied work patterns and shift schedules (rotation schedules).

- 5.12. An Employee who is on a business trip shall use days off in accordance with internal regulations of the hosting employer.

- 5.13. Employees shall be provided with paid annual work leaves and social leaves.

## **§2. Paid Annual Leaves**

- 5.14. Paid annual leaves are divided into two types: basic leaves and additional leaves to be granted to Employees engaged in heavy (extremely heavy) work, work in harmful (extremely harmful) and/or hazardous (extremely hazardous) conditions, and in cases established by the legal acts of the Republic of Kazakhstan.

- 5.15. Employees shall be entitled to paid annual leave of at least twenty-four (24) calendar days, excluding Holidays during the period of such paid annual leave, regardless of the work patterns and work schedules.

- 5.16. The following Employees shall be provided with \_\_\_\_\_ days of additional paid leave:

\_\_\_\_\_ (*the list of occupations (positions) eligible for additional leave to be presented according to the form in Appendix No. 4 to the Collective Agreement*).

- 5.17. Employees who belong to the first or second disability group shall be entitled to additional paid leave of \_\_\_\_\_ (*number of days to be specified*) with a duration of at least 6 calendar days.

Employees may be granted additional paid annual leaves as a bonus for long continuous work or for performing critical, complex, urgent or other tasks as defined in employment or collective agreements.

To be granted additional paid annual leave, Employees who belong to the first or second disability group shall submit to the business unit (*the business unit in charge to be indicated*) a document certifying the disabled status within \_\_\_\_\_ working days from the date the disability is established.

Additional paid annual leave shall be granted at the same time as paid annual leave or, upon request of the disabled Employee, at another time during the working year. A disabled Employee who wishes to use his/her additional paid annual leave at another time during the working year out of the vacation schedule shall notify the Employer in writing, \_\_\_\_\_ days in advance, for proper registration.

- 5.18. To calculate the total duration of a paid annual leave, additional paid annual leaves shall be added to the main paid annual leave.
- 5.19. The paid annual leave upon agreement between the Employee and the Employer may be split into parts. In such case, one part of the paid annual leave shall be at least two calendar weeks out of the total leave period as specified in the Employee's employment agreement.
- 5.20. Paid annual leaves shall be provided to Employees according to the leave schedule approved by the Employer taking into account the Employees' opinions, or established out of schedule by mutual agreement of the parties.
- 5.21. The annual leave allowance shall be paid not later than three calendar days before its commencement and not later than three calendar days after its commencement in case of unscheduled leave.
- 5.22. A paid annual leave may be postponed in full or in part subject to the Employee's written consent or at the Employee's request, in case of the Employee's temporary incapacity for work or during maternity leave.

By agreement between the parties, the postponed leave may be added to the next year's leave or provided separately at another time upon the employee's request.

Failure to grant the unused paid annual leave or its part for two successive years shall be prohibited.

- 5.23. A paid annual leave may be interrupted by the Employer in case of business needs only subject to the written consent of the Employee.
- 5.24. Upon agreement between the Employee and the Employer, the part of the paid annual leave unused due to such recall shall be granted during the current working year or the following working year at any time or shall be added to the paid annual leave in the following working year.

In case an Employee is recalled from the paid annual leave, a compensation for the unused days of the paid annual leave may be paid to the Employee in lieu of granting the unused part of such leave at a different time as agreed by the Employer and the Employee.

- 5.25. Employees under eighteen years of age, pregnant women and employees involved in hard work and work in harmful and/or hazardous conditions shall not be recalled from the paid annual leave.

### **§3. Social Leave**

- 5.26. A social leave shall mean release of the employee from work for a definite period in order to create favourable conditions for maternity, child care and other social purposes.

5.27. The Employees shall be provided with the following types of social leaves:

- 1) Unpaid leave
- 2) Educational leave
- 3) Maternity and newborn child adoption leaves
- 4) Unpaid childcare leave until the child reaches the age of three.

The social leave period shall be counted as part of the employment record, unless otherwise provided by the laws of the Republic of Kazakhstan.

5.28. Upon agreement between the parties, the Employer shall be entitled to grant an unpaid leave to the Employee based on his/her written application. The procedure and duration of such unpaid leave shall be determined upon agreement between the Employee and the Employer.

5.29. Upon notification by the employee, the employer shall grant unpaid leave for up to five calendar days in the following cases:

- 1) Marriage
- 2) Childbirth
- 3) Death of close relatives
- 4) In other cases \_\_\_\_\_ (to be determined by the Parties).

5.30. Employees studying in educational institutions shall be granted an educational leave to prepare and take credits and exams, take laboratory classes, prepare and defend a diploma work (project), to undergo training programs for the military reserve in the amount of up to \_\_\_\_\_ calendar days (as called out by the educational institution) (*the payment issues, the number of paid days, etc. to be specified in the Collective Agreement*), and up to \_\_\_\_\_ calendar days to defend the diploma project.

In addition, the employer shall grant educational leaves with the job (position) preservation to the Employees sent for training or internships abroad under the Bolashak International Scholarship.

5.31. Pregnant women, women who have given birth to a child (children) and women (men) who have adopted a newborn child (children) shall be granted the following leaves due to childbirth:

- 1) Maternity leave
- 2) Newborn child adoption leave
- 3) Unpaid childcare leave until the child reaches the age of three.

During unpaid leave to care for a child until the child reaches the age of three, the Employee shall retain his/her job (position).

5.32. To ensure maternity and pregnant woman health protection and to enable the Employer to act on the medical opinion starting from the date specified in the sick leave certificate that gives a pregnant woman the right for maternity leave, but not later than \_\_\_\_\_ working days from the day such certificate is issued by a medical institution, the pregnant woman shall apply for the corresponding leave.

The maternity leave shall be documented by submitting a sick leave certificate or a medical consulting committee certificate confirming the right to this type of leave and a written application from the Employee to \_\_\_\_\_ (specify the relevant business unit).

In case the maternity leave is documented in a timely manner, the Employer shall pay for the maternity leave based on the average salary less the amount of social allowance for loss of



income due to maternity in accordance with the laws of the Republic of Kazakhstan on mandatory social insurance.

The Employer shall make maternity leave payments only after a pregnant woman submits a document issued by the relevant authorized body confirming payment of the social allowance in case of loss of income due to maternity, adoption of a newborn child (newborn children) carried out in accordance with the laws of the Republic of Kazakhstan on mandatory social insurance, or a bank statement related to the bank account opened with banks and/or organizations engaged in specific bank operations, indicating the amount of the specified social allowance to be provided by the state.

If a pregnant woman fails to submit the necessary documents within the specified deadline, a report shall be drawn up indicating the date of actual submission, which confirms the Employer's failure to comply with the indicated procedure.

The maternity leave payment at the Employer's expense shall not be made in the following cases:

- 1) If the pregnant woman failed to timely document the maternity leave with the Employer and continues the actual employment relations during the temporary disability period and thus breaches the procedure for documenting the leave according to this paragraph of the Collective Agreement
  - 2) In case the pregnant woman obtains the right for maternity leave when she has not been entitled to remuneration for 12 months.
- 5.33. The unpaid childcare leave until the child reaches the age of three may be used in full or in parts within the validity term of the employment agreement based on the Employee's written application indicating its duration and subject to submitting the child's birth certificate or another document to confirm eligibility for such leave to issue the corresponding Employer's Act.
- 5.34. The Employer shall grant an unpaid childcare leave until the child reaches the age of three to the following persons:
- 1) The child's mother or father at the discretion of the parents
  - 2) A parent raising a child alone
  - 3) Another relative actually raising a child who had lost his/her parents, or a guardian
  - 4) An employee who has adopted a newborn child (children).

An employee may use all or parts of his/her childcare leave until the child reaches the age of three.

- 5.35. In case the employee resumes work before expiry of the unpaid childcare leave until the child reaches the age of three, the employee shall notify the employer of his/her intention one month before returning to work.

## **CHAPTER 6. OCCUPATIONAL HEALTH AND SAFETY**

- 6.1. All employees shall be entitled to safe and healthy labour conditions in the course of employment in accordance with the applicable RoK laws and shall be personally liable for complying with occupational health and safety regulations, rules and instructions, including the Employer's internal documents that govern such requirements while performing the job duties.
- 6.2. The Employee shall be entitled to:
- 1) A workplace equipped in accordance with the occupational health and safety requirements

- 2) Free protective clothes, protective footwear and other personal protective equipment in accordance with the requirements set forth in the internal document of the subsidiary or affiliate
- 3) Sanitary and domestic premises, personal and collective protection equipment in accordance with the occupational health and safety requirements as well as the employment agreement
- 4) Refusal to work if the employer fails to provide to the employee the personal and/or collective protection equipment and in a situation endangering his/her health or life, with a written notification of the immediate supervisor or the employer
- 5) Application to the local labour inspection body for inspection of workplace conditions and safety
- 6) Participation, either in person or through a representative, in examination and consideration of issues related to improvement of working conditions, safety and health
- 7) Education, vocational training, retraining and advanced training necessary to safely perform his/her job duties, including those in the field of industrial safety, as stipulated in the laws of the Republic of Kazakhstan
- 8) Obtaining reliable information from the Employer on the specifications of the workplace and company's premises, working conditions, health and safety status, the existing health risk and the health protection measures to mitigate exposure to harmful and/or hazardous production factors
- 9) Maintaining the average salary while the company's operations are suspended due to non-compliance with occupational health and safety requirements.

6.3. The Employee shall:

- 1) Comply with the requirements of health and safety regulations, rules and instructions, as well as requirements and other internal documents of the Employer in the field of health and safety, environmental protection and industrial safety
- 2) Immediately report to the employer or work manager about each occupational injury and other health damage suffered by employees, signs of occupational illness (poisoning), as well as a situation that poses a threat to human life and health
- 3) Undergo mandatory preliminary and periodic medical examinations, as well as pre-shift, post-shift and other medical examinations according to the procedure established by the authorized health care body and the Employer's internal requirements
- 4) At the employer's demand, undergo preventive medical examinations in cases stipulated in the employer's act and in case of transfer to another job.

If an Employee refuses to undergo medical examination, a refusal act shall be drawn up, which may later serve as a basis for disciplinary action

- 5) Inform the employer about categorisation of disability or other health deterioration, which hinders proceeding with his/her job duties
- 6) Strictly apply and duly use personal and collective protective equipment provided by the Employer
- 7) Comply with the requirements of the state labour inspector, the technical safety inspector, the internal control specialists and the medical and health improvement measures prescribed by medical institutions, if funded by the Employer
- 8) Take health and safety training, briefing and knowledge assessment, including those related to industrial safety, as defined by the employer and stipulated by the laws of the Republic of Kazakhstan.

