

Approved by
decision of the Board of Directors
NC KazMunayGas JSC
(minutes of the meeting from
«__»_____201_ №__)

The policy of the business continuity management system of NC KazMunayGas JSC and its subsidiaries and affiliates

1. GENERAL PROVISIONS

1.1. This Policy of the Continuity Management System for the activities of JSC NC KazMunaiGas and its subsidiaries and affiliates (hereinafter referred to as the Policy) has been developed in accordance with the requirements of the Reference Model for Risk Management for Samruk-Kazyna Portfolio Companies and the internal documents of NC KazMunayGas JSC (further - KMG).

1.2. This Policy defines the scope, objectives, basic principles and model of the business continuity management system (BCMS) in the KMG group of companies, taking into account the recommendations of ISO 22301: 2012 “Social security. Business Continuity Management Systems. Requirements” - the International standard in the field of continuity of operations.

1.3. BCMS is a set of processes and procedures aimed at identifying potential threats/risks and assessing their impact on the activities of KMG and its subsidiaries and affiliates (together, the Company), which provides the basis for increasing the Company's sustainability to incidents by implementing an effective response, capable of restoring the activities of the Company and ensuring the protection of the interests of stakeholders, business reputation, brand and activities, adding value to the Company.

1.4. The company is aware of the importance of having an BCMS and manages the continuity of the activity, identifying the necessary conditions and resources for the development, improvement of measures and means ensuring continuity of activity in the context of threats and risks leading to disruption of activities (emergencies).

1.5. The Company should adopt uniform approaches in the construction of the BCMS, including general principles and methodology. Management continuity of activities based on this Policy is the basis for the operation of the BCMS in the Company.

2. SCOPE OF APPLICATION

2.1. This Policy applies to all of KMG's business lines - Exploration, Production and Oil Services, Transportation, Refining and Marketing of Oil, Transportation, Processing and Marketing of Gas, including inalienable business processes supporting these business lines, as well as processes of the Corporate Center of KMG.

2.2. This Policy is mandatory for use by all structural units and employees of KMG.

2.3. Subsidiaries and affiliates of KMG (hereinafter - SAs) are developing their own policy in the field of business continuity, without violating the provisions of this Policy, but taking into account the specifics and characteristics of their activities.

3. THE MAIN OBJECTIVES OF BCMS

3.1. BCMS is implemented for the following objectives to be achieved by the Company:

1) maintaining the ability to carry out its activities and fulfill obligations to shareholders, consumers and other interested parties in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company;

2) prevention of possible disruption of activities;

3) maintenance of financial stability in case of incidents;

4) preservation of the management structure during the violation of activities that allow to ensure conditions for the adoption of effective management decisions, their full and timely implementation;

5) restoration and support of key business processes, the disruption of which leads to significant consequences in a short period of time (critical business processes);

6) reducing the scale of the impact of incidents on the Company's operations (reducing the damage to assets and reputation, as well as eliminating the loss of information contained in information systems);

7) maintenance of normal working conditions, safety of workers in the period of violation of activities.

4. BASIC PRINCIPLES OF THE BCMS

4.1. The Company's policy in the field of continuity management is based on the following principles:

1) **continuity** – BCMS functions on an ongoing basis;

2) **adherence to the guidelines (proactive management/ leadership commitment)** – The company's management realizes the importance of the BCMS, takes an active part and provides comprehensive support in the implementation and improvement of BCMS in the KMG group of companies;

3) **integration** – ensuring effective interaction between processes of managing the continuity of activities and processes of operational activities, as well as decision-making in the incident;

4) **provision of resources** – The BCMS has to be provided with the necessary resources sufficient to support the Company's activities at an acceptable level, by effectively responding to incidents;

5) **complexity** – BCMS covers all areas of the Company’s activities, where a break in this activity is possible;

6) **awareness and timeliness of the message** – The BCMS has to be provided with the availability of objective, reliable and up-to-date information. Employees of the Company are aware of the current procedures and consistent actions in restoring the Company’s operating activities, and participate in testing of procedures for ensuring business continuity.

5. THE PROCESS OF THE FUNCTIONING OF BCMS

5.1. The functioning of BCMS is a cyclic process and consists of the following components:

1) Definition of the scope of BCMS – the scope of application is determined when the initial implementation of BCMS, and taking into account the objectives of the Company, the needs and expectations of the stakeholders.

2) Business impact analysis necessary to determine the criticality, priority and target time for restoring the Company’s business processes in the event of a disruption of operations;

3) Development of a business continuity plan (hereinafter referred to as BCP), which aims to establish procedures for ensuring the continuity of the Company’s business, including incident management measures, resource requirements, communications and the procedure for the restoration of normal operations;

4) BCP testing – BCP is subject to the regular testing in order to have reasonable assurance about the continuity of the Company’s operations;

5) Monitoring and improvement of BCMS includes the analysis and improvement of the functioning of the BCMS, its components and the established measures to ensure the continuity process for their adequacy and effectiveness, as well as raising awareness of the objectives of the system and its functions in the event of incidents by training events.

6. FINAL PROVISIONS

6.1. The mechanism for implementing this Policy (the organizational structure of the BCMS, the segregation of duties and authority of the participants in the BCMS, and the procedures for managing business continuity) is defined in the Company’s internal documents in the field of the BCMS.

6.2. This Policy, as well as all amendments and additions to it, is approved by the Board of directors of KMG.

6.3. Issues not regulated by this Policy are regulated by the legislation of the Republic of Kazakhstan, the Charter and the other internal documents of KMG.