1. **Purpose and General Provisions**
	1. These KMG Crisis Management Regulations (hereinafter the Regulations) are developed to organise a systematic approach to crisis management, ensure prompt response and prevention of a possible crisis, mitigate consequences and possible damage caused by a crisis in accordance with the KMG Group’s Health, Safety and Environment Management System Manual.
	2. The key objective of crisis control and effective support from KMG’s Management is to:
2. protect people;
3. protect the environment;
4. protect property;
5. protect business interests, including reputation.

Effective crisis management to minimise adverse effects is one of the keys to achieving this objective.

1. **Scope**
	1. These Regulations apply to employees of KMG and SDEs, as well as of contractors performing work and/or providing services at SDE facilities in the manner and under the conditions set forth in their contracts.
	2. SDEs may duly apply these Regulations by developing and approving similar Regulations or bringing internal documents of SDEs in line with these Regulations.
	3. If, as a result of changes in the laws of the Republic of Kazakhstan, certain provisions of the Regulations come into conflict with the laws, those provisions of the Regulations shall be void, and the applicable laws of the Republic of Kazakhstan shall be followed until amendments are made to the Regulations.
2. **Definitions and Abbreviations**

|  |  |
| --- | --- |
| **Emergency** | Destruction of buildings, facilities and/or equipment, uncontrolled explosion and/or release of hazardous substances |
| **Business Line (BL)** | A set of technologically and organisationally linked core and support operations conducted by one or more subsidiaries or dependent entities, the development planning and corporate management of which are carried out by the head of the relevant business line of KMG: Upstream and Oilfield Service; Oil Transportation, Refining and Marketing; Gas Transportation, Refining and Marketing |
| **DDS** | SDE Duty Dispatcher Service  |
| **SDEs** | Subsidiaries and dependent entities, including jointly controlled entities and joint ventures of KMG |
| **RTA** | A road traffic accident |
| **Statutory Requirements** | Requirements of legal regulations and concessions, including international conventions, standards and treaties, and interstate agreements |
| **ERT (Response Level 1)** | SDE On-Site Emergency Response Team |
| **IMT (Response Level 2)** | SDE Incident Management Team |
| **CMT (Response Level 3)** | KMG’s Crisis Management Team |
| **Crisis** | Unexpected disturbance of KMG’s (SDE) normal operations jeopardising their stability; an incident that can have a significant impact on KMG’s (SDE) reputation, financial well-being or viability in the long term |
| **KMG** | Joint-Stock Company “National Company “KazMunayGas” |
| **PEAR** | People, environment, assets and reputation |
| **Facility** | Buildings, structures, rooms, process equipment and oil refining units, drilling units and drilling equipment, gas and oil pump stations and pipelines, tank farms, utilities and landfills, other technical devices, vehicles and special machinery used in operations and located on the sites (contract areas) of a subsidiary or dependent entity |
| **HPF** | A hazardous production facility |
| **HSE** | Health, safety and environment business area, which includes such areas as: occupational health and safety of employees, industrial, fire and transportation safety, emergencies, compliance management, environmental protection (emission, discharge and waste management), efficient use of natural resources (water environment, fauna, flora, energy efficiency) |
| **Contractor** | An individual or a legal entity that performs specific work/services at the Facility/Site under the contract concluded with a subsidiary or dependent entity in compliance with the agreed requirements, schedule and conditions |
| **Incident** (for the purpose of this document) | Any unexpected event, which occurred as a result or in the process of operations of a subsidiary or dependent entity, which resulted or could result in an occupational accident, fire, explosion, crash, road traffic accident or any other event, which has effect on business and reputation of the subsidiary or dependent entity |
| **Employees** | Individuals employed by KMG and SDEs under an employment contract |
| **Crisis Prediction** | Preventive response to the probable occurrence and development of a crisis based on the analysis of possible causes, its source in the past and present. Such response can be long-term, short-term or real-time |
| **KMG’s Management (executive)**  | Chairman and members of KMG’s Management Board  |
| **Heads of Business Units** | Corporate Security Director, Secretary of the Management Board, directors of directorates, departments, branches, representative offices (CEO-3) |
| **Head of Business Line / Division** | Deputy Chairman of the Management Board, who heads the relevant Division: Raw Hydrocarbon Exploration and Production, Upstream Service Infrastructure; Gas Transportation and Marketing; Oil Transportation, Refining and Petrochemicals, Marketing and Sales (CEO-1) |
| **Functional Unit Management** | A KMG management representative in charge of the effective management of a certain type of activity/process or several processes of the 1st level of KMG’s Corporate Centre (Managing Directors — CEO-1, CEO-2) |
| **HSE Management System** | Part of KMG’s management system used for the development and implementation of HSE Policies and Risk Management  |
| **Crisis Management System** | A system of interaction between various business units of KMG and SDEs that perform interrelated functions in the event of a crisis. The crisis management system is an integral part of the HSE Management System |
| **HSE Service** | A business unit of a subsidiary or dependent entity, which is responsible for HSE business area or, if there is no such unit, an officer, who coordinates HSE activities of SDE business units |
| **Mass Media** | Mass media |
| **Board of Directors (BoD)** | KMG’s management body that has overall charge of KMG’s activities, other than those within the exclusive competence of the General Meeting of Shareholder and the Management Board of KMG as prescribed by the RoK laws and/or KMG’s Charter |
| **Joint Ventures (JV)** | Entities with foreign ownership where the property (shares, stakes) is held by KMG and a foreign investor |
| **Jointly Controlled Entities** | Entities in which KMG has an interest and is entitled to determine the decisions taken by the entity in accordance with the agreements concluded with other participants |
| **Business Unit** | A separate unit within KMG’s organisational structure responsible for a specific business area |
| **Security Control Centre (SCC)** | The body that controls the security of KMG’s administrative buildings, dispatching and interaction with service and fire departments, as well as SDE DDS  |
| **Crisis Management Centre (CMC)** | The CMT meeting room in KMG’s administrative building to enable the effective work of the crisis response team |
| **Emergency** | A situation in the specific area resulting from an accident, disaster or catastrophe which have caused or may cause death of people, damage to health, environment and facilities, considerable financial losses and disturbance to living conditions of the population |
| **Response Level 1**  | Incidents that can be responded to by on-site personnel using the resources available |
| **Response Level 2** | Incidents that can be responded to using the resources available at the site, but at the same time require broader support from SDEs and local (regional) government authorities |
| **Response Level 3** | Severe incidents that occur on or outside the site and require large-scale involvement of the resources of KMG’s Corporate Centre, including support from republican state bodies and international organisations |