- 6.4. The Employer shall be entitled to:
- 1) Encourage Employees to contribute to creation of favourable working environment in the workplace and make optimisation proposals to create safe working environment
  - 2) Suspend and bring to disciplinary liability the Employees who violate safety and health requirements as established by the Labour Code of the Republic of Kazakhstan
  - 3) Receive compensation for the damage caused by the Employee as related to loss of or damage to protective clothes, protective footwear and other personal and collective protection equipment due to negligence
  - 4) Require the Employee to strictly comply with the safe work requirements at production facilities
  - 5) Send the Employees at its own cost for preventive medical examinations in cases specified in the laws of the Republic of Kazakhstan and the Employer's Act.
- 6.5. The Employer shall undertake to:
- 1) Take measures to prevent any risks at workplaces and process facilities by implementing preventive measures and replacing production equipment and processes with safer ones
  - 2) Suspend work if it causes a potential threat to the life and health of the Employee and other persons
  - 3) Train and brief employees and assess their knowledge in occupational health and safety, including industrial safety, as well as provide documents on the production process and work safety at its own expense
  - 4) Arrange periodical training and knowledge assessment in occupational health and safety for managers and persons responsible for ensuring occupational health and safety, at least once every three years, at companies engaged in advanced personnel training as established by the authorized labour body, according to the list approved by the Employer's Act
  - 5) Create the necessary sanitary and hygienic conditions for Employees; ensure repair of protective clothes and footwear and its issue to employees; provide them with preventive treatment means, detergents and disinfectants, first aid kits, milk or equivalent food and/or special dietary products (healthy and dietary meals), personal and collective protective equipment as per the regulations established by the authorized state labour body as per Appendix \_\_\_\_ to the Collective Agreement
  - 6) Not engage the persons who have reached retirement age in heavy work, work in harmful and (or) hazardous conditions in accordance with the Law of the Republic of Kazakhstan *On Retirement Benefits in the Republic of Kazakhstan*
  - 7) Not engage employees under the age of eighteen in handling and lifting heavy items exceeding the limits established for such employees
  - 8) Not allow women to manually handle weights that exceed the limits established for women
  - 9) Register, record and analyse occupational accidents and illnesses
  - 10) Quarterly submit the information necessary to monitor labour conditions and occupational health and safety to the authorized state labour body and local labour inspection authority and employee representatives upon their written requests
  - 11) Immediately report any incident (accident, emergency, road accident, fire) to the head of KMG business unit in charge of subsidiaries and affiliates and the head of KMG HSE unit

- 12) Investigate occupational accidents as prescribed by the laws of the Republic of Kazakhstan and KMG internal documents
- 13) Follow the instructions and conclusions of state labour inspectors, recommendations of Investigation Committees
- 14) Conduct periodic (at least once every five years) certification of production facilities with respect to labour conditions with the participation of employee representatives in accordance with the rules approved by the authorized state labour body
- 15) Submit the results obtained during certification of labour conditions at production facilities to the relevant local labour inspection body in paper and electronic copy within a month
- 16) Insure employees against occupational accidents
- 17) Take urgent measures to prevent emergency escalation and exposure of third persons to injury hazards
- 18) Develop, approve and revise occupational health and safety instructions as prescribed by the authorised labour body
- 19) At its own expense, arrange compulsory regular (during employment) medical examinations, pre-shift and post-shift medical checks of employees as and where required by the agreements, collective agreement, laws of the Republic of Kazakhstan, and upon transfer to another job involving change in labour conditions, or upon detecting the symptoms of an occupational illness
- 20) The employer shall temporarily transfer the employee to an easier job or relieve him/her of his/her job duties on the basis of a medical conclusion due to an occupational injury, occupational illness or other occupational health damage, or other non-occupational health damage, until rehabilitation or registration of physical or occupational disability.

6.6. Health and safety statutory compliance monitoring:

- 1) Internal health and safety control shall include arrangements to create and implement the safety management system, labour conditions monitoring, prompt analysis of production control data, risk assessment and measures on rectification of revealed non-compliances with health and safety requirements
- 2) Internal health and safety control shall be carried out by the employer in order to comply with the health and safety requirements established at workplaces and to take immediate measures to eliminate the identified violations
- 3) The Occupational Health and Safety Council shall be created on the Employer's initiative and/or on the initiative of Employees or their representatives. It shall include, on a parity basis, representatives of the employer and representatives of employees, including Technical Safety Inspectors.

The Occupational Health and Safety Council membership shall be approved by a joint resolution of the Employer and Employees' representatives.

The Occupational Health and Safety Council shall be led by a chairperson elected by the council members from among the Employer's and Employees' representatives every two years on a rotational basis.

Resolutions of the Occupational Health and Safety Council shall be binding upon the Employer and Employees.

The Occupational Health and Safety Council shall manage joint efforts of the employer and employees to meet the occupational safety requirements, prevent occupational injuries and illnesses, as well as perform inspections of labour conditions and occupational safety at workplaces by technical safety inspectors.

The nominated technical safety inspectors shall be proposed by the trade union or, if no trade union is available, shall be elected by the general meeting of employees from among the company's employees by the majority vote provided that the meeting is attended by at least two thirds of employees.

Technical safety inspectors shall be approved by the resolution of the Occupational Health and Safety Council.

The status, rights and obligations of technical safety inspectors and the inspection procedure shall be defined in the resolution of the Occupational Health and Safety Council.

6.7. Funding of health and safety actions:

- 1) Health and safety actions shall be funded at the cost of the Employer and other sources not prohibited by the laws of the Republic of Kazakhstan. Employees shall not be charged for these purposes
- 2) The amount of funding allocated for implementation of occupational health and safety actions is \_\_\_\_\_.

## **CHAPTER 7. ENSURING EMPLOYMENT OF RELEASED PERSONNEL**

7.1. In case a decision is taken to cut the manning or staff levels as applicable to the Employees working at a company, the Employer shall notify the employee in writing of termination of the employment agreement at least one month in advance, unless a longer notice period is stipulated in the employment or collective agreement.

The employment agreement may be terminated prior to expiration of the notice period subject to a written consent of the employee.

7.2. The employer shall make severance compensation payments in the amount of the average monthly salary in the following cases:

- 1) Upon termination of the employment agreement at the Employer's initiative in case of the Employer's liquidation or winding-up
- 2) Upon termination of the employment agreement at the Employer's initiative in case of manning or staff level cuts as applicable to the Employees
- 3) Upon termination of the employment agreement at the employee's initiative if the employer fails to comply with the terms of the employment agreement.

