

Attachment No. 11
to the minutes No. 59/22
of the Management Board
of Samruk-Kazyna JSC
dated 27 October 2022

Dividend policy of JSC NC “KazMunayGas”

Astana 2022

1. General

1.1. This Dividend Policy (hereinafter referred to as the Dividend Policy) of JSC NC “KazMunayGas” (hereinafter referred to as the Company) has been developed in accordance with the applicable laws of the Republic of Kazakhstan, the Company's Charter, financial strategy of the Company and other regulatory documents.

1.2. The purpose of this Dividend Policy is to ensure that advice given to the General Meeting of Shareholders on the amount of the Company's dividends is transparent.

1.3. The objectives of the Dividend Policy are the optimal combination of the interests of shareholders, lenders and the Company, while mutually respecting the rights of all stakeholders and the need to improve the Company's capitalisation and investment appeal.

1.4. The guidelines of this Dividend Policy are to:

- improve the Company's investment appeal;
- provide funding for the Company's operations and investment projects;
- maintain the Company's financial stability and investment grade credit ratings;

1.5. The resolution to pay dividends on the Company's ordinary shares shall be made by the General Meeting of Shareholders.

2. Terms and Definitions

Share is a security issued by a joint stock company and certifying the right to participate in the management of the joint stock company, to receive a dividend on it and part of the company's property upon its liquidation, and other rights under the legislation of the Republic of Kazakhstan;

Dividend is the income a shareholder earns on the shares he or she owns, paid out by a joint stock company;

IFRS is International Financial Reporting Standards;

Company is JSC NC “KazMunayGas”;

General Meeting of Shareholders is the General Meeting of Shareholders of the Company;

Total debt - bonds plus loans (short-term and long-term);

Free Cash Flow is the Company's consolidated cash flow from operating activities (including dividends received from joint ventures and associates, but not including a net change in working capital in terms of advances received for the deliveries of oil) less acquisitions of fixed assets (including advances for fixed assets) less acquisitions of intangible assets less acquisitions of field development assets less acquisitions of appraisal and exploration assets less acquisitions of an interest in a subsidiary/joint venture plus funds received from the sale of participation interests in a subsidiary/joint/associated venture (with the exception of funds received from the transfer of the Company's assets to the competitive environment in accordance with the lists approved by Resolutions No. 1141 of 30 December 2015 and No. 908 of 29 December 2020 of the Government of the Republic of Kazakhstan) over the reporting period;

Board of Directors is the Board of Directors of the Company;

Net Debt – Total debt less cash and cash equivalents less bank deposits (short and long term).

EBITDA - revenue plus dividends received from joint ventures and associates minus the cost of purchased oil, gas, oil products and other materials (not including depreciation and amortization) minus operating expenses minus general and administrative (not including depreciation and amortization) expenses minus transportation and distribution costs (not including depreciation and amortization) minus taxes other than income tax.

3. Key Prerequisites for Dividend Payment

3.1. Key prerequisites for dividend payment are as follows:

- The Company has consolidated net income for the reporting period or retained earnings at the end of the reporting period;
- No restrictions on the accrual and payment of dividends are imposed by this Dividend Policy and the laws of the Republic of Kazakhstan;
- The Company's financial statements for the relevant period have been audited;
- Resolution of the General Meeting of Shareholders.

3.2. Dividends shall not accrue or be paid on shares that have not been placed or have been bought back by the Company itself, or if a court or the General Meeting of Shareholders decides on its liquidation.

3.3. No dividends shall be accrued and paid on the Company's ordinary shares:

- If the Company's equity capital is negative or if the Company's equity capital becomes negative as a result of the accrual of dividends on its ordinary shares;
- If the Company meets the criteria of insolvency or bankruptcy under the laws of the Republic of Kazakhstan on rehabilitation and bankruptcy, or the Company will meet these criteria as a result of the accrual of dividends on its ordinary shares;
- Other cases stipulated by the RoK laws.

4. Dividend Evaluation Procedure

4.1. The Board of Directors may take into account any factors, events and actions that it considers appropriate in determining the advisable dividend amount, including but not limited to:

- The Company's requirement to finance capital investments and investment projects in the future;
- Need to service the debt;
- Need to keep sufficient cash to maintain financial stability and investment grade credit ratings;
- Other.

4.2. The Board of Directors shall make a proposal to the General Meeting of Shareholders concerning the procedure for distribution of the Company's consolidated net income, calculated based on the consolidated Free Cash Flow for the previous financial year and the dividend amount per ordinary share of the Company.

4.3. The Board of Directors, when formulating a recommendation regarding the dividend amount, will take into account the level of the Company's debt load, determined by the Net debt to EBITDA indicator.

4.4. The Company will make every effort to ensure the payment of the following dividends:

- a. At least 50% of the Free Cash Flow if Net debt to EBITDA is less than or equal to 1.0;
- b. At least 40% of the Free Cash Flow if Net debt to EBITDA is more than 1.0 but less than or equal to 1.5;
- c. At least 30% of the Free Cash Flow if Net debt to EBITDA is more than 1.5 but less than or equal to 2.0;
- d. The percentage of payment will be determined by a resolution of the General Meeting of Shareholders of the Company, if the Net debt to EBITDA ratio is more than 2.0.