1. **Responsibility and Authority**

The CEO of a subsidiary or dependent entity has the overall control over the registration, recording and timely reporting of incidents to KMG.

 The SDE DDS is responsible for the completeness, quality, reliability and timing of incident reporting to KMG and incident recording.

 The Director of KMG’s HSE Corporate Governance Department and the heads of HSE services of SDEs are responsible for keeping these Regulations up to date, providing methodological assistance, coordinating and monitoring efforts made in accordance with these Regulations.

 Employees of KMG, SDEs and contractors performing work and/or providing services at SDE facilities are responsible for fulfilling the requirements of these Regulations within their competencies and contractual obligations.

**4.1. Crisis Management Team**

The CMT shall act on the basis of the laws of the Republic of Kazakhstan, international crisis management standards, requirements of these Regulations and other internal documents of KMG related to CMT activities. The standard organisational structure of the CMT includes the Management, as well as the HSE Managing Director, Corporate Security Director, Director of the Public Relations Department, Director of the Government Relations Department and Director of the Risk Management Department (Figure 1).

The Chairman of KMG’s Management Board reserves the right to convene all or any of CMT members, depending on the type and nature of the crisis. In order to respond to and manage a specific crisis, employees of any KMG business units with relevant knowledge and expertise can be involved in CMT activities.

Director of the Risk Management Department

Deputy Chairman of the Management Board — Finance Director

Managing Director for HR

Managing Director for Legal Support

 Managing Director for HSE

Director of the Governmental Relations Department

Director of the Public Relations Department

Corporate Security Director

Managing Director for Procurement and Supply

Managing Director for IT

**CMT LEADER**

(Chairman of the Management Board)

(Response Level 3)

**IMT LEADER**

(SDE Chief Executive Officer)

(Response Level 2)

**DEPUTY CMT LEADER**

(Deputy Chairman of the Management Board / Head of BL)

**CMT Coordinator**

**Support Personnel**

Assistance in filling out forms:

1. CMT Event Log
2. Incident Overview Form
3. PEAR Form
4. CMT Action Follow-Up Form
5. CMT Worst-Case Scenario Form
6. Stakeholder Summary Report Form

**BL Managing Director**

*Figure 1. Standard Organisational Structure of the CMT*

The CMT shall make decisions on strategic issues related to the integrity and reputation of KMG and its SDEs in the event of a crisis, including KMG’s corporate social responsibility on economic, social, ethical and environmental issues that affect the business as a whole.

The CMT shall liaise with government authorities, review and approve KMG’s press releases in connection with the crisis and other outgoing official documents, and take a proactive approach to managing the protection of personnel, business, reputation, business continuity and other aspects that could affect the activities of KMG and SDEs.

The key objectives of the CMT in case of a crisis in SDEs are (response level 3):

1. identify and make strategic decisions aimed at mitigating the crisis;
2. act as an official representative of KMG in interaction with relevant stakeholders to minimise the impact of the crisis;
3. identify and resolve all aspects of the crisis that may have an impact on the reputation or financial standing of KMG/SDEs and their going concern capability;
4. approve press releases of KMG/SDEs and other public information;
5. analyse information, evaluate real and potential impacts of the crisis (financial and other) on the activities of KMG/SDEs.

**4.1.1. CMT Leader**

The CMT Leader is the Chairman of KMG’s Management Board or KMG’s executive appointed by him/her during his/her absence not lower than the level of the Deputy Chairman of KMG’s Management Board.

The CMT Leader shall be responsible for CMT activities as a whole. After discussions with CMT members related to crisis response and mitigation, he/she shall formulate a strategy to normalise the situation in order to protect the reputation of KMG and mitigate the adverse impact of the crisis on KMG’s activities.

In the event of a crisis, the CMT Leader shall perform the following functions:

1. make decisions on the immediate full or partial convocation of the CMT, perform a leadership role;
2. appoint the Deputy CMT Leader depending on the nature and type of the crisis;
3. prioritise the problems faced by CMT and develop a strategy to manage them;
4. act as an official representative of KMG (or delegate these functions to a CMT member) at all press conferences and meetings with government authorities, public organisations, mass media and other stakeholders;
5. interact with the IMT Leader and other stakeholders (as necessary).

**4.1.2. Deputy CMT Leader**

Deputy CMT Leaders are permanent members of the CMT appointed by the CMT Leader during his/her absence.

The role of the Deputy CMT Leader is to assess the possible or real impact of the crisis on the relevant BL or KMG as a whole. In the event of a crisis in SDEs, the relevant Head of BL shall activate the CMT, if necessary.

In the event of a crisis, the Deputy CMT Leader shall perform the following functions:

1. provide information to the CMT Leader for the purpose of strategic planning of measures for the speedy return to normal operation of facilities affected by the crisis;
2. keep the CMT Leader constantly informed on the adopted and planned strategic goals and measures to mitigate the crisis;
3. review and approve technical information when preparing statements for mass media;
4. manage and coordinate the actions of CMT members in the absence of the CMT Leader;
5. act as a focal point for key stakeholders, and also as a speaker in mass media relations as instructed by the CMT Leader;
6. initiate and manage a CMT functional support plan for the supervised BL;
7. communicate with the IMT Leader and other stakeholders (as necessary);
8. perform other functions as instructed by the CMT Leader.

**4.1.3. Deputy Chairman of the Management Board — Finance Director**

The Deputy Chairman of the Management Board — Finance Director shall be responsible within the CMT for evaluating the financial implications of the crisis, and is also the person authorised on behalf of KMG to make a decision on allocating financial resources to mitigate the crisis.

In the event of a crisis, the Deputy Chairman of the Management Board — Finance Director shall perform the following functions:

1. act as the key financial adviser on all financial issues;
2. define financial processes and procedures, approve financial strategies and financing requirements during a crisis;
3. allocate and distribute necessary funds to engage additional resources in order to further mitigate the impact, assist in restoring and protecting the reputation of KMG/SDEs during the crisis and at the recovery stage;
4. strategically assign and allocate KMG’s financial assets and resources (in terms of investor relations, treasury operations, etc.) for the implementation of crisis mitigation measures;
5. communicate with and advise the IMT on financial issues;
6. initiate and manage a CMT functional support plan.

**4.1.4. Managing Director for HSE**

The Managing Director for Health, Safety and Environment shall be responsible within the CMT for compliance with these Regulations in the event of a crisis, advising CMT members on HSE issues and CMT procedural issues, and also participating in the organisation of crisis investigation.

In the event of a crisis, the Managing Director for HSE shall perform the following functions:

1. coordinate the overall crisis management process in KMG;
2. make an expert estimate of the long-term effects of the crisis on the health of employees and the population, as well as on the environment and assets;
3. support the CMT with respect to the compliance of the crisis monitoring and mitigation strategy being implemented with KMG’s corporate requirements and RoK regulations in the field of HSE;
4. monitor the implementation of CMT strategic goals and advise the CMT Leader on HSE issues that arise during the implementation of strategic decisions;
5. communicate with the Managing Director of BL / Deputy CMT Leader when determining the need to engage the CMT;
6. provide, as a rule, general guidelines relevant to HSE;
7. strategically assign and allocate KMG’s HSE assets and resources for the implementation of crisis mitigation measures;
8. obtain, systematise and provide HSE information (input data) to the CMT;
9. communicate and advise the head of the HSE service of SDEs (as a member of the IMT);
10. interact with government authorities on HSE issues (if necessary);
11. initiate and manage a CMT functional support plan.

**4.1.5. Managing Director for Legal Support**

The Managing Director for Legal Support shall be responsible within the CMT for assessing the legal implications associated with the crisis.

In the event of a crisis, the Managing Director for Legal Support shall perform the following functions:

1. act as the key legal adviser for the CMT and advise on all legal issues;
2. provide guidance on compliance with laws in the implementation of strategic decisions;
3. communicate potential key legal problems to the CMT Leader;
4. strategically assign and allocate KMG’s legal assets for the implementation of crisis mitigation measures;
5. consult in the preparation of press releases and statements for mass media and perform their legal review;
6. communicate with and advise the IMT on legal issues (if necessary);
7. initiate and manage a CMT functional support plan.

**4.1.6. Managing Director for HR**

The Managing Director for Human Resources shall be responsible within the CMT for solving all HR and social issues associated with crisis response and mitigation.

In the event of a crisis, the Managing Director for HR shall perform the following functions:

1. consult and advise the CMT Leader on all HR and social issues during crisis management;
2. assist the CMT Leader in prioritising key HR issues and activities;
3. strategically assign and allocate KMG’s HR assets for the implementation of crisis mitigation measures;
4. communicate with and advise the head of the HR department of SDEs on HR and social issues (as part of the CMT);
5. initiate and manage a CMT functional support plan.

**4.1.7. Managing Director for IT**

The Managing Director for Information Technology shall be responsible within the CMT for maintaining the smooth and effective operation of the CMT by providing IT support.

In the event of a crisis, the Managing Director for IT shall perform the following functions:

1. provide IT services to maintain the stable and efficient operation of the CMT;
2. provide general information technology support to the CMT;
3. initiate and implement an IT and business continuity support plan (e.g. internet or communication downtime);
4. perform other functions as instructed by the CMT Leader.

**4.1.8. Managing Director for Procurement and Supply**

The Managing Director for Procurement and Supply shall be responsible within the CMT for maintaining the smooth and effective operation of the CMT by providing administrative support and assisting the CMT in all procurement and supply issues.

In the event of a crisis, the Managing Director for Procurement and Supply shall perform the following functions:

1. provide administrative and translation services to maintain the stable and efficient operation of the CMT;
2. provide general administrative support to the CMT;
3. consult and advise the CMT Leader on all procurement and supply issues during crisis management;
4. assist SDEs in the speedy resolution of issues in the field of procurement and supply of necessary material resources;
5. initiate and manage a CMT functional support plan;
6. perform other functions as instructed by the CMT Leader.

**4.1.9. Corporate Security Director**

The Corporate Security Director shall be responsible within the CMT for risk assessment, analysis of the current situation and its effects on security.

In the event of a crisis, the Corporate Security Director shall perform the following functions:

1. develop recommendations for the CMT on ensuring security in the crisis area;
2. obtain and systematise security information from IMT;
3. analyse existing and probable security implications of the crisis;
4. hold meetings with the personnel involved in the incident investigation, if the crisis affects security;
5. advise CMT members on necessary and recommended security measures, as well as on statutory and regulatory requirements in the field of security;
6. communicate with and advise the head of the security department of SDEs (as part of the CMT) and plan special measures related to various security aspects at the crisis site;
7. interact with law enforcement and regulatory authorities (if necessary),
8. initiate and manage a CMT functional support plan.

**4.1.10.****Director of the Public Relations Department**

The Director of the Public Relations Department shall be responsible within the CMT for managing relations with mass media and public organisations in connection with the crisis.

The Director of the Public Relations Department shall be responsible for all information reported to representatives of public organisations and mass media. He shall evaluate the reaction of mass media to this information and advise the CMT Leader on all issues related to protecting the reputation and maintaining the positive image of KMG.

In the event of a crisis, the Director of the Public Relations Department shall perform the following functions:

1. manage regular communication with mass media and public organisations in order to establish and maintain the positive image of KMG;
2. analyse the reaction and monitor media materials to crisis-related events, including verification and refutation of deliberately false or unreliable information;
3. inform the CMT Leader about the coverage of crisis-related events in mass media;
4. prepare information statements (press releases) for mass media, as well as information on measures taken by KMG/SDEs to manage the crisis;
5. make information statements (press releases) approved by the CMT Leader in mass media;
6. prepare materials for informational briefings in connection with the crisis;
7. communicate with representatives of the public relations and mass media departments in SDEs;
8. initiate and manage a CMT functional support plan.

**4.1.11. Director of the Government Relations Department**

The Director of the Government Relations Department shall be responsible within the CMT for providing government authorities with reports and information required by these Regulations.

In the event of a crisis, the Director of the Government Relations Department shall perform the following functions:

1. monitor and report to the CMT Leader on the reaction of government authorities to crisis-related events;
2. prepare prompt responses to requests from government authorities related to the crisis and its consequences;
3. assist the CMT Leader in prioritising key government relations issues and activities;
4. consult and advise the CMT Leader on what information can be reported to government authorities.

**4.1.12. Director of the Risk Management Department**

The Director of the Risk Management Department shall be responsible for advising on risk management, insurance, business continuity, and participating in the identification and definition of possible worst-case scenarios and investigation of the crisis.

**4.1.13. BL Managing Director**

The BL Managing Director shall be responsible for developing and coordinating the response for the affected subsidiary or dependent entity in order to identify business continuity issues, assess the possible impact on the business processes of KMG/SDEs, find possible solutions, develop an immediate action plan and bring the updated information to the CMT members.

In the event of a crisis in a subsidiary or dependent entity, the BL Managing Director shall perform the following functions:

1. manage independently or under the guidance of the Deputy CMT Leader the support to the subsidiary or dependent entity in which a threat or a crisis occurred, if the subsidiary or dependent entity requested for relevant support;
2. assist the subsidiary or dependent entity, which has requested support, in finding and obtaining additional material and financial resources, forces and manpower, medical assistance necessary to prevent a possible crisis (if required);
3. at the request of the Chairman of the CMT or the head of BL in charge of the relevant subsidiary or dependent entity, analyse the current situation in the subsidiary or dependent entity, in which an incident meeting the crisis criteria occurred, in order to determine the threat to the normal operation of KMG/SDEs;
4. update CMT members on the progress of crisis management, actual and potential consequences of the crisis;
5. implement strategic decisions of the CMT;
6. approve the publication of statements for mass media if the CMT is not convened and such powers are delegated to the BL Managing Director;
7. analyse the situation that has developed as a result of the crisis, predict its development and consequences;
8. organise and provide necessary technical advice to CMT members;
9. inform the IMT Leader on the recommendations for strategic objectives formulated by the CMT Leader for crisis management;
10. obtain detailed operational and technical information from the scene of the incident as the key focal point in communications between the CMT and IMT;
11. clearly divide the activities of the CMT and IMT (i.e. ensuring that the CMT does not give tactical instructions that fall within the responsibility of the IMT);
12. in case of engaging the CMT without the IMT: act as a focal point between on-site personnel and the CMT;
13. advise the Deputy CMT Leader on the need of SDEs for support at the site, local (regional) and national levels.

**4.1.14. CMT Coordinator**

The CMT Coordinator shall maintain effective operation of the CMT, assist, as necessary, the CMT Leader in managing the crisis response. The CMT Coordinator shall be responsible for the organisational issues of the CMT during day-to-day activities, crisis and exercises (drills).

In the event of a crisis, the CMT Coordinator shall perform the following functions:

1. coordinate the crisis management process in accordance with these Regulations;
2. manage the actions of support personnel during CMT activities after it is engaged;
3. monitor the procedure, timing and form of CMT notification about the crisis;
4. prepare for work and monitor the operation of the CMT, and provide it with the necessary methodological materials and documentation for proper crisis management;
5. act as a coach for CMT members;
6. monitor the activities of CMT members in order to avoid duplication;
7. arrange an information board with initial information about the status (beginning of event logging), and assist CMT members in obtaining an initial report and periodical update about the crisis;
8. assist the CMT Leader in preparing and filling out an information board when setting PEAR goals and developing a worst-case scenario;
9. distribute lists of actions based on CMT meetings and follow-up on ongoing actions;
10. properly document the lessons learned from the crisis and measures developed to improve the crisis management process.

**4.1.15. Support Personnel**

After the engagement of the CMT, specially designated support personnel will be involved. The main responsibility of such specially designated support personnel is to enter and update data on the projector screens via a PC displaying information used and recorded during CMT meetings.

The CMT Coordinator shall distribute responsibilities among the support personnel, who, in the event of a crisis and during exercises and drills, shall perform the following functions:

1. support the CMT Coordinator in general information management and documentation of the CMT workflow;
2. report any IT equipment malfunctions and ensure that these malfunctions are repaired as soon as possible;
3. assist CMT members when submitting requests for documentation, including procedures, plans, maps and other information;
4. fill out the event log, PEAR, action follow-up and worst-case scenario forms (Appendices 1-4 hereto) on a PC in the Crisis Management folder (using the provided templates);
5. consider the confidential status of certain legal information when registering such data;
6. record actions as they are developed. Attention shall be paid to describe the action and indicate the action owners. The deadline can be specified later, if it was not given initially;
7. after the first meeting: interact with the CMT Coordinator and Deputy CMT Leader during the update of the Crisis Summary Report (Appendix 5 to the Regulations), the event log (Appendix 1 to the Regulations), key facts, objectives and issues in the PEAR form (Appendix 2 to the Regulations);
8. when using printed documents: convert information to an electronic format. Electronic documents shall be issued instead of hard copies and used as updated versions.

**4.2. Security Control Centre**

The SCC is the body that notifies and convenes the CMT as part of KMG’s crisis management process. The SCC shall act within its competence on the basis of the Regulations and other internal documents of KMG related to SCC activities.

The key tasks of the SCC in responding to a crisis:

1. promptly transmit information from the SDE DDS to the BL Managing Director and other recipients (depending on the type of incident) according to the crisis classifier (Table 1);
2. exercise the interaction between the SCC and the SDE DDS to ensure prompt notification during crisis management drills;
3. as instructed by the BL Managing Director, notify CMT members of the need to meet in the CMC.

In order to perform the above tasks, the SCC shall be provided with appropriate equipment (office equipment, mobile communications, including those for prompt notification of respondents, sending of messages, etc.) and up-to-date organisational materials related to the SCC (lists, notification charts, response algorithms), and the necessary staffing for organising round-the-clock work and technical support of the specified department.

**4.3. Crisis Management Centre**

The CMC is located in block B of the Emerald Towers administrative building (Nur-Sultan). This office is the main meeting point for CMT members and, in case it is unavailable, a backup CMC will be provided in another building of KMG/SDEs.

The CMC shall be equipped with an information system that can:

1. display real-time information on a collective screen from any sources, including a computer (with access to the local network and the Internet) and satellite TV;
2. conduct multipoint video conferencing sessions;
3. sound record (log) events;
4. perform operational switching, management, control and preparation for the demonstration of materials on various media using an integrated remote-control system for the entire complex of equipment.

The CMC shall have workstations equipped with computers that have access to the local KMG network and Internet access for CMT members.

Communication equipment and data processing facilities of the CMC shall enable effective management in any crisis conditions. Requests and requirements from the CMC for information and technical support, logging, translation during CMT activation period shall override all others, except for CMT requests.

In addition, the CMC shall have the necessary documentation for the operation of the CMT, regularly updated documentation (these Regulations, event log and CMT forms, and functional support plans).

The CMC room shall be used as a conference room during normal operation. However, in case of a crisis or scheduled exercises, this room shall be used as the CMC. The Managing Director for HSE or a person authorised by him/her shall coordinate the process of CMC access management.

**4.4. Emergency Response Team and Incident Management Team**

The responsibility and authority of ERT and IMT members are regulated by emergency response plans developed in accordance with the Law of the Republic of Kazakhstan On Civil Protection and other internal documents of SDEs on incident (emergency) management.

1. **Description of the Regulations**

**5.1. Crisis Management Model and Classification**

5.1.1. A multi-level Crisis Management System shall be used for effective crisis prediction, recognition and response (Figure 2). This multi-level approach enables a smooth transition from site-level emergency response measures and incident management in SDEs (tactical level) to corporate-level crisis management by KMG (strategic level).

*Figure 2. Multi-Level Crisis Management Model.*

**Level 3**

**(KMG)**

support by national authorities / external support

**Level 2**

**(SDEs)**

support by local (regional) government authorities

**Strategic aspects (problem management)**

***incident***

**Incident severity escalation**

**Tactical aspects (incident management)**

**Level 1 (SDEs)**

on-site resources

**Emergency Response Team (ERT)**

**Incident Management Team (IMT)**

**Crisis Management Team (CMT)**

*Figure 2. Multi-Level Crisis Management Model*

5.1.2. Crisis classification is an important part of a multi-level Crisis Management System. Based on the crisis classification, the necessary response level is pre-determined for various types of incidents.

5.1.3. When determining the response level that may require the engagement of the IMT and CMT, one shall be guided by the crisis classifier\* (Table 1). This crisis classifier provides a list of various possible incidents and guidance on which incidents may require the engagement of the IMT and CMT.