The employer shall make severance compensation payments upon termination of the employment agreement at the employer's initiative due to decrease in production volumes and scopes of works and services, which results in deterioration of the Employer's economic situation, in the amount of two average monthly salaries.

7.3. In case of release (dismissal) of an employee at the Employer's initiative in case of manning or staff level cuts as applicable to the Employees, the Employer shall undertake:

- 1) From the notice delivery date until the issue date of the order on employment agreement termination, to provide to the Employee one day per week or two hours during each working day for independent job search
- 2) To grant the priority right to keep the job to the following persons:
  - Employees who are the sole breadwinners
  - Parents of large families with four or more under-age children
  - Employees who have worked in the oil and gas industry for at least 15 years in case of men or 10 years in case of women

- 3) To consider preferential employment of released Employees by filling the available vacancies subject to appropriate retraining. Professional retraining of Employees (training in other occupations) shall be carried out at the Employer's expense against payment of \_\_\_\_\_% of the average salary during the training.
- 7.4. The employer undertakes to control the number of Employees in the event of decreasing work volumes, primarily by means of the following:
- 1) Natural outflow of Employees and temporary limitation on recruitment
  - 2) Repeated training and retraining of Employees at their own expense
  - 3) Transfer of Employees to vacant jobs within business units
  - 4) Temporary and seasonal employment of Employees
  - 5) Using part-time work as a temporary alternative to employment agreement termination
  - 6) Employee's transfer to another job upon his/her consent, including jobs with lower salaries.
- 7.5. It shall not be allowed to terminate an employment agreement with employees before they reach the retirement age established by the Law of the Republic of Kazakhstan *On Retirement Benefits in the Republic of Kazakhstan*, in case they have less than two years left, on the grounds of manning or staff level cuts, employee's unfitness for his/her position or job duties due to insufficient qualification confirmed by certification results, unless a positive decision is taken by the committee created from an equal number of employer's and employees' representatives.

The Committee shall be composed of an equal number of Employer's and Employees' representatives and shall include a Trade Union representative. The decision to establish the Committee shall be documented by the Employer's Act on the date of the decision to cut the manning or staff levels or to carry out certification of Employees.

- 7.6. The employment agreement with members of elected trade union bodies not released from their main job may be terminated on the Employer's initiative subject to the general employment agreement termination procedure taking into account the substantiated opinion of the corresponding trade union body, unless the legal entity is dissolved or the Employer is wound up, as follows:
- The employer shall send to the head of the Trade Union body a written notice of upcoming termination of the employment agreement with an employee who is a member of the Trade Union and is not released from his/her main job, not later than seven (7) calendar days before the scheduled termination date
  - The Trade Union shall review the notice in the presence of the Employer's representative within seven (7) calendar days from the date when the notice is received from the Employer on the imminent termination of the employment agreement and shall submit to \_\_\_\_\_ (the business unit of the subsidiary or affiliate to be indicated) a substantiated written opinion in the form determined at the Trade Union's discretion.

Failure to provide a substantiated opinion by the Trade Union upon expiry of seven (7) calendar days shall not prevent the Employer from terminating the employment agreement with the Employee who is a Trade Union member.

- 7.8. The employment agreement termination due to employee's unfitness for his/her position or job duties due to insufficient qualification confirmed by certification results shall be based on the decision of the certification committee that includes the Trade Union/employee representative, unless otherwise stipulated by the laws of the Republic of Kazakhstan.

- 7.9. Termination of an employment agreement at the employer's initiative on the grounds stipulated in sub-clauses 2) and 3) of Clause 1 of Article 52 of the Labour Code of the Republic of Kazakhstan shall not be permitted in case of pregnant women who provided to the employer a pregnancy certificate, women raising children under the age of three, single mothers raising a child up to the age of fourteen (up to the age of eighteen in case of a disabled child), other persons raising children who belong to this category without a mother.
- 7.10. The employment agreement shall not be terminated at the employer's initiative during the employee's temporary disability or leave, except the cases specified in subparagraphs 1), 18), 20) and 23) in paragraph 1 of Article 52 of the Labour Code of the Republic of Kazakhstan.

## **CHAPTER 8. PROBATION PERIOD**

*(The decision to include this Chapter in the Collective Agreement may be independently taken by each company)*

- 8.1. The Employer may include a probation period provision in the employment agreement to verify the adequacy of the Employee's skills for the job assigned to him/her.
- 8.2. The probation period shall start from the effective date of the employment agreement.
- 8.3. The probation period shall be included in the Employee's employment record and cannot exceed three months. The probation period for the company's directors and their deputies, chief accountants and their deputies, heads of the company's branches and representative offices may be extended up to six months.
- The probation period shall be suspended for the time when the employee was actually absent from work.
- 8.4. If the Employee demonstrates poor performance during the probation period, the Employer shall be entitled to terminate the employment agreement with such Employee subject to a written notice indicating the reasons for termination of the employment agreement.
- 8.5. If the probation period has expired and neither Party has sent a notice on termination of the employment agreement, the Employee shall be deemed to have passed the probation period.
- 8.6. In case an employment agreement is concluded for seasonal work, the probation period for the purpose of checking the employee's fitness for the work assigned to him/her shall not apply.

## **CHAPTER 9. SOCIAL ASSISTANCE**

*(This chapter shall be developed taking into account the standards social assistance rules applicable to the company's employees)*

The Employer shall provide the following social package to its Employees:

Financial assistance:

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Social allowances and compensations:

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Social securities:

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Social assistance shall be provided to employees subject to availability and to the extent of funds allocated in the company's approved budget/development plan, as well as in case of break-even situations and depending on the company's economic situation.

## **CHAPTER 10. VOCATIONAL TRAINING, RETRAINING AND ADVANCED TRAINING**

- 10.1. The Employer shall carry out vocational training, retraining and advanced training of Employees to update and additionally acquire theoretical and practical knowledge and skills in the field of professional and managerial activities in order to effectively perform their job duties and solve tasks determined in accordance with the Employer's development strategy and internal documents.
- 10.2. The need for and scope of vocational training, retraining and advanced training to ensure the company's operations and development shall be determined by the Employer in accordance with the effective laws of the Republic of Kazakhstan.
- 10.3. Vocational training, retraining and advanced training of trainees appointed by the Employer shall be carried out at the expense of the Employer or other means not prohibited by the laws of the Republic of Kazakhstan in accordance with the Training Agreement.
- 10.4. When rotational Employees are appointed upon the written consent of the Employees for advanced training courses during rest between shifts, no remuneration shall be paid to such Employees, and only the following expenses shall be covered: \_\_\_\_\_ (specify types of expenses).
- 10.5. Dual learning shall be provided in accordance with the Dual Learning Agreement.  
During on-the-job training, the trainee shall be subject to the company's internal regulations.  
During on-the-job training and/or internship, the trainee shall perform certain job duties, which are included in the trainee's employment record, and a compensation may be paid during this period.  
Those undergoing on-the-job training and/or internship shall be subject to the Company's occupational health and safety requirements.

## **CHAPTER 11. TRADE UNION/EMPLOYEE REPRESENTATIVE GUARANTEES**

- 11.1. The Employer and the Trade Union/Employee Representative shall build their relationships on the basis of the Labour Code of the Republic of Kazakhstan, RoK Law *On Trade Unions* and this Collective Agreement so as to exercise social and labour rights of Employees and create favourable and safe working environment at the Company.
- 11.2. The Employer shall undertake to:
  - 1) Withhold at the time of remuneration payment, with the written consent of the Trade Union members, and transfer the membership fees via the accounting department to the Trade Union's account
  - 2) Relieve of their job duties the Employees who are members of elected Trade Union bodies and are not relieved of their main job, while maintaining their average remuneration:
    - To participate as delegates at conventions, conferences arranged by the Trade Union or its branches and to take part in the activities of their councils
  - 3) The Employees relieved of operational duties as a result of their election to the elective positions in the Trade Union bodies shall be reinstated in their previous job (position) after expiration of their elective authorities or, if impossible, in another equal job



(position) in the same subsidiary or affiliate, or in another one upon the Employee's consent

- 4) Not terminate employment agreements at the Employer's initiative with the head (chairperson) of the Trade Union not relieved of his/her main job, without a substantiated opinion of a superior Trade Union, except in cases of liquidation of the subsidiary or affiliate or termination of the Employer's activities.
- 11.3. In order to carry out trade union activities, ensure public control over compliance with the labour laws of the Republic of Kazakhstan, labour protection regulations and implementation of the Collective Agreement, the authorized representatives of the Trade Union /Employee Representative shall be entitled to:
- Visit the workplaces of trade union members at the companies to study and take measures to ensure proper labour conditions
  - Receive from the Employer the relevant documents and information, and check fulfilment of labour protection obligations and measures
  - Take joint actions as part of the Occupational Health and Safety Council together with the employer to enforce occupational safety requirements, prevent occupational injuries and illnesses as well as inspect labour conditions and occupational safety at workplaces.
- 11.4. The Company shall ensure physical conditions for operation of the Trade Union by \_\_\_\_\_ (e. g. by providing an office, stationery) depending on the financial situation and production capacities.

## **CHAPTER 12. LABOUR DISPUTES**

- 12.1. Labour disputes shall be resolved as prescribed by the labour laws of the Republic of Kazakhstan and the Collective Agreement.
- 12.2. The Parties have agreed that:
- 1) A collective labour dispute shall be deemed to have arisen from the date of the written notification to the Employer of the Employees' requirements concerning application of the labour laws of the Republic of Kazakhstan, fulfilment or amendment of the terms of the Agreements, labour and/or collective agreements and employer's acts documented in accordance with the requirements of the Labour Code of the Republic of Kazakhstan
  - 2) The Parties will take preventive measures to eliminate the reasons and circumstances which may entail collective labour disputes and extreme measures for their resolution, i. e. strikes
  - 3) Labour disputes will be settled by the Parties in pre-trial order, namely:
    - Individual labour disputes will be settled by the Mediation Committee, while upon failure to resolve certain issues or comply with the decision of the Mediation Committee, the disputes will be referred to the courts, except those involving small businesses and executive managers of the legal entity
    - Collective labour disputes will be settled by mediation procedures.
- Collective labour disputes shall be resolved in the following sequence: the disputes shall be considered by the Employer (employers' association); if not resolved, they shall be referred to the Mediation Committee; if not agreed upon by the Mediation Committee, they shall be referred to the labour arbitration; while disputes not resolved in labour arbitration shall be referred to courts
- 4) Dispute resolution shall be carried out several stages:

### **Stage I**

The dispute shall be considered by the Employer with mandatory involvement of the Trade Union /Employee Representative and line management (site, team, etc.) representatives.

At this stage, the dispute shall be considered and settled within three working days. If it is impossible to settle the dispute within the specified period, the Employer shall advise the employees in writing on its decisions and proposals, indicating its representatives for further consideration of the arising disagreements.

### **Stage II**

In case a dispute cannot be resolved as a result of the measures envisaged at the first stage, the Trade Union /Employee Representative shall render assistance to the Employee(s) to prepare the necessary documents in order to file a written application to the Conciliation /Mediation Committee established under the Labour Code of the Republic of Kazakhstan.

The Mediation Committee is a permanent body established at the company, its branches and representative offices on a parity basis and including an equal number of persons representing the Employer and employees.

The Mediation Committee membership, operational procedure and term of office, the decision-making process and the content of decisions taken by the Mediation Committee and involvement of a mediator shall be established upon agreement between the Employer and employees documented as a written agreement between the Employer and employee representatives.

Members of the Mediation Committee representing employees shall be elected by the general meeting (conference) of employees. Members of the Mediation Committee representing the employer shall be appointed by the employer's formal act. Members of the Mediation Committee shall elect a chairperson and a secretary from among its members by the majority vote at the first constituent meeting, and involvement of a mediator shall be decided upon by mutual consent of the parties.

The deadlines established for applying to the Mediation Committee for consideration of individual labour disputes shall be as follows:

- 1) For job reinstatement disputes: one month from the date when the copy of the Employer's act on employment agreement termination is submitted to the Mediation Committee, and for the dispute to be referred to court: two months from the date when the copy of the Mediation Committee's decision is delivered in the event of unsettled disputes or failure of a party to the employment agreement to comply with its decision
- 2) For other labour disputes: one year from the date when the employee or the Employer found out or should have found out about the violation of their right.

The application period for consideration of individual labour disputes shall be suspended during the validity period of the mediation agreement applicable to the labour dispute under consideration, and also in case no Mediation Committee is available before its establishment.

An application submitted to the Mediation Committee shall be subject to mandatory registration by the Committee on the date of submission.

The Mediation Committee shall be obliged to consider the dispute within fifteen working days from the registration date of the application and submit to the parties to the dispute the copies of its decision within three days from the date when such decision is taken.

The Mediation Committee shall review the demands put forward by Employees (their representatives) not later than within seven working days from the date of their receipt. The procedure for consideration of requirements by the Mediation Committee and extension of the specified consideration period shall be implemented by mutual agreement of the parties and documented in the protocol.

In case a party refuses to sign the protocol, the corresponding record shall be made in the protocol.

### **Stage III**

If the Mediation Committee fails to reach an agreement, its operation shall be terminated, and a Labour Arbitration shall be created to settle the dispute.

The Labour Arbitration shall be established by the parties to a collective labour dispute within five calendar days from the date when the Mediation Committee operation is terminated.

The number of members, personal membership and procedure for labour dispute consideration by the Labour Arbitration shall be agreed by the parties on a parity basis. The Labour Arbitration shall consist of at least five persons. A state labour inspector, a representative of the Labour Arbitration Council for Prevention and Resolution of Collective Labour Disputes and, if necessary, other persons shall be included in the Labour Arbitration.

The members of the Mediation Committee as related to the employees' requirements under consideration shall not be members of the Labour Arbitration.

The chairperson of the Labour Arbitration shall be elected by its members from among the same.

A collective labour dispute shall be considered by the Labour Arbitration with the obligatory participation of the representatives of the parties to the collective labour dispute and, if necessary, also with the participation of representatives of other stakeholders.

The dispute consideration procedure shall be determined by the Labour Arbitration and communicated to the parties to the collective labour dispute.

The decision of the Labour Arbitration shall be adopted not later than seven working days after its establishment by a simple majority vote of the members of the Labour Arbitration. Where the votes of the Labour Arbitration members are divided equally, the chairperson's vote shall be the deciding one. The resolution shall be substantiated, documented in writing and signed by all arbitrators.

The Labour Arbitration resolution shall be binding upon the parties to the collective labour dispute.

### **Stage IV**

In case of failure to resolve the dispute at the above-mentioned stages, the Parties shall apply to the Social Partnership Development and Labour Dispute/Conflict Settlement Council of JSC NC "KazMunayGas".

The dispute consideration and settlement period at this stage shall not exceed 15 working days from the date of application.

In case of failure to resolve the dispute at the fourth stage, the Parties shall be entitled to apply to the court to resolve the dispute.

12.3. Before the dispute is resolved in court, in order to achieve a mutually acceptable resolution to be implemented on a voluntary basis, the Parties shall be entitled to apply the procedure for settlement of collective labour disputes (conflicts) with the assistance of a mediator (mediators) in accordance with the RoK Law *On Mediation*.

Mediation is based on the following principles:

- 1) Voluntary basis
- 2) Equality of the Parties
- 3) Independent and impartial approach by the mediator
- 4) Inadmissibility of interference into the mediation procedure
- 5) Confidentiality.

A mediator may be an independent, impartial individual who is not interested in the outcome of the case and who meets the requirements of the RoK Law *On Mediation*.

**The following text shall be included in the Collective Agreement of subsidiaries and affiliates, which are not classified as hazardous production facilities in accordance with the statutory requirements.**

12.4. Employees may decide to hold a Strike only after all conciliation procedures have been applied and in cases of the Employer's evasion from conciliation procedures or failure to comply with the agreement reached in the course of resolving the Collective Labour Dispute only after consideration by the Social Partnership Development and Labour Dispute/Conflict Settlement Council of JSC NC "KazMunayGas".

12.5. The decision on holding a Strike shall be taken at the meeting (conference) of Employees (their representatives/Trade Union).

The meeting of Employees shall be deemed legal if attended by more than a half of the total number of subsidiary's or affiliate's Employees.

The conference shall be deemed legal if attended by more than two thirds of delegates elected by employees according to protocol decisions.

Decisions of the meeting (conference) of employees shall be deemed adopted by the majority vote of participants.

During the above events, the employees (employee representatives) shall observe the requirements of the Rules for Holding Meetings (Conferences) of Employees at KMG Subsidiaries and Affiliates.

12.6. The decision to declare a strike shall specify the following:

- 1) List of disagreements between the parties that are the basis for the strike
- 2) Date, place and time of strike commencement, expected number of participants
- 3) Name of the body leading the strike, i. e. the Strike Committee
- 4) Proposals on the minimum required works (services) to be performed during the strike.

12.7. The employer shall be notified in writing by the Strike Committee on the commencement of the strike and its potential duration at least five working days prior to its announcement.

12.8. Participation in the Strike shall be voluntary. No one shall be forced to participate or to refuse to participate in the Strike.

12.9. Persons who force Employees to participate in a Strike shall be held liable pursuant to the procedure established by the laws of the Republic of Kazakhstan.

12.10. During the Strike, the Parties to a Collective Labour Dispute shall continue to resolve this dispute by means of negotiations.

During the Strike, the Parties shall observe the public order rules and regulations, ensure security of the Company's property and safety of the Employees, as well as operation of machinery and equipment in case their shutdown poses an immediate threat to human life and health.

12.11. The remuneration of the Employees participating in the strike shall not be retained for the duration of the strike, except for cases when the strike is held due to non-payment or late payment of remuneration.

**The following text shall be included in the Collective Agreement of subsidiaries and affiliates, which are classified as hazardous production facilities.**

12.12. The Parties acknowledge that Strikes are illegal in the subsidiary or affiliate, since it is classified as a hazardous production facility.

Employees shall be entitled to hold a rally, march, demonstration (hereinafter referred to as the Protest Action) only after application of all conciliation procedures and in cases of the Employer's evasion from conciliation procedures or failure to comply with the agreement reached in the course of dispute resolution only after consideration by the Social Partnership Development and Labour Dispute/Conflict Settlement Council of JSC NC "KazMunayGas".

12.13. The decision to hold a Protest Action shall be taken at a meeting of Employees (their representatives/Trade Union). The meeting of Employees shall be deemed legal if attended by more than a half of the total number of subsidiary's or affiliate's Employees. The decision to hold a Protest Action shall be deemed taken if more than half of the participants voted for it.

12.14. If the decision to hold a Protest Action is taken, the Trade Union/Employee Representative shall prepare applications for the Action within 2 days after the decision is taken by the meeting of Employees and submit such applications to the local executive body of the city of republican significance, capital, district (city of regional significance) not later than 10 days before the scheduled date of the Protest Action.

The application shall specify the purpose, form, place of the Protest Action, its commencement and completion time, estimated number of participants, full names of the persons authorized to represent the interests of the Employees and persons responsible for public order, their residence and work locations and the application filing date. The deadline for submission of an application shall be calculated from the date of its registration with the local executive body of the city of republican significance, capital, district (city of regional significance).

12.15. The Employer shall not be entitled to interfere with the Employees' Protest Action held in accordance with the procedure established by the Collective Agreement and the laws of the Republic of Kazakhstan.

12.16. Participation of Employees in the Protest Action shall be voluntary. No one shall be forced to participate or refuse to participate in the Protest Action.

12.17. Persons who force Employees to participate in a Protest Action shall be held liable pursuant to the procedure established by the laws of the Republic of Kazakhstan.

12.18. During the Protest Action, the Parties to a Collective Labour Dispute shall continue to resolve this dispute by means of negotiations.

During the Protest Action, the Parties shall observe the public order rules and regulations, ensure security of the subsidiary's or affiliate's property and safety of the Employees, as well as operation of machinery and equipment in case their shutdown poses an immediate threat to human life and health.

### **CHAPTER 13. COLLECTIVE AGREEMENT PERFORMANCE MONITORING**

13.1 The Parties shall establish by joint decision a Collective Agreement Monitoring Committee, consisting of \_\_\_\_\_ persons, with \_\_\_\_\_ representatives from each Party. The Committee shall perform the following functions:

- 1) Annual (*another frequency may be specified, for example, half a year*) review to check the status of the Collective Agreement implementation

- 2) Preparation of documents to inform the Employer and Employees on the results of the Collective Agreement implementation
  - 3) Preparation of proposals on amendments and additions to the Collective Agreement
  - 4) Consideration of violations of the Collective Agreement by the Parties and taking measures to eliminate such violations.
- 13.2. To enable such monitoring, the Parties shall provide all available information necessary for this purpose.
- 13.3. Collective negotiation participants shall undertake not to disclose the information received if the information constitutes state secrets, business, commercial or other secret protected by law.

#### **CHAPTER 14. LIABILITY OF THE PARTIES FOR FAILURE TO PERFORM THE COLLECTIVE AGREEMENT**

- 14.1. For failure to fulfil the obligations stipulated by this Collective Agreement, the management of subsidiaries and affiliates shall be held liable as established by the laws of the Republic of Kazakhstan.
- 14.2. If Employees violate the terms of the Collective Agreement, the Employer shall be entitled to limit social assistance, incentives and benefits under the Collective Agreement, save for those mandatory according to the laws of the Republic of Kazakhstan.
- 14.3. For failure to fulfil the obligations under this Collective Agreement, the Trade Union shall be deprived of the guarantees provided in subparagraphs 2) – 4) of paragraph 11.2 and paragraph 11.4 of this Collective Agreement.

#### **CHAPTER 15. FINAL PROVISIONS**

- 15.1. The Collective Agreement is concluded for \_\_\_ years and shall enter into force on the date when it is signed by the Parties. The Collective Agreement shall be binding upon the Parties and shall be submitted to the local labour inspection body for monitoring within one month from the signing date.
- If upon expiry of the established validity period of the Collective Agreement none of the Parties initiated a new Collective Agreement, it shall be extended for the next year.
- 15.2. Either Party may initiate amendments and/or additions to this Collective Agreement throughout its validity period only by mutual consent as established in the Labour Code of the Republic of Kazakhstan. The terms of the Collective Agreement shall not be changed unilaterally.
- 15.3. If the company is dissolved or declared bankrupt, the Collective Agreement shall terminate from the date of termination of employment agreements with all Employees.
- 15.4. This Collective Agreement is made in \_\_\_\_\_ copies in the national and Russian languages, having equal legal force.
- 15.5. In case the production and economic performance of a subsidiary or affiliate is found to deteriorate, the Parties undertake to revise the content of this Collective Agreement.
- 15.6. Appendices to this Collective Agreement shall be its integral part and shall be valid throughout the validity term of the Collective Agreement, unless otherwise established by agreement of the Parties.

The appendices that are an integral part of the Collective Agreement are as follows:

- 1) Form of Employee's Application for Accession to the Collective Agreement on \_\_ sheets
- 2) List of positions and jobs held or performed by Employees who can enter into agreements of full individual or collective (joint) financial liability for failure to preserve property and other valuable items handed over to Employees
- 3) Model Agreement on Employee's Full Financial Liability, on \_\_ sheets
- 4) List of occupations (positions) eligible for additional leave due to harmful and heavy working conditions
- 5) Employer's acts issued in view of the opinion expressed by Employee representatives.

**Employer's Representative**

*(specify the position)*

**Trade Union**

*(person authorized to sign the Collective Agreement)*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ full name

\_\_\_\_\_ full name

\_\_\_\_\_  
\_\_\_\_\_  
*(position and full name of company's head)*

*Copy to the Trade Union* \_\_\_\_\_  
*(specify full name of Trade Union)*

*From* \_\_\_\_\_  
*(specify employee's name, position, business unit)*

**Application for Accession to the Collective Agreement**  
**Concluded between** \_\_\_\_\_ **Dated** \_\_\_\_\_

I hereby ask to consider my accession to the Collective Agreement concluded between \_\_\_\_\_ dated \_\_\_\_\_.

I am fully acquainted with the terms and conditions of the Collective Agreement and the Appendices thereto and I am ready to assume in full the rights and obligations arising from these terms and conditions.

\_\_\_\_\_ (full name, position, date)



**List of Positions and Occupations Subject to Execution of Written Agreements on Full Financial Liability for Failure to Maintain Security of Valuable Items Transferred for Storage, Processing and Issue, Transportation or Use in the Production Process**

<b>No.</b>	<b>Site/Unit</b>	<b>Occupation (position) name</b>

### **Individual Financial Liability Agreement**

In order to maintain security of valuable items owned by \_\_\_\_\_,  
the subsidiary or affiliate head \_\_\_\_\_, hereinafter

(full name and position)

referred to as the “Employer”, acting on behalf of the company, on the one hand, and  
\_\_\_\_\_ hereinafter referred to as the “Employee”,

(full name and position)

on the other hand, have entered into this agreement as follows:

1. The Employee who holds a position of \_\_\_\_\_

(position name)

or performs work \_\_\_\_\_

(description of work)

directly related to \_\_\_\_\_

(storage, processing, sale (issue), transportation

\_\_\_\_\_ or use in the production process of the transferred valuable items)

assumes financial responsibility for failure to maintain security of valuable items transferred to him/her by the company (according to the appendix), and, in connection with the above, undertakes to:

- Treat the company’s valuable items transferred to him/her for storage or other purposes with due care and make arrangements to prevent any damage
- Timely notify the Employer about all circumstances that pose a threat to security of valuable items in his/her custody
- Duly keep records and submit inventory/financial and other reports on movement and balance of valuable items in his/her custody
- Participate in inventory taking of valuable items in his/her custody.

2. The Employer shall undertake to:

- Provide normal work conditions for the Employee to ensure full security of valuable items in his/her custody
- Familiarise the Employee with the effective laws of the Republic of Kazakhstan on financial liability of Employees for damage suffered by the company, as well as effective internal documents that govern storage, acceptance, handling, sale (issue), transportation or use in the production process of valuable items transferred to him/her
- Duly take inventory of valuable items.

3. If the Employee fails to ensure safety of valuable items in his/her custody through his/her fault, damage to the company shall be assessed with the participation of the Employee. The amount of damage shall include only the direct physical damage for actual losses based on the accounting data.

4. The Employee may be held financially liable subject to the following conditions met at the same time:

- a) Harm caused to the company by performance of job duties
  - b) Illegal behaviour (acts or omission by the Employee)
  - c) Causal link between the Employee's illegal behaviour and the harm caused to the subsidiary or affiliate
  - d) The Employee's fault for causing harm.
5. The Employee shall be entitled to voluntarily compensate for the damage caused to the company and, upon the company's consent, to transfer equivalent valuable items as compensation for the damage caused or to rectify the damage.
- In case of the Employee's refusal to compensate for the damage on a voluntary basis, the company shall be entitled to duly apply to the court to recover the damage.
6. The Agreement shall become effective on the date of its signing by the Parties.
7. This Collective Agreement shall apply to the full period of the Employee's work at the corresponding position. When the Employee is transferred to another job or his/her employment agreement is terminated, he/she shall hand over the valuable items in his/her possession to the person specified by the company's management against a handover certificate. The final settlement with the Employee shall be made after the Employee submits and the company approves the above-mentioned certificate that confirms handover of all valuable items in his/her custody to another person.
8. All appendices, amendments and supplements to this Agreement shall be valid and shall form an integral part hereof only if made in writing and signed by the Parties.
9. This Agreement is made in four counterparts in the Russian and Kazakh languages, having equal legal force, two for each party, and shall form an integral part of the employment agreement.

**Employer**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 (signature)

**Employee**

Full name: \_\_\_\_\_

Home address: \_\_\_\_\_

Identification document:

No. \_\_\_\_\_ issued by \_\_\_\_\_

RoK \_\_\_\_\_

Taxpayer's ID: \_\_\_\_\_

\_\_\_\_\_  
 (signature)

**List of Occupations (Positions) Eligible for Additional Leave  
Due to Harmful and Heavy Working Conditions**

<b>Item No.</b>	<b>Unit name</b>	<b>Occupation (position) name</b>	<b>Number of additional leave days</b>

**Employer's Acts Issued in View of the Opinion Expressed by Employee Representatives**

<b>Item No.</b>	<b>Act titles</b>
1.	
2.	
3.	