**1. General provisions**

1.1 The Regulation on the Compliance Service of the National Company KazMunayGas Joint Stock Company (hereinafter – the Regulation) has been developed in accordance with the legislation of the Republic of Kazakhstan on combating corruption, methodological recommendations on the organization of the institute of anti-corruption compliance in quasi-public sector entities approved by the authorized anti-corruption body, as well as other internal regulatory documents of the National Company Joint Stock CompanyKazMunayGas".

1.2 This Regulation defines the goals, objectives, principles, functions, rights and responsibilities of the Compliance Service (hereinafter referred to as the Service) of the National Company KazMunayGas Joint Stock Company (hereinafter referred to as KMG), as well as the procedure for appointment, early termination of powers, determination of the terms of remuneration of the head and employees of the Service, the procedure for bringing to disciplinary responsibility.

1.3 The Service exercises its powers independently of the executive body and officials of KMG, is directly subordinate and accountable to the Board of Directors of KMG and is independent in ensuring compliance with the requirements of the legislation of the Republic of Kazakhstan, including on combating corruption, the Charter of KMG, this Regulation and other internal documents of KMG.

1.4 The purpose of the Service is to ensure that KMG and its employees comply with mandatory regulatory requirements and best international practices on anti-corruption issues, participate in the formation of the internal corporate culture of the KMG Group of Companies, and monitor the implementation of anti-corruption measures.

1.5 When performing the compliance function, the Service is guided by the following principles:

1) legality and compliance with the requirements of anti-corruption legislation;

2) zero tolerance for any form of corruption;

3) the sufficiency of the powers and resources allocated for the performance of the compliance function by the Service;

4) management's interest in the effectiveness of the compliance function ("tone from above");

5) involvement of KMG employees;

6) information openness of the Service's activities;

7) Independence of the Service;

8) continuity of the compliance function;

9) improving the compliance function;

10) continuous improvement of the competencies of specialists performing compliance functions.

1.1 In order to ensure the independence and objectivity of the compliance function, it is not allowed to combine with the functions of other structural divisions of KMG. Employees are not allowed to combine other functions with the compliance function, as well as part-time work within the KMG Group of Companies, except for the implementation of the compliance function in the KMG Group of Companies.

1.2 The Board of KMG provides employees of the Service with appropriate working conditions, timely remuneration, issues appropriate orders concerning the activities of the Service, based on decisions taken by the Board of Directors of KMG, issues orders for business trips, vacations, and also performs other actions that do not contradict the status of the Service.

1.3 The qualification requirements for the head and employees of the Service are defined in the relevant job descriptions approved by the Chairman of the Board of Directors of KMG.

1.4 The Head of the Service shall ensure in accordance with the established procedure:

- effective operation of the Service in accordance with the tasks and functions set forth in this Regulation;

- performance of official duties defined in the job description of the head (KMG-DI-2753);

- awareness of employees about the relevance and importance of their activities within the framework of their assigned powers;

- contribution to the achievement of KMG's strategic goals, including in the field of quality, environmental protection, occupational health and safety, as well as information security in accordance with the Quality Policy, Environmental Policy, Occupational Safety and Industrial Safety Policy, Information Security Policy, integrated management System documents, sustainable development;

- timely identification and assessment of risks, execution of risk management measures, the owner of which is the Service headed by him, as well as informing about them the unit responsible for the internal control and risk management system;

- Taking measures to determine the necessary staff training.

1.5 The Regulations on the Service are posted on the official Internet resource of KMG and brought to the attention of all employees.

**2. The main tasks and functions of the Service**

2.1 Main tasks of the Service:

1) ensuring compliance of KMG's activities with the legislation of the Republic of Kazakhstan, including anti-corruption, and other applicable regulatory requirements;

2) ensuring the implementation of tools for the prevention and prevention of corruption offenses by KMG and its employees;

3) organization of a system of anti-corruption measures in KMG;

4) ensuring that KMG conducts an analysis of corruption risks;

5) ensuring compliance with external regulatory requirements and best international practices on anti-corruption issues;

6) ensuring compliance with the basic principles of anti-corruption in accordance with the legislation of the Republic of Kazakhstan on anti-corruption;

7) implementation of internal control over the disposal and use of insider information.

2.2 In order to ensure the assigned tasks, the Service performs the following functions in accordance with the established procedure:

1) provides support to the management (management body) in building an effective compliance system that provides reasonable assurance that significant compliance and corruption risks of KMG are properly managed;

2) ensures the development of KMG's internal compliance policies, regulations and procedures;

3) collects, processes, summarizes, analyzes and evaluates information related to the effectiveness of anti-corruption policy in KMG;

4) ensures consideration of appeals received through the channels of initiative information (Hotline) and internal channels of information receipt;

5) considers applications within the competence of the Service;

6) coordinates the internal analysis of corruption risks in KMG in accordance with the Standard Rules for Conducting Internal Analysis of Corruption Risks approved by the authorized state body;

7) participates in an external analysis of corruption risks in KMG conducted by a joint decision of the first heads of the authorized anti-corruption body and KMG;

8) monitors identified compliance risks in KMG, including corruption risks, and measures taken to mitigate and eliminate them;

9) provides consulting and methodological support in the field of compliance and anti-corruption to KMG employees and officials in the performance of their functional duties;

10) organizes training seminars on compliance issues for KMG employees;

11) ensures control over compliance by KMG employees with internal regulatory documents on compliance issues, including anti-corruption;

12) promotes the formation of an anti-corruption culture in KMG;

13) monitors the implementation by KMG structural units of the internal action plan on anti-corruption issues;

14) takes measures to resolve the issues of giving and receiving gifts in KMG;

15) carries out a comprehensive verification of the reliability of contractors;

16) conducts internal audits and investigations to identify compliance, including corruption risks, in KMG and/or participates in them;

17) conducts monitoring and analysis of changes in anti-corruption legislation;

18) assesses the effectiveness of the implementation of anti-corruption measures by structural units and employees of KMG;

19) hears information from KMG's structural divisions and employees on anti-corruption issues;

20) makes recommendations to the Board of Directors and the management of KMG on eliminating identified corruption risks and improving the efficiency of internal processes of organizing KMG's activities;

21) within the competence of the Service, coordinates materials on issues submitted to the Board of Directors and the Management Board of KMG;

22) in cases provided for by regulatory documents regulating procurement procedures, KMG shall coordinate the validity of the choice of a single-source procurement method, as well as procurement categorical strategies;

23) interacts with the authorized anti-corruption body and government agencies, quasi-public sector entities, public associations, as well as other individuals and legal entities;

24) implements a set of measures for the use of insider information by KMG, its officials and other employees in accordance with regulatory requirements for the delimitation of access rights to insider information and preventing the possibility of misuse of such information by insiders;

25) carries out control procedures for the identification and settlement of conflicts of interest, organization of documentation and disclosure of conflicts of interest;

26) performs other functions assigned to employees of the Service in accordance with job descriptions, if such functions do not affect independence and do not create a conflict of interest.

**3. Service Rights**

3.1. In order to implement the main tasks and perform its functions, the Service has the right, in accordance with the established procedure:

1) request and receive information and materials from other structural divisions and officials of KMG and the KMG Group of Companies, including those constituting commercial and official secrets, as well as have access to information and accounting systems on an unlimited and unhindered basis to perform their functions and tasks;

2) conduct internal audits and investigations within the competence of the Service;

3) to request and receive written and/or oral explanations from the managers and other employees of KMG within the framework of official inspections and investigations;

4) develop proposals to improve the anti-corruption legislation of the Republic of Kazakhstan and send them to the authorized anti-corruption body;

5) participate in the development of drafts of internal documents within their competence;

6) create information channels for KMG employees to report on the facts of the existence or potential possibility of violations of anti-corruption legislation, or to make proposals to improve the effectiveness of anti-corruption measures in KMG;

7) take part in programs aimed at professional training and advanced training of KMG employees;

8) represent the interests and/or act as a representative of KMG in government agencies and other organizations within their competence;

9) initiate issues for approval by the Board of Directors of KMG in the field of compliance, work procedures and service plans;

10) have direct access to the Board of Directors of KMG to discuss the functioning of the compliance system and emerging restrictions;

11) within the competence of the Service to organize and participate in meetings/events held by KMG;

12) to check the knowledge of KMG employees for understanding and knowledge of anti-corruption legislation and internal regulatory documents on compliance issues;

13) directly contact the Chairman and members of the Board of Directors of KMG and the Audit Committee, members of the Board of KMG, as well as the management of subsidiaries and affiliates of KMG on the issues of the Service.

14) involve employees of the structural divisions of KMG and the KMG Group of Companies, in agreement with the relevant head, in the implementation of planned and unscheduled activities of the Service, and individual assignments of the KMG Board of Directors and the Audit Committee of the KMG Board of Directors;

15) to carry out other actions that do not contradict the legislation of the Republic of Kazakhstan and internal documents of KMG.

**4. Responsibility of the Service**

4.1 The Head of the Service is personally responsible for the quality and timeliness of the performance of functions and tasks assigned to the Service in accordance with this Regulation, the legislation of the Republic of Kazakhstan, the employment contract, job description and other internal documents of KMG.

4.2 The Head of the Service is personally responsible for timely and complete information about potential risks in accordance with the established procedure to the management of KMG and the unit responsible for risk management, as well as for carrying out measures on the risks of the Service, which were subsequently implemented.

4.3 Employees of the Service:

1) are personally responsible for the performance of their assigned functions in accordance with these Regulations, job descriptions, employment contracts and instructions from the head of the Service;

2) comply with the requirements established by the Anti-Corruption Policy or other internal documents and legislation, or report the impossibility of their compliance to the immediate supervisor;

3) immediately inform the head of the Service if they become aware of a committed or planned corruption offense.

4.4 The degree of responsibility of Service employees is determined by the matrix of distribution of Service functions (KMG-F-3762.2-47/ PD-2752.3-47), job descriptions and employment contracts.

4.5 When carrying out its activities, the Service:

1) respects the confidentiality of information about KMG and its affiliates, insider information that became known during the implementation of anti-corruption compliance functions, if it does not contain data on an upcoming and (or) committed corruption offense;

2) ensures the confidentiality of persons who have applied for alleged or actual facts of corruption, violations of the Code of Business Ethics and other internal documents on combating corruption in KMG;

3) promptly inform the Board of Directors of KMG about any situations related to the presence or potential possibility of violation of anti-corruption legislation;

4) bring to the attention of the authorized anti-corruption body about cases of corruption offenses that have become known, are being prepared, committed or committed;

5) does not interfere with the established mode of operation of KMG.

4.6 In order to comply with the principles of objectivity and impartiality in the performance of their functions, employees of the Service should not:

1) perform duties unrelated to the activities of the Service;

2) to participate in any activity that could damage the impartiality of the assessment of the employees of the Service or be perceived as causing such damage;

4) use confidential information for personal interests or in any other way contrary to the legislation of the Republic of Kazakhstan, or capable of harming KMG and the KMG Group of Companies;

5) participate in the inspections of the processes in which they participated during the previous three years, with the exception of the implementation of tasks and functions provided for by this Regulation;

6) violate the norms of business ethics;

7) accept gifts and use services, as a result of which the independence, objectivity and impartiality of the Service may be damaged or which may be perceived as causing such damage;

8) take part in inspections, internal investigations and other activities that may lead to a conflict of interest.

**5. Interaction with other divisions of KMG, the KMG Group of Companies and other organizations**

1. 5.1 The Service interacts with all structural divisions of KMG and other organizations in accordance with the established procedure. The interaction of the Service is reflected in the KMG-F form-3761.2-47/ PD-2752.3-47.
2. 5.2 The interaction of the Service with the structural divisions of KMG is based on mutual politeness and correctness in work.
3. 5.3 Employees of KMG structural divisions provide assistance to the Service by:
4. 1) providing documents and information necessary for the implementation of the tasks and functions of the Service;
5. 2) objective discussion of the identified risks and violations;
6. 3) joint solution of emerging issues and problems.
7. 5.4 Documents and requests sent on behalf of the Service to other structural divisions of KMG, companies of the KMG Group, government agencies and organizations on issues within the competence of the Service are signed by the head of the Service.
8. 5.5 Service in order to create an effective compliance risk management system at the KMG Group level:
9. 1) provides methodological support for the compliance functions of the KMG Group, including through the development and implementation of compliance documents required by the KMG Group;
10. 2) monitors the implementation of the compliance function in the KMG Group of Companies and makes recommendations for its improvement aimed at confirming compliance of the compliance function with the requirements of the Corporate Standard for the Compliance Function of the Samruk-Kazyna JSC Group;
11. 3) in order to ensure the independence and objectivity of the compliance function, coordinate the issues of appointment, disciplinary measures and termination of powers of the head of the structural unit or the person responsible for the implementation of the compliance function in the KMG Group;
12. 4) has the right to make proposals to the first heads of KMG Group companies on the composition of the working group, the procedure for conducting and the list of issues within the framework of monitoring, inspections and investigations in the company, on the facts of corruption and violations;
13. 5) defines the list and procedure for providing periodic reporting and operational information on compliance and anti-corruption issues;
14. 6) controls the deadlines and completeness of the submitted compliance reports and has the right to make proposals to the management body and the executive body of the KMG Group company on taking measures against responsible persons in case of violation by the latter of the established deadlines and/or completeness of the submitted reports;
15. 7) on the basis of monitoring and evaluating the effectiveness of the implementation of the compliance function, as well as the results of inspections and investigations, has the right to make suggestions and recommendations to the management body and the executive body of the company to eliminate the identified deficiencies, as well as making disciplinary, personnel and other management decisions;
16. 8) has the right to send mandatory compliance orders to persons performing compliance functions in the KMG Group of Companies and to submit information on their untimely or poor-quality execution to the management body or executive body for appropriate measures;
17. 9) performs direct functional coordination of the compliance function in the KMG Group of Companies;
18. 10) in order to promptly respond to emerging compliance risks and effectively manage the compliance function, it may send recommendations, requests and instructions that are mandatory for all companies of the KMG Group in accordance with the procedure and deadlines established by the Service.

**6. Service Structure**

6.1. The structure and staff of the Service are determined by the structure of the central office and the staffing table approved by the decision of the Board of Directors. The structural diagram of the Service is presented in the form of KMG-F-3763.2-47/ PD-2752.3-47.

6.2 The Service is headed by the Head of the Service. The appointment of the head of the Service and employees, as well as the early termination of their powers, the amount and conditions of remuneration, bonuses, disciplinary measures against the head, grades of the position of the head and employees of the Service are determined by the Board of Directors of KMG.

6.3 An employment contract with the head and employees of the Service is concluded on the basis of a decision of the Board of Directors of KMG by the Chairman of the Board of KMG, who exercises other rights and obligations of the employer in accordance with the labor legislation of the Republic of Kazakhstan.

6.4 Job responsibilities, rights and responsibilities of the head and employees of the Service are determined by the relevant job descriptions, which are developed on the basis of these Regulations, employment contracts, internal documents of KMG. Job descriptions of the head and staff of the Service are approved by the Chairman of the Board of Directors of KMG. Job descriptions of employees of the outstaffing Service are approved by the head of the Service.

6.5 The Head submits to the Board of Directors of KMG a proposal on the structure and staffing of the Service.

**7. Professional development**

7.1 The Head and employees of the Service must necessarily undergo training, develop professional knowledge and skills by regularly participating in programs aimed at training, retraining, advanced training of employees and certification programs conducted by authorized bodies and professional organizations in the field of compliance, in accordance with the procedure established by internal documents of KMG.

7.2 The Management Board of KMG should contribute to the improvement of their knowledge and skills by the employees of the Service by ensuring that the costs of training and trainings on relevant topics and programs proposed by the head of the Service for continuous professional development are included in the budget of KMG, in accordance with the established procedure.

**8. Reporting of the Service**

8.1. The Service periodically reports on the results of its activities to the Audit Committee of the Board of Directors of KMG and the Board of Directors of KMG.

8.2 The Service periodically sends information on the anti-corruption measures taken to the authorized anti-corruption body.

8.3 At the request of the authorized anti-corruption body, additional information on the anti-corruption measures taken in KMG is sent.

**AGREED**

**Director**

**Compliance services \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ G.Moldagalieva**

**Director**

**of the Legal Support Department \_\_\_\_\_\_\_\_\_\_\_\_\_\_ R. Makashev**

**Acting Director**

**of the Human Resources Management Department \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E. Shabanov**

**Director of the Department of Strategy**

**and Portfolio Management \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ A. Turebayeva**