

Resolution of the General Meeting of Shareholders of JSC NC “KazMunayGas”

On the composition of the Board of Directors of JSC NC “KazMunayGas”

Taking into account clauses 5, 6 and 10 of Chapter 5 “Efficiency of the Board of Directors and the Executive Board” of the Corporate Governance Code of JSC NC “KazMunayGas” approved by the resolution of the Management Board of JSC “Samruk-Kazyna” dated 27 May 2015, Minutes No.22/15, in compliance with sub-clause 5) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan “On Joint Stock Companies” dated 13 May 2003, sub-clause 10) of clause 98 of the Charter of NC “KazMunayGas” JSC, approved by the resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC held on 30 May 2023, Minutes No. 2/2023, item 5, following consideration of the submitted materials, the General Meeting of Shareholders of NC “KazMunayGas” JSC **RESOLVED:**

1. To determine the composition of the Board of Directors of NC “KazMunayGas” JSC as 9 (nine) persons.
2. To elect Askar Orazaliyevich Shakirov as a member of the Board of Directors of NC “KazMunayGas” JSC, Independent Director for the period until the expiration of the term of office of the Board of Directors of NC “KazMunayGas” JSC as a whole.
3. To determine the amount and terms of remuneration and reimbursement of expenses of the elected member of the Board of Directors of NC “KazMunayGas” JSC in accordance with the annex to this resolution.
4. To authorize the Chairman of the Board of Directors of NC “KazMunayGas” JSC Yernat Kudaibergenovich Berdigulov to sign a contract with Askar Orazaliyevich Shakirov in accordance with the established procedure and take other necessary measures arising from this resolution.

**Explanatory note to the item “On composition of
the Board of Directors of JSC NC “KazMunayGas”” on the agenda of
the Extraordinary General Meeting of Shareholders of JSC NC
“KazMunayGas”
to be held on 6 November 2023 No. 5/2023**

Astana

« » _____ 2023

1. Purpose and objective

Change in the composition of the Board of Directors of NC “KazMunayGas” JSC (hereinafter - the **Company**).

2. Economic effect

Not provided.

3. Background

In compliance with sub-clause 5) of clause 1 of Article 36 of the Law No.415-II of the Republic of Kazakhstan “On Joint-Stock Companies” dated 13 May 2003 (hereinafter referred to as **the Law**), and sub-clause 10) of clause 98 of Article 12 of the Company’s Charter, the election of members of the Board of Directors of the Company (hereinafter referred to as **the BoD**) is in the exclusive competence of the General Meeting of Shareholders of the Company (hereinafter referred to as **the GMS**).

The current BoD was elected by resolution of GMS of the Company on 14 August 2023 (Minutes No. 4/2023) with a term of office of 3 (three) years.

According to clause 2 of Article 37 of the Law, an extraordinary general meeting of shareholders shall be convened on the initiative of:

- 1) board of directors;
- 2) major shareholder.

On 5 October 2023 the BoD adopted a resolution (Minutes No.19/2023, item No.14) to convene an in-person extraordinary general meeting of shareholder (hereinafter referred to as **the EGM**) on 6 November 2023 with the following agenda:

- 1) “On the composition of the Board of Directors of NC “KazMunayGas” JSC”.
- 2) “On approval of amendments to the Regulation on the Board of Directors of NC “KazMunayGas” JSC”.

Also, by the decision of the Management Board of the Fund on 24 October 2023 (Minutes No.50/23) the Fund determined the following position of the Fund and the National Bank of Kazakhstan on the agenda item of EGM.

1.1. To determine the composition of the Board of Directors of NC “KazMunayGas” JSC as 9 (nine) persons.

1.2. To elect Askar Orazaliyevich Shakirov as a member of the Board of Directors of NC “KazMunayGas” JSC, Independent Director for the period until the expiration of the term of office of the Board of Directors of NC “KazMunayGas” JSC as a whole.

1.3. To determine the amount and terms of remuneration and reimbursement of expenses of the elected member of the Board of Directors of NC “KazMunayGas” JSC in accordance with the annex to this resolution.

1.4. To authorize the Chairman of the Board of Directors of NC “KazMunayGas” JSC Yernat Kudaibergenovich Berdigulov to sign a contract with Askar Orazaliyevich Shakirov in accordance with the established procedure and take other necessary measures arising from this resolution.

In accordance with sub-clause 2) of clause 1 of Article 50 of the Law, voting at the General Meeting of Shareholders is carried out on the principle “one share - one vote”, except for cumulative voting when electing members of the Board of Directors. According to clause 5 of Article 55 of the Law, in case of early termination of powers of a member of the Board of Directors, a new member of the Board of Directors shall be elected by cumulative voting of shareholders represented at the general meeting, at that the powers of the newly elected member of the Board of Directors shall expire simultaneously with expiration of term of office of the Board of Directors as a whole. At that, however, pursuant to clause 3 of Article 54 of the Law, election of members of the Board of Directors is performed by the shareholders by cumulative voting with the use of voting ballots, except for the case when one candidate runs for one seat on the Board of Directors. In this regard, the EGM resolution will be made by cumulative voting.

In view of the above, it is proposed that the EGM elect Askar Orazaliyevich Shakirov as BoD member, Independent Director for the period until the expiration of the term of office of the BoD as a whole.

4. Conformity to the laws of the Republic of Kazakhstan

The adoption of a resolution on the issue of changing the composition of the BoD does not contradict the legislation of the Republic of Kazakhstan.

5. Main problems, risks, possible consequences in case of adopting or failure to adopt the resolution.

The adoption of a resolution on this issue will not entail any risks.

**Chairman of the Board of Directors of
JSC NC “KazMunayGas”**

_____ **Y. Berdigulov**

**Information about the candidate for the Board of Directors of
JSC NC “KazMunayGas”**

1. First Name, Patronymic, Last Name:

Askar Orazaliyevich Shakirov

2. Name of the shareholder nominating the candidate:

*JSC “Samruk-Kazyna”, **the candidate is nominated as an independent director***

3. Information on education (name of educational institution, date of graduation, specialty obtained, including advanced training):

- 1973-1978 - Institute of Asian and African Countries at Lomonosov Moscow State University.

4. Information on affiliation to JSC NC “KazMunayGas”:

None

5. Information about places of work and positions held in the last three years:

- Deputy Chairman of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe (OSCE) (since 07.2021);

- Deputy of the Senate of the Parliament of the Republic of Kazakhstan (12.08.2019, reappointed from 24.01.2023 to 26.09.2023), Deputy Chairman of the Senate of the Parliament of the Republic of Kazakhstan (02.09.2019-24.01.2023), Chairman of the Committee on International Relations, Defense and Security of the Senate of the Parliament of the Republic of Kazakhstan (from 26.01.2023 to 26.09.2023).

6. Information about the position for which the candidate is nominated:

Independent Director

7. Information on relations of the candidate with affiliated persons of JSC NC “KazMunayGas”:

None

8. Information (certificate) of unexpunged/expunged criminal record or criminal record not expunged/removed in accordance with the law, as well as information about the recognition of the candidate guilty of committing crimes against property, in the sphere of economic activity or against the interests of service in commercial or other organizations and information about the release from criminal liability under the Criminal Procedure Code of the Republic of Kazakhstan for committing the above crimes:

No criminal record

9. Information on the candidate's consent to be nominated to the Board of Directors:

Agree

10. Ownership of JSC NC “KazMunayGas” shares:

Does not own

11. Information about membership in the Boards of Directors of other companies in the last five years:

- 2004-2006 - Member of the Board of Directors of the State Insurance Corporation for Export Credit and Investment Insurance JSC.

12. Information about whether he was the chairman of the board of directors, the first head (head of the executive body), deputy head, chief accountant of another legal entity for a period of not more than one year before the decision on involuntary

liquidation or compulsory redemption of shares, or conservation of another legal entity recognized as a bankrupt in the prescribed manner, within five preceding years:

None.

**Resolution
of the General Meeting of Shareholders of
NC “KazMunayGas” JSC**

**On approval of amendments to the Regulation on
the Board of Directors of NC “KazMunayGas” JSC**

In compliance with sub-clause 18) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan “On Joint-Stock Companies” dated 13 May 2003,

In line with sub-clause 10) of clause 98 of Article 12 of the Charter of NC “KazMunayGas” JSC, sub-clause 22) of clause 32 of the Regulation on the General Meeting of Shareholders of NC “KazMunayGas” JSC approved by the resolution of the entity holding all the voting shares of NC “KazMunayGas” JSC (Minutes No.66/22 of the meeting of the Management Board of JSC “Samruk-Kazyna” dated 2 December 2022), following consideration of the submitted materials, the General Meeting of Shareholders of NC “KazMunayGas” JSC **RESOLVED:**

To introduce the amendments to the Regulation on the Board of Directors of NC “KazMunayGas” JSC approved by the resolution of the Annual General Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023 (Minutes No.2\2023, item No.6) as attached hereto.

Annex to the resolution of
the General Meeting of
Shareholders of NC
“KazMunayGas” JSC on
item №____
Minutes №____ of _____ 2023

**Amendments to the Regulation on the Board of Directors of
NC “KazMunayGas” JSC approved by the resolution of the Annual General
Meeting of Shareholders of NC “KazMunayGas” JSC dated 30 May 2023
(Minutes No.2\2023, item No.6)
(hereinafter referred to as the Regulation)**

1. In clause 1.3 of the Regulation, the words “the entity holding all voting shares of the Company” shall be excluded.

2. Clause 1.5 of the Regulation shall be amended to read as follows:

“1.5. The BoD shall be responsible to the GMS for the general management of the Company. Resolutions of the GMS adopted within its competence shall be binding on the BoD. The BoD shall annually report on its activities to the GMS by submitting a report on its work for the past year through including it in the Company’s Annual Report”.

3. Clause 3.3.1.2 of the Regulation shall be amended to read as follows:

“3.3.1.2. The activities of all Committees are governed by the Company’s internal documents approved by the BoD, which contain provisions on the composition, competence, procedure for electing Committee members, Committee operating procedures, and the rights and responsibilities of Committee members, functions, powers, composition and the process of organization of the Committees’ work.”

4. Clause 3.3.2.6 of the Regulation shall be excluded.

5. In clause 6.2.9. of the Regulation the words “15 (fifteen) working days” shall be replaced with the words “ten calendar days”.

6. Clause 6.3.6 of the Regulation shall be amended to read as follows:

“6.3.6. The explanatory note on the agenda issue for the BoD meeting shall be signed by a person entitled to request the convocation of a BoD meeting, and the draft resolution shall be initialed by the aforementioned person.

If the consideration of an issue is initiated by the Management Board, the explanatory note to the agenda item shall be signed and the draft resolution shall be initialed by the Chairman of the Management Board, and in the absence of the

Chairman of the Management Board - by a person officially replacing him in accordance with the established procedure.”.

7. Clause 6.3.15 of the Regulation shall be amended to read as follows:

“6.3.15. If the required materials are not submitted by the deadline indicated in the Regulation, Charter and (or) internal documents of the Company and (or) if they are not submitted in a proper form, the issue shall not be included in the agenda of the meeting and the requirements of clause 6.5.7 of the Regulations shall apply to such matter. In this case, if the issue is initiated by a member of the BoD of KMG, the provisions of this clause shall not apply.”.

8. Clause 6.5.4 of the Regulation shall be amended to read as follows:

“6.5.4. The agenda of the in-person BoD meeting may be amended and (or) supplemented by a decision of the majority of the BoD members present at the BoD meeting and participating in the BoD meeting by means of the Conference communication.”

9. Clause 6.5.6 of the Regulation shall be amended to read as follows:

“6.5.6. During any meeting of the BoD, additional issues may be included on the agenda and considered, provided that:

1) the majority of Participating Members vote for the inclusion of such additional issues on the agenda;

2) the Charter of the Company does not stipulate a special quorum requirement for making a decision on such additional issues (in this case, clause 6.5.8 of the Regulation shall apply).”

10. Chapter 6.5 “Agenda of the BoD Meeting” of the Regulation shall be supplemented with clause 6.5.8 as follows:

“6.5.8. In the course of any meeting of the BoD, additional issues, for the adoption of a resolution on which the Company’s Charter stipulate a special quorum requirement, may be included in the agenda of such meeting and be considered provided that:

- 2/3 (two-thirds) of the total number of the BoD members, including the majority of Independent Directors, vote in favor of including such additional items on the agenda.”

11. In sub-clause 6.6.2.2. of the Regulation the words “*on items specified in sub-clauses 1), 5), 6), 8-15), 22-34), 43), 49), 50), 52), 53) of clause 98 of the Charter*” shall be replaced with the words “*on items specified in sub-clauses 1), 7), 9), 10-17), 26-37), 46-47), 49-50) of clause 106 of the Charter*”.

12. Clause 6.6.3 of the Regulation shall be amended to read as follows:

“6.6.3 The presence of the quorum to hold a BoD meeting and make decisions

on the issues on the agenda of such a BoD meeting is determined by the Chairman of the BoD or a member of the BoD, performing his/her duties, before the start of the meeting”.

13. Clause 6.6.4 of the Regulation shall be amended to read as follows:

“6.6.4 In the absence of the quorum to hold a Meeting, the BoD Chairman or a member of the BoD performing his/her duties, announces the postponement of the meeting for a period not exceeding 14 (fourteen) calendar days”.

14. The Regulation shall be supplemented with clause 6.6.4.1 to read as follows:

“6.6.4.1 If there is no quorum to make a decision on an item on the agenda of a meeting that has a special quorum requirement under the Company’s Charter, such item shall be excluded from the agenda of such meeting of the BoD.”

15. Clause 6.6.5 of the Regulation shall be amended to read as follows:

“6.6.5 The BoD Chairman or a member of the BoD performing his/her duties, informs present persons about the presence of the quorum for holding the meeting of the BoD and announces the agenda of the BoD meeting and reports on the presence of a quorum for decision-making on all issues on the agenda of such BOD meeting”.

16. In clause 6.10.2 of the Regulation the words “*on items specified in sub-clauses 1), 5), 7), 9-16), 19, 21-26), 30-33), 37-40), 42), 43), 45), 50), 52), 56-58) of clause 98 of the Charter*” shall be replaced with the words “*on items specified in sub-clauses 1), 7), 9), 11-18), 20), 22), 23-30), 33-36), 40- 42), 47), 49), 53-54) of clause 106 of the Charter*”.

Explanatory note to the item “On approval of amendments to the Regulation on the Board of Directors of NC “KazMunayGas” JSC” on the agenda of the Extraordinary General Meeting of Shareholders of NC “KazMunayGas” JSC to be held on 6 November 2023

Astana

«__» _____2023

1. Purpose and objective

Approval of the amendments and additions to the Regulation on the Board of Directors of NC “KazMunayGas” JSC (hereinafter referred to as **the Company**).

2. Economic effect

Not provided.

3. Background

In compliance with sub-clause 18) of clause 1 of Article 36 of Law No.415-II of the Republic of Kazakhstan “On Joint-Stock Companies” dated 13 May 2003 (hereinafter referred to as **the Law**), sub-clause 10) of clause 98 of Article 12 of the Charter of the Company approved by the resolution of the Annual General Meeting of Shareholders of the Company dated 30 May 2023 (Minutes #2\2023, item No.5) (hereinafter referred to as **the Charter**), and sub-clause 22) of clause 32 of the Regulation on the General Meeting of Shareholders of the Company approved by the resolution of the entity holding all the voting shares of the Company (Minutes No.66/22 of the meeting of the Management Board of JSC “Samruk-Kazyna” (hereinafter referred to as **the Fund**) dated 2 December 2022), the approval of the Regulation on the Board of Directors of the Company (hereinafter referred to as **the Regulation and the BoD** respectively) is in the exclusive competence of the General Meeting of Shareholders of the Company.

The current Regulation was approved by the resolution of the Annual General Meeting of Shareholders of the Company (hereinafter referred to as the **AGM**) dated 30 May 2023 (Minutes No.2\2023, item No.6), and there is now a need to update the Regulation in view of the following.

I. As a result of the Company’s IPO in 2022 and appearance of new shareholders, the need arose for updating the Charter of the Company to bring it into compliance with the requirements of the current legislation of the RoK (the Law on JSCs, the Law on Securities Market, etc.), due to which the revised Charter of the Company was approved by the resolution of the AGM.

The Charter, among other things, renumbered paragraphs, and accordingly, at present it is necessary to bring the provisions of the Regulation in compliance with the provisions of the Charter.

II. On 4 September 2023 by letter №14253, the Fund forwarded the instruction to the Company:

“On amending internal documents of the Company to provide for a possibility for including additional items on the agenda of meetings of the BoD at meetings of the BoD, provided that the majority of members of the BoD agree with that”.

To implement the abovementioned instruction, the need arose for updating the Regulation through making appropriate amendments to Chapter 6.5.

III. In addition, it is suggested to make the following clarifying and editorial changes to the Regulation, including:

1) supplementing clause 1.5 of the Regulation with information on the inclusion of the BoD’s report on the work done at the end of the year in the Annual Report of KMG;

2) excluding sub-clause 3.3.2.6. of the Regulation to eliminate duplication and corresponding supplementing of sub-clause 3.3.1.2. of the Regulation;

3) adding clarifying information to the provisions of the Regulations regarding the preparation and procedure for submitting materials for consideration by the BoD/Committees of the BoD.

4. Conformity to applicable law

The adoption of a resolution on the issue on approval of amendments to the Regulation on the BoD of the Company does not contradict the legislation of the Republic of Kazakhstan.


5. Main problems, risks, possible consequences in case of adopting or failure to adopt the resolution

The adoption of a resolution on this issue will not entail any risks.

Failure to adopt a resolution on the issue entails the risk of non-compliance of some provisions of the Regulation with the provisions of the Charter, as well as failure to fulfill the relevant instruction of the Fund.

**Chairman of
the Board of Directors**

Ye. Berdigulov

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Joint-Stock Company “National Company “KazMunayGas”	
Name of the document:	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Document type: Regulation	KMG-PL-4134.1-19	p. 1 out of 30
Developed by: S.B. Nussuzova, A.M. Seksenbayeva, Zh.G. Togizbayeva	Checked by: D.V. Sharipov on “ ____ ” _____ 2022	Approved by the resolution of the Management Board of JSC “Samruk-Kazyna” № _____ dated “ ____ ” _____ 2022

1. General Provisions

1.1. This Regulation on the Board of Directors of JSC “National Company “KazMunayGas” (hereinafter referred to as the **BoD / Board of Directors / the Company and the Regulation**) determines the procedure for forming the BoD, the status, composition, rights, duties, responsibilities of the BoD members, establishes the operating procedures of the BoD, procedures for convening and conduct of the BoD meetings, adoption of resolutions and formalizing its resolutions.

1.2. The Regulation applies to all officials and employees of the Company.


1.3. The Board of Directors is the management body of the Company accountable to the / General Meeting of the Shareholders of the Company (hereinafter referred to as **the GMS**) ensuring general management of the Company and control over the operations of the collegial executive body of the Company (hereinafter referred to as the **Management Board**). Resolutions of the BoD are adopted in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as **the RoK**), the Company Charter, the Corporate Governance Code of the Company, and the Regulation.

1.4. In its activity the BoD is guided by the legislation of the RoK, including the Law of the RoK “On Joint Stock Companies” (hereinafter referred to as **the Law**) and the Law of the RoK “On Sovereign Wealth Fund” (hereinafter referred to as **the Fund**), the Charter of the Company, the Regulation, the Corporate Governance Code of the Company, and other internal documents of the Company as well as the documents of the Fund that apply to the Company.

1.5. The BoD shall be responsible to the GMS for the general management of the Company. Resolutions of the GMS adopted within its competence shall be binding on the BoD. The BoD shall annually report on its activities to the GMS by submitting a report on its work for the past year through including it in the Company’s Annual Report.

1.6. The BoD and the Management Board shall cooperate, act in the interests of the Company, and adopt resolutions based on the principles of sustainable development and fair treatment of all shareholders.

1.7. The BoD and the Management Board shall ensure the growth of long-term value and sustainable development of the Company.

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 2 out of 30

1.8. The performance of the Board of Directors shall be based on the principles of professionalism, reasonableness, prudence, honesty and objectivity, efficiency, and liability.

2. Goals, objectives and functions

2.1. The exclusive competence of the BoD includes the issues stipulated by the legislation of the RoK, the Charter of the Company and the Regulation.

2.2. The BoD shall be vested with the relevant authorities to manage the Company and to control the activities of the Management Board.

2.3. The BoD performs its functions according to the Charter of the Company and pays special attention to the following issues:

- 1) defining the development strategy of the Company (directions and results);
- 2) setting and monitoring key performance indicators of the development plan (business plan) of the Company;
- 3) organization and supervision of the effective functioning of the risk management and internal control system of the Company;
- 4) approving and monitoring effective implementation of major investment projects and other key strategic projects of the Company within the competence of the BoD;
- 5) election, remuneration, succession planning and supervision of the activities of the Chairman and members of the Management Board;
- 6) corporate governance and ethics;
- 7) transformation;
- 8) implementation of sustainable development components of the Company.

2.4. The issues referred to the exclusive competence of the BoD cannot be transferred to the Management Board for decision.


2.5. The BoD shall not be entitled to adopt resolutions on the issues that, in accordance with the legislation of the RoK and the Company Charter, are referred to the exclusive competence of the GMS or the Management Board, and also to adopt resolutions that contradict the decisions of the GMS.

2.6. The GMS has the right to cancel any resolution of the BoD and the Management Board on the issues related to the internal activities of the Company, unless otherwise stipulated by the Charter of the Company.

3. Structure and composition

3.1. Composition of the BoD

3.1.1. The members of the BoD are elected by the GMS decision with the involvement of the BoD through clear and transparent procedures, with account of the competencies, skills, achievements, business reputation and professional

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 3 out of 30

experience of candidates. When individual members of the BoD or the Board of Directors itself are re-elected for a new term, their contribution to the performance of the Board of Directors shall be taken into account.

3.1.2. The members of the BoD and the Chairman of the BoD are elected in accordance with the Law, the Charter of the Company and the Regulation. It is recommended that the Nominations and Remuneration Committee of the BoD (hereinafter referred to as the NRC) is involved, within its competence in accordance with the Regulation on the NRC, in determining the composition, required skills and competencies of the BoD and candidates for the BoD.

3.1.3. Search for candidates and election are carried out based on objective criteria and with account of the need to diversify the composition of the BoD. The search and election should be carried out before the expiration of the term of office of the entire BoD.

3.1.4. The issue of electing the entire composition of the BoD or individual members may be initiated in the prescribed manner by a major shareholder or the NRC.

3.1.5. The BoD and its Committees shall maintain a balance of skills, experience and knowledge, ensuring the adoption of independent, objective and effective decisions in the interests of the Company, with account of a fair attitude to all shareholders and the principles of sustainable development.

3.1.6. Only an individual can be a member of the BoD.

3.1.7. Members of the BoD are elected from among:


- 1) shareholders who are the individuals;
- 2) persons proposed (recommended) to be elected to the BoD as representatives of shareholders;
- 3) individuals who are not shareholders of the Company and who were not proposed (not recommended) to be elected to the BoD as a representative of a shareholder.

3.1.8. The BoD should be represented by the persons with the knowledge, skills and experience necessary for the BoD to fulfil its functions and ensure long-term cost growth and sustainable development of the Company, as well as having an impeccable business and personal reputation

3.1.9. The diversity in experience, personal characteristics and gender composition shall be ensured in the composition of the BoD.

3.1.10. When selecting candidates for the BoD, the following shall be taken into account:

- 1) experience in leadership positions;
- 2) experience as a member of the Board of Directors;
- 3) length of service;
- 4) education, line of profession, including the international certificates;
- 5) availability of competencies in the area of the Company's operation;
- 6) business reputation;

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 4 out of 30

7) existence of a direct or potential conflict of interest in the event of election to the BoD.

3.1.11. Members of the Management Board, except for the Chairman of the Management Board, cannot be elected to the BoD. The Chairman of the Management Board cannot be elected as the Chairman of the BoD of the Company.

3.1.12. Participation of the members of the Government of the RoK and officials of the government authorities in the BoD is not allowed.

3.1.13. The quantitative composition of the BoD is determined by the Charter of the Company. The number of the BoD members makes not less than seven members. At least thirty percent of the BoD must be independent directors.

Chairman of the BoD, on behalf of the Company, concludes a contract with independent directors in accordance with the template set forth in Appendix No.1 hereto.

3.1.14. An independent director is a highly professional person who can make independent and objective resolutions free from the influence of individual shareholders, the Management Board and other interested parties.

3.1.15. Requirements for independent directors are established in accordance with the legislation of the RoK and the Charter of the Company.

3.1.16. An independent director shall monitor a possible loss of status of independence and in such case shall notify the Chairman of the BoD in advance. If there are circumstances affecting the independence of a member of the BoD, the Chairman of the BoD shall immediately report it to the shareholders to make a corresponding decision.


3.1.17. The term of office of the BoD members coincides with the term of office of the entire BoD and expires on the date when the GMS adopts a decision to elect new members of the BoD. The powers of the BoD shall be terminated not before the date of the GMS, which elects new members of the BoD.

3.1.18. The members of the BoD are elected for a term of up to 3 (three) years. Thereafter, subject to good performance, they may be re-elected for a further period of up to 3 (three) years. At the same time, a longer term of office for individual directors and their rotation in different years will ensure the continuity of the Company’s corporate memory and consistency in the implementation of its strategy.

3.1.19. Any term for election to the BoD for longer than 6 (six) consecutive years (for example, two three-year terms) is subject to special consideration with account of the need for a qualitative renewal of the composition of the BoD.

3.1.20. An independent director cannot be elected to the BoD for more than 9 (nine) years in a row. In exceptional cases, election for a term of more than 9 (nine) years is allowed, and in such cases the election of an independent director to the BoD shall take place on an annual basis with a detailed explanation of the need to elect this member of the BoD and the effect of this factor on independence of decision-making.

3.1.21. The resolution on termination of the powers and election of members

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 5 out of 30

of the BoD can be adopted based on results of the annual evaluation of the activity of the BoD, the Committees of the BoD and each member of the BoD.

3.1.22. The participation of a member of the BoD in less than 75% of in- person / in-absentia meetings can serve as the basis for early termination of his/her powers. Moreover, in case of non-participation in meetings of the BoD, members of the BoD must justify in writing the reasons for their absence from the meeting.

The BoD shall recommend to the GMS the early termination of the powers of a member of the BoD who attended less than 50% of the meetings in the reporting year.

3.1.23. No person shall participate in resolution relating to his or her own appointment, election or re-election.

3.1.24. The members of the Board of Directors sign a commitment to non-disclosure of confidential information of the Company in the form determined by the BoD.

3.1.25. The Company needs to ensure that there are succession plans for the BoD members in order to maintain continuity of activity and progressively update the composition of the BoD.

3.1.26. The BoD approves the induction program for newly elected members of the BoD and the professional development program for each member of the BoD. The Corporate Secretary ensures the implementation of these programs.

3.1.27. The members of the BoD, elected for the first time, pass an induction program after their appointment. In the process of induction, the BoD members are familiarized with their rights and obligations, key aspects of the activities and the documents of the Company, including those associated with the greatest risks

3.2. Chairman of the BoD

3.2.1. The Chairman of the BoD is elected by the GMS.


3.2.2. In the absence of the Chairman of the BoD, including, but not limited to, in case of his/her resignation from the BoD or early termination of his/her powers, his/her functions are performed by one of the BoD members by the resolution of the BoD adopted by a majority of votes of its members participating in the meeting.

3.2.3. The Chairman of the Board of Directors may be a person who has an impeccable business reputation and experience in management positions, enjoys the confidence of shareholders and members of the BoD, and possesses such qualities as honesty and integrity.

3.2.4. Chairman of the Board of Directors:

- 1) organizes the work of the BoD;
- 2) conducts meetings of the BoD;
- 3) convenes meetings of the BoD and chairs them;

4) on behalf of the Company, concludes an employment contract with the Chairman of the Management Board and carries out other actions stipulated by the labour legislation of the RoK;

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 6 out of 30

5) plans BoD meetings and prepares agendas with account of the proposals of other members of the BoD and the requests to convene a BoD meeting;

6) maintains constant communication and interaction with shareholders, including organization of consultations with major shareholders when making resolutions on strategic issues;

7) ensures timely receipt by the BoD members of complete and updated information for decision-making;

8) ensures that the BoD focuses on strategic issues and minimizes the issues of a current (operational) nature that are subject to review by the BoD;

9) ensures maximum efficiency of the BoD meetings by allocating sufficient time for discussions, comprehensive and in-depth consideration of agenda items, stimulating open discussions, reaching agreed decisions;

10) provides monitoring and supervision of proper implementation of resolutions made by the BoD and the GMS;

11) in the event of corporate conflicts, ensures adoption of measures to resolve them and to minimize their negative impact on the activities of the Company, and timely informing major shareholders in case it is impossible to resolve such situations on his/her own;

12) carries out other functions stipulated by the legislation of the RoK, the Charter of the Company and the Regulation.

3.2.5. The Chairman of the BoD is responsible for the general management of the BoD, ensures full and effective performance by the BoD of its main functions and building a constructive dialogue between the members of the BoD, shareholders and the Management Board.

3.2.6. The Chairman of the BoD should strive to create a team of professionals who are committed to the growth of long-term value and sustainable development of the Company, who are able to respond to internal and external challenges in a timely and professional manner.


3.2.7. In order to fulfil the role of the Chairman of the BoD, in addition to professional qualifications and experience, it is necessary to have special skills, such as leadership, the ability to motivate, understand different views and approaches, and have the conflict management skills.

3.3. Committees of the BoD

3.3.1. Forming the Committees of the BoD

3.3.1.1. The Committees of the BoD (hereinbefore and hereinafter referred to as **the Committees**) are formed to conduct a detailed analysis and make recommendations on the most important issues prior they are considered at the meeting of the BoD on the following issues:

- 1) strategic planning;
- 2) nomination and remuneration;

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 7 out of 30

- 3) internal audit;
- 4) social issues;
- 5) other issues stipulated by internal documents of the Company.

3.3.1.2. The activities of all Committees are governed by the Company’s internal documents approved by the BoD, which contain provisions on the composition, competence, procedure for electing Committee members, Committee operating procedures, the rights and responsibilities of Committee members, functions, powers, composition and the process of organization of the Committees’ work.

3.3.1.3. In order to optimize the meeting agenda and focus on the most important issues, the BoD may delegate to the Committees substantive consideration of certain categories of issues through making proposals and/ or drafting resolutions for the BoD.

3.3.2. Composition and working procedures of the Committees

3.3.2.1. The Committees consist of members of the BoD and, if necessary, experts who have the necessary professional knowledge to work in a particular Committee.

3.3.2.2. The Committee is headed by a member of the BoD who is not the Chairman of the Management Board.

3.3.2.3. The Chairmen of the Committees specified in sub-clauses 1) - 4) of clause 3.3.1.1 of the Regulation are independent directors.

3.3.2.4. The Audit Committee, specified in sub-clause 3) of clause 3.3.1.1 of the Regulation consists only of independent directors.


3.3.2.5. Majority of the Committees specified in sub-clauses 1), 2), and 4) of clause 3.3.1.1 of the Regulation are independent directors.

3.3.2.6. The Chairmen of the Committees prepare a report on activities of the Committees and report to the BoD at separate meetings on the year results, and also report at each BoD meeting (except for meetings in absentia), if it was preceded by meetings of the Committees, on issues previously reviewed by the Committees.

3.3.2.7. The Chairman of the BoD is entitled to request the Committees to provide information of their activities during the year.

3.4. Corporate Secretary

3.4.1. In order to effectively organize the activities of the BoD and the interaction of the BoD, the Management Board with the shareholders, the BoD appoints the Corporate Secretary. Assignment of other duties to the Corporate Secretary shall be made with account of the current workload of the Corporate Secretary. The assignment of new responsibilities shall not result in poor performance of the functions set forth in the Company’s Corporate Governance Code and the Regulation, including because of insufficient resources. New functions should not duplicate the functions of other structural units and officers. In case of

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 8 out of 30

duplication, the executor of such functions should be reconsidered.

3.4.2. The Corporate Secretary reports to the BoD and is independent of the Management Board.

3.4.3. The BoD adopts resolution on the appointment of the Corporate Secretary, determines the term of his/her powers, functions and procedure of activities, the size of salary and terms of remuneration, and adopts resolution on the establishment of the Corporate Secretary Service.

3.4.4. The Corporate Secretary operates based on the Regulation on the Corporate Secretary approved by the BoD, which specifies the functions, rights and obligations, the procedure for interaction with the Company’s bodies, qualification requirements, and other information.

3.5. Engaging external experts

3.5.1. By a majority of votes the BoD decides to involve external consultants and experts for consulting on specific issues within the competence of the BoD and Committees in the event that the issue considered by the BoD requires external professional and independent expertise.

Remuneration for experts and consultants is determined by the BoD within the approved budget.

3.5.2. The Management Board is recommended to provide funds in the budget of the Company for engaging external consultants and experts by the BoD and its Committees.

4. Rights

4.1. Rights of the member of the BoD

4.1.1. The member of the BoD has the right to do the following:

1) request from the Management Board any information (documents, materials) with respect to the Company, if the specified information is necessary for him/her to perform the functions of a member of the BoD, in the manner prescribed by the Regulation and other internal documents of the Company;


2) in accordance with the established procedure, receive remuneration and (or) compensation of expenses related to the performance of duties of a member of the BoD, as determined by the GMS;

3) get acquainted with the decisions of the GMS, with the Minutes of meetings and resolutions of the BoD, the Minutes of meetings of the Management Board and the Committees, and audit reports;

4) request the convening of a BoD meeting by sending to the Chairman of the BoD a written notice containing the proposed agenda for the BoD meeting;

5) apply to the Management Board with a request to convene a BoD meeting if the Chairman of the BoD refuses to convene a meeting;

6) make proposals on formation or amendment to the activity plan of the BoD;

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 9 out of 30

7) express his/her opinion on agenda items considered by the BoD (if a BoD member disagrees with a resolution made by the BoD, he/she may state his/her point of view (dissenting opinion) in writing);

8) participate in meetings of the BoD, as well as its Committees, of which he/she is a member, including discussion and voting on issues considered at such meetings;

9) at the invitation of the Chairman of a relevant Committee of which he is not a member - to attend meetings of such Committee and participate in discussions on issues considered at such meetings, without the right to vote;

10) on his/her own initiative - to attend meetings of the Committees, of which he/she is not a member, but not to participate in discussions and voting on issues considered at such meetings;

11) put the issues on the agenda of the BoD meeting;

12) require the involvement of experts on issues within the competence of the BoD, in accordance with the procedure established by the BoD and within the funds provided for in the budget of the Company;

13) undergo induction programs;

14) demand that his/her dissenting opinion on the issues on the agenda be entered into the Minutes of the BoD meeting

15) request the inclusion of instructions to the Management Board and (or) officers of the Company in the resolution of the BoD;

16) exercise other rights provided for by the legislation of the RoK, the Charter of the Company and other internal documents of the Company.

4.2. Remuneration and (or) compensation of expenses of the BoD members

4.2.1. In accordance with the procedure established by the legislation of the RoK and the Regulation, the BoD members may be paid with remuneration and (or) compensation for expenses related to the performance of their functions as members of the BoD during the performance of their duties.


4.2.2. The level of remuneration to the BoD members shall be sufficient to attract, retain and motivate each member of the BoD to the level required for successful management of the Company.

4.2.3. The rules for remuneration of the BoD members are developed on the basis of the methodology of the Fund and approved by the decision of the GMS.

4.2.4. The procedure and amount of remuneration payment and (or) compensation for expenses of the BoD members are established by the decision of the GMS.

4.2.5 The remuneration shall fairly reflect the expected contribution of a member of the BoD to improving the efficiency of the entire BoD and the activities of the Company.

4.2.6 When determining the amount of remuneration, the responsibilities of

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 10 out of 30

the BoD members, the scope of the Company’s activities, long-term goals and objectives determined by the development strategy, the complexity of the issues considered by the BoD, the level of remuneration in similar companies (benchmarking, review of remuneration) are taken into account.

4.2.7 As a rule, the BoD members are paid a fixed annual remuneration, as well as additional remuneration for their chairmanship of the BoD, participation and chairmanship of the Committees.

4.2.8 The remuneration of a member of the BoD shall not include options or other elements related to the results of the Company’s performance.

4.2.9. The Chairman and members of the BoD are compensated, among other things, within the approved budget, for actual expenses incurred for advanced training/education in accordance with the retraining programs or plans approved by the BoD, calculated on the basis of the submitted supporting documents.

5. Responsibility

5.1. Responsibilities of members of the BoD


5.1.1. The BoD members are personally responsible for fulfilling the duties of a member of the BoD established by the legislation of the RoK, including fiduciary duties to shareholders and resolutions adopted, the effectiveness of their activities, actions and / or inaction, including, but not limited to the losses incurred as a result of the following:

- 1) provision of misleading information or false information;
- 2) violation of the procedure for providing information established by the legislation of the RoK and internal documents of the Company;
- 3) proposals for concluding and (or) making resolutions on concluding major transactions and (or) interested-party transactions that caused the Company’s losses as a result of their unfair actions and (or) inaction, including with a view to obtaining profit (income) by them or by their affiliates as a result of such transactions with the Company.
- 4) members of the BoD are liable to the Company for damage and losses caused to the Company by their wrongful actions (omissions).

5.1.2. The Company shall insure the liability of the BoD members at the expense of the Company’s own funds.

5.1.3. In the cases stipulated by the legislation of the RoK and (or) the Charter of the Company, the decision of the GMS to conclude a major and (or) interested-party transaction(s) does (do) not exempt from liability the BoD member who proposed to conclude them, or the BoD member who acted in bad faith and (or) failed to act at the meeting of the BoD, including with a view to obtaining profit (income) by them or by their affiliates, if it resulted in losses for the Company.

5.1.4. The procedure and the grounds for applying to the court with a claim against an official of the Company is specified by the legislation of the RoK.

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 11 out of 30

5.2. Obligations of the member of the BoD

5.2.1. The member of the BoD shall:

1) act in accordance with the requirements of the legislation of the RoK, the Charter, the Corporate Governance Code of the Company and the internal documents of the Company on the basis of awareness, transparency, in the interests of the Company and its Shareholders;

2) perform the duties imposed on him/her in good faith and use the methods that best reflect the interests of the Company and the shareholders;

3) act within its rights and powers;

4) contribute sufficient time to attend and prepare for the meetings of the BoD and its Committees;

5) properly prepare for the meetings of the BoD, its Committees, in particular: get acquainted in advance with materials related to meetings, collect and analyze the necessary information, prepare his/her own conclusions and recommendations for making a grounded resolution;

6) make grounded resolutions, for which to study in full the necessary information (documents, materials);

7) attend in-person meetings of the BoD, and in case of impossibility to attend personally - to participate by audio-visual or audio-conference communication in accordance with the Regulation;

8) submit to the BoD the signed bulletins for the absentee voting on the issues considered at the BoD meetings, to be held in absentia and, in case of comments and objections, to present his/her written opinions within the prescribed time limits;

9) improve his/her skills in accordance with the internal documents of the Company or resolutions of the BoD;

10) maintain high standards of business ethics;

11) when making resolutions, assess risks and adverse effects;


12) implement the decisions of the GMS, resolutions of the BoD and its Chairman, provided that such decisions comply with the legislation of the RoK, the Charter of the Company, and do not contradict, in the opinion of a BoD member, the interests of the shareholders and/or the Company;

13) within seven (7) calendar days from the date of affiliation, inform the Company in writing about his/her affiliates and changes in the grounds for their affiliation;

14) refrain from actions and prevent situations that would lead or potentially lead to a conflict between his/her interests (or interests of persons affiliated to him/her) and the interests of the Company, and in the event of such conflict, immediately inform the BoD about the presence of a conflict of interests;

15) inform the BoD in writing on the proposed interested-party transactions;

16) when making resolutions, abstain from voting on the issues in which he/she has an interest. At the same time, a member of the BoD shall immediately disclose

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 12 out of 30

to the BoD the very fact of such interest and the grounds for its occurrence;

17) regularly provide the information on its affiliated persons within the terms established by the Company’s documents;

18) comply with the provisions of internal documents of the Company in the field of conflict of interest regulation, compliance, as well as the Code of Business Ethics of the Company;

19) not receive from individuals and legal entities any presents, services or any privileges, that represent or can be regarded as a payment for resolutions or actions accepted or performed by him/her as the member of the BoD;

20) provide any information, within the competence of the BoD, except for the private and confidential one, at the request of the GMS of the Company, Chairman of the BoD;

21) bring in writing the following information to the attention of the Company:

- main place of employment (indicating the full name of the legal entity and legal address) and position held, information on other combined positions, as well as information on changes at the main place of work;

- passport data (series, document number, date of issuance, issuing authority), citizenship, identification number;

- postal address, e-mail, contact phone;

- the shares (interest, participatory interest) of other legal entities directly or indirectly belonging to him/her, with an indication of their number and categories, as well as information on their sale and/or purchase;

- membership in Boards of Directors and Supervisory Boards of other legal entities.

22) inform the BoD and the Chairman of the Management Board in writing on the nomination and election to positions in other organizations, as well as obtain prior consent of the BoD on the possibility of electing him/her to another legal entity or hiring him/her to another organization that arose after being elected to the BoD;

23) preliminarily notify the Chairman of the BoD on newly received offers of concurrent jobs and positions at other organizations (commercial and non-commercial);

24) be a member of not more than 4 (four) boards of directors of other legal entities and do not have more than one concurrent job;


25) not to work and not to hold positions in the competitor companies of the Company;

26) not to have financial interest in the competitor companies of the Company;

27) monitor and, if possible, eliminate potential conflicts of interest at the level of officials and shareholders, including misuse of the Company’s property and abuse of interested party transactions;

28) monitor the effectiveness of corporate governance practices in the Company;

29) analyze information and the status of the Company on the issues, falling

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 13 out of 30

into the competence of the BoD, and, if necessary, present results of such analysis to the BoD / GSA;

30) not to disclose any confidential, insider or other information that became known to him/her in connection with execution of his/her duties of the BoD member, to the persons having no access to such information, and not to use it in his/her interests or in the interests of the third persons, both in the period of the term of his / her powers as the BoD member and within five (5) years after expiry of his/her terms of powers and within the period established in the documents (information), that has become known, unless a longer term is established by the Company documents;

31) when working in the premises of the Company, observe the rules and procedures, provided by internal documents of the Company and requirements of safe work with confidential information of the Company;

32) in the procedure established by the legislation of the RoK, notify the BoD in writing on early termination of his/her powers on his/her own accord indicating the date of such termination of powers;

33) ensure the integrity of accounting and financial reporting systems, including independent auditing;

34) after expiration of the term of his/her powers, including early termination of his/her appointment, within five (5) working days, to hand over all documents, property of the Company, office and the keys under the delivery certificate to the person, determined by the Company, if any were given to him/her in connection with his/her duties;

35) timely send proposals for inclusion of issues in the BoD agenda to the BoD Chairman;

36) in case of voting “Abstained” on items on the agenda of the BoD meeting, provide appropriate explanations to be included in the Minutes of the meeting;

37) perform other duties provided for by the legislation of the RoK, the Charter, the Corporate Governance Code, other internal documents of the Company and the Regulation.


5.3. Assessment of the BoD activity

5.3.1 The BoD, Committees and members of the BoD shall be assessed on an annual basis as part of a structured process approved by the BoD of the Company.

5.3.2 Moreover, at least once every three years, an assessment shall be carried out with the involvement of an independent professional organization.

5.3.3 The assessment shall allow to determine the contribution of the BoD and each of its members to the growth of long-term value and sustainable development of the Company, as well as identify areas and recommend measures for improvement.

5.3.4 Assessment results are taken into account upon re-election or early termination of powers of the BoD members.

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 14 out of 30

5.3.5 Assessment is mandatory both for independent directors and for representatives of shareholders.

5.3.6 The assessment shall meet such criteria as regularity, comprehensiveness, continuity, realism and confidentiality.


5.3.7 Assessment includes, but is not limited to, consideration of the following issues:

- 1) the optimality of the BoD composition (balance of skills, experience, diversity of composition, objectivity) in the context of the tasks facing the Company;
- 2) clarity of understanding of the vision, strategy, main tasks, problems and values of the Company;
- 3) succession and development plans;
- 4) the functioning of the BoD as a single body, the role of the BoD and the Chairman of the Management Board of the Company;
- 5) the effectiveness of interaction in the BoD, and the BoD with the bodies and officials of the Company;
- 6) the effectiveness of each member of the BoD;
- 7) the effectiveness of the Committees and their interaction with the BoD, members of the Management Board of the Company;
- 8) the quality of information and documents provided to the BoD;
- 9) the quality of discussions at meetings of the BoD and the Committees;
- 10) the effectiveness of the Corporate Secretary;
- 11) clarity in understanding processes and competencies;
- 12) the process of identifying and assessing risks;
- 13) interaction with shareholders and other stakeholders.

5.3.8. The Chairman of the BoD is responsible for the entire assessment process and taking measures based on its results. Key roles in the assessment process are distributed as follows:

- 1) the Chairman of the BoD manages the assessment process, provides feedback to the entire composition of the BoD and each of its members, informs the GMS of the results of the assessment and discusses measures for improvement, and also monitors the implementation of the action plan based on the results of the assessment;
- 2) the Chairman of the NRC ensures the process for the assessment of the BoD Chairman;
- 3) the Chairmen of the Committees ensure the process for the assessment of the work efficiency of the Committees that they chair;
- 4) an independent consultant (if involved) acts as a moderator and methodologist, organizes and coordinates the assessment process;
- 5) members of the BoD ensure active participation, openness, honesty and involvement.

5.3.9. The results of the assessment may serve as the basis for re-election of the entire composition of the BoD or its individual member, review of the

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 15 out of 30

composition of the BoD and the amount of remuneration to the BoD members.

5.3.10. If there are serious shortcomings in the performance of individual members of the BoD, the Chairman of the BoD shall consult with major shareholders of the Company.

5.3.11. The BoD reflects how the BoD was assessed and what measures were taken in the annual report. If an independent consultant is involved, it shall be indicated whether that consultant have provided other consulting services to the Company over the past three years.

5.3.12. The GMS may conduct its own assessment of the BoD independently or with the involvement of an independent consultant. The results of an assessment carried out independently by the BoD, the results of the Company’s activities, the fulfilment of shareholders’ expectations and other factors are taken into account.

6. Rules of Procedure of the BoD

6.1. Holding the BoD meetings in a planned manner

6.1.1. The BoD annually draws up and approves its activity plan and a schedule of meetings based on the principles of careful planning of its activities by the BoD and the Company, rationality, efficiency and regularity.

6.1.2. The Corporate Secretary draws up the annual activity plan for the BoD, considering the proposals made by shareholders, members of the BoD, the Management Board and the Services accountable to the BoD.

6.1.3. The Chairman of the BoD oversees the formation and execution of the annual activity plan of the BoD. The activity plan of the Company’s BoD shall be revised no more than once a year at the end of the first half of the year.

6.1.4. Meetings of the BoD shall be held regularly, in accordance with the activity plan and the schedule of meetings, but at least 8 (eight) times a year.


The BoD meetings may be scheduled and extraordinary, with extraordinary meetings being held in exceptional cases where consideration of the relevant issues could not be planned or predicted in advance, and the decision making by the BoD on such issues may not be postponed until the next scheduled meeting of the BoD.

6.1.5. If necessary, the BoD may consider issues not included in the activity plan of the BoD.

6.1.6. Meetings of the BoD may be in-person or in absentia; at that, the number of meetings in absentia shall be minimized.

6.1.7. Members of the BoD may participate in a meeting of the BoD or its Committees via videoconference (interactive audio-visual communication), conference call (simultaneous conversation of the BoD in “telephone meeting” mode), other interactive means of communication that allow the exchange of opinions, confirmation of voting and summing up its results in real time (hereinafter jointly referred to as the **Conference communication**).

6.1.8. The member of the BoD shall notify the Chairman of the BoD and the

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 16 out of 30

Corporate Secretary of the Company in advance of the impossibility of his/her participation in the meeting of the BoD.

6.1.9. In special cases, a combination of both forms of a BoD meeting is possible. This applies when one or more BoD members (no more than 30%) are unable to attend a BoD meeting personally or participate by means of Conference communication. In such case, the meeting shall be deemed to be in person. However, an absent member of the BoD shall be deemed to have participated in a BoD meeting if prior to the BoD meeting he/she submitted to the Corporate Secretary the results of his/her vote and opinion on all items on the agenda of such meeting in writing (hereinafter - Written Opinion). Moreover, the receipt of Written Opinions shall be recorded by the Corporate Secretary, indicating the date and time of receipt of each Written Opinion. No changes to the agenda of such meeting shall be allowed.

6.1.10. If more than 30% of the BoD members are unable to attend the BoD meeting personally or by means of Conference communication, then the in-person BoD meeting shall not be held.

6.1.11. If a member of the BoD is unable to attend a meeting of the BoD personally or by means of Conference communication, he/she must provide a Written Opinion on all items on the agenda of such meeting prior to the meeting. Otherwise, the member of the BoD shall be deemed not to have taken part in the meeting.


6.1.12. Members of the BoD who participated in a BoD meeting by personal attendance at the meeting, attended a meeting of the BoD by means of a Conference communication, or by submitting a Written Opinion shall be deemed to have participated in the meeting of the BoD (hereinafter, “**Participating Members**”).

6.1.13. If a member of the BoD plans to participate in a BoD meeting by means of the Conference communication, to avoid disruptions to the BoD meeting and voting on issues on the BoD agenda due to deficiencies in the Conference communication, it is recommended that prior to the meeting he/she provide a Written Opinion on all items on the agenda of such meeting.

6.1.14. If, after the submission of a Written Opinion, a member of the BoD has an opportunity to participate in a BoD meeting by means of the Conference communication, or by personal attendance, the opinion expressed by such member of the BoD during the meeting of the BoD shall be taken into account, and the Written Opinion shall not be taken into account.

6.1.15. If a BoD member participates in a BoD meeting by means of the Conference communication and has provided a Written Opinion before the meeting, but the results of voting of such BoD member could not be determined on certain agenda items due to the Conference communication failures, or due to an inability of such BoD member to participate in voting, and if during the meeting the opinion of such BoD member on these items could not be received, then in vote counting on such issues, the Written Opinion previously submitted by such BoD member shall be taken into account.

6.1.16. If a member of the BoD participates in a BoD meeting by means of the

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 17 out of 30

Conference communication and has not submitted a Written Opinion, and the results of voting of such BoD member on certain agenda items could not be determined due to the conference communication failures, or due to an inability of such BoD member to participate in voting, and if during the BoD meeting the opinion of such BoD member on these items could not be received, then he or she shall be deemed not to have taken part in voting and determining a quorum on such issues. In this case, during a meeting of the BoD, such issue may be withdrawn from consideration on the initiative of any of the Participating Members.

6.1.17. For the purposes of clause 3.1.22 of the Regulation, a BoD member is considered to have taken part in a BoD meeting if he/she participated in the consideration of at least 75% of the items on the agenda of such meeting (including by submitting a Written Opinion).

6.1.18. In-person meetings of the BoD, as the most effective form, are appropriate when considering issues and making resolutions on particularly important, key, strategic issues of the Company’s activities.

6.1.19. When preparing the activity plan of the BoD, the number of meetings in absentia shall be minimal.

6.2. Convocation of the BoD meetings


6.2.1. The meeting of the BoD may be convened on the initiative of the Chairman of the BoD or the Management Board or at the request of:

- 1) any member of the BoD;
- 2) audit organization auditing the Company;
- 3) major shareholder;
- 4) Internal Audit Service of the Company.

6.2.2. Scheduled meetings of the BoD shall be convened by the BoD Chairman, in accordance with the annual activity plan of the BoD; extraordinary meetings shall be convened in accordance with the laws of the RoK, the Charter and the Regulation.

6.2.3. The Corporate Secretary shall prepare a request to convene a scheduled meeting of the BoD (hereinafter the “Request for Convocation”) based on the package of materials submitted to the Corporate Secretary in accordance with the established procedure.

6.2.4. The Request for Convocation of a scheduled BoD meeting shall be signed by the Chairman of the Management Board or his/her designated substitute the BoD member no later than 10 (ten) calendar days prior to the scheduled date of the BoD meeting. Only those items on the proposed BoD agenda, for which a full package of materials has been duly prepared and provided to the Corporate Secretary, shall be included in the Request for Convocation. A Request for Convocation shall be accompanied by a full package of materials on the agenda items. Materials submitted later than the established deadline shall be included by the Corporate Secretary in the Request for Convocation of the next meeting of the

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 18 out of 30

BoD.

6.2.5. For some categories of issues defined in the Charter of the Company, the process of forming the agenda of the BoD meeting and informing the BoD members may differ from the one specified in the Regulation.

6.2.6. The initiator of the issue forms a Request for Convocation of an extraordinary meeting of the BoD on the basis of the package of materials formed in accordance with the established procedure.

A Request for Convocation of an extraordinary meeting of the BoD accompanied by duly formed materials shall be signed by the Chairman of the Management Board or his/her designated substitute, and shall be duly submitted to the Chairman of the BoD and the Corporate Secretary not later than 7 (seven) calendar days before the planned date of the BoD meeting.

6.2.7. The Chairman of the BoD shall adopt a resolution on convening (or refusing to convene) the BoD meeting and notify the person making such request, within 3 (three) calendar days from the date of receipt of such Request for Convocation.

6.2.8. If the Chairman of the BoD refuses to convene the meeting, the initiator has the right to apply with this proposal to the Management Board which shall convene the BoD meeting.

6.2.9. The meeting of the BoD shall be convened by the Chairman of the BoD or the Management Board no later than ten calendar days after the receipt of the Request for Convocation.

6.2.10. The meeting of the BoD shall be held with the obligatory invitation of the person who has submitted the said Request for Convocation.

6.2.11. The Chairman of the BoD and the Management Board do not have the right to refuse to convene the meeting of the Company’s BoD, unless:


- 1) the Request for Convocation of the meeting does not comply with the legislation of the RoK, the Charter and (or) the Regulation;
- 2) the person who submitted the Request for Convocation does not have the right to request convocation of the BoD meeting;
- 3) if making decision on all issues proposed for consideration by the BoD does not fall within the exclusive competence of the BoD.

6.3. Notification of the BoD members on convening and holding a meeting of the BoD

6.3.1 Notification on the meeting of the BoD is signed by the Chairman of the BoD, and in case of his/her refusal to convene the meeting, by the Chairman of the Management Board.

6.3.2 The notification on the meeting of the BoD should contain information on the date, time and place of the meeting and its agenda.

The procedure for sending notification on holding a BoD meeting to members

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 19 out of 30

of the BoD shall be determined by the BoD.

6.3.3 Notification on the BoD meeting, as well as the necessary materials attached to it, are sent by the Corporate Secretary of the Company to the BoD members in writing or, as agreed with the BoD members, in any other convenient way (including by postal, facsimile, electronic or other communication) not later than 7 (seven) calendar days before the date of the meeting (and in case of an absentee vote - before the deadline for receiving ballots for absentee voting), except for cases provided for by the Charter of the Company.

6.3.4. Materials for the BoD meeting, sent to the BoD members include the following:

- 1) the agenda of the meeting with indication of speakers;
- 2) explanatory notes addressed to the BoD members prepared in accordance with the requirements established by a separate internal document approved by the BoD;
- 3) draft resolutions of the BoD;
- 4) draft documents;
- 5) extracts from decisions of the Management Board;
- 6) other additional documents, if any (presentations, copies of resolutions of state bodies, GMS, the BoD), reference materials, justifying the inclusion of these issues on the agenda, and so on.


Other requirements established by a separate internal document approved by the Board of Directors of the Company shall apply to materials on matters submitted for information.

6.3.5. Materials for the BoD meeting should include all information on agenda items necessary for the BoD to adopt reasonable resolutions, including an explanatory note with a brief description of the issue, disclosure of its economic (financial) importance to the Company, as well as possible benefits (losses) if resolutions are adopted or not adopted, with confirmation of the feasibility, expediency, effectiveness, and legality of the proposed resolution.

6.3.6. The explanatory note on the agenda issue for the BoD meeting shall be signed by a person entitled to request the convocation of a BoD meeting, and the draft resolution shall be initialed by the aforementioned person.

If the consideration of an issue is initiated by the Management Board, the explanatory note to the agenda item shall be signed and the draft resolution shall be initialed by the Chairman of the Management Board, and in the absence of the Chairman of the Management Board - by a person officially replacing him in accordance with the established procedure.

6.3.7. All issues to be resolved by the BoD, except for regulatory (procedural) issues and regular reporting submitted to the BoD, and other issues specified by the BoD, shall be reviewed in advance by the Compliance Service of the Company. Such categories of issues may be defined more precisely in an internal document of the Company approved by the BoD.

 КазМунайГаз <small>NATIONAL COMPANY УЛТТМҢ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 20 out of 30

6.3.8. If a member of the BoD is a foreign citizen who does not speak the state or Russian languages, the entire package of materials must be translated into English and signed by an employee of the structural unit of the Company who translated the documents.

6.3.9. The procedure of preparing materials to the BoD meeting, including the requirements for the quality of materials, their formatting, deadlines for preparation, approval and submission to the Corporate Secretary and other issues related to the preparation of materials for the BoD meeting shall be established by a separate internal document approved by the BoD.

6.3.10. Corporate Secretary shall ensure the timely provision of materials on agenda items to the BoD members.

6.3.11. Materials on the election of officers of the Company or its subsidiaries and affiliates shall contain the following information on the proposed candidates:

- 1) surname, name, patronymic;
- 2) information on education;
- 3) information on affiliation to the Company;
- 4) information on places of work and positions held over the past three years;
- 5) statement of the Compliance Service of the Company;
- 6) other information confirming the qualifications, experience of candidates.


6.3.12. Materials on the election of members of the Management Board shall include, in addition to the information specified in paragraph 6.3.11, a written consent of the candidate to hold the relevant position. In the absence of a written consent, the candidate shall personally attend the meeting of the BoD and give verbal consent to occupy the relevant position.

6.3.13. In case of consideration of a resolution on conclusion of a major transaction and (or) interested-party transaction, the information on the transaction shall include information on the parties to the transaction, on assets to be acquired or disposed of (if applicable), the period and conditions of the transaction, the nature and extent of the interests of the persons involved, the appraiser’s report (if the transaction will result in acquisition or alienation of property in the amount of 10% (ten percent) or more of the book value of the Company’s assets), and other details of the transaction if available.

6.3.14. The final formation of materials for the BoD meetings is carried out by the Corporate Secretary Service of the Company.

6.3.15. If the required materials are not submitted by the deadline indicated in the Regulation, Charter and (or) internal documents of the Company and (or) if they are not submitted in a proper form, the issue shall not be included in the agenda of the meeting and the requirements of clause 6.5.7 of the Regulations shall apply to such matter. **However, the requirements of this clause shall not be applied if an issue is being initiated by a member of the KMG BoD**

6.3.16. If a BoD member needs additional information or materials in the course of consideration of issues submitted to the BoD for decision-making, the

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 21 out of 30

Corporate Secretary shall take measures to present them by the interested structural subdivisions, the Management Board and the Internal Audit Service of the Company.

The BoD Chairman and the Corporate Secretary shall be responsible for providing the BoD members with enough information to enable the BoD members to make reasonable decisions on the items on the agenda of the BoD meeting.

6.4 Changing the place and time of the BoD meeting

6.4.1. In the event that it becomes impossible or difficult to hold the BoD meeting at a place or time, of which members of the BoD have been notified, the meeting on the planned agenda may be held at another place and (or) at another time.

6.4.2. All members of the BoD shall be notified in writing of the change in the place or time of the BoD in advance by the Corporate Secretary of the Company so that they have enough time to arrive at the meeting or to participate in it remotely.

6.4.3. Notification on changes is sent to BoD members in any form that guarantees receipt of the notification by a member of the BoD.

6.5 Agenda of the BoD meeting

6.5.1. At the BoD meeting, the resolutions are made on the issues included in the agenda of this meeting.


6.5.2. The agenda of a BoD meeting shall be formed by the Corporate Secretary and agreed upon by the BoD Chairman based on the annual activity plan of the BoD, initiatives of the Chairman of the BoD or the Management Board, or upon request (proposal, notification) of bodies (persons) having such right in accordance with the laws of the RoK and the Company Charter. In this case, the Corporate Secretary shall mandatorily indicate the presence or absence of an issue in the approved BoD activity plan for the relevant year when drafting the BoD meeting agenda. If an issue is provided for in the BoD activity plan for the relevant year, but no materials are provided and the issue is not included in the agenda of the relevant BoD meeting, the Corporate Secretary shall ask the responsible persons for the reason and indicate it in agenda of the BoD meeting for the BoD and the Management Board to take appropriate actions.

6.5.3. Approval of the agenda is carried out by a majority of votes of the BoD members participating in the meeting.

When the BoD adopts a resolution by absentee vote, the agenda may not be amended and (or) supplemented

6.5.4. The agenda of the in-person BoD meeting may be amended and (or) supplemented by a decision of the majority of the BoD members present at the BoD meeting and participating in the BoD meeting by means of the Conference communication.

6.5.5. The initiator of including an issue to the agenda may at any time, before a resolution is adopted, exclude his/her issue from the agenda, which is mandatorily

 КазМунайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 22 out of 30

recorded in the Minutes.

6.5.6. During any meeting of the BoD additional issues may be included and considered on the agenda, provided that:

1) the majority of Participating Members vote for the inclusion of such additional issues on the agenda,;

2) the Charter of the Company does not stipulate a special quorum requirement for making a decision on such additional issues (in this case, clause 6.5.8 of the Regulation shall apply)

6.5.7. In the event of inclusion of issues into the agenda in violation of time limits, the Chairman of the BoD shall be provided with an application, signed by the Chairman of the Management Board or his/ her designated substitute, for inclusion of an additional issue into the agenda of a forthcoming meeting of the BoD with exhaustive substantiation of such need. This process may be described in more detail in the Company’s internal document approved by the BoD.

6.5.8. In the course of any meeting of the BoD, additional issues, for the adoption of a resolution on which the Company’s Charter stipulate a special quorum requirement, may be included in the agenda of such meeting and be considered provided that:

- 2/3 (two-thirds) of the total number of the BoD members, including the majority of Independent Directors, vote in favor of including such additional items on the agenda.”

6.6 Rules of procedure of the BoD meetings


6.6.1. The meeting of the BoD begins at the time indicated in the notification, if there is a quorum, and is opened by the Chairman of the BoD or a member of the BoD performing his/her duties.

6.6.2. The quorum to hold the meeting of the BoD shall be at least half of the BoD members and shall be determined considering the Participating Members.

6.6.2.1. If the total number of the BoD members is not enough to achieve the quorum, the BoD is obliged to submit the issue of election (appointment) of new members of the BoD for consideration of the extraordinary GMS. The remaining BoD members are entitled to make a decision only on submitting such issue for consideration by such an extraordinary GMS.

6.6.2.2. The quorum to hold a BoD meeting on the issues specified in sub-clauses 1), 7), 9), 10-17), 26-37), 46-47), 49-50) of clause 106 of the Company Charter shall make two thirds of the BoD members, provided that a majority of independent directors attend the meeting.

6.6.2.3. If the total number of the BoD members is insufficient to achieve a quorum as defined in the preceding paragraph of this clause, consideration of such issues shall be postponed to the next BoD meeting. When reconsidering the issues

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 23 out of 30

specified in the previous paragraph of this clause, the requirements to the quorum and the number of independent directors shall not apply.

6.6.3. The presence of the quorum to hold a BoD meeting and make decisions on the issues on the agenda of such a BoD meeting is determined by the Chairman of the BoD or a member of the BoD, performing his/her duties, before the start of the meeting.

6.6.4. In the absence of the quorum to hold a Meeting, the BoD Chairman or a member of the BoD performing his/her duties, announces the postponement of the meeting for a period not exceeding 14 (fourteen) calendar days.

6.6.4.1 If there is no quorum to make a decision on an item on the agenda of a meeting that has a special quorum requirement under the Company’s Charter, such item shall be excluded from the agenda of such meeting of the BoD.

6.6.5. The BoD Chairman or a member of the BoD performing his/her duties, informs present persons about the presence of the quorum for holding the meeting of the BoD and announces the agenda of the BoD meeting and reports on the presence of a quorum for decision-making on all issues on the agenda of such BOD meeting.


6.6.6. If during a BoD meeting, a BoD member proposes to give an instruction to the Management Board and (or) Company officers, its wording must be clear, indicating the terms, responsible persons and must be included in the BoD resolution on the agenda item in question; and if the instruction is proposed without regard to the agenda item, such instruction must be supported by the majority of the BoD members participating in the BoD meeting by personal attendance or by means of the Conference communication and be reflected in the Minutes of the BoD meeting.

6.6.7. The meeting of the BoD includes the following stages:

- 1) approval of the meeting agenda;
- 2) speech of a member of the BoD or an invited person with a report on the agenda item;
- 3) discussion of the agenda item;
- 4) proposals on the formulation of a resolution on the agenda item, including detailed uttering of comments and instructions from the BoD members;
- 5) counting of votes and tabulation of voting results;
- 6) announcement of the results of voting, and in case of changes to the draft resolution contained in the materials on the issue under consideration - detailed voicing of the wording of the amended resolution; moreover, the Minutes shall reflect that the BoD members who participated in the BoD meeting only through a Written Opinion voted for the originally submitted draft resolution and the results of voting are summarized with this in mind.

6.6.8. The BoD has the right to decide to hold a closed meeting in which only members of the BoD can participate.

6.6.9. Representatives of the audit organization that conducted the audit of the Company, employees of the Internal Audit Service of the Company, members of the

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 24 out of 30

Management Board of the Company, employees of the Company, as well as other persons may be invited to meetings of the BoD.

6.7. Voting at an in-person meeting of the BoD

6.7.1. When adopting resolutions by the BoD, the Participating Members have the right to express their opinion on the agenda items by voting.

6.7.2. The in-person form, subject to the specifics defined in clause 6.1.9 of the Regulation, is implemented through the personal presence of BoD members at meetings, as well as through the Conference communication. A person participating in this manner shall be deemed to be a Participating Member and, in accordance with the Charter, shall be entitled to vote and be counted in the quorum.

6.7.3. If a member of the BoD cannot personally attend the meeting or participate by means of the Conference communication, he/she has the right to provide a Written Opinion on the items of the agenda. This right shall be exercised subject to the restrictions stipulated in paragraph 6.1.9 of the Regulation.

6.7.4. The Written Opinion shall contain:

- 1) the number and date of the BoD meeting
- 2) the agenda on which the opinion of the absent member of the BoD is expressed by sending a Written Opinion;
- 3) a clearly expressed position on each agenda item by choosing one of the three voting options: “for” / “against” / “abstained”;
- 4) the date and signature of the member of the BoD;
- 5) other information related to the agenda at the discretion of the BoD member.

6.7.5. The Written Opinion of a member of the BoD may be forwarded to the BoD Chairman and the Corporate Secretary in any form that guarantees receipt of such written opinion and determining the date and time of its receipt.


6.7.6. The Written Opinion submitted by a member of the BoD shall be taken into account when calculating the quorum and voting results, and shall be filed with the Minutes of the meeting.

6.7.7. The Written Opinion shall be submitted by a member of the BoD prior to the start of the BoD meeting.

6.7.8. The Chairman of the BoD or a member of the BoD, performing his/her duties, is obliged to read out the Written Opinions of the BoD members who are absent at the meeting of the BoD before voting on the agenda items on which these opinions are presented.

If the member of the BoD who previously submitted a Written Opinion on the agenda arrives to participate and vote at a BoD meeting, at which mixed voting is used, then the procedure for such voting shall be carried out in accordance with clauses 6.1.14, 6.1.15 and 6.1.16 of the Regulation.

6.7.9. When voting on the agenda items at the meeting of the BoD, each member of the BoD has one vote.

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 25 out of 30

6.7.10. Transfer of voting rights by a member of the BoD to another person, including another BoD member, is not allowed

6.7.11. In cases when the BoD shall adopt a resolution on an interested-party transaction, the required quorum for an authorized meeting of the BoD shall be at least 2 (two) members of the Board of Directors who are not interested (or are considered to be uninterested) in such transaction. The resolution to conclude such a transaction by the Company shall be made by a simple majority of votes of the Participating Members who are not interested in its conclusion. If all members of the BoD, except for independent directors, are interested in such a transaction, the resolution is adopted by a simple majority of votes of independent directors.

6.7.12. The decision on the conclusion of an interested-party transaction by the Company is taken by the GMS in the following cases:

- 1) if all members of the BoD are stakeholders;
- 2) the inability of the BoD to adopt a resolution on the conclusion of such a transaction due to the lack of the number of votes necessary to adopt a resolution.

6.8. Making decisions by the BoD

6.8.1. The BoD resolutions on the items of the agenda approved for the BoD meeting are adopted in the following ways:

- 1) by voting in person;
- 2) by an absentee voting.

6.8.2. Resolutions of the BoD are adopted by a simple majority of votes of the BoD members (except as otherwise provided by the Charter of the Company) who are present at the meeting or have submitted a Written Opinion or have taken part in an absentee vote, unless otherwise provided by the legislation of the RoK.


6.8.3. In case of equality of votes, the vote of the Chairman of the BoD or a BoD member, performing his/her duties, is decisive.

6.8.4. To adopt effective and timely resolutions by the BoD, it is necessary to ensure compliance with the following factors:

- 1) high quality of materials, information, documents provided to the Board of Directors, including translation into English if necessary;
- 2) obtaining the experts opinion (internal and external) if necessary (it should be noted that the involvement of experts does not relieve the BoD from the responsibility for resolutions adopted);
- 3) the time devoted to discussions on the BoD meeting, especially for important and complex issues;
- 4) timely consideration of issues;
- 5) the resolutions should include a plan of further actions, deadlines and responsible persons.

6.8.5. The following factors may adversely affect the quality of resolutions of the BoD:

- 1) the dominance of one or several directors at the meeting, which may limit

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 26 out of 30

the full participation in the discussions of other directors;

- 2) formal attitude to risks;
- 3) the pursuit of personal interests and low ethical standards;
- 4) formal decision making at the BoD meeting, without real and active discussions;
- 5) the position of uncompromising (lack of flexibility) or lack of desire for development (contentment of the current situation);
- 6) weak organizational culture;
- 7) lack of information and/or analysis;
- 8) vague wording of resolutions, insufficiently detailed announcement of the voting results and the resolutions adopted on each issue, including in terms of instructions of the BoD;
- 9) a significant number of issues on the agenda of the meeting (more than 20);
- 10) late submission of materials for BoD meetings and, as a consequence, insufficient time to properly study the issues on the agenda, especially when the number of agenda items is more than 20.

6.9. Minutes of an in-person meeting of the BoD

6.9.1. Resolutions of the BoD that were made at the meeting held in person are documented in the Minutes. The Minutes of the meeting of the Board of Directors shall be executed in accordance with the Charter of the Company, the Regulation, and other applicable internal documents of the Company.


6.9.2. The Minutes of the meeting of the BoD are kept by the Corporate Secretary of the Company.

6.9.3. The Minutes of the meeting of the BoD shall be drawn up by the Corporate Secretary and signed by the person who chaired the meeting and the Corporate Secretary no later than 7 (seven) days after its holding.

6.9.4. The Minutes of the meeting shall include:

- 1) full name and location of the Company’s Management Board;
- 2) date, time and place of the meeting;
- 3) information on the persons participating in the meeting;
- 4) agenda of the meeting;
- 5) issues put to vote and voting results, indicating the voting result of each member of the BoD on each item on the agenda of the BoD meeting;
- 6) special opinions of the BoD members (if any);
- 7) resolutions adopted;
- 8) other information by resolution of the BoD.

6.9.5. B In case of disagreement with the resolution of the BoD, a member of the BoD has the right to request that his/her disagreement be recorded in the Minutes of the meeting.

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 27 out of 30

6.9.6. If a member of the BoD “abstained” on an issue submitted to the BoD for consideration, the Minutes of the meeting (absentee voting decision) of the BoD shall indicate the reason for such voting

6.9.7. A BoD member who is interested in an issue submitted to the BoD for consideration shall not participate in the discussion and voting on the issue in question, which is recorded in the Minutes of the BoD meeting.

6.9.8. The Minutes of the BoD meeting shall be signed by the BoD Chairman or a member of the BoD, performing his/her functions, and the Corporate Secretary.

6.9.9. The audio and / or video recording of the BoD meeting that contain the speeches of persons who participated in the BoD meeting can be attached to the signed Minutes.

6.9.10. The Company is obliged to keep the Minutes of meetings and resolutions of the BoD made by in-person and absentee voting in the archive of the Company.

The Corporate Secretary shall ensure proper storage of the Minutes of the BoD meetings and materials thereto, including timely preparation and transfer of documents to the Company’s archive in accordance with the established procedure, subject to the proper confidentiality regime.


6.9.11. The Corporate Secretary of the Company, upon the written request of a member of the BoD, is obliged to provide him/her with the Minutes of the meeting of the BoD (BoD Committees) for review and/or issue him/her extracts from the Minutes and resolutions certified by the signature of the Corporate Secretary of the Company and the seal of the BoD of the Company within 10 (ten) working days from the date of receipt of such a request subject to the proper confidentiality regime. The Corporate Secretary of the Company, upon the written request of a structural subdivision of the Company, shall provide originals of documents for review as well as extracts from the Minutes (resolutions) certified by the signature of the Corporate Secretary of the Company and the seal of the BoD of the Company’s BoD within 10 (ten) working days subject to the proper confidentiality regime

6.9.12. The Corporate Secretary shall prepare extracts from the Minutes of a meeting agreed upon by the BoD Chairman. Formation, registration and subsequent issue of extracts and excerpts (upon request) from the Minutes of the BoD meeting shall be performed by the Corporate Secretary Service in accordance with the procedure established by the internal document of the Company approved by the BoD of the Company.

6.9.13. A member of the BoD who did not participate in the meeting of the BoD or who voted against a resolution of the BoD that breaches the procedure established by the legislation of the RoK and the Charter of the Company, has the right to challenge it in court.

6.10. Decision-making by the BoD by absentee voting

6.10.1. At the discretion of the Chairman of the BoD, decision-making by the

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 28 out of 30

BoD on issues submitted for its consideration is possible by absentee voting. Absentee voting does not provide for discussion and interactive exchange of opinions on items on the agenda. However, its results are documented in the Minutes of the BoD meeting. The Charter of the Company determines the range of issues on which absentee voting is not carried out.

6.10.2. Resolutions cannot be made by absentee voting on the issues specified in sub-clauses 1), 7), 9), 11-18), 20), 22), 23-30), 33-36), 40- 42), 47), 49), 53-54) of clause 106 of the Company Charter.

6.10.3. If an absentee vote is required, the Corporate Secretary shall prepare a request for a decision to be taken by absentee vote (hereinafter referred to as a Request) based on a set of materials provided to the Corporate Secretary in accordance with the established procedure. At that, such package of materials shall contain the necessary justifications for the BoD to adopt resolutions by absentee voting (including the urgency and immediacy of the issues, the lack of the need to discuss them, and other explanations), as well as a proposed deadline for adopting resolutions. The Request shall contain a list of issues on which it is proposed to adopt a resolution by absentee voting, and the full package of materials on such issues shall be attached to the Request.


6.10.4. The Request shall be sent to the Chairman of the BoD in a way that guarantees its receipt. After the Chairman of the BoD approves the Request, the Corporate Secretary shall send the Request to the members of the BoD in a way that guarantees its receipt.

6.10.5. Within 3 (three) days after the Corporate Secretary sends the Request, the BoD members may send to the Corporate Secretary their objections to the decision by absentee voting on some or all issues proposed in the Request.

6.10.6. If a member of the BoD has comments (proposals, additions) on the documents and/or wording of draft resolutions on issues put to an absentee vote, or if in the opinion of a member of the BoD a proposed issue should be considered at an in-person meeting of the BoD, such member of the BoD may send an objection to the Corporate Secretary by a method guaranteeing its receipt. If at least one member of the BoD objects to consideration of an item through the absentee voting, the item shall be included on the agenda of the next in-person meeting. In this case, if the Request includes several issues on which it is proposed to adopt a resolution by absentee voting, the resolutions on them shall be adopted with account of the objections received from the BoD members.

6.10.7. Ballots are used for absentee voting on issues on the agenda of the meeting. The ballot for absentee voting shall be sent by the Corporate Secretary of the Company to the BoD members no later than 7 (seven) calendar days before the date of counting of votes for absentee voting with a notice of its conduct.

6.10.8. The ballot for absentee voting and other information (materials) shall be sent to the BoD members via postal/electronic or other communications, or

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 29 out of 30

handed out personally. The date and time of the beginning and end of the receipt of ballots shall be indicated on the ballot.

6.10.9. The resolution by absentee voting shall be deemed adopted if there is a quorum according to the ballots received in due time.

6.10.10. The resolution by absentee voting must be made in writing and signed by the Chairman of the BoD and the Corporate Secretary of the Company no later than 7 (seven) working days after the deadline set for receiving ballots for absentee voting and must contain the following:

- 1) full name and location of the Management Board of the Company;
- 2) date and form of the meeting of the BoD;
- 3) information on persons whose ballots were received on time;
- 4) agenda of the BoD meeting;
- 5) issues put to vote, and wording of resolutions on each issue, and the results of voting on them, indicating the voting result of each member of the BoD on each item on the agenda of the BoD meeting;
- 6) dissenting opinions of the BoD (if any);
- 7) resolutions adopted.

6.10.11. Resolutions adopted by the BoD by absentee voting and the results of absentee voting shall be sent by the Corporate Secretary of the Company to the BoD members no later than 20 (twenty) calendar days from the date of signing the resolution with the application of ballots based on which this resolution was made.

6.10.12. A ballot for the absentee vote must be signed by a member of the BoD. A ballot without a signature shall be deemed invalid.


6.10.13. When counting the votes, the votes shall be counted for those issues on which a member of the BoD complied with the voting procedure specified in the ballot and marked only one of the possible voting options.

6.11. Control over execution of resolutions of the Board of Directors

6.11.1. The BoD shall control execution of its own resolutions through consideration of reports of the Management Board, Chairmen of the BoD Committees, Internal Audit Service, the Corporate Secretary on execution and (or) progress in execution of the BoD resolutions, which are submitted for each meeting of the BoD, unless other terms are specified by the BoD.

6.11.2. The Corporate Secretary shall inform the Management Board, services accountable to the BoD, and responsible structural subdivisions of adopted resolutions and relevant instructions and informs the BoD of deadlines on implementation status of the BoD resolutions.

6.11.3. By results of consideration of submitted report, the BoD shall be entitled within its competence to give relevant instructions.

 КазМұнайГаз <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	Regulation on the Board of Directors of JSC “National Company “KazMunayGas”	
Regulation	KMG-PL-4134.1-19	p. 30 out of 30

7. Procedure for making amendments and additions to the Regulation

7.1. In case of contradictions between the provisions of the Regulation and the legislation of the RoK, the Charter of the Company, the Corporate Governance Code of the Company, the Regulation shall be valid in the part not contradicting the provisions of the legislation of the RoK, the Charter of the Company, the Corporate Governance Code of the Company.

7.2. The provisions of the Company Charter shall apply to the extent not governed by the Regulation.

7.3. The Regulation shall enter into force on the date of its approval by the GMS in the manner established by the legislation of the RoK and internal documents of the Company.

7.4. Amendments and (or) additions to the Regulation shall be made by decision of the GMS in accordance with the procedure established by the legislation of the RoK and the internal documents of the Company.

Comparative table

№	Current edition of the Regulation on the BoD	Amendments proposed	Note
1	1.3. The Board of Directors is the management body of the Company accountable to the entity holding all the voting shares of the Company / General Meeting of the Shareholders of the Company (hereinafter referred to as the GMS) ensuring general management of the Company and control over the operations of the collegial executive body of the Company (hereinafter referred to as the Management Board). Resolutions of the BoD are adopted in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as the RoK), the Company Charter, the Corporate Governance Code of the Company, and the Regulation.	1.3. The Board of Directors is the management body of the Company accountable to the General Meeting of the Shareholders of the Company (hereinafter referred to as the GMS) ensuring general management of the Company and control over the operations of the collegial executive body of the Company (hereinafter referred to as the Management Board). Resolutions of the BoD are adopted in the manner determined by the legislation of the Republic of Kazakhstan (hereinafter referred to as the RoK), the Company Charter, the Corporate Governance Code of the Company, and the Regulation.	
2	1.5. The BoD shall be responsible to the GMS for the general management of the Company. Resolutions of the GMS adopted within its competence shall be binding on the BoD. The BoD shall annually report on its activities to the GMS by submitting a report on its work for the past year.	1.5. The BoD shall be responsible to the GMS for the general management of the Company. Resolutions of the GMS adopted within its competence shall be binding on the BoD. The BoD shall annually report on its activities to the GMS by submitting a report on its work for the past year, through including it in the Company's Annual Report.	
3	3.3.1.2. The activities of all Committees are governed by the Company's internal documents approved by the BoD, which contain provisions on the composition, competence, procedure for electing Committee members, Committee operating procedures, and the rights and responsibilities of Committee members.	3.3.1.2. The activities of all Committees are governed by the Company's internal documents approved by the BoD, which contain provisions on the composition, competence, procedure for electing Committee members, Committee operating procedures, and the rights and responsibilities of Committee members, functions, powers, and the process of organization of the Committees' work.	

4	<p>3.3.2.6. The functions, powers, number of members and process of arrangement of the activities of the Committees are specified in the relevant regulations and approved by the BoD.</p>	Excluded.	
5	<p>3.3.2.7. The Chairmen of the Committees prepare a report on activities of the Committees and report to the BoD at separate meetings on the year results, and also report at each BoD meeting (except for meetings in absentia), if it was preceded by meetings of the Committees, on issues previously reviewed by the Committees.</p> <p>3.3.2.8. The Chairman of the BoD is entitled to request the Committees to provide information of their activities during the year.</p>	<p>3.3.2.6. The Chairmen of the Committees prepare a report on activities of the Committees and report to the BoD at separate meetings on the year results, and also report at each BoD meeting (except for meetings in absentia), if it was preceded by meetings of the Committees, on issues previously reviewed by the Committees.</p> <p>3.3.2.7. The Chairman of the BoD is entitled to request the Committees to provide information of their activities during the year.</p>	
6	<p>6.2.9. The meeting of the BoD shall be convened by the Chairman of the BoD or the Management Board no later than 15 (fifteen) working days after the receipt of the Request for Convocation.</p>	<p>6.2.9. The meeting of the BoD shall be convened by the Chairman of the BoD or the Management Board no later than ten calendar days after the receipt of the Request for Convocation.</p>	
7	<p>6.3.6. The explanatory note on the agenda issue for the BoD meeting shall be signed by a person entitled to request the convocation of a BoD meeting, and the draft resolution shall be initialed by the aforementioned person.</p> <p>If the consideration of an issue is initiated by the Management Board, the explanatory note to the agenda item shall be signed and the draft resolution shall be initialed by the Chairman of the Management Board.</p>	<p>6.3.6. The explanatory note on the agenda issue for the BoD meeting shall be signed by a person entitled to request the convocation of a BoD meeting, and the draft resolution shall be initialed by the aforementioned person.</p> <p>If the consideration of an issue is initiated by the Management Board, the explanatory note to the agenda item shall be signed and the draft resolution shall be initialed by the Chairman of the Management Board, and in the absence of the Chairman of the Management Board - by a person officially replacing him in accordance with the established procedure.</p>	
8	<p>6.3.15. If the required materials are not submitted by the deadline indicated in the Regulation, Charter</p>	<p>6.3.15. If the required materials are not submitted by the deadline indicated in the Regulation, Charter</p>	

	and (or) internal documents of the Company and (or) if they are not submitted in a proper form, the issue shall not be included in the agenda of the meeting.	and (or) internal documents of the Company and (or) if they are not submitted in a proper form, the issue shall not be included in the agenda of the meeting and the requirements of clause 6.5.7 of the Regulations shall apply to such matter. However, the requirements of this clause shall not be applied if an issue is being initiated by a member of the KMG BoD.	
9	6.5.4. During any meeting of the BoD at which 2/3 (two-thirds) of the total membership of the Board of Directors is present, additional items may be put on the agenda and considered, provided that all members of the BoD present vote for their inclusion on the agenda. The agenda of the BoD meeting shall not be changed after the BoD members have been notified of the BoD meeting, except for the changes specified in subparagraphs 6.5.5 and 6.5.6 of paragraph 6.5 of the Regulations.	6.5.4. The agenda of the in-person BoD meeting may be amended and (or) supplemented by a decision of the majority of the BoD members present at the BoD meeting and participating in the BoD meeting by means of the Conference communication.	
10	6.5.6. During any meeting of the BoD, which is attended by 2/3 (two thirds) of the total membership of the BoD by being present or by means of the Conference-communication, additional issues may be included and considered on the agenda, provided that all present BoD members vote for their inclusion on the agenda, with exception of cases when an in-person meeting of the BoD is held with the use of Written Opinions of the BoD members not participating in the meeting of the BoD by being present or by means of the Conference communication.	6.5.6. During any meeting of the BoD additional issues may be included and considered on the agenda, provided that: 1) the majority of Participating Members vote for the inclusion of such additional issues on the agenda; 2) the Charter of the Company does not stipulate a special quorum requirement for making a decision on such additional issues (in this case, clause 6.5.8 of the Regulation shall apply).	
11	Not available	6.5.8. In the course of any meeting of the BoD, additional issues, for the adoption of a resolution on which the Company's Charter stipulate a special	

		<p>quorum requirement, may be included in the agenda of such meeting and be considered provided that:</p> <ul style="list-style-type: none"> - 2/3 (two-thirds) of the total number of the BoD members, including the majority of Independent Directors, vote in favor of including such additional items on the agenda. 	
12	6.6.2.2. The quorum to hold a BoD meeting on the issues specified in sub-clauses 1), 5), 6), 8-15), 22-34), 43), 49), 50), 52) and 53) of clause 98 of the Company Charter shall make two thirds of the BoD members, provided that a majority of independent directors attend the meeting.	6.6.2.2. The quorum to hold a BoD meeting on the issues specified in sub-clauses 1), 7), 9), 10-17), 26-37), 46-47), and 49-50) of clause 106 of the Company Charter shall make two thirds of the BoD members, provided that a majority of independent directors attend the meeting.	
13	6.6.3. The presence of the quorum is determined by the Chairman of the BoD or a member of the BoD, performing his/her duties, before the start of the meeting.	6.6.3. The presence of the quorum to hold a BoD meeting and make decisions on the issues on the agenda of such a BoD meeting is determined by the Chairman of the BoD or a member of the BoD, performing his/her duties, before the start of the meeting.	
14	6.6.4. In the absence of the quorum, the BoD Chairman or a member of the BoD performing his/her duties, announces the postponement of the meeting for a period not exceeding 14 (fourteen) calendar days.	6.6.4. In the absence of the quorum to hold a Meeting , the BoD Chairman or a member of the BoD performing his/her duties, announces the postponement of the meeting for a period not exceeding 14 (fourteen) calendar days.	
15	Not available	6.6.4.1 If there is no quorum to make a decision on an item on the agenda of a meeting that has a special quorum requirement under the Company's Charter, such item shall be excluded from the agenda of such meeting of the BoD.	
16	6.6.5. The BoD Chairman or a member of the BoD performing his/her duties, informs present persons about the presence of the quorum for holding the meeting of the BoD and announces the agenda of	6.6.5. The BoD Chairman or a member of the BoD performing his/her duties, informs present persons about the presence of the quorum for holding the meeting of the BoD and announces the agenda of	

	the BoD meeting.	the BoD meeting and reports on the presence of a quorum for decision-making on all items on the agenda of such BOD meeting.	
17	6.10.2. Resolutions cannot be made by absentee voting on the issues specified in sub-clauses 1), 5), 7), 9-16), 19, 21-26), 30-33), 37-40), 42), 43), 45), 50), 52), 56-58) of clause 98 of the Company Charter.	6.10.2. Resolutions cannot be made by absentee voting on the issues specified in sub-clauses 1), 7), 9), 11-18), 20), 22), 23-30), 33-36), 40- 42), 47), 49), 53-54) of clause 106 of the Company Charter.	