4.5. Proceeds from the transfer to the competitive environment of the Company's assets in accordance with the lists approved by Resolutions No. 1141 of 30 December 2015 and No. 908 of 29 December 2020 of the Government of the Republic of Kazakhstan shall be distributed as dividends in an amount not less than 50% of such proceeds, if such funds have not been transferred to the National Fund of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan.

4.6. The Company's Free Cash Flow, Total debt, Net debt and EBITDA shall be calculated on the basis of the Company's consolidated financial statements prepared in accordance with IFRS.

4.7. The dividend amount per ordinary share shall be determined based on the amount allocated to dividends on the ordinary shares divided by the number of the Company's ordinary shares outstanding and traded as at the date of making the list of shareholders entitled to receive them.

4.8. The General Meeting of Shareholders may resolve not to pay dividends on the Company's ordinary shares with obligatory publication of this resolution by the Company in mass media as specified in the Company's Charter, on the Company's corporate website and by other means as required by the stock exchange where the Company's securities are traded, within ten (10) days from the date of the resolution.

5. Dividend Payment Procedure

5.1. Dividends on the Company's shares shall be paid in cash or in the Company's securities, provided that the resolution to pay dividends has been made at the General Meeting of Shareholders by a simple majority of the Company's voting shares.

Payment of dividends on the Company's ordinary shares for a quarter, half a year or a year shall be made only after an audit of the Company's financial statements for the relevant period and by resolution of the General Meeting of Shareholders.

5.2. The preferred form of dividend payment shall be in cash.

5.3. Payment of dividends on the Company's shares in its securities is allowed only provided that such payment shall be made by the Company's authorized shares and (or) bonds issued by it, upon written consent of the shareholders.

5.4. The value of the Company's security to be transferred as a dividend payment shall be determined as a weighted average price based on transactions concluded on AIX and KASE over the last six months preceding the date of determining this price.

5.5. Ownership of securities shall be transferred by submitting counter orders to the Company's registrar (or nominee holder) to debit and credit the Company's securities: The Company shall issue an order to debit the securities from its account and the shareholder shall issue an order to credit the securities to its account.

5.6. The list of shareholders entitled to receive dividends shall be made as at the date preceding the dividend payment commencement date.

5.7. An ordinary share with unpaid dividends shall be alienated with the right to receive them by the new owner of the ordinary share, unless otherwise required by the laws of the Republic of Kazakhstan and/or by the agreement on alienation of ordinary shares.

5.8. Dividends shall be paid to the shareholders as and when required by the relevant resolution of the General Meeting of Shareholders.

5.9. Payment of dividends on the Company's shares may be made through a paying agent. Paying agent services shall be paid for at the Company's expense.

5.10. Within ten (10) business days from the date of the resolution to pay dividends on the Company's ordinary shares, this resolution shall be published in mass media, on the Company's corporate website and by other means as required by a stock exchange where the Company's securities are traded.

5.11. The resolution to pay dividends on the Company's ordinary shares shall include the following information:

- name, location, bank and other details of the Company;
- period for which dividends are paid out;
- dividend amount per ordinary share;
- dividend payment commencement date;
- procedure and form of dividend payment;
- name of the paying agent (if any).

5.12. Dividends shall be paid in due time as prescribed by the applicable laws of the Republic of Kazakhstan, the Company's Charter and relevant resolution of the General Meeting of Shareholders, provided that the details of the shareholder are up to date.

5.13. If there is no information on the actual details of the shareholder with the Company or in the system of securities holder registers or in the nominee record system, payment of dividends on the Company's ordinary shall be made as and when prescribed in the regulatory legal act of the competent authority to an account opened in the central depository for unclaimed money.

5.14. The Company may pay dividends by other means allowed by the laws of the Republic of Kazakhstan, including by transferring unclaimed dividends to the central depository or to the account of a notary.

5.15. The Company shall ensure that dividends are timely and fully paid to the Company's shareholders.

5.16. The shareholder may claim payment of unreceived dividends regardless of the date of the Company's debt creation, unless the dividend has been accrued on the grounds specified in clause 3.3. of the Dividend Policy.

In case of non-payment of dividends in due time, the shareholder shall be paid the principal amount of dividends and a penalty based on the base rate of the National Bank of the Republic of Kazakhstan on the day of fulfilment of the monetary obligation or its corresponding part.

6. Final Provisions

6.1. The Company reserves the right to revise its Dividend Policy from time to time.

6.2. Anything not regulated herein shall be governed by the Company's Charter and laws of the Republic of Kazakhstan.

6.3. If, as a result of changes in the laws of the Republic of Kazakhstan, certain provisions of this Dividend Policy come into conflict with it, such provisions shall become invalid and, until such time as this Dividend Policy is amended, the Company shall follow the requirements of the laws of the Republic of Kazakhstan.