

APPROVED
by resolution of the Board of Directors of
JSC NC “KazMunayGas”
dated April 14, 2008
Minutes #3/2008
(updated by the resolutions of the
Board of Directors dated
March 31, 2016 (Minutes 4/2016),
June 28, 2018 (Minutes 9/2018))

REGULATION
on the Corporate Secretary of
JSC "National Company"KazMunayGas"

Astana

1. General provisions

1. The present Regulation on the Corporate Secretary (hereinafter – the Regulation) of Joint Stock Company “National Company “KazMunayGas” (hereinafter – KMG) has been developed in compliance with the Law of the Republic of Kazakhstan “About Joint Stock Companies” (hereinafter – the Law), the Charter of KMG (hereinafter – the Charter) and the Corporate Governance Code of “Sovereign Wealth Fund “Samruk-Kazyna” Joint-Stock Company approved by Decree №1403 of the government of the Republic of Kazakhstan dated 05.11.2012 as amended by Decree №239 of the Government of the RoK dated 15.04.2015 (hereinafter – the Code).

2. The Regulation define the status of the Corporate Secretary in the organisational structure and system of corporate governance of KMG, order of appointment and termination of powers of the Corporate Secretary ahead of schedule, his/ her duties, functions, powers and responsibility, ensurance of his/her independence and protection of the status, rights, powers and social interests of the Corporate Secretary, and determine the order of establishment and activity of the Corporate Secretary Service.

3. The following definitions are used for the purposes of this Regulation:

1) corporate relations – relations arising in the course of management of KMG, including relations arising between KMG and the Shareholder; between the Shareholder and the board of Directors, the Corporate Secretary, the Internal Audit Service, the Management Board, and other bodies of KMG; between KMG and its subsidiaries and affiliates and stakeholders;

2) corporate governance – a set of corporate processes (procedures, rules), binding actions and resolutions ensuring management and control over the KMG’s performance and corporate relations in KMG in the interests of the Shareholder

3) corporate processes (procedures, rules) – the activity of the Shareholder, the Board of Directors, the Corporate Secretary, the Internal Audit Service, the Management Board and other bodies of KMG strictly regulated by the legislation of the Republic of Kazakhstan and internal documents of KMG and aimed at securing and protection of interests of the Shareholder as well as KMG’s compliance with provisions of the legislation of the Republic of Kazakhstan in terms of corporate governance, provisions of the Charter, the Code and other internal documents of KMG;

4) corporate actions – actions that may result in fundamental changes in KMG’s activities. The corporate actions include: changes in the exclusive rights of the Shareholder, reorganization of KMG, making major transactions, introduction of amendments to the Charter and the Code, changing of the amount of the authorized capital and a number of other issues the resolution of which is crucial for KMG;

5) corporate decisions (business solutions) – the decisions made by the Shareholder, the Board of Directors, the Corporate Secretary, and the Management Board on issues related to corporate governance of KMG and its subsidiaries and affiliates;

6) corporate policy – the system of actions and solutions undertaken and made by KMG in the area of corporate governance of KMG and its subsidiaries and affiliates, as well as the system of certain orientation of corporate processes (procedures) towards the goals, objectives and interests of KMG. The corporate policy also includes the policy of corporate conflict settlement and the policy of conflict of interest settlement;

7) the Shareholder – the entity holding all the voting shares of KMG represented by “Sovereign Wealth Fund “Samruk-Kazyna” Joint-Stock Company;

8) the Board of Directors – the managerial body of KMG in charge of development of the strategy and/ or the plan on financial and economic activities (business plan) of KMG, general management of KMG’s activity and control over the performance of the Management Board and the Corporate Secretary;

9) Corporate Secretary – an employee of KMG, who is neither a member of the Board of Directors nor a member of the Management Board responsible for the delivering and oversight functions within the corporate governance system of KMG within own competence;

10) the Internal Audit Service – a KMG body carrying out control over the financial and economic activities of KMG, performing assessment of the internal control and risk management system, execution of corporate governance documents and consulting in order to improve the KMG's performance, which is directly subordinated to the Board of Directors;

11) the Management Board – a collegial executive board of KMG managing the day-to-day performance of KMG implementing the strategy and/ or the plan on financial and economic activities (business plan) of KMG as specified by the Shareholder and the Board of Directors;

12) the Corporate Secretary Service – an independent structural subdivision of KMG ensuring effective implementation of objectives, functions and duties by the Corporate Secretary of KMG led by the Corporate Secretary of KMG;

13) an official – a member of the Board of Directors, a member of the Management Board;

14) an interested party – a person/ entity, implementation of whose rights is set forth by the legislation of the Republic of Kazakhstan and the Charter, being also associated with the activity of KMG.

