

**APPROVED**

by resolution of the body, owning all the voting  
shares of  
JSC NC “KazMunayGas”  
(resolution of the Board of Management of JSC  
“Samruk-Kazyna”  
dated “22” 2016)  
(minutes No.13/16)

**CHARTER**

**of Joint Stock Company  
“National Company “KazMunayGas”**

**Astana, 2016**

## **ARTICLE 1. LEGAL STATUS OF KMG**

1. Joint Stock Company “National Company “KazMunayGas” (hereinafter – KMG) was incorporated in line with Decree #811 of the President of the Republic of Kazakhstan “About Measures on Further Securing the State Interests in the Oil and Gas Sector of the Republic of Kazakhstan” dated of February 20, 2002 and Decree #248 of the Government of the Republic of Kazakhstan (dated of February 25, 2002) “About Measures on Implementation of Decree #811 of the President of the Republic of Kazakhstan of February 20, 2002”.

KMG is the successor of rights and obligations of Closed Joint Stock Companies “National Oil-and-Gas Company “Kazakhoil” and “National Company “Transportation of Oil and Gas”.

2. KMG is a legal entity in compliance with legislation of the Republic of Kazakhstan and carries out its activity in line with the Civil Code of the Republic of Kazakhstan, the Law of the Republic of Kazakhstan “About Joint Stock Companies” (hereinafter – the Law) and other normative legislative acts of the Republic of Kazakhstan (hereinafter referred to as the Laws), as well as the present Charter (hereinafter – the Charter) and KMG Code of Corporate Governance.

3. KMG shall acquire the status of a legal entity as of the moment of its state registration with judicial authorities.

4. KMG shall carry out its financial and production activity on the self-supporting basis.

5. KMG shall have its independent balance, bank accounts, and a stamp specifying the full name of KMG in the state and Russian languages.

6. KMG shall have its trademark and may have other symbols, specimens of which should be approved by KMG’s Management Board and registered in accordance with the established procedure, as well as stamps in the state and Russian languages, corporate letterheads, and other details.

## **ARTICLE 2. NAME, ADDRESS AND TERM OF KMG’S ACTIVITY**

7. KMG name:

the full name in the state language – «ҚазМұнайГаз» ҰЛТТЫҚ КОМПАНИЯСЫ» АКЦИОНЕРЛІК ҚОҒАМЫ, the short name – «ҚазМұнайГаз» ҰК АҚ;

the full name in the Russian language – акционерное общество «Национальная компания «КазМунайГаз», the short name - АО НК «КазМунайГаз»;

the full name in the English language – joint stock company «National company «KazMunayGas», the short name – JSC NC «KazMunayGas».

8. The address of KMG (its Management Board): 19 Kabanbai Batyr Ave., Astana, Republic of Kazakhstan, 010000.

9. The term of KMG’s activity is perpetual.

## **ARTICLE 3. KMG FOUNDER AND SOLE SHAREHOLDER**

10. The founder of KMG is the Government of the Republic of Kazakhstan represented by the Committee for State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan.

The Shareholders of KMG is Joint Stock Company Sovereign Wealth Fund “Samruk-Kazyna” (hereinafter – the Fund) and the Republican governmental agency “National Bank of the Republic of Kazakhstan”.

#### **ARTICLE 4. KMG CONSTITUENT DOCUMENTS**

11. The present Charter shall be the constituent document of KMG.

12. All the interested parties shall be entitled to familiarize with the Charter.

#### **ARTICLE 5. GOAL AND SUBJECT OF KMG’S ACTIVITY**

13. The KMG goal is receiving net profit in the course of carrying out its independent economic activity.

14. The subject of KMG’s activity shall be as follows:

1) participation in implementation of the uniform state policy in the oil and gas sector;  
2) securing efficient and rational development of oil and gas resources of the Republic of Kazakhstan under instruction of the authorized state agencies;

3) participation in development of a strategy for use, reproduction, and further increase of oil and gas resources;

4) representation, in accordance with the procedure established by the Laws, of the state interests in contracts with contractors conducting oil and gas operations through obligatory share participation;

5) participation in development of annual reports to the Government of the Republic of Kazakhstan on implementation of relevant contracts for conducting oil operations;

6) conducting oil operations jointly with tender winners through the share participation in contracts by resolution of the Government of the Republic of Kazakhstan;

7) conducting oil operations on blocks provided to KMG on the basis of direct negotiations;

8) participation in arrangement of tenders for oil and gas operations within the territory of the Republic of Kazakhstan;

9) corporate governance and monitoring of issues of carrying out exploration, development, production, services for conduct of oil operations, processing, petrochemical activity, sales, and transportation of hydrocarbons, designing, construction, and operation of oil and gas pipelines and oil and gas field infrastructure by companies whose packages of shares/ participation shares expressly or implicitly belong to KMG;

10) participation in accordance with the procedure established by the Law of the republic of Kazakhstan in domestic and international projects of the Republic of Kazakhstan for conducting oil and gas operations;

11) technological monitoring of field development;

12) services on oil and gas transportation by all modes of transport;

13) processing, sales and marketing, in accordance with the established procedure, of hydrocarbons and derivatives at the domestic and foreign markets;

14) participation in designing, financing, construction, ownership and operation of oil and gas pipeline system within the territory of the Republic of Kazakhstan and neighbouring states (inclusive of the facilities for storage, loading and transshipment to other modes of transport), used for hydrocarbons transportation;

15) arrangement of financing of projects related to KMG's activity;

16) provision of credits (loans) in cash to the entities entering the Fund group on conditions of repayment, interest payment and maturity;

17) participation, in accordance with the established procedure, in all the domestic and international projects of the Republic of Kazakhstan for hydrocarbons transportation;

18) development and introduction of new technologies in oil and gas sector;

19) participation in development and execution of the country's program documents in the oil/gas and petrochemistry sectors;

20) under instruction of a state agency, managing and administering the oil and gas industry, functioning as its working body and representation and protection of the state interests in the oil and gas sector;

21) support and participation in various programs aimed at training, retraining, and development of competence of the national work force;

22) conducting negotiations and concluding contracts for conducting oil, gas and other operations;

23) carrying out foreign economic activity;

24) rendering consulting and technical services on development of oil and gas projects;

25) carrying out of project appraisal and approving of technical feasibility of projects related to KMG's activity;

26) carrying out other activities not prohibited by the laws of the Republic of Kazakhstan, and technologically interconnected with the activity provided for in the Charter, and under instructions of Head of the State, and Government of the Republic of Kazakhstan.

The activities, which require certain licenses or any other permits to be obtained in accordance with the procedure established by the Laws, should be carried out only after obtaining relevant licenses or other permits.

## **ARTICLE 6. KMG RIGHTS AND OBLIGATIONS**

15. KMG shall have all the rights and bear all the obligations specified by the Laws.

16. KMG shall have its own property separated from the property of its Shareholders. KMG shall not bear liability for obligations of its Shareholders.

17. The KMG Shareholders shall not be liable for KMG but shall bear risks of losses related to KMG's activity, within the limits of the value of shares owned by them, except for the cases specified by the legislative acts of the Republic of Kazakhstan.

18. KMG shall bear liability for its obligations within the limits of its property.

19. KMG shall not be liable for the state; likewise the state shall not be liable for KMG.

20. KMG may, in its own name, enter into transactions (conclude contracts and agreements), acquire property and personal non-property rights and obligations, and act as a plaintiff or a defendant in the court, and carry out other legitimate activities.

21. KMG may acquire and provide rights for ownership and use of titles of protection, technologies, know-how and other information.

22. KMG may establish its branches and representation offices in the Republic of Kazakhstan and abroad, allot fixed and circulating assets to them at the cost of its own property and determine the procedure for conducting their activity in line with the Laws. The property of a branch or representation office shall be included in their own separate balance sheet and in KMG balance sheet as a whole.

23. The activity of branch or representation offices shall be managed by persons appointed by the Chairman of KMG's Management Board. Heads of branch or representation offices shall act on the basis of the Power of Attorney issued by KMG.

24. KMG shall independently solve all the issues related to planning production activity, labour remuneration, maintenance supply, social development, allocation of profit, recruitment, personnel placing and retraining.

25. KMG shall be entitled to open, in accordance with the established procedure, accounts in banks and other financial institutions, located within the territory of the Republic of Kazakhstan and abroad, both in the national and foreign currency.

26. KMG shall be entitled to receive loans and use credit facilities in Tenge and foreign currency in line with the Laws.

27. KMG shall develop and approve of its internal normative and technical documentation.

28. The Chairman of KMG's Management Board shall coordinate with the Chairman of KMG's Board of Directors business trips of the Chairman of KMG's Management Board abroad and shall notify the Chairman of KMG's Board of Directors on business trips of members of KMG's Management Board.

29. KMG may have other rights and bear other liabilities specified by the Laws and the Charter.

## **ARTICLE 7. RIGHTS AND OBLIGATIONS OF KMG SHAREHOLDERS**

30. KMG Shareholders shall be entitled:

1) to participate in KMG management in accordance with the procedure established by the Laws and/or the Charter;

2) to collect dividends;

3) to receive information about KMG's activity, as well as the data on affiliated companies, inclusive of confidential information, not later than ten days as of the moment of inquiry receipt by KMG, unless otherwise is specified by the inquiry, and to familiarize with KMG financial statements, in accordance with the procedure established by the Law or the Charter;

4) to receive extracts from KMG's registrar or nominal Shareholder certifying their property right for KMG's securities;

5) to propose candidates for the General Meeting of Shareholders to be elected to KMG Board of Directors;

6) to contest in the courts resolutions adopted by KMG bodies;

7) to address written inquiries to KMG on its activity and receive reasoned answers within the established term;

8) to receive a part of KMG's property in case of its liquidation;

9) to enjoy its pre-emption right with regard to KMG shares or other securities convertible into its shares, in accordance with the procedure established by the Law, except for the cases specified by legislative acts of the Republic of Kazakhstan.

10) to call for an extraordinary General Meeting of Shareholders or file actions with a court in case of denial of the Board of Directors to convene the General Meeting of Shareholders;

11) to propose KMG's Board of Directors including of issues for submitting for consideration by the General Meeting of Shareholders in line with the Law;

12) to demand convening of a meeting of the Board of Directors;

13) to demand carrying out KMG auditing, at KMG own costs, by an audit agency;

14) to initiate decision making on issues referred to the competence of the General Meeting of Shareholders.

15) to participate in decision making on adjustment of KMG shares quantity or their type in the order prescribed by the law at the General Meeting of Shareholders.

31. The Shareholders may have other rights specified by the Laws and the Charter.

32. The KMG Shareholders shall be obliged:

1) to pay for shares in accordance with the procedure established by the Laws and the Charter;

2) to inform, within ten days, KMG's registrar and nominal holder of shares owned by this Shareholder, on alteration of data required for maintenance of the system of registers of KMG Shareholders;

3) not to disclose the official, commercial or any other information, protected by the Laws, on KMG or its activity;

4) to perform other duties in line with the Law and other legislative acts of the Republic of Kazakhstan.

33) KMG and KMG's registrar shall bear no responsibility for the consequences of a failure to perform the requirements set by sub-item 2) of item 32 of this article.

## **ARTICLE 8. KMG SHARES AND OTHER SECURITIES**

34. KMG shall be entitled to conduct issue of stocks and other securities. The terms and procedure of issue, placement, circulation, and redemption of KMG's securities shall be determined by the legislation of the Republic of Kazakhstan about securities market.

35. KMG shall issue only ordinary shares.

An ordinary share shall entitle the Shareholders to make decisions on all the issues referred to the competence of the General Meeting of Shareholders. An ordinary share shall also entitle the Shareholders to collect dividends, given that KMG received the net profit, and to receive a part of KMG's property in case of its liquidation in accordance with the procedure established by the Laws.

36. KMG shall issue shares in book-entry form.

37. KMG shall be entitled to place its shares after the state registration of the share issue by means of one or several offerings within the limits of the authorized stock.

38. Cash funds, property rights (inclusive of the rights for intellectual property) and other property may be used for making payment for the placed shares except for the cases specified by the Law and other legislative acts of the Republic of Kazakhstan.

Payment by other property (except the securities) other than cash funds shall be made in line with the price determined by an appraiser acting on the basis of a license issued in compliance with the Laws.

39. The register of KMG Shareholders shall be maintained by KMG's registrar.

40. KMG may take in pledge the securities placed by it only in case if:

- 1) the securities being put in pledge are paid-up in full;
- 2) the total number of shares being put in pledge to KMG and held by it makes no more than twenty five per cent of the Placed shares of KMG, except for the shares, bought out by KMG;
- 3) the pledge agreement is approved by the General Meeting of Shareholders.

## **ARTICLE 9. DIVIDENDS**

41. A dividend is the Shareholders' income upon shares owned by them paid out by KMG in line with the resolution of KMG General Meeting of Shareholders.

41. Dividends shall be paid in cash or by means of KMG's securities. Payment of dividends per KMG shares by its securities shall be allowed only provided that such payment shall be made by KMG authorized shares and bonds issued by it upon written consent of the Shareholders.

43. Dividends per KMG shares shall be paid by results of a year, a quarter or a half-year.

44. The resolution on payment of dividends per ordinary shares shall be adopted by General Meeting of Shareholders.

Dividends shall be paid within the period specified by the General Meeting of Shareholders upon decision making on payment of dividends.

45. The General Meeting of Shareholders shall be entitled to make a decision on non-payment of dividends per ordinary shares of KMG with an obligatory publication of it in the mass media within ten working days as of the moment of making such decision.

46. Within ten working days as of the moment of making a decision on payment of dividends per KMG ordinary shares such decision should be published in the mass media.

47. The decision on payment of dividends per KMG ordinary shares shall contain the following data:

- 1) the name, address, bank and other details of KMG;
- 2) the period for which dividends are paid out;
- 3) rate of dividends per an ordinary share;
- 4) date of commencement of dividend payment;
- 5) procedure and form of dividend payment.

48. Shareholders shall be entitled to demand payment of undrawn dividends in spite of KMG debt creation term.

In case of non-payment of dividends within the specified term, the principal amount of dividend shall be paid to the Shareholders together with the penalty calculated on the basis of the official refinancing rate of the National Bank of the republic of Kazakhstan as for the date of money obligation fulfillment or its relevant part.

49. Accrual of dividends to the Shareholders per KMG ordinary shares shall not be allowed:

1) if KMG's own equity capital is unfavorable or if it becomes unfavorable due to accrual of dividends per its shares;

2) if KMG is eligible for financial insolvency in compliance with the legislation of the Republic of Kazakhstan about bankruptcy, or if KMG shall become eligible for the above mentioned insolvency due to accrual of dividends per ordinary shares.

## **ARTICLE 10. KMG BODIES**

50. KMG bodies are the following:

1) the supreme body – the General Meeting of Shareholders;

2) the management body – the Board of Directors;

3) the executive body - the Management Board;

4) a body, carrying out control over the financial and economic activity of KMG and other organizations of KMG group, belonging to the group of companies of the Fund in line with the “Sovereign Wealth Fund” Law of the Republic of Kazakhstan, appraisal of internal control, risk management, implementation of provisions of documents on corporate governance and consulting aimed at improvement of their activity – the centralized Internal Audit Service (hereinafter - the Internal Audit Service).

## **ARTICLE 11. General Meeting of the KMG Shareholders**

51. General meetings of Shareholders are broken down into annual and extraordinary.

52. KMG shall be obliged to annually, within five months following the end of the fiscal year, conduct annual General Meeting of Shareholders. The specified term shall be considered extended up to three months in case if auditing of KMG's activity cannot be completed within the accounting period. Other General Meetings of Shareholders shall be extraordinary.

KMG's annual General Meeting of Shareholders shall be convoked by the KMG Board of Directors.

KMG's Extraordinary General Meeting of Shareholders can be convoked upon an initiative of KMG's Board of Directors or any Shareholder of KMG.

53. KMG's General Meetings of Shareholders shall be arranged and held by KMG's Management Board, KMG's registrar in line with the concluded contract, KMG's Board of Directors and, in case of KMG liquidation, by KMG liquidation commission.

54. The Laws may specify cases for mandatory calling of an extraordinary General Meeting of Shareholders.

55. Submission to the General Meeting of Shareholders of the issues, referred to its competence in line with clause 2 of Article 35 of the Law, shall be initiated by the Board of Directors.

56. KMG shall bear the expenses related to calling of, preparation and holding of the General Meeting of Shareholders except for the cases specified by the Law.

57. Date and time of General Meeting of Shareholders shall be fixed to the intent that most of the persons, having a right to participate, could take part in the meeting.

General meetings of Shareholders shall be held in the settlement at the location of KMG Management Board.



58. The Shareholders shall be notified about the forthcoming General Meeting of Shareholders no later than thirty calendar days before the date of the meeting and in case of extraordinary or mixed voting - no later than forty five calendar days before the date of the meeting.

59. The Shareholders shall be notified about holding of the KMG General Meeting of Shareholders by sending a written notification to them.

The time limit set out in paragraph 58 of this Article shall be counted from the date of the notice of the General Meeting of Shareholders addressed to the Shareholders of KMG.

60. The notice of the General Meeting of Shareholders of KMG shall contain the following information:

- 1) full name and location of the Management Board of KMG;
- 2) information on the initiator of the convening of the General Meeting of Shareholders of KMG;
- 3) date, time and place of the General Meeting of Shareholders of KMG, time of registration of meeting members, as well as date and time of the reconvened General Meeting of Shareholders of KMG which shall be carried out if the first meeting fails to take place;
- 4) date of compiling the list of Shareholders entitled to attend the General Meeting of Shareholders of KMG;
- 5) agenda of the General Meeting of Shareholders;
- 6) procedure of familiarization with the materials on the agenda of the General Meeting of Shareholders.

61. The date of the reconvened General Meeting of Shareholders may be set no earlier than for the day after the due date of the initial (failed) General Meeting of Shareholders.

62. The reconvened General Meeting of Shareholders shall be held in the place of a failed General Meeting of Shareholders.

63. The agenda of the reconvened General Meeting of Shareholders should not differ from the agenda of the failed General Meeting of Shareholders.

64. The agenda of the General Meeting of Shareholders shall be formed by the Board of Directors and shall contain an exhaustive list of specifically formulated issues to be discussed. Wordings with broad understanding, including “miscellaneous”, “other” and similar wordings, shall not be used in the agenda.

The agenda of the General Meeting of Shareholders may be supplemented by any of the Shareholders or the Board of Directors of KMG, provided that the other Shareholder of KMG is notified of such supplements not later than fifteen days prior the meeting date.

65. At the very start of the General Meeting of Shareholders conducted in face-to-face manner, the Corporate Secretary shall report all the proposals received as to the amendments to the agenda.

66. Adoption of the agenda of the General Meeting of Shareholders shall be carried out by a majority vote of the total number of voting shares represented at the Meeting.

67. The agenda may be amended and (or) supplemented if both KMG Shareholders (or their representatives) voted for such amendments and (or) supplements.

In case of adopting a resolution at the General Meeting of Shareholders by absentee voting, the agenda of the General Meeting of Shareholders may not be amended and (or) supplemented.

68. The General Meeting of Shareholders may not consider issues which are not included in the agenda and adopt resolutions with regard to them.

69. Materials on the issues, submitted to the General Meeting of Shareholders, should contain the information in the volume required for making justified decisions on the above mentioned issues. The Corporate Secretary shall ensure the organization of documents on the issues of the agenda of the General Meeting of Shareholders.

70. Materials on the issues of electing the KMG bodies should contain the following information about the nominated candidatures:

- 1) last name, name, and middle name, at will;
- 2) data on education;
- 3) data on affiliation to KMG;
- 4) data on places of work and the positions held within the recent three years;
- 5) other information supporting qualification, and work experience of candidates.

71. In case of inclusion to the agenda of the General Meeting of Shareholders of the issue on election of the KMG Board of Directors (election of a new member of the Board of Directors), the materials shall stipulate which Shareholder the proposed candidate to the members of the Board of Directors represents or whether he is a candidate to the position of the KMG's independent director.

72. Materials on the issues, referred to the competence of the General Meeting of Shareholders in line with clause 2 of Article 35 of the Law, submitted for consideration by the annual General Meeting of Shareholders, should include the following:

- 1) the annual financial statements of KMG;
- 2) Auditor's Opinion to the annual financial statements;
- 3) proposals of the Board of Directors on allocating of the net profit of KMG for the expired fiscal year and dividend rate for a year as per an ordinary share of KMG;
- 4) information on Shareholders' response to actions of KMG and their officers and results of their review;
- 5) Annual Report of KMG;
- 6) other documents at the discretion of KMG's Board of Directors;

73. Materials on the agenda of the General Meeting of Shareholders shall be prepared and available at the location of the Management Board of KMG to make it possible for the Shareholders to review them not later than ten days prior to the General Meeting of Shareholders, and, if requested by any of the Shareholders of KMG, the materials shall be sent to such Shareholder within three working days of the day of receipt of the request.

74. Proceeding at the General Meeting of Shareholders shall be determined in accordance with the Legislation, Articles of Association and other internal documents of KMG or directly by the resolution of the General Meeting of Shareholders.

75. Shareholders' representatives shall be registered prior to starting the General Meeting of Shareholders. A Shareholder's representative shall present a power of attorney confirming their authority to participate and vote at the General Meeting of Shareholders.

In case of the General Meeting of Shareholders conducted in face-to-face manner, invited guests may be present; moreover such guests shall have the right to speak at the General Meeting of Shareholders with the permission of the Chairman of the Meeting.

76. The General Meeting of Shareholders shall elect the Chairman.

The General Meeting of Shareholders shall determine the form of voting – open or secret (by ballots).

The Corporate Secretary of KMG acts as a Secretary of the General Meeting of Shareholders. The Corporate Secretary shall be responsible for the completeness and accuracy of the information recorded in the minutes of the General Meeting of Shareholders.

77. The General Meeting of Shareholders may be declared closed only after consideration of all the issues on the agenda and adoption of resolutions with respect to them.

78. Resolutions of the General Meeting of Shareholders may be adopted by absentee voting. Absentee voting may be taken together with voting of Shareholders present at the General Meeting of Shareholders (mixed voting) or without holding a session of the General Meeting of Shareholders.

79. Ballots of the unified form shall be sent (distributed) to the persons included in the list of Shareholders in case of absentee voting.

80. Absentee ballot shall contain:

- 1) full name and location of the Management Board of KMG;
- 2) information on the initiator of the Meeting convening;
- 3) final date for submission of absentee ballots;
- 4) date of the General Meeting of Shareholders or date of vote counting for absentee voting without holding a General Meeting of Shareholders;
- 5) agenda of the General Meeting of Shareholders;
- 6) names of candidates proposed for the election if the agenda of the General Meeting of Shareholders includes the election of members of the Board of Directors;
- 7) wording of issues to be voted on;
- 8) voting options for each issue on the agenda of the General Meeting of Shareholders, expressed by the words “for”, “against”, “abstain”;
- 9) explanation of the voting procedure (marking the ballot paper) on each agenda issue.

81. Absentee ballot of the corporate Shareholder shall be signed by its head and bear a seal of the legal entity.

The ballot without a signature of the head of the corporate Shareholder and without a seal of the corporate Shareholder shall be considered invalid.

When counting the votes, only votes on those issues where the Shareholder observed the voting procedure specified in the ballot and where only one of the possible voting options is marked shall be counted.

82. Voting at the General Meeting of Shareholders shall be conducted according to the principle of “1 (one) share – 1 (one) vote” except in cases of:

- 1) limiting the maximum number of votes on shares granted to 1 (one) Shareholder in cases stipulated by legislative acts of the Republic of Kazakhstan;
- 2) cumulative voting while electing members of the Board of Directors;
- 3) granting of 1 (one) vote on issues regarding the procedure of the General Meeting of Shareholders to each person entitled to vote at the General Meeting of Shareholders.

Following the results of voting, the Secretary of the General Meeting of Shareholders of KMG shall draw up and sign the minutes of the voting results.

If a Shareholder has a dissenting opinion on the issue put to a vote, the Secretary of the General Meeting of Shareholders of KMG shall make a corresponding entry to the minutes.

After drawing up and signing the minutes of voting results, the completed ballots for secret voting in person and absentee voting (including invalid ballots) on the basis of which the minutes were drawn up shall be bound together with the minutes and stored in KMG.

The minutes of the voting results shall be attached to the minutes of the General Meeting of Shareholders.

The voting results shall be announced at the General Meeting of Shareholders at which the voting took place.

Results of the voting at the General Meeting of Shareholders or the results of absentee voting shall be communicated to Shareholders by their publishing in the media within fifteen calendar days after the close of the General Meeting of Shareholders.

83. Minutes of the General Meeting of Shareholders shall be drawn up and signed within 3 (three) working days after the close of the Meeting.

84. The minutes of the General Meeting of Shareholders shall contain:

- 1) full name and location of the Management Board of KMG;
- 2) date, time and place of the General Meeting of Shareholders;
- 3) information on number of voting shares of KMG represented at the General Meeting of Shareholders;
- 4) quorum of the General Meeting of Shareholders;
- 5) agenda of the General Meeting of Shareholders;
- 6) procedure for voting at the General Meeting of Shareholders;
- 7) the Chairman (presidium) and the Secretary of the General Meeting of Shareholders;
- 8) statements of the persons participating in the General Meeting of Shareholders;
- 9) total number of Shareholders' votes on each issue of the agenda of the General Meeting of Shareholders put to vote;
- 10) issues put to vote, respective voting results;
- 11) resolutions adopted by the General Meeting of Shareholders.

In case the issue of election of the Board of Directors (election of a new member of the Board of Directors) is considered at the General Meeting, it is required to indicate the following information in the minutes of the General Meeting: the representative of which Shareholder the elected member of the Board of Directors is and (or) who of the elected members of the Board of Directors is an independent director.

85. Minutes of the General Meeting of Shareholders shall be signed by:

- 1) the Chairman (members of the presidium) and the Secretary of the General Meeting of Shareholders;
- 2) Shareholders attending the General Meeting of Shareholders.

In case of impossibility of signing the minutes by the person obligated to sign it, the minutes shall be signed by their representative on the basis of a power of attorney issued to such representative, or by a person who, in accordance with the legislation of the Republic of Kazakhstan or contract, has the right to act on behalf of the Shareholder without power of attorney or represent its interests.

86. In case of disagreement of any of the persons mentioned in paragraph 85 of this Article with the content of the minutes, such person may refuse to sign it providing a written explanation of the reasons for refusal, which is to be attached to the minutes.

87. The minutes of the General Meeting of Shareholders shall be bound with the minutes on the voting results, powers of attorney for the right to participate, vote at the

General Meeting of Shareholders and sign the minutes, as well as written explanations for the refusal to sign the minutes.

88. Resolutions of the General Meeting of Shareholders shall be kept at the location of the Management Board of KMG and made available to Shareholders for review at any time. At the request of the Shareholders, they shall be given a copy of the resolution of the General Meeting of Shareholders.

89. If all the voting shares are owned by one Shareholder on the right of ownership and (or) trust management, the General Meeting of Shareholders shall not take place. Decisions on issues relegated to the competence of the General Meeting of Shareholders by the Law and (or) the Company's Articles of Association shall be adopted by such Shareholder individually and shall be subject to registration in writing, provided that these decisions do not infringe upon or restrict the rights certified by the preferred shares.

In the above case, if the person who owns all of the voting shares of KMG on the right of ownership and (or) trust management, is a legal entity, the decisions on issues relegated to the competence of the General Meeting of Shareholders by the Law and (or) the Articles of Association of KMG shall be adopted by institution, officials or employees of the legal entity who are entitled to make such decisions in accordance with the legislation of the Republic of Kazakhstan and the Articles of Association of KMG, unless otherwise provided in the Trust Agreement.

## **ARTICLE 12. EXCLUSIVE COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS**

90. The following issues refer to the exclusive competence of the General Meeting of Shareholders:

- 1) introducing amendments and additions to the Charter, or approval of the Charter in its new edition;
- 2) approval of the Code of Corporate Governance and introducing amendments and additions into it;
- 3) voluntary reorganization or liquidation of KMG;
- 4) decision making on increasing the number of KMG declared shares or changing the type of unplaced KMG Declared shares;
- 5) determination of the number of members and term of powers of the ballot committee, election of its members and early termination of their powers;
- 6) determination of terms and procedure of KMG's securities conversion, as well as their alteration;
- 7) making a decision to issue securities convertible into KMG ordinary shares;
- 8) making a decision to exchange placed shares of one type for another type of shares, determining the terms and procedure of such exchange;
- 9) determination, in accordance with the established procedure, of the audit agency carrying out auditing of KMG's financial reporting, as well as the amount of a fee for its services;
- 10) determination of the number of members, term of powers of the Board of Directors, election of its members and early termination of their powers, determination of the rates and terms of remuneration payment and compensation of expenses to members of the

Board of Directors for fulfillment of their duties, as well as approval of the regulation on the Board of Directors;

11) approval of qualification criteria to the members of the Board of Directors and criteria of independence to the members of the Board of Directors;

12) approval and monitoring of fulfillment of Shareholders' expectations for the forthcoming periods;

13) approval of the consolidated and separate annual financial reporting of KMG;

14) approval of the procedure for allocation of KMG net profit for the accounting fiscal year, decision making on payment of dividends per ordinary shares and approval of rates of dividends per an ordinary share of KMG;

15) decision making on non-payment of dividends per ordinary shares of KMG;

16) decision making on voluntary delisting of KMG shares;

17) decision making on KMG's participation in establishment or in the activity of other legal entities through transfer (receipt) of a part or several parts of assets amounting in the aggregate to twenty five and more per cent of the KMG's total assets;

18) introduction and cancellation of a "golden share";

19) approval of methods and amending of the methods of determination of share value upon their redemption by KMG on the over-the-counter market in line with the Law;

20) approval of the Dividends Policy;

21) determination of the procedure for providing the information on KMG's activity to Shareholders;

22) determination of availability standards with regard to official motor vehicles and area for location of KMG's administrative staff;

23) determination of terms and procedure for compensation of expenses to KMG employees, sent on business trips;

24) determination of the forms of notification of the KMG Shareholders on calling of the General Meeting of Shareholders and decision-making on publishing this information in mass media;

25) approval of the agenda of the General Meeting of Shareholders;

25) determination of limits of recoverable costs indemnity at the expense of KMG upon provision to the employees of rights for using mobile communication, limits of representation expenses;

26) approval of time-limit of the General Meeting of Shareholders;

27) other issues, the decision making on which is referred to the exclusive competence of the General Meeting of Shareholders in line with legislative acts of the Republic of Kazakhstan and/or the Charter.

91. Resolutions of the General Meeting of Shareholders on the issues stipulated by sub-clauses 2), 3), 4) and 18) of clause 90 of the Charter shall be adopted by qualified majority of the total voting shares of KMG

Resolutions of the General Meeting of Shareholders on other issues shall be adopted by simple majority of votes of the total voting shares of KMG taking part in a vote unless otherwise required by law.

92. It is not permitted to transfer the issues, the decision making on which is referred to the exclusive competence of the General Meeting of Shareholders in line with clause 90 of the Charter, to the competences of other bodies, officers and employees of KMG, unless otherwise provided by legislative acts of the Republic of Kazakhstan.

93. The General Meeting of Shareholders shall be entitled to revoke any resolution of other KMG bodies on the issues referred to KMG internal activity.

### **ARTICLE 13. KMG BOARD OF DIRECTORS**

94. The Board of Directors shall carry out general management of KMG's activity, except for the decision making on issues referred to the exclusive competence of the General Meeting of Shareholders and to the competence of KMG's Management Board in line with legislative acts of the Republic of Kazakhstan and/or the Charter. The Board of Directors shall adopt its resolutions as per the procedure established by this Article.

95. The Board of Directors shall be liable to the General Meeting of Shareholders for the general management of KMG's activity.

96. By results of a year the Board of Directors shall provide a report on its work to the General Meeting of Shareholders in accordance with the procedure established by the Regulation on Board of Directors.

97. In line with resolution of the General Meeting of Shareholders, members of KMG's Board of Directors may receive, while performing their duties, remuneration and/or reimbursement of expenses related to fulfillment of functions of members of KMG's Board of Directors. Rates of such remuneration and compensation shall be determined by a resolution of the General Meeting of Shareholders.

98. Unless otherwise required by law, the following issues shall refer to the exclusive competence of the Board of Directors:

1) determining priority activities of KMG and approval of KMG's Development Strategy, and monitoring implementation of KMG's Development Strategy;

2) decision-making on calling of the annual and extraordinary General Meeting of Shareholders;

3) decision-making on distribution (realization) including the amount of shares to be distributed (to be realized) within the limit of outstanding shares, method and price of their distribution (realization);

4) decision-making on redemption of placed shares or other securities by KMG and on the price of their redemption;

5) provisional approval of KMG's strategy, and putting forward a proposal to KMG's General Meeting of Shareholders on the procedure of allocating KMG net profit for the last fiscal year and rates of dividends as per an ordinary share of KMG;

6) approval of the KMG annual report and the sustainable development report;

7) determination of terms of issuance of KMG's bonds and derivative securities and decision making in respect of their issuance;

8) determination of the quantitative composition, term of powers of KMG's Management Board, election (appointment) of its members, as well as early termination of their powers, as well, in accordance with the procedure stipulated by the Law of the Republic of Kazakhstan, election (appointment) of the Chairman and early termination of its powers;

9) salary adjustment and determination of terms of labour remuneration, bonus payment and social support to the Chairman and members of KMG's Management Board, and assessment of their performance;

10) establishment of committees of the Board of Directors, approval of regulations on them, and election of members of committees;

- 11) approval of the total manpower, and structure of KMG's central office;
- 12) determining quantitative composition, term of powers of the Internal Audit Service, appointment of its Head and members, as well as early termination of their powers, establishing the procedure of the Internal Audit Service, determining the rates and terms of labour remuneration, bonus payment and social support to employees of the Internal Audit Service with account of the policy of the Fund;
- 13) approval of the annual audit plan of the Internal Audit Service and the activity strategy of the Internal Audit Service;
- 14) consideration of quarterly and annual reports of the Internal Audit Service and making decisions on them;
- 15) appointment, determination of the term of powers of the Corporate Secretary, early termination of his/her powers, as well as determination of salary rates, terms of remuneration and social support to the Corporate Secretary with account of the policy of the Fund, approval of the regulation on the Corporate Secretary, assessment of its performance, adoption of a resolution on establishment of the service (Secretariat) of the Corporate Secretary;
- 16) approval of the programs for planning of succession of members of the Board of Directors, Chairman, members of the Management Board and other KMG employees in accordance with the list approved by the KMG Board of Directors;
- 17) approval of the staffing chart of the Board of Directors' secretariat and the KMG Internal Audit Service;
- 18) appointment and early termination of KMG's ombudsman's powers and approval of the Provision in his/her respect ;
- 19) approval of documents regulating KMG's internal activity (except for the documents approved by KMG's Management Board aimed at arrangement of KMG's activity), in line with the list approved by KMG's Board of Directors, inclusive of an internal document specifying terms and procedure for holding of auctions and subscription for KMG's securities, as well as labor remuneration chart for the chairman and members of the Management Board, employees of the Internal Audit Service and the Corporate Secretary, making amendments thereto and consideration of documents adopted by the Board of Directors invalid;
- 20) decision-making on opening and closing of branches and representation offices of KMG beyond the Republic of Kazakhstan, as well as approval of regulations on them;
- 21) passing resolution on KMG's entering into major transactions under the statutory acts of the Republic of Kazakhstan. A transaction or a series of interrelated transactions, as a result of which KMG acquires or alienates (may acquire or alienate) property the cost of which exceeds the threshold equivalent to 20 (twenty) bn KZT shall be recognized as a major transaction;
- 22) decision-making on conclusion by KMG of interested-party transactions in accordance with the legislative acts of the Republic of Kazakhstan;
- 23) increase in KMG obligations to the amount equal to ten or more per cent of its owned capital stock;
- 24) approval, in accordance with the procedure established by the Fund, of the KMG development plan as well as monitoring of its implementation;
- 25) approval of the list and target values of key performance indicators of KMG;



- 26) approval of the induction program for newly elected members of the Board of Directors and skills development program for each member of the Board of Directors;
- 27) approval of the Board of Directors' activity plan;
- 28) approval of the procedure of the Board of Directors' annual assessment;
- 29) approval of motivational key performance indicators for the executive and members of the Management Board, head of the KMG Internal Audit Service and their target values, as well as approval of production targets of the Corporate Secretary;
- 30) decision making on foundation (participation in foundation of legal entities) of legal entities;
- 31) decision making on acquisition or alienation by KMG of ten and more per cent of shares (participation shares in the chartered capital) of other legal entities;
- 32) decision making on transfer to KMG's discretionary management of ten and more per cent of shares (participation shares in the chartered capital) of other legal entities;
- 33) decision making on the issues of obtaining, transfer (assignment) of the subsoil use right (upon coordination with the Competent Authority in line with the legislation), amending of contracts for subsoil use (except for amending the contracts, related to amending legislative acts or resolutions of the Government of the Republic of Kazakhstan, changing details of the parties and introducing drafting changes), concluding joint operating contracts (agreements) with strategic partners for joint implementation of projects under subsoil use contracts, return of contractual territories to KMG in accordance with the Law of the Republic of Kazakhstan "On subsurface and subsurface use";
- 34) determination of the procedure and term for receipt of the information on KMG's activity, including financial information, by members of the Board of Directors;
- 35) approval of the Corporate Accounting Policy of the KMG group of companies, Corporate Accounting Policy and Tax Accounting Policy of KMG;
- 36) approval of the KMG's Risk Management Policy;
- 37) approval of KMG's risk register and map and a plan of critical risks management; approval of KMG's common risk-appetite, tolerance levels in respect of every KMG's key risk and determination of limits for risk level;
- 38) ensuring the compliance with and assessment of efficiency of the KMG Internal Control System and approval of internal documents regulating the internal control system;
- 39) approval of the Risk Report;
- 40) approval of the continuity of KMG's activity;
- 41) consideration of reports on risk management system efficiency;
- 42) determination of the form and terms for submission of the financial and managerial reports to the Board of Directors, ensuring analyses and evaluation of KMG's financial indicators;
- 43) analysis of the conclusions of external auditors on improvement of internal control and risk management and results of inspections conducted by the Internal Audit Service;
- 44) approval of other politics in Risk Management and Regulations and Procedures of KMG's Risk Management
- 45) monitoring and participation in settlement of corporate conflicts and settlement of conflict of interests within its competence;
- 46) determines the information about KMG and its activity constituting an official, commercial or other secret protected by law;
- 47) coordination of joint appointment by members of the KMG Management Board in other entities;

48) decision-making within its competences on conclusion by KMG of transactions determining the terms of implementation of investment projects, which are socially important for the Republic of Kazakhstan, with low economic efficiency or approval of the Management Board's resolutions if the issue falls within the competence of the Management Board;

49) determines the amount of payment for the appraiser's services on assessing the market value of the property transferred in return of KMG shares or being a subject of a major transaction;

50) decision-making on the following issues of activity falling within the exclusive competence of the General Meeting of Shareholders (members) of a legal entity whose ten and more per cent of shares (participatory interests in the authorized capital) are owned by KMG:

a) voluntary reorganization of or liquidation of the joint stock company (hereinafter – Company)

b) amendment of the Company's Charter, limited liability partnership (hereinafter - Partnership), or its approval as amended and restated;

c) decision-making on increasing of the quantity of the authorized shares or changing of the type of unplaced authorized shares of the company

d) determination of conditions and procedure of securities conversion and their amendment as well;

e) decision-making on issuing of securities convertible into ordinary shares of the company;

f) decision-making on exchange of the outstanding shares of one type to the shares of another type, determination of conditions and procedure of such exchange;

g) determination of the number of members, the term of powers of the Board of Directors, election of its members and early termination of their authorities, and also determination of the amount and terms of payments of remuneration and compensation to the members of the Board of Directors for performance of their duties;

h) appointment and early termination of the authorities of the executive officers of legal bodies, all voting shares of which (participating interests) expressly or implicitly are owned by KMG (within the Fund's group) by agreement with the Fund's Board of Management, succeeded by the early termination of labor relations with them in the prescribed order;

i) decision-making on company's participation in establishment or activity of the legal bodies or resignation from members (shareholders) in other legal bodies by transfer (receipt) of a part or several parts of the assets, in an amount of twenty five or more percent from all the assets belonging to the company;

j) introduction and cancellation of a "golden share";

k) election and early termination of authorities of the supervisory board of the partnership and (or) review commission (inspector) of the partnership, and also approval of reports and conclusions of the review commission (inspector) of the partnership;

l) decision on partnership's participation in other business partnerships, and in non-profit organizations as well;

m) decision on pledge of the whole partnership's property;

n) decision-making on transfer of the partnership and its property to discretionary management and determination of such transfer conditions;

o) decision on additional premium to the partnership's property in accordance with Article 39 of the Law of the Republic of Kazakhstan "On limited and additional liability partnerships";

51) approval of a document regulating the matters of management of assets owned by KMG or legal entities whose shares (participatory interests) are directly or indirectly owned by KMG (including, but not limited to the matters of restructuring, reorganization, liquidation, acquisition and/or alienation, transfer into fiduciary management, imposition/creation of encumbrances etc.); monitoring its execution, and revision on a periodic basis;

52) development of a policy on appointment of officers in the legal entities shares (interests) in which are directly or indirectly owned by KMG;

53) approval of a key positions list of KMG and/or its SDE, an appointment to which supposes determination of qualification criteria, coordination of an appointment, assessment of their performance by the Board of Directors;

54) assessment of efficiency of KMG's corporate management, approval of amendments to the relevant documents of KMG within its competence, preparation of proposals on improvement for the General Meeting of Shareholders;

55) making a decision on provision of KMG's guarantee, issued as a separate document, to secure the obligations of third parties, if it is found impossible to define an amount (a sum) of KMG's liabilities, except for comfort letters and guaranties issued to secure obligations involving KMG's affiliated parties in tenders;

56) endorsement of entering into major transactions by entities whose voting shares or participatory interest are directly or indirectly owned by KMG, pursuant to the procedure established by the Charter of such entities.

57) approval of uniform policies and standards for KMG and entities, whose voting shares or participatory interests are expressly or implicitly owned by KMG on the issues unregulated by the Fund's corporate standards or additional specifications of the policies and corporate standards of the Fund;

58) endorsement of investment projects full implementation of which presupposes making by KMG or entities whose voting shares or participatory interest are directly or indirectly owned by KMG of a series of investment the cost of which exceeds KZT 20 (twenty) bln.

59) approval of acquisition or alienation of subsurface rights, and return of license territories in accordance with the Law of the Republic of Kazakhstan "On subsoil and subsoil use" by the entities, whose voting shares or participatory interests are expressly or implicitly owned by KMG;

60) approval of a report on observance/non-observance of the principles and provisions of the Fund's Corporate management Code;

61) other issues specified by legislative acts of the Republic of Kazakhstan and/or the Charter, not referred to the exclusive competence of the General Meeting of Shareholders, including matters referred to the competence of KMG's Board of Directors by documents approved by KMG's Board of Directors or the Fund.

99. KMG's Board of Directors shall:

1) secure management efficiency, growth of the long-term value and sustainable development in all the entities, whose voting shares or participatory interests are expressly or implicitly owned by KMG;

2) track down and where possible eliminate potential conflicts of interest at the level of officers and General Meeting of Shareholders, including unlawful use of KMG's property and abuse when making interested party transactions;

3) control the efficiency of KMG's corporate governance practices.

100) Transfer of the issues, listed in clause 98 of the Charter, for decision making by KMG's Management Board is not allowed.

The Board of Directors shall not be entitled to make decisions on issues, which refer to the competence of KMG's Management Board in line with the Charter, and to adopt resolutions contradicting resolutions of the General Meeting of Shareholders.

101. Members of the Board of Directors shall be elected out of:

1) the candidatures proposed (recommended) for election to the Board of Directors as representatives of the Shareholders;

2) the other persons (with account of restrictions specified by clause 102 of the Charter).

102. An individual person may be elected as a member of the Board of Directors, if he/she is not a Shareholder of KMG and has not been proposed (recommended) for election to the Board of Directors as a representative of the General Meeting of Shareholders.

103. Candidates, proposed for election as members of the Board of Directors, should be competent, skilled and experienced, for the Board of Directors to fulfill its functions and secure growth of the long-term value and sustainable development of KMG and have a clean business and personal reputation. .

A person cannot be elected as a member of the Board of Directors, if he/she:

1) is a member of the Government of the Republic of Kazakhstan;

2) is an executive officer in a state body of the Republic of Kazakhstan;

3) has an outstanding or unspent conviction in the manner prescribed by the law;

4) has previously held the post of the Chairman of the Board of Directors, CEO (head of the executive body), deputy head, or chief accountant of the other legal entity, within the period of not more than a year prior to making a decision on involuntary liquidation or involuntary stock redemption, or conservation of the other legal entity declared bankrupt in accordance with the established procedure. The specified provision shall be applicable within five years as of the date of making a decision on involuntary liquidation or involuntary stock redemption, or conservation of the other legal entity declared bankrupt in accordance with the established procedure.

104. Members of KMG's Management Board, except for the Chairman of the Management Board, cannot be elected to the Board of Directors. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors.

The number of members of the Board of Directors shall be at least seven persons. Independent Directors should constitute not less than 30 percent of the total number of members of the Board of Directors.

The resolution of the General Meeting of Shareholders about electing the Board of Directors (a new member of the Board of Directors) should specify the members elected to the Board of Directors as Independent Directors.

105. The members of the Board of Directors shall be elected for the term of 3 years. The term of powers of the Board of Directors shall expire at the moment the General Meeting of Shareholders passes a resolution on electing the new Board of Directors. The

General Meeting of Shareholders shall be entitled to early terminate powers of all or certain members of the Board of Directors.

Election of any person as a member of the Board of Directors for a period exceeding 6 years in succession shall require special consideration with account of a need in qualitative renewal of the Board of Directors. An independent director cannot be elected to the Board of Directors for more than nine years in succession. Election for a period of more than nine years in succession may be allowed in exceptional circumstances, but such election of an independent director to the Board of Directors should be carried out annually, with detailed explanation of the need of election of this member of the Board of Directors and influence of this factor on the independence of the decisions making.

The powers of a member of the Board of Directors shall be early terminated, at his/her initiative, by the General Meeting of Shareholders on the basis of a written notice provided to the Board of Directors. The Powers of such a member of the Board of Directors shall be terminated as of the moment of receipt of the above mentioned notice by the Board of Directors.

Should the powers of a member of the Board of Directors be early terminated, and should the General Meeting of Shareholders elect a new member of the Board of Directors, the powers of a newly elected member of the Board of Director shall expire simultaneously with the term of powers of the Board of Directors as a whole.

106. The Chairman of the Board of Directors shall be elected (appointed) by the General Meeting of Shareholders.

In accordance with the procedure established by the Laws and the Charter the Chairman of the Board of Directors shall:

- 1) be responsible for management of the Board of Directors and ensure its efficient operation;
- 2) approve the agenda of a meeting of the Board of Directors;
- 3) convene meetings of KMG's Board of Directors and chair such meetings;
- 4) arrange keeping Minutes of meetings;
- 5) ensure efficient work of members of the Board of Directors and secure constructive relations among members of the Board of Directors and KMG's Management Board;
- 6) ensure efficient relation with the General Meeting of Shareholders and secure bringing of an opinion of the General Meeting of Shareholders to the notice of the Board of Directors as a whole;
- 7) ensure discussion of KMG Development Strategy with major shareholders;
- 8) secure timely receipt of true and credible information by members of the Board of Directors;
- 9) ensure providing the program of entry into office to newly elected members of the Board of Directors;
- 10) conclude, on behalf of KMG, the Labour Agreement with the Chairman of KMG's Management Board, specifying, in accordance with a resolution of the Board of Directors, the size of his/her salary, terms of labour remuneration and social support. In addition such Labour Agreement shall provide for a direct dependence of material incentives on achievement of KMG's key performance indicators, specified by KMG's Board of Directors;
- 11) annually inform the General Meeting of Shareholders of KMG on rates and constituents of remuneration for members of the Board of Directors and KMG's Management Board;

12) perform other functions specified by the Laws, the Charter and the Corporate Governance Code

Should the Chairman of the Board of Directors be absent, his/her functions should be performed by one of the members of the Board of Directors in line with the resolution of the Board of Directors.

107. A meeting of the Board of Directors may be convened by the initiative of its Chairman or KMG's Management Board or by the request of:

- 1) any member of the Board of Directors;
- 2) audit organization, which carries out an audit of KMG;
- 3) major shareholder;
- 4) Internal Audit Service.

108. A request on convocation of a meeting of the Board of Directors shall be given to the Chairman of the Board of Directors through a relevant written notice, containing an attached agenda for a meeting of the Board of Directors.

If the Chairman of the Board of Directors rejects convocation of a meeting an initiator with the above request shall be entitled to apply to KMG's Management Board, which is obliged to convene a meeting of the Board of Directors.

A meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors or KMG's Management Board no later than fifteen working days from the date of a request on convocation.

A meeting of KMG's Board of Directors shall be held with compulsory invitation of a person, who gave such a request.

A procedure for submission of a notice on a meeting of the Board of Directors to the members of the Board of Directors shall be determined by the Board of Directors.

Agenda materials shall be submitted to the members of the Board of Directors at least seven calendar days prior to the session date, and on the issues of the development strategy and development plan of KMG– not less than 10 business days.

In case of consideration of the matter of making a decision on making a major transaction and/or an interested-party transaction, the information about the transaction shall include information on the parties, timeline and terms of implementation thereof, nature and amount of participation of the entities involved and an appraiser's report (as stipulated by clause 1 article 69 of the Law).

Persons interested in KMG's making the transaction shall communicate in writing the information specified in article 72 of the Law to the Board of Directors in accordance with the established period. This information shall be attached to the materials to be sent to the Board of Directors.

In case of a meeting held "in praesentia", the persons interested in KMG's making the transaction, who are KMG's officers, shall provide this information prior to the meeting of the Board of Directors, through the Corporate Secretary.

In case of a meeting held "in absentia", the above information shall be provided by persons who are KMG's officers, interested in KMG's entering into the transaction, through stating the relevant information in the ballots.

Written notices on an absentee meeting of the Board of Directors shall be attached with a voting paper for absentee voting, which in the same form shall be submitted to all members of the Board of Directors

A voting paper for absentee voting shall contain:

- 1) full name and place of KMG location (its Management Board);
- 2) information on the initiator of the meeting;
- 3) final date of submission of voting papers for absentee voting;
- 4) a date of the general meeting of shareholders or a date of vote counting for absentee voting without holding of a general meeting of shareholders;
- 5) agenda of the general meeting of shareholders;
- 6) names of candidates proposed to election if the agenda of the general meeting of shareholders contains the issues on election of the members of the Board of Directors;
- 7) formulation of questions put on voting;
- 8) voting options on each item of the agenda of the general meeting of shareholders expressed by “For”, “Against”, “Abstain”.
- 9) Explanation of the voting procedure (filling the ballot paper) on each item of the agenda.

When submitting voting papers for absentee voting to the members of Board of Directors the Corporate Secretary shall verify their correctness and similarity with his/her signature.

A notice on a meeting of the Board of Directors shall contain, in case of an in-presentia meeting, a clarification on an opportunity of a member of the Board of Directors to vote through a letter of acknowledgement on an agenda if he/she is unable to attend a meeting.

109. Members of the Board of Directors can attend a meeting of the Board of Directors via a video-conference (interactive, audiovisual connection), conference-call (simultaneous negotiations of members of the Board of Directors in “phone meeting” regime) and with the use of other means of communication. A procedure on execution of resolutions of the Board of Directors, adopted at such meetings shall be determined by the Regulation on the Board of Directors.

A member of the Board of Directors shall preliminarily notify the Chairman of the Board of Director or the Corporate Secretary on impossibility of his/her attendance at a meeting of the Board of Directors. A member of the Board of Directors, who is absent at a meeting shall be entitled through a letter of acknowledgement to vote on items of an agenda of the Board of Directors.

Such letter of acknowledgement on agenda shall contain:

- 1) its date;
- 2) agenda, on which a member of the Board of Directors expresses his/her opinion through a letter of acknowledgement;
- 3) clear position on each item of agenda;
- 4) signature;
- 5) other data related to agenda at the discretion of a member of the Board of Directors.

A letter of acknowledgement on agenda submitted by a member of the Board Directors shall be taken into account when calculating a quorum and voting results and filed to minutes of a meeting, which includes records of this member of the Board of Directors, who voted through a letter of acknowledgement on agenda.

A letter of acknowledgement on agenda shall be submitted by a member of the Board of Directors to the Chairman of the Board of Directors or the Corporate Secretary prior to a meeting of the Board of Directors.

If a member of the Board of Directors, who earlier submitted a letter of acknowledgement on agenda arrived to attend and vote at a meeting of the Board, where mixed voting is applied, his/her letter of acknowledgement shall not be taken into account.

110. If a quorum for a meeting of the Board of Directors is no less than a half of the number of members of the Board of Directors and it shall be determined with account of use of video-conference (interactive, audiovisual connection), conference-call (simultaneous negotiations of members of the Board of Directors in “phone meeting” regime), other means of communication and with account of absent members of the Board of Directors (if their votes expresses in written are available).

If a total number of members of the Board of Directors is insufficient for a quorum, determined in the previous paragraph of this item, the Board of Directors shall submit an issue about election (appointment) of new members of the Board of Directors for consideration by the General Meeting of Shareholders. The remaining members of the Board of Directors shall be entitled to adopt a resolution only about submission of this issue for consideration by the General Meeting of Shareholders.

A quorum for a meeting of the Board of Directors on issues specified in sub-items 1), , 5),6), 8-15), 22-34) 49), 50), 52), 53),of clause 98 of this Charter shall be two thirds of the members of the Board of Directors, a meeting of the Board of Directors shall be attended by the majority of independent directors.

If a total number of members of the Board of Directors is insufficient for a quorum, determined in the previous paragraph of this item, consideration of these issues shall be transferred for a next meeting of the Board of Directors. When reconsidering issues specified in the previous paragraph of this item, requirements to a quorum and the number of independent directors shall not be applied.

111. Each member of the Board of Directors has one vote. Resolutions of the Board of Directors shall be adopted by the majority of votes of members of the Board of Directors, who attended a meeting or submitted a written opinion, unless otherwise is specified in the Laws or the Charter.

When votes are equal, a vote of the Chairman of the Board of Directors or a person, who chaired a meeting of the Board of Directors shall be conclusive.

The Board of Directors shall be entitled to adopt a resolution about holding an absentee meeting, which can be attended only by members of the Board of Directors.

A member of KMG’s Board of Directors, who did not attend a meeting of the Board of Directors or voted against a resolution adopted by KMG’s Board of Directors in violation of a procedure established by the Law and the Charter shall be entitled to dispute it by a judicial process.

The Shareholders shall be entitled to dispute in the court a resolution of KMG’s Board of Directors, adopted with violation of requirements of the Law and the Charter if the specified resolution violated rights and legal interests of KMG and/or its Shareholders.

112. A resolution about concluding an interested party transaction of KMG shall be adopted by a simple majority of votes of members of the Board of Directors, who are not interested in it. If all members of the Board of Directors except for independent directors are



interested in this transaction, a resolution shall be adopted by a simple majority of votes of independent directors.

If votes are equal, a resolution about concluding an interested party transaction shall be adopted by the General Meeting of Shareholders.

The Board of Directors of the Fund may establish another procedure for KMG's entering into major transactions and interested party transactions.

113. At the discretion of the Chairman of KMG's Board of Directors the Board of Directors can adopt resolutions, submitted for consideration, through an absentee voting. Voting papers shall be applied for absentee voting on agenda of a meeting.

Resolutions on issues, determined in sub-items 1), 5), 7), 9-16), 19, 22-26), 30), 32), 33), 37-40), 42), 43), 50), 52), 56-58) of clause 98 of this Charter cannot be adopted through absentee voting.

If even one member of the Board of Directors has objections against considering an issue at an absentee meeting, the issue shall be included into the agenda of the next in-praesentia meeting.

A resolution through absentee voting shall be deemed as adopted if there is a quorum in the received voting papers within the established deadline. A voting paper for absentee voting shall be signed by a member of the Board of Directors. A voting paper without signature shall be deemed invalid. A resolution of an absentee meeting of the Board of Directors shall be in written and signed by the Corporate Secretary and Chairman of the Board of Director and contain:

- 1) name and place of location of KMG (its Management Board);
- 2) date and place of written execution of a resolution of an absentee meeting;
- 3) data about composition of the Board of Directors;
- 4) person (body), who convened a meeting;
- 5) agenda of a meeting;
- 6) records on availability/ absence of a quorum for adoption of a resolution;
- 7) voting results on each item of agenda and a resolution adopted;
- 8) other data.

During twenty days from the date of execution of a resolution it should be sent to members of the Board of Directors with attachment of voting papers on the basis of which this resolution was adopted.

114. Resolutions of the Board of Directors, which were adopted at its in-presentia meeting shall be executed by minutes, which should be signed by members of the Board of Directors and the Corporate Secretary during three days from the date of a meeting and contain:

- 1) full name and place of location of KMG's Management Board;
- 2) date, time and place of a meeting;
- 3) data on persons who attended a meeting;
- 4) agenda of a meeting;
- 5) issues put to vote and results of voting on them with indication of the voting results for each member of the Board of Directors for each agenda item of a meeting of the Board of Directors;
- 6) resolutions adopted;
- 7) records on voting of a member of the Board of Directors through a letter of acknowledgement on agenda (if such letter of acknowledgement is available);

8) other data by a resolution of the Board of Directors.

Minutes of meetings of the Board of Directors and resolutions of the Board of Directors adopted through absentee voting, and ballots with signatures shall be kept by the Corporate Secretary and placed in the archives of KMG in accordance with the established procedure.

At the request of a member of the Board of Directors the Corporate Secretary shall submit him/her minutes of a meeting of the Board of Directors and resolutions adopted through absentee voting for familiarization and/or issue him/her extracts from minutes and resolutions witnessed by his/her signature and a relevant stamp of KMG.

115. Committees of the Board of Directors shall be created in KMG for consideration of the most important issues and preparation of recommendations for the Board of Directors on the matters of:

- 1) strategic planning;
- 2) HR and remuneration;
- 3) audit;
- 4) safety and environment
- 5) social issues
- 6) other issues, envisaged by the internal documents of KMG.

Consideration of the issues listed in the second part of this item may be referred to the competences of one or several Committees of the Board of Directors.

Committees of the Board of Directors shall be created from among the members of the Board of Directors, possessing required business knowledge, competences and experiences to work in a Committee. The Board of Directors shall adopt a resolution on establishment of committees, determine their composition, chairman, terms and powers.

Chairman of KMG's Management Board may not be the Chairman of the Board of Directors.

## **ARTICLE 14. KMG'S MANAGEMENT BOARD**

116. KMG's Management Board shall manage day-to-day activity. KMG's Management Board shall be headed by the Chairman of the Management Board.

KMG's Management Board shall be entitled to adopt resolutions on any issues of activities of KMG not referred by legal acts of the Republic of Kazakhstan and the Charter to the competence of other bodies and officers of KMG, inter alia:

1) adopt resolutions about concluding KMG transactions except for transactions referred by the Laws and/or the Charter to the competence of other bodies of KMG, Chairman of KMG's Management Board;

2) adopt in the order determined by the Fund resolutions about concluding interested party transactions with legal entities, which are within Fund Group in accordance with the Law of the Republic of Kazakhstan "On Sovereign Wealth Fund";

3) adopt, within its competence, resolutions about increasing KMG's liabilities by an amount constituting up to ten percent of the amount of its equity capital;

4) submit for consideration by the Board of Directors, in accordance with the competence of the Management Board, proposals on KMG's participation in creation of other organizations and alienation of participation interests and shares acquired on the basis of resolutions of the General Meeting of Shareholders or the Board of Directors;

5) adopt, within its competence, resolutions about acquisition or alienation by KMG of up to five percent of shares (participation interest in the chartered capital) of other legal entities;

6) adopt resolutions on the issues of activities related to the exclusive competence of the general meeting of Shareholders (participants) of a legal entity, the shares (participation interest in the chartered capital) of which are owned by KMG, except for the matters referred hereby to the exclusive competence of KMG's Board of Directors;

7) develop and submit to the Board of Directors of KMG for preliminary approval of the consolidated and separate annual financial statements of KMG;

8) submit proposals to the Board of Directors concerning creation and closure of branches, representative offices of KMG beyond the Republic of Kazakhstan;

9) coordinate work of branches and representative offices and subsidiary and dependent entities;

10) approve a manning table (except for the manning table of the Corporate Secretary and Internal Audit Service of KMG) within the overall number of employees with account of the structure of the central office of KMG, approved by the Board of Directors and approve the overall number, structure and manning table of branches and representative offices;

11) approve labor remuneration rules, scheme of salaries and rules of provision of social assistance to KMG employees with account of the Fund's policy and a scheme of salaries of the KMG administrative and managerial employees (except for a chief executive and members of KMG's Management Board, employees of Internal Audit Service, and the Corporate Secretary);

12) issue resolutions and give instructions subject to compulsory implementation by all employees of KMG;

13) approve the documents adopted with the purpose of arranging the activity of KMG, which are not included into the list of documents approved by General Meeting of Shareholders;

14) approve the standard documents for its subsidiary and dependent entities;

15) make decisions on operational issues of the internal activity of KMG;

16) make decisions on providing of sponsor (charity) aid by KMG with account of the Fund's policy;

17) establish the procedure for liaison of structural units when KMG exercises the rights of a Shareholder (participant);

18) develop, approve and submit to the Board of Directors draft development strategy and consolidated development plan of KMG;

19) carry out implementation of the development strategy, consolidated development plan of KMG, bear responsibility for their implementation and annually submit to the Board of Directors reports on implementation of the development strategy and consolidated development plan of KMG;

20) approve the procedure for development of KMG's Development Plan (separate), KMG's Budget, and KMG's Budget, and bear responsibility for its implementation;

21) consider, approve and submit proposals on drafting of recommendations for KMG's dividends policy, procedure of KMG's net profit distribution for the financial year, dividend payout on ordinary shares and definition of the dividend amount payable for one ordinary share of KMG;

- 22) make decisions on transfer of less than 10 percent of shares (participatory interests in the charter capital) of other legal bodies into trust management of KMG;
- 23) monitor and participate in settlement of competent interests and corporate conflicts within its competence;
- 24) organize accounting in KMG, set amortization standards, but not exceeding the limits set by the Law;
- 25) introduce to the General Meeting of Shareholders the estimated figures of the dividends amount on KMG's shares until March, 20 of the year, preceding the planning year;
- 26) prepare and introduce an annual report on KMG's activities to the Board of Directors of KMG for approval;
- 27) secure development and introduction of corporate accounting policy of KMG's Group of Companies, accounting policy and tax accounting policy of KMG to the approval of the Board of Directors;
- 28) approve internal documents related to risk management except for internal documents approved by KMG's Board of Directors;
- 29) be responsible for maintaining the level of a risk-appetite and efficient functioning of internal control and risk management systems in KMG;
- 30) in due time notify the Board of Directors on the state of KMG's key risks;
- 31) monitor implementation of resolutions of the Board of Directors, the General Meeting of Shareholders of KMG, recommendations of the audit organization, which carries out an audit of KMG's annual financial statements, and recommendations of the Internal Audit Service;
- 32) organize work on defining reasons and conditions giving rise to illegal actions in respect to KMG's property;
- 33) according to the procedure established by the Charter of KMG, submit to the General Meeting of Shareholders information on the activities of KMG;
- 34) make decisions on issues related to training of employees of KMG;
- 35) prepare for consideration by the General Meeting of Shareholders documents on matters resolutions on which are related to its competence;
- 36) if necessary, create and abolish committees under KMG's Management Board for business areas, and approve regulations on them;
- 37) approve tentatively internal documents whose approval is within the competence of KMG's Board of Directors and KMG's General Meeting of Shareholders;
- 38) approve tentatively the multiple employment with other organizations for KMG's Management Board Members;
- 39) ensure compliance of KMG's activity with the Laws;
- 40) develop proposals concerning the structure of the central office and total number of KMG's personnel;
- 41) approve the Rules of Development, Alignment, Approval, Execution, Correction and Monitoring Execution of Business -plans of KMG's subsidiaries, dependent entities and joint ventures of KMG and consolidation of the KMG Development Plan;
- 42) endorse entering by entities whose voting shares or participatory interest are directly or indirectly owned by KMG into transactions or a series of interrelated transactions as a result of which property the cost of which exceeds the threshold set by KMG's Management Board is acquired or alienated (may be acquired or alienated);

43) endorse implementation by KMG or entities whose voting shares or participatory interest are directly or indirectly owned by KMG of investment projects full implementation of which presupposes making a series of investment the cost of which exceeds the threshold set by KMG's Management Board;

44) make decisions on other issues related to activities of KMG not related to the exclusive competence of the General Meeting of Shareholders and the Board of Directors of KMG.

117. KMG's Management Board shall ensure timely provision of the members of the Board of Directors, when they exercise the functions entrusted to them, with information on KMG's activities, including that of confidential nature, according to the procedure established by the Board of Directors and within the term not later than ten business days since the date of receipt of the request.

118. Transfer of the voting right by a member of KMG's Management Board to another person including other members of the Management Board shall not be allowed.

All the issues placed on the initiative of KMG's Management Board for consideration of the Board of Directors and the General Meeting of Shareholders, shall be previously considered and approved by the Management Board of KMG.

KMG's Management Board shall be obliged to implement resolutions of the General Meeting of Shareholders and the Board of Directors.

KMG shall be entitled to dispute the validity of a transaction entered into by KMG's Management Board with violation of the restrictions established by KMG, if it proves the fact that at the moment of entering into the transaction the parties were aware of such restrictions.

119. Arrangement of the work of KMG's Management Board, the procedure for convening and holding its meetings, as well as other powers of KMG's Management Board shall be established by the regulation on KMG's Management Board, approved by the Board of Directors.

120. Members of KMG's Management Board may be representatives of the General Meeting of Shareholders and employees of KMG who are not representatives of the Shareholders of KMG. A member of KMG's Management Board shall be an experienced and competent person with a good business reputation.

In case of early termination of powers of a member of KMG's Management Board, except for the Chairman of the Management Board, and election (appointment) of a new member of the Management Board, the powers of the latter shall expire simultaneously with the expiry of the term of powers of the Management Board as a whole.

A member of the Management Board shall be entitled to have a secondary employment in other organizations only with the consent of the Board of Directors.

The Chairman of KMG's Management Board shall not be entitled to hold the post of the head of an executive body or a person solely performing the functions of an executive body of another legal entity.

Functions, rights and duties of a member of KMG's Management Board shall be established by the legislative acts of the Republic of Kazakhstan, the Charter, and by the labour agreement concluded between the above mentioned person and KMG. A labour agreement on behalf of KMG with the Chairman of KMG's Management Board shall be signed by the Chairman of the Board of Directors or a person authorized thereto by the General

Meeting of Shareholders or by the Board of Directors. A labour agreement with other members of KMG's Management Board shall be signed by the Chairman of KMG's Management Board.

121. KMG's Management Board shall consist of not less than 5 (five) people.

122. The Chairman and members of the Management Board of KMG shall be elected for the period until three years. The terms of powers of the chairman and members of the Management Board of KMG coincide with the term of powers of the Management Board as a whole.

123. A meeting shall be considered valid, if at least half of the members of KMG's Management Board participate in it, including the absent members of KMG's Management Board, who have voted on items on the agenda in writing.

A member of KMG's Management Board shall be obliged to notify the Chairman of KMG's Management Board of his inability to participate in a meeting of KMG's Management Board in advance. A member of KMG's Management Board who is absent during a meeting shall be entitled to vote on items of the agenda of a meeting of KMG's Management Board by a written message.

The content of the mentioned written message, procedure for its submission and recording the vote expressed in it, shall be carried out under the procedure established in the regulation on KMG's Management Board.

Absentee meetings of KMG's Management Board are allowed in exceptional cases and only by a resolution of the Chairman of KMG's Management Board or a person, who substitutes him, on issues of non-discussion nature.

If there is an objection of at least one member of KMG's Management Board against consideration of an issue at an absentee meeting, the issue shall be included into the agenda of a regular in-praesentia meeting.

124. Resolutions of KMG's Management Board shall be adopted by the majority of votes of the members of KMG's Management Board attending the meeting or submitting written messages. In case of equality of votes, the resolution shall be adopted for which the Chairman of the Management Board voted for.

Resolutions of KMG's Management Board shall be documented by minutes which have to be signed by all present members of KMG's Management Board and contain matters put to vote, the summary of the voting with indication of voting results for each matter of each member of KMG's Management Board

125. For the purposes of prompt decision-making on the matters of risk management in KMG, the Risk Committee may be formed under KMG's Management Board. The procedure of formation and work of the Risk Committee, and its quantitative composition shall be established by an internal document of KMG approved by KMG's Management Board.

KMG's Management Board shall be entitled to create other committees (commissions) under the Management Board.

126. The Chairman of KMG's Management Board shall:

- 1) be the head of the Management Board;
- 2) arrange implementation of resolutions of the General Meeting of Shareholders, Board of Directors and the Management Board of KMG;
- 3) without a power of attorney, act on behalf of KMG in its relations with third parties, including signing agreements and warranties;

4) deliver powers of attorney for representing KMG in its relations with third parties, including rights to enter into the transactions specified in sub-item 5) of this clause of the Charter;

5) enter into transactions of non-property nature and transactions which result in acquisition or alienation (possibility of acquisition or alienation) by KMG of property the cost of which is up to 2 percent of KMG's own equity, except for the cases when conclusion of such transactions falls within the competence of other KMG bodies;

6) exercise the rights of a Shareholder (including those of a big Shareholder), participant of legal entities, whose blocks of shares or participation interests owned by KMG except for the rights referred by the Laws and the Charter to the competence of other bodies;

7) carry out recruitment, movement and dismissal of KMG's employees (excluding the cases stipulated by the Law), apply incentive measures and impose disciplinary sanctions on them, establish the rates of salaries of KMG's employees in line with the manning table of KMG, determines the rates of bonus payments for KMG's employees, except for the Corporate Secretary, employees, who are members of KMG's Management Board and Internal Audit Service;

8) in case of its absence, assign its duties to one of the members of KMG's Management Board on the basis of an order;

9) distribute duties and terms of reference and areas of responsibility between members of KMG's Management Board;

10) determine the working pattern of KMG;

11) ensure performance under the current and prospective operation plans and programs of KMG;

12) bear responsibility for KMG's operations to the Board of Directors and the General Meeting of Shareholders;

13) open banking and other accounts of KMG;

14) within its competence, issue orders, give instructions;

15) convene meetings of KMG's Management Board and organize submission to members of the Management Board of the necessary materials on the agenda of a meeting;

16) approve internal regulatory documents, in accordance with the procedure established by KMG's Management Board, including regulations on structural subdivisions;

17) conclude a contract with an audit organization for an annual audit on behalf of KMG;

18) organize KMG's operational activity, including implementation of KMG's financial, investment, production, research and other policies;

19) inform the Board of Directors of all important events in KMG's activities;

20) implement KMG's human resources policy including approval of internal labor regulations;

21) make decisions on all other issues related to the day-to-day operations of KMG, necessary for implementations of KMG's tasks, not related to the exclusive competence of the General Meeting of Shareholders and the Board of Directors, and to the competence of KMG's Management Board.

127. By resolution of the Chairman of KMG's Management Board, certain authorities of the Chairman of the Management Board may be delegated to members of KMG's Management Board.

## **ARTICLE 15. INTERNAL AUDIT SERVICE**

128. For control of the financial and economic activities of KMG and other organizations of the KMG Group (hereinafter for the purpose of this article - Organizations), which are within the Fund Group according to the Law of the Republic of Kazakhstan “On the Fund of Sovereign Wealth Fund”, assessment of the internal control and risk management, implementation of documents in the sphere of corporate governance and consultation with the purpose of improving the activity of KMG and Organizations, KMG shall establish the centralized Internal Audit Service.

The employees of the Internal Audit Service may not be elected to KMG’s Board of Directors and Management Board and bodies of the Organizations, except for election (appointment) in accordance with the established procedure by members of the check-up committee (inspector) of an Organization.

129. The Internal Audit Service shall report directly to the Board of Directors and be accountable to it for its work. Supervision over the Internal Audit Service shall be exercised by the Audit Committee of KMG’s Board of Directors. Objectives and functions of the Internal Audit Service, its rights and responsibilities, the procedures for its activity shall be established in the Regulation on KMG’s Internal Audit Service approved by the Board of Directors.

130. The Internal Audit Service shall, in accordance with the procedure established by the Board of Directors:

1) provide the Board of Directors with independent objective information on the activities of KMG and Organizations;

2) carry out evaluation and promote improvement in the risk management, internal control and corporate governance processes, applying an organic and consistent approach, notify the Board of Directors of significant deficiencies in the risk management system in KMG and Organizations;

3) perform other functions within its competence, in accordance with the Regulation on the Internal Audit Service.

131. Labour relations between KMG and the employees of the Internal Audit Service shall be governed by the Laws and the Charter.

## **ARTICLE 16. OFFICERS OF KMG**

132. KMG’s officers (members of KMG’s Board of Directors, and members of KMG’s Management Board) shall:

1) perform the duties assigned to them in good faith and use the ways of management which correspond to the interests of KMG and the General Meeting of Shareholders in the most effective way;

2) not use and allow to use KMG’s property in conflict with the Charter of KMG, resolutions of the General Meeting of Shareholders and the Board of Directors of KMG, or for personal gain, and abuse their powers when entering into transactions with their affiliated persons;

3) be bound to ensure integrity of the accounting and financial reporting systems, including carrying out of an independent audit;



4) control disclosure and provision of information on KMG's activities, subject to the requirements of the Laws;

5) keep the information about KMG's activities confidential, including within three years of the moment of termination of their employment in KMG, unless otherwise stipulated by the internal documents of KMG.

Members of KMG's Board of Directors shall:

1) act in accordance with the requirements of the Laws, KMG's Charter, Corporate Governance Code and internal documents on the basis of awareness, transparency, in the interests of KMG and its General Meeting of Shareholders;

2) treat the Shareholders fairly and make an objective independent judgment on corporate matters.

The members of KMG's Management Board shall be obliged to take necessary measures to prevent damage to, and optimize KMG's activities by initiating convening of a meeting of KMG's Management Board, informing the Chairman of KMG's Management Board, or any other available method.

The members of KMG's Management Board shall inform the Chairman of KMG's Management Board on the status of affairs supervised by them.

133. KMG's officers shall be held liable in accordance with the RoK Laws, to KMG and shareholders for the damage inflicted by their acts and/or omission, and for the losses incurred by KMG, in line with the Laws.

## **ARTICLE 17. FINANCIAL STATEMENTS AND AUDIT**

134. Financial year of KMG is a calendar year (from January 1 through December 31).

The procedure for bookkeeping and preparing financial statements of KMG shall be established by the Laws of the Republic of Kazakhstan on bookkeeping and financial statements and international standards of financial reporting.

135. KMG's Management Board shall annually provide the General Meeting of Shareholders with annual financial statements for the expired year, the audit of which has been carried out in line with the Laws of the Republic of Kazakhstan on auditing, for their discussion and approval. Apart from the financial statements, KMG's Management Board shall provide the General Meeting of Shareholders with an auditor's report, including auditor's recommendations (management letter).

136. Annual financial statements shall be subject to provisional approval by the Board of Directors not later than thirty days prior to submitting it to consideration by the General Meeting of Shareholders.

The final approval of KMG's annual financial statements shall be made by the General Meeting of Shareholders.

137. KMG's annual financial statements shall be published according to the procedure established by the Laws.

KMG shall be obliged to annually publish in mass media annual balance sheet, report showing all changes in equity, cash flow statement, and profit and loss statement within the time limit established by an authorized body. KMG shall be entitled to additionally publish any other financial statements.

Information on a major transaction and/or an interested-party transaction shall be disclosed in an explanatory note to the annual financial statements in line with the international financial reporting standards, and communicated to all the Shareholders and investors as required by Article 79 of the Law. Information on a transaction which resulted in acquisition or alienation of property amounting to ten per cent of KMG's assets or higher shall include information on the parties, time limits and terms of the transaction, the nature and participation shares of the persons involved and other information on the transaction.

138. KMG shall audit annual financial statements.

139. Audit of KMG may be carried out at the initiative of KMG's Board of Directors, and the Management Board, at KMG's expense, or at any KMG shareholder's request, at its expense, in such a case shareholders shall be entitled to determine the auditing organization at its option. In case of carrying out an audit at any shareholder's request, KMG shall be bound to provide all the necessary documentation (materials) requested by the auditing organization.

If KMG's Management Board evades auditing of KMG, audit may be appointed by a court judgment regarding a claim of any interested party.

## **ARTICLE 18. DISCLOSURE OF INFORMATION BY KMG. DOCUMENTS OF KMG**

140. KMG shall publish information on its activities on KMG's web-site ([www.kmg.kz](http://www.kmg.kz)) and/or in a print periodical determined under the laws and a regulatory legislative act of a state agency administering regulation and oversight of the securities market.

KMG shall publish its annual report on its web-site ([www.kmg.kz](http://www.kmg.kz)) within 10 days of the date of its approval by the General Meeting of Shareholders.

KMG shall inform the Shareholders and investors of corporate events determined by the Law.

KMG shall make information on corporate events, KMG's annual financial statements and audit reports, as well as information on the total amount of remuneration of the members of the executive body at year-end, available on the web resource of the financial statements depository as determined in compliance with the RoK laws on accounting and financial reporting, in line with the procedure and time limits established by the regulatory legislative act of the state authority exercising regulation and oversight of the securities market.

KMG shall make information on accounting and financial statements, quarterly financial statements available on the web resource of the financial statements depository as determined in compliance with the RoK laws on accounting and financial reporting, and submit information on all the corporate events and quarterly financial statements to the stock exchange in line with the procedure established by its internal documents, to be available on the web resource of the exchange stock.

KMG shall be liable to make the information on major Shareholders as well as the data on the members of the society regulatory body, who coordinate a managerial position or any other main activity in another legal body, showing all the information on their competences and responsibilities in other legal bodies in the order, established by the internal documents of the exchange stock, available on the corporate web-site.

Information on corporate events shall be provided in accordance with the Law and the Charter.

In case the Law and other RoK legislative acts do not provide for time limits for publication (informing the shareholders of) the information, this information shall be published (communicated to the shareholders) within three business days of the date of its occurrence.

The information on institution of court proceedings on a corporate dispute shall be submitted to the Shareholders within seven business days of the date of receipt by KMG of the correspondent service of process (summons) on a civil case on a corporate dispute.

Within three days after the decision made by the Board of Directors on a major transaction, KMG shall place the information on the transaction in mass media in the state and Russian languages, to provide the information to the creditors.

KMG shall ensure obligatory updating of the list of KMG's employees who have information constituting an official or commercial secret.

142. Provision of information on KMG's activities affecting the Shareholders' interests shall be carried out in compliance with the Law and the Charter.

At the request of any of KMG's Shareholder for provision of information or copies of the documents specified in this clause of the Charter, KMG shall be bound to provide them to the applicant in accordance with the established procedure, not later than ten business days since the moment of receiving the request, unless otherwise prescribed in the request.

Documents regulating certain aspects of issue, placement, circulation and conversion of KMG's securities, containing the information constituting an official, commercial or any other secret protected by the law, shall be submitted for familiarization to the Shareholders at their request.

142. KMG's documents concerning its activities shall be kept by KMG during the term of its operation at the location of KMG's Management Board or at another location determined by a resolution of KMG's Management Board.

Documents specified in Article 80 of the Law shall be kept.

143. Other documents not specified in clause 142 of the Charter including KMG's financial statements, shall be kept by KMG during the period established in accordance with the Laws.

144. At the request of any of the Shareholders, KMG shall be bound to provide it with copies of documents stipulated by the Law and the Charter. Information on KMG's activities, labeled "Confidential" or "For Restricted Use Only", which has become known to the Shareholders, may not be transferred in written or in any other form to third parties, except for the state authorities of the Republic of Kazakhstan on the issues within their competence. Disclosure of confidential information to any other parties shall be possible only by consent of the Chairman of KMG's Management Board.

145. KMG shall keep records of its affiliated persons based on the information provided by these persons.

KMG shall provide the list of its affiliates to the state body administering regulation and oversight of the securities market, in accordance with the procedure established by it.

146. The Shareholders and officers of KMG shall provide to KMG information on their affiliates within 7 days of emergence of such affiliation.

In case a person earlier indicated by the Shareholders or an officer of KMG as an affiliated person ceases to be such a person, the Shareholder or an officer of KMG shall notify KMG thereof within a five-day term.

Information on the affiliated persons shall be provided to KMG in the volume, which enables KMG to meet the appropriate requirements of the state agency administering regulation and oversight of the securities market.

#### **ARTICLE 19. LEGAL SAFEGUARDING OF KMG'S PROPERTY**

147. Legal safeguarding of KMG's property and the rights owned by it shall be exercised in compliance with the Laws.

#### **ARTICLE 20. REORGANIZATION AND LIQUIDATION OF KMG**

148. KMG may be reorganized and liquidated by a resolution of the General Meeting of Shareholders or as otherwise provided for in the laws of the Republic of Kazakhstan.

The procedure for reorganization and liquidation of KMG shall be governed by the Law and other regulatory legislative acts of the Republic of Kazakhstan.

#### **ARTICLE 21. FINAL PROVISIONS**

149. If one of the provisions of the Charter becomes invalid, this shall not affect the validity of other provisions. The invalid provision shall be replaced by a legally acceptable, implicitly close provision.

150. The Charter shall become effective on the date of its state registration with justice authorities.

**Chairman of the  
Management Board**

**S. Mynbayev**