*Table 1*

| **Crisis Classifier\*** |
| --- |
| **Initiating event** | **Effects** | **Level** | **Notification** | **IMT** | **CMT** |
| Timing1 | Notification recipients2 |
| * Occupational accidents;
* Viral and bacterial infections (epidemic);
* Mass food and chemical poisoning, and occupational diseases;
* Accidents (catastrophes) and RTA;
* Natural calamities.
 | Lost time accident (severe injury) | 1 | DAYTIME | STAND. | NOT REQUIRED | NOT REQUIRED |
| Fatal accident (1 person died) and/or group accident (2 people or more injured) | 2 | DAYTIME | STAND. | YES | NOT REQUIRED |
| Group fatal accident (2 people or more dead) | 3 | IMMED. | EXT. | YES | YES |
| * Destruction of structures and equipment at HPF;
* Uncontrolled explosion and/or release of hazardous substances (emergency);
* Fires.
 | - Oil and petroleum product spills < 10 tons- Salvo (emergency) gas emissions < 10,000 m3 | 1 | DAYTIME | STAND. | NOT REQUIRED | NOT REQUIRED |
| - Oil and petroleum product spills from 10 to 250 tons- Salvo (emergency) gas emissions from 10,000 to 30,000 m3 | 2 | DAYTIME | STAND. | YES | NOT REQUIRED |
| - Oil and petroleum product spills > 250 tons- Salvo (emergency) gas emissions > 30,000 m3 | 3 | IMMED. | EXT. | YES | YES |
| * Loss of supply and distribution channels;
* Use of force in the workplace of a group or mass nature;
* Corruption/fraud on a particularly large scale;
* Public riots / unauthorised strikes;
* Bomb/terrorist attack threat;
* Information and telecommunications system attack;
* Negative reaction from international organisations, government authorities, mass media as a result of the incident;
* Any event that has an impact on financial stability (financial crises), etc.
 | In cases where the incidents are of a local nature and SDEs independently mitigate them | 1 | DAYTIME | STAND. | NOT REQUIRED | NOT REQUIRED |
| In cases where they do not threaten the sustainability of KMG/SDEs and their reputation | 2 | DAYTIME | STAND. | YES | NOT REQUIRED |
| In cases where they threaten the sustainability of KMG/SDEs and their reputation | 3 | IMMED. | EXT. | YES | YES |

***Note:***

*1. The initiating events listed in the table are based on the risks (scenarios) described in KMG’s corporate register.*

*2. Crisis classification into the appropriate level of response given in the table is advisable. The final identification of the necessary level of response (3) to the crisis shall be made by the Deputy CMT Leader / CMT Leader considering all possible consequences of a particular incident and the recommendations of the HSE Managing Director or Corporate Security Director.*

 *(1) Timing classification is given below.* ***DAYTIME:*** *an email notification shall be sent to a group of recipients within 60 minutes; if an incident occurs at night, a notification shall be sent via WhatsApp.* ***IMMED.:*** *a notification shall be sent by email and via WhatsApp to a group of recipients within 30 minutes.*

*(2) Notification recipients are divided into the following groups:* ***STAND.*** *(standard group) includes the following persons: BL Managing Director, HSE Managing Director and Corporate Security Director.* ***EXT.*** *(extended group) includes the following persons:* ***STAND.*** *group and Deputy CMT Leader.*

**5.2. Incident Reporting in SDEs, Activation and Workflow of the ERT, IMT (Response Levels 1 and 2)**

5.2.1. At the 1st and 2nd levels of response, the SDE DDS shall report the incident (emergency) to KMG’s SCC as and when prescribed by the Rules for Special Reporting on Incidents, Offences and Other Information Affecting the Property and Non-Property Rights and Interests of JSC NC “KazMunayGas”.

5.2.2. If the incident (emergency) report contains one of the consequences that is classified into the 1st or 2nd level of response, an SCC on-duty operator shall send a notification within 60 minutes (Table 1):

1) by e-mail to the BL Managing Director, HSE Managing Director and Corporate Security Director (daytime);

2) duplicate e-mail message via WhatsApp to the BL Managing Director, HSE Managing Director and Corporate Security Director (night time).

5.2.3. Activation and workflow of the SDE on-site ERT at the 1st level of response shall be in line with the emergency response plans according to the Law of the Republic of Kazakhstan On Civil Protection.

5.2.4. Activation and workflow of the SDE IMT at the 2nd level of response shall be in line with the internal regulatory documents of SDEs on incident (emergency) management.

**5.3.  Incident Reporting and CMT Activation (Response Level 3)**

5.3.1. At the 3rd level of response, the SDE DDS shall report the incident (crisis) to KMG’s SCC as and when prescribed by the Rules for Special Reporting on Incidents, Offences and Other Information Affecting the Property and Non-Property Rights and Interests of JSC NC “KazMunayGas”.

5.3.2. If the incident (crisis) report contains one of the consequences that is classified into the 3rd level of response, an SCC on-duty operator shall send a notification within 30 minutes (Table 1) by e-mail / via WhatsApp, as well as via mobile communication, to the BL Managing Director, HSE Managing Director and Corporate Security Director, and also Deputy CMT Leader.

5.3.3. After evaluating the information received, the Deputy CMT Leader / CMT Leader shall decide on the need to engage response level 3 and activate the CMT as advised by the HSE Managing Director or Corporate Security Director (depending on the type of crisis).

5.3.4. As soon as the Deputy CMT Leader / CMT Leader confirms the need to activate the CMT, the BL Managing Director shall send a notification to the SCC on-duty operator of the convocation of CMT members.

5.3.5. The SCC on-duty operator shall, first of all, contact the CMT Coordinator via mobile communication / WhatsApp to prepare the CMT for work with the assistance of employees of the information technology unit.

5.3.6. Next, the SCC on-duty operator shall contact each CMT member via mobile communication / WhatsApp to notify of the engagement and convocation in the CMC indicating the place and time of arrival. If it is not possible to contact any of CMT members, the CMT on-duty operator shall contact his/her deputy.

5.3.7. CMT members shall gather in the CMC and start working according to the CMT workflow (clause 5.5).

**5.4.  Incident Reporting at KMG, CMT Activation and Workflow**

5.4.1. In the event of an incident at KMG that meets the crisis criteria (Table 1), the head of business unit / functional unit shall immediately inform the CMT Leader about that and, with his/her consent, assume the duties of the Deputy CMT Leader.

5.4.2. In this case, the head of business unit/functional unit may independently announce full or partial convocation of CMT members, determine the list of necessary actions and set tasks for crisis response to CMT members.

5.4.3. CMT members shall gather in the CMC and start working according to the CMT workflow (clause 5.5).

**5.5.  CMT Workflow (Response Level 3)**

5.5.1. When engaging the CMT, a SCC on-duty operator shall send a notification to all CMT members. After CMT members gather in the CMC, the CMT Coordinator shall register all members, and each CMT member shall be provided with responsibility and authority checklists for a certain position (section 4).

5.5.2. The CMT Leader / Deputy CMT Leader shall open the meeting and conduct an initial brief overview of the situation for CMT members, while he/she can opt to use the initial information received directly from the IMT Leader or use the data received from the BL Managing Director. If necessary, the BL Managing Director shall provide the CMT with brief information about the scene of the incident and any special hazards.

5.5.3. Support personnel (under the guidance of the CMT Coordinator) shall record the input data on the crisis in the Event Log according to Appendix 1 hereto:

1) As information about additional events is received, these events shall also be recorded in the Event Log.

2) Information provided to the CMT (PEAR, worst-case scenario and action follow-up forms) shall be recorded in electronic form. The information management process shall establish the responsibility of certain members of the support personnel for filling out certain forms (clause 4.1.15).

After documenting the initial events of the CMT, the BL Managing Director shall determine the key facts of the incident (crisis).

5.5.4. CMT members shall set three to four strategic goals for each PEAR category in accordance with Appendix 2 to the Regulations, if applicable. The goals shall be generalised statements (e.g. minimise, mitigate, protect, etc.).

5.5.5. For each set mitigation goal, CMT members shall discuss issues related to the achievement of these goals. The identified issues that are not related to the set goals shall be addressed later, namely: generalisation and prioritisation of issues related to PEAR goals.

5.5.6. For each relevant issue, CMT members shall identify actions to mitigate the crisis. An action owner and expected deadline shall be identified for each action in accordance with Appendix 4 to the Regulations. References to functional support plans may be made when determining the necessary actions.

5.5.7. The CMT shall also assess the worst-case scenario of the incident (crisis) in accordance with Appendix 3 to the Regulations. During this process, the CMT shall consider possible escalation of the incident (crisis) for each PEAR category. The degrees of impact and probabilities rated as low, medium or high shall be determined for each item of the worst-case scenario on the information board or on the projector screen. The CMT shall pay special attention to the items, the degree of impact (probability) of which is rated as high.

The worst-case scenario can be worked on by all CMT members or several employees with subsequent review jointly with the CMT. The completion of this step means the completion of the initial work cycle of the CMT meeting.

5.5.8. If necessary, the CMT Leader / Deputy CMT Leader shall determine the need for further engagement of the CMT and set the time for the next CMT meeting. CMT members shall leave the CMC and start implementing the assigned actions. The CMT Coordinator shall provide an electronic copy of the assigned actions to CMT members and other persons in charge of these actions.

5.5.9. The BL Managing Director shall be updated on the crisis situation (from the IMT); in case of significant changes in key facts that occurred between meetings, the BL Managing Director shall notify the CMT Leader / Deputy CMT Leader of the changes. Based on such changes, the CMT Leader / Deputy CMT Leader shall determine whether additional meetings are necessary or not. If it is necessary to take additional action to mitigate the crisis, the CMT shall take the actions according to step 5.5.10.

5.5.10. A crisis mitigation strategy shall be formulated and updated at subsequent CMT meetings. This shall include the following:

1) the BL Managing Director shall provide the CMT Leader / Deputy CMT Leader with updated information / key facts;

2) brief overview of the new facts provided by each functional group within the CMT;

3) status update of actions;

4) analysis of PEAR goals and issues;

5) analysis of the worst-case scenario.

The CMT Leader / Deputy CMT Leader shall determine whether additional meetings are necessary or not.

5.5.11. After the withdrawal of the CMT, the CMT Coordinator shall prepare a Crisis Summary Report in accordance with Appendix 5 to the Regulations. After review by the legal unit, this report shall be sent to CMT members and stakeholders.

5.5.12. According to the standard workflow, CMT members shall hold meetings at least once a day (depending on the type of crisis), usually with a status update in the morning or in the evening. Such schedule of meetings is valid as long as the CMT Leader / Deputy CMT Leader considers the involvement of the CMT necessary.

The CMT continuously working for several hours shall have breaks (timeouts), during which CMT members shall be engaged in the execution of actions (assignments). The duration of each break shall be set by the CMT Leader / Deputy CMT Leader.

**5.6. CMT Constant Readiness Measures**

5.6.1. Measures to ensure constant readiness during crisis management include:

1. involvement of highly professional employees of KMG in the CMT (including support personnel);
2. drills and exercises as scheduled;
3. involvement of CMT members in organising or participating in crisis exercises;
4. development of CMT functional support plans and their updating based on the results of exercises or lessons learned during the real crisis response.

5.6.2. Crisis management training shall be conducted for CMT members in order to maintain the necessary level of competence for the proper implementation of the requirements of these Regulations. Crisis management training shall be initiated by the HSE Corporate Governance Department and arranged by the HR Unit.

5.6.3. All employees, who take part in CMT activities and exercises, shall undergo internal training in crisis management (briefing) by the CMT Coordinator beforehand.

5.6.4. All CMT members and BL Managing Directors, except for support personnel, are advised to take special training courses every three years: Crisis Management.

5.6.5. The HSE Corporate Governance Department shall be responsible for familiarising CMT members with their roles and responsibilities, response system, preparing and conducting crisis management exercises.

5.6.6. Crisis management exercises for the CMT shall be conducted according to the schedule approved by the Chairman of KMG’s Management Board.

**5.7. Functional Support Plans**

5.7.1. CMT functional support plans are plans aimed at supporting the crisis management process. These plans contain specific guidelines for each business unit regarding crisis response actions. Functional support plans shall be developed at least in the following functional areas:

1) BL;

2) Financial Unit;

3) Corporate Security Department;

4) Public Relations Department;

5) IT Unit;

6) HR Unit;

7) HSE Unit;

8) Legal Unit.

5.7.2. Each functional support plan shall include at least the following information:

1. roles and responsibilities of persons in charge of the implementation of this plan and related processes;
2. positions within the CMT organisational structure to provide support;
3. description of the procedure for initiating and implementing the functional support process;
4. contact details of external and internal parties.

5.7.3. Each business unit shall develop and submit a functional support plan to the HSE Corporate Governance Department for review and verification of its compliance with the requirements of these Regulations.

1. **References**

|  |  |
| --- | --- |
| No. 188-V dated 11 April 2014 | RoK Law On Civil Protection |
| IPIECA/OGP (2014) | Oil and Gas Incident Management System  |
| BSI – PAS 200:2011 | Crisis Management. Guidelines and Best Practices |
| Minutes of KMG’s Management Board No. 3 dated 20.01.2015 | Rules for Special Reporting on Incidents, Offences and Other Information Affecting the Property and Non-Property Rights and Interests of JSC NC “KazMunayGas” |
| Minutes of KMG’s Management Board No. 37 dated 20.09.2018. | Health, Safety and Environment Management System Manual of JSC NC “KazMunayGas” |
| Minutes of KMG’s Management Board No. 44 dated 30.10.2018. | Business Continuity Management Rules of JSC NC “KazMunayGas” and Its Subsidiaries and Dependent Entities |

1. **Record Forms**

|  |  |
| --- | --- |
| Appendix 1 KMG-F-3339.1-13/RG-3313.1-13 | CMT Event Log |
| Appendix 2 KMG-F-3340.1-13/RG-3313.1-13 | PEAR Form |
| Appendix 3 KMG-F-3341.1-13/RG-3313.1-13 | Worst-Case Scenario Form |
| Appendix 4 KMG-F-3342.1-13/RG-3313.1-13 | Action Follow-Up Form |
| Appendix 5 KMG-F-3343.1-13/RG-3313.1-13 | Crisis Summary Report |

1. **Amendment of the Regulations**

8.1.The Regulations and all amendments thereto shall be approved by KMG’s Management Board.

8.2. Any matters not covered by the Regulations shall be governed by the applicable law of the Republic of Kazakhstan, KMG’s Charter and other internal documents.

**9. FLOWCHART**

no

no

|  |  |
| --- | --- |
| Process entry | CMT engagement process |
| **Flowchart** | **Action** | **Timing** | **Action Owner** | **Record** |
| 1 | Open the meeting and conduct an initial brief overview of the crisis for CMT members (sub-clause 5.5.2) | Within 15 minutes | CMT Leader / Deputy CMT Leader | - |
| 2 | Record input data about the crisis (sub-clause 5.5.3) | Within 15 minutes | Support Personnel | KMG-F-3339.1-13/RG-3313.1-13 |
| 3 | Set three to four strategic goals for each PEAR category (sub-clause 5.5.4) | Within 30 minutes  | CMT members | KMG-F-3340.1-13/RG-3313.1-13 |
| 4 | Collective discussion of issues related to the achievement of the set crisis mitigation goals (sub-clause 5.5.5)  | Within 30 minutes  | CMT members | KMG-F-3340.1-13/RG-3313.1-13 |
| yes5 | Do the issues (problems) correspond to the goals? (sub-clause 5.5.5) | - | CMT members | - |
| 6 | Define crisis mitigation actions with the appointment of action owners and deadlines (sub-clause 5.5.6) | Within 30 minutes | CMT members | KMG-F-3342.1-13/RG-3313.1-13 |
| 7 | Assess the worst-case scenario for the crisis (sub-clause 5.5.7) | Within 30 minutes | CMT members | KMG-F-3341.1-13/RG-3313.1-13 |
| 8 | Provide an electronic copy of the assigned actions and further implementation (clause 5.5.8) | In accordance with the action plan  | CMT Coordinator, CMT members | KMG-F-3342.1-13/RG-3313.1-13 |
| yes9 | Are additional CMT meetings required? (clause 5.5.9) | - | CMT Leader / Deputy CMT Leader | - |
| 10 | Define/update the crisis mitigation strategy (clause 5.5.10) | Within 90 minutes  | BL Managing Director, CMT members | - |
| 11 | Prepare a lessons learned document after the CMT withdrawal (sub-clause 5.5.11) | Within 120 minutes | CMT Coordinator | KMG-F-3343.1-13/RG-3313.1-13 |
| Process exit | Crisis Summary Report |