15) the Compliance Report – the report on compliance with the principles and provisions of the Code, which is a part of the annual report of “Sovereign Wealth fund “Samruk-Kazyna” Joint-Stock Company. This Report shall cover the list of principles and provisions of the Code that are not observed, with relevant explanations.

2. Status of the Corporate Secretary

4. The Corporate Secretary is an employee of KMG in full time position and performs his functions independently and on a regular basis.

The legal status of the Corporate Secretary is defined by the legislation of the Republic of Kazakhstan, the Charter, the Code, the present Regulation and other internal documents of KMG.

4.1. Official duties, rights and responsibility of Corporate secretary not included into the Regulation are determined by job description developed on the basis of the present Regulation, internal documents of the Company and approved by the Board of directors of the Company.

5. The Corporate Secretary is accountable to the Board of Directors in the organisational structure and system of the corporate governance of KMG.

6. In compliance with his/ her status the Corporate Secretary is:

1) the person, responsible for implementation of corporate governance procedures, established by the legislation of the Republic of Kazakhstan, and recommendations of “the best international practice of corporate governance” adopted by KMG and specified in its internal documents;

2) the person, ensuring systematic communication of KMG and the Shareholder, the Shareholder and the Board of Directors, the Internal Audit Service, the Management Board and other divisions of KMG and interested parties;

3) the person, who systematically monitors the legislation of the Republic of Kazakhstan in the field of corporate governance (corporate legislation), tendencies of «the best global practice of corporate governance» and promoting the practice of corporate governance of KMG.

3. Procedure of search, selection, appointment and termination of powers of the Corporate Secretary

7. The Corporate Secretary of KMG is appointed by resolution of the Board of Directors, adopted by the majority of votes of members of the Board of Directors, participating in a meeting.

The resolution of the Board of Directors on appointment of the Corporate Secretary should define the following:

1) term of powers;

2) special grounds for early dismissal from office (termination of powers of the Corporate Secretary), as specified by the present Regulation;

3) the official salary and terms of bonus payment.

8. The search and selection of candidates to the position of the Corporate Secretary shall be based on open and transparent procedures in line with the internal document of KMG regulating issues of competitive selection to vacant executive and managerial positions given that only the Shareholder and/ or members of the Board of Directors of KMG shall be entitled to nominate candidates to the position of the Corporate Secretary. The following information about a candidate should be submitted to the Board of Directors:

1) full name of a candidate;

2) date of birth;

3) education;

4) information on places of work for the last five years;

5) information on affiliation (no affiliation) to KMG;

6) information about relationships with affiliated parties and main business partners of KMG;

7) additional information which a candidate can present at his/her own discretion.

9. A person to be appointed to the position of the Corporate Secretary should comply with the following requirements:

1) at least five years' experience of work related to corporate governance;

2) crisis management experience;

3) knowledge of the company specifics;

4) strategic vision skills;

5) absence of any conflict of interests with regard to KMG including its bodies and officials;

6) personal qualities, such as activity, creativity, persistence, abilities to accomplish the set objectives and avoid personal conflicts with other officials of KMG, sociability, responsibility, self-confidence, abilities to settle conflicts between participants of corporate relationships, to express and hold detached judgements, if they meet the interests of KMG;

9) no affiliation to KMG;

10) computer skills;

11) analytic abilities

12) awareness of issues of labor organization and document management, work culture and business ethics;

13) unblemished reputation;

14) at least 1-year experience of work at the position of the Corporate Secretary/ similar position or the Deputy Corporate Secretary/ similar position;";

15) the internationally recognized professional qualification equivalent to the CSQS (Corporate Secretaries Qualifying Scheme) of the Institute of Chartered Secretaries and Administrators (ICSA) would be preferred.

10. A Labour Contract is concluded with the person appointed to the position of the Corporate Secretary. Terms of the Labour Contract should be approved by the Board of Directors of KMG. The Labour Contract should be signed by the President (Chairman of the Management Board) of KMG.

11. Specific grounds for early dismissal from the office of the Corporate Secretary are as follows:

1) negligence in performance of duties;

2) failure to meet the requirements set to the Corporate Secretary in line with this Regulation and the relevant Labor Agreement.

Specific grounds for early dismissal from the office of the Corporate Secretary shall also be specified in the relevant Labor Agreement.

12. The Board of Directors should approve the Succession Planning Program for the Corporate Secretary, which would on a mandatory basis include the development and approval of an induction program for newly appointed Corporate Secretaries; according to such induction

program a newly appointed Corporate Secretary should receive all business documents, files (in original/ copies), and electronic databases of documents and materials of the Shareholder and the Board of Directors of the JSC from his/ her predecessor

The transfer of business should be carried out in the presence of the Chairman of the Board of Directors or a person assigned by the Chairman of the Board of Directors not later than within ten calendar days as of the moment of appointment of the new Corporate Secretary.

The transfer of business should be carried out by the acceptance-delivery certificate, which should reveal:

- 1) reasons of a business transfer;
- 2) date of a business transfer;
- 3) period, to which the transferred documents refer;
- 4) names and composition of the transferred documents;
- 5) list of documents (measures, procedures, inquiries), which are under elaboration and should be completed by the newly elected Corporate Secretary.

4. Assignments of the Corporate Secretary

13. The primary duty of the Corporate Secretary is an efficient realisation of the best global practice of the corporate governance of KMG.

14. The duties of the Corporate Secretary within the framework of his/ her activities include the following:

- 1) ensuring compliance with the rules and procedures of the corporate governance by divisions and officials of KMG for realisation and protection of rights and interests of the Shareholder;
- 2) organisation of interaction of the Shareholder with the Board of Directors, the Internal Audit Service, the Management Board and other bodies of KMG, KMG and its subsidiaries and affiliates, KMG and its interested parties;
- 3) organisation of the activity of the Shareholder of KMG;
- 4) ensurance and enhancement of the activity of the KMG Board of Directors and its Committees;
- 5) information support of the Shareholder and members of the KMG Board of Directors on organisation of the activity of KMG, its bodies, officials and structural subdivisions;
- 6) ensuring safekeeping, disclosure and delivery of all necessary information about KMG and maintaining a high level informational transparency;
- 7) arrangement and planning of the activity of the KMG bodies and officials in the field of corporate governance.

5. Functions of the Corporate Secretary

15. To accomplish the objectives on ensurance of strict observance of the rules and procedures of corporate governance by officials and divisions of KMG ensuring execution and protection of rights and interests of the Shareholder, the Corporate Secretary is assigned:

- 1) to ensure the legitimacy of the corporate governance of KMG through ensuring of KMG's keeping to the rules and procedures provided for by the legislation of the Republic of Kazakhstan in the field of corporate governance, provisions of the Charter, the Code and other internal documents of KMG;
- 2) to organise and participate in settlement of KMG's conflicts;
- 3) to establish, maintain and promote the corporate governance system of KMG so as to make it ensure realisation of the strategic goals and objectives of KMG, high-grade governance and high level of trust of the Shareholder and all interested parties in KMG;
- 4) to represent, in case of need, interests of the Shareholder to other divisions and officials of KMG;

5) to inform the Shareholder and the Board of Directors on all revealed violations in the organisation of the work of the Board of Directors and propose measures for their curing;

6) to consider complaints and appeals against actions of divisions and employees of KMG in the field of corporate governance and inform the Chairman of the Board of Directors about such activity;

7) to develop the Compliance Report

16. To ensure interaction between the Shareholder, the Board of Directors, the Internal Audit Service, the Management Board and other bodies of KMG, KMG and its subsidiaries and affiliates, KMG and its interested parties, the Corporate Secretary is assigned:

1) to ensure legal and organisational support and coordination of interaction and information exchange between divisions and officials of KMG;

2) to coordinate interaction and exchange of information between KMG and its subsidiaries and affiliates;

3) to register all incoming letters, applications and inquiries of the Shareholder;

4) to prepare responses to all incoming applications, letters and requests of the Shareholder to KMG on issues within his/her competence, forwarding them to the KMG's structural subdivision in charge of relevant issues;

5) to control due and timely consideration of letters, applications and requests received from the Shareholders on issues within the competence of KMG's structural subdivisions;

6) to consult the Shareholder on issues related to his rights and interests;

7) to timely reveal impending corporate conflicts and inform the Shareholder, the Board of Directors and relevant bodies of KMG. A corporate conflict means any divergences and conflicts arising between or among the Shareholder, KMG bodies, and KMG's officials, which have or may have any of the following consequences: violation of provisions of the current legislation, the Charter, the Code or any other internal documents of KMG, rights and interests of the Shareholder; claims against KMG, its bodies (members of KMG's bodies); early termination of powers of the acting bodies of KMG (their members).

17. To fulfil objectives on arrangement of the performance of the Shareholder according to the legislation of the RoK, the Charter, the Code and other internal documents of KMG, the Corporate Secretary is assigned:

1) to accept proposals on submission of issues for consideration of the Shareholder, nominations of candidates to KMG bodies to be appointed by the Sole Shareholder;

2) to register all submitted proposals and other applications to the Shareholder;

3) to control the quality and term of implementation of resolutions of the Shareholder and the Board of Directors and inform the Shareholder and the Board of Directors on the results of such control;

4) to make proposals to draft resolutions of the Shareholder about hearing reports or any other information presented by officials of KMG on implementation of assignments of the Shareholder;

5) in case when the draft resolution of the Shareholder includes issues of appointment to the bodies of KMG – to prepare and deliver inquiries to candidates on their consent to appointment to relevant bodies of KMG;

6) to arrange consideration of appeals against bodies and officials of KMG under instructions of the Shareholder;

7) to inform all members of the Board of Directors, members of the Management Board and other bodies of KMG on resolutions adopted by the Shareholder;

8) to prepare materials, which are necessary or should be presented to the Shareholder;

18. To ensure and promote the activity of the Board of Directors of KMG and its Committees, the Corporate Secretary is assigned:

1) to explain to newly elected members of the Board of Directors the current rules regulating the activity of the Board of Directors and other divisions of KMG, organisational structure of KMG, to present information about KMG's officials and any other information, important for proper functioning of members of the Board of Directors;

- 2) to prepare and submit draft plans of meetings of the Board of Directors to the Chairman of the Board of Directors;
 - 3) to make proposals to draft agenda of a meeting of the Board of Directors, a form of a meeting and submit them to the Chairman of the Board of Directors;
 - 4) to timely notify all members of the Board of Directors and invited parties on convocation of meetings of the Board of Directors;
 - 5) to prepare and deliver to all members of the Board of Directors materials on items on the agenda of meetings of the Board of Directors;
 - 6) to attend meetings of the Board of Directors and ensure proper observance of procedures for conduct of meetings;
 - 7) to ensure observance of decision-making procedures by absentee vote by the Board of Directors;
 - 8) to provide members of the Board of Directors with legal acts, reference and other materials necessary for their decision-making at a meeting of the Board of Directors;
 - 9) to take the minutes of meetings of the Board of Directors, to bring decisions made by the Board of Directors to the notice of the Shareholder and divisions of KMG;
 - 10) to inform members of the Board of Directors on results of meetings of the Board of Directors which they did not attend;
 - 11) to collect written opinions of members of the Board of Directors and submit them to the Chairman of the Board of Directors;
 - 12) to summarize voting on items on the agenda of a meeting of the Board of Directors;
 - 13) to acquaint members of the Board of Directors with written opinions of other members and let members of the Board of Directors express their own opinions on draft resolutions included in such written opinions;
 - 14) to ensure observance of order of decision-making on transactions to be approved by the Board of Directors;
 - 15) to control quality and term of implementation of resolutions of the Board of Directors and inform the Board of Directors on results of such control;
 - 16) to make proposals to the Chairman of the Board of Directors on presentation of reports or any information of KMG's officials on implementation of instructions of the Board of Directors at a meeting of the Board of Directors of KMG;
 - 17) to provide members of the Board of Directors with all inquired documents and information on the activity of KMG, including minutes of the meetings of the Board of Directors, documents on the corporate and information policy of KMG, minutes of meetings of the Management Board, resolutions of the Chairman of the Management Board, reports of the Internal Audit Service and auditors of KMG, etc.;
 - 18) to inform the Chairman of the Board of Directors on all facts interfering with observance of rules and procedures to be ensured by the Corporate Secretary;
 - 19) to participate in planning of the work of Committees;
 - 20) to deal with organizational issues related to conduct of meetings of Committees;
 - 21) to bring information on issues proposed for consideration by the Committees of the Board of Directors to the notice of KMG divisions and other interested parties;
 - 22) to inform members of other bodies of KMG, and employees invited to attend meetings of the Committees on convocation of meetings of the Committees of the Board of Directors;
 - 23) to attach recommendations of the Committees of the Board of Directors to materials on issues on the agenda of a meeting of the Board of Directors;
 - 24) to accumulate and bring to the notice of all interested parties recommendations and minutes of meetings of the Committees of the Board of Directors.
19. To ensure information support of the Shareholder and members of the Board of Directors with the data on the status of activities of KMG, its bodies, officials and structural subdivisions, the Corporate Secretary is assigned:

1) to elaborate recommendations, instructions and rules of reporting on the work of KMG bodies and its structural subdivisions;

2) to prepare informational letters about arrangement of the work of KMG and its structural subdivisions.

20. To ensure safekeeping, disclosure and delivery of all necessary information about KMG the Corporate Secretary is assigned:

1) to control registration and safekeeping of original documents of KMG in the place of location of the Management Board or any other place, specified by the Charter of KMG, namely, the Charter, amendments to the Charter; resolutions of the Sole Shareholder; certificate of incorporation (re-registration) of KMG as a legal entity; KMG's statistical card; licenses for KMG's carrying out of separate types of activities and (or) certain actions; documents confirming the KMG's rights for the property available (was available) on its books; prospectus of issue of KMG's securities, documents confirming the state registration of the KMG's securities issue, cancellation of securities as well as approval of reports on results and redemption of KMG's securities to be submitted to the authorized body; the regulation on branch and representation offices of KMG; minutes of meetings (resolutions) of the Management Board, the Corporate Governance Code of KMG (Article 80 of the Law);

2) to ensure registration and safekeeping of original documents of KMG in the place of its location, namely minutes of meetings (resolutions of absentee meetings) of the Board of Directors, materials on agenda of meetings of the Board of Directors; recommendations of the Committees of the Board of Directors; the list of KMG affiliates; information (materials), to be presented to the Shareholder and members of the Board of Directors – for meetings of the Board of Directors;

3) to ensure delivery or access to the Shareholder, members of the Board of Directors or the Management Board, and heads of structural divisions of KMG to all documents of KMG mentioned above;

4) to provide copies of documents upon demand of the Shareholder and members of the Board of Directors, and witnessing of copies of the documents mentioned above;

5) to register and keep all incoming correspondence of the Board of Directors;

6) control over timeliness and completeness of information disclosure by KMG in line with the legislation, requirements of KMG bodies and internal documents of KMG, incl. on the corporate website of KMG.

21. Other issues:

1) to carry on business correspondence within the limits of his/ her competence and other business contacts with members of the Board of Directors, the Committees of the Board of Directors, the Management Board, other officials and heads of structural divisions of KMG, a registrar, auditor of KMG, external agencies and organisations, and other persons and state agencies;

2) to arrange drafting of internal documents of KMG (including annual reports), approval of which refers to the competence of the Shareholder of KMG;

3) to bring information on results of KMG's auditing conducted by external auditors and state agencies to the notice of the Board of Directors and in case of need, the Committees of the Board of Directors for elaboration of recommendations on elimination of violations and their prevention in future.

22. The functions, specified in the present chapter of the Regulation are implemented by the Corporate Secretary both personally (independently) or through relevant instructing of employees of the Service of the Corporate Secretary.

6. Powers of the Corporate Secretary

23. The Corporate Secretary shall be entitled to address the bodies and officials of KMG on all issues referred to his/her competence, and attend meetings of managerial bodies of KMG. KMG's divisions and officials are obliged within the limits of their competence to assist the Corporate Secretary in fulfilment of his/her duties.

24. The Corporate Secretary shall be entitled to inquire, and officials and KMG's managerial staff are obliged within the limits of their competence to provide all information (material) necessary for the Corporate Secretary to fulfil his/her duties.

25. The Corporate Secretary shall be entitled to inquire, and officials and KMG's managerial staff are obliged within the limits of their competence to provide reports on implementation of resolutions of the Shareholder and the Board of Directors, and in case of need to present written explanation of causes of their nonfulfilment.

26. KMG's officials shall inform the Corporate Secretary about auditing carried out by an external auditor and state authorities

27. The Corporate Secretary shall be entitled to initiate procedures aimed at improvement of the corporate governance of KMG, efficient interaction between the Sole Shareholder, the Board of Directors and the Management Board of KMG.

28. The Corporate Secretary shall be entitled, as may be agreed with the President (Chairman of the Management Board) or any other officials of KMG, with respect to their competence, to consult with the heads of structural divisions of KMG for elaboration of draft documents, which refer to his/her competence in compliance with the present Regulation.

29. The Corporate Secretary shall be entitled, as may be agreed with the President (Chairman of the Management Board) to arrange preparation of materials on issues referred to the competence of the Shareholder, the Board of Directors, the Committees of the Board of Directors by structural divisions of KMG in compliance with the legislation of the Republic of Kazakhstan, the Charter, and internal documents of KMG.

30. The Corporate Secretary has the right to require from officials and other employees of KMG to discontinue the activity, which violates the rights and duties of the Shareholder or results (may result) in corporate conflicts, with simultaneous notification of the Chairman of the Board of Directors.

7. Responsibility of the Corporate Secretary

31. The Corporate Secretary should act upon implementation of his/her rights and duties in the best interests of KMG, exercise his/her rights and fulfil duties rationally and in good faith.

The Corporate Secretary shall bear responsibility for disclosure of data constituting the commercial or any other confidential information of KMG, its private use or transfer to the third parties in compliance with the laws of the Republic of Kazakhstan.

32. The Corporate Secretary shall bear responsibility for damages incurred to KMG due to his/her activity (inactivity), in the procedure established by the legislation of the Republic of Kazakhstan.

8. Procedure of independence ensuring and protection of the status, rights, powers and social interests of the Corporate Secretary

33. KMG and its divisions are to ensure independence, protection of the status, rights, and powers of the Corporate Secretary.

34. The rate of the official salary and terms of remuneration of the Corporate Secretary and his/her Service should be approved by resolution of the Board of Directors.

35. The Chairman of the Management Board of KMG shall effect immediate payments within the approved budget, related to the activity of the Corporate Secretary in compliance with the internal documents of KMG.

36. The Board of Directors ensures protection of the status and social interests of the Corporate Secretary through establishment of standards of labour remuneration and motivation of the Corporate Secretary which should not be less than the rate of labour remuneration and motivation of the Managing Director of KMG and decrease to minimum of his/ her dependence on executive bodies of KMG.

9. Procedure of formation and organisation of the activity of the Corporate Secretary Service

37. The Corporate Secretary Service is established and liquidated by resolution of the Chairman of the Board of Directors as advised by the Corporate Secretary.

38. The Corporate Secretary Service consists of three employees within the staffing number approved by the Board of Directors.

39. Employees of the Corporate Secretary Service are not allowed to fulfil any other duties in KMG.

40. Employees of the Corporate Secretary Service carry out the work to ensure fulfilment of functions of the Corporate Secretary and act in compliance with Labour Contracts and job specifications, drawn up on the basis of the present Regulation.

41. Employees of the Corporate Secretary Service should be competent and possess qualities necessary for fulfilment of their duties.

42. The activity of the Corporate Secretary Service shall be carried out in line with the Activity Plan of the Corporate Secretary.

43. Arrangement, control and ensurance of the work of the Service of the Corporate Secretary are based on principles of personal responsibility of each employee for timeliness and quality of the accomplished assignments.

44. Labor remuneration of employees of the Service of the Corporate Secretary is effected in compliance with the KMG's Rules of Labor Remuneration and Bonus Payments to Employees.

45. Employees of the Corporate Secretary Service shall be provided with all necessary working conditions (a separate room, telephone, legislative and reference materials, necessary legal literature and technical facilities).

10. Final provisions

43. The Regulation and all changes and amendments to it shall be approved by the resolution of the Board of Directors of KMG in the procedure established by documents of KMG.