

**MINUTES**  
**from Extraordinary General Meeting of Shareholders of**  
**KazMunaiGas Exploration Production Joint Stock Company**

The extraordinary general meeting of the shareholders (hereinafter referred to as “Meeting” or “EGM”) of KazMunaiGas Exploration Production Joint Stock Company (hereinafter referred to as “Company”) located at: 17 Kabanbay Batyr, Astana, 010000, was held on 13 April 2016 at 10:30AM at: conference hall 1201, 12<sup>th</sup> floor, 17 Kabanbay Batyr, 010000, Astana.

Ms Zhanna Kiinova, the Managing Director for Legal Matters at the Company, announced the opening of the Meeting, and gave the floor to the Chairman of the Company’s Counting Committee Mr Yerden Raimbekov.

The Chairman of the Counting Committee stated that, in accordance with the list of the Company’s shareholders provided by Securities Registrar AO as at 14 March 2016 the total number of shares placed by the Company was 74,357,042 including 4,136,107 preferred shares, and 70,220,935 common shares. According to subclause (8) of Article 1 of the Kazakh Stock Corporation Act, voting shares do not include shares bought back by the Company as well as those shares which are nominally held and belong to an owner without profile available in the central depository database. The number of common shares belonging to owners without profile available in the Central Depository database was 22,567.

The Meeting registered the presence of an authorized representative from the majority shareholder National Company KazMunayGas, and a representative from nominee holder of common shares.

Pursuant to Article 45:1 of the Kazakh Stock Corporation Act, general meeting of shareholders may review and decide upon agenda issues if by the end of registration of meeting participants or their representatives indicated in the list of shareholders eligible for participation and voting at such meeting, holding in aggregate 50 or more per cent of company’s voting shares.

1. National Company KazMunayGas Joint Stock Company, the holder of 43,087,006 common shares, represented by Mr. Damir Teberikov, Deputy Director of Operations Department at National Company KazMunayGas Joint Stock Company (power of attorney No. 110-36 dated 12 February 2016);

2. Deutsche Bank Trust Company Americas (a depository bank of KazMunaiGas Exploration Production), a nominee holder of common shares represented by Ms Aizhan Amanzholova (power of attorney without number dated 6 April 2016) who represented the holders of 12,951,824 common shares;

Total: two shareholders were present holding 82.8% (NC KazMunayGas JSC, and Deutsche Bank Trust Company Americas) of the total number of the Company’s voting shares.

The quorum of the meeting of the shareholders was reached.

Ms Zhanna Kiinova proposed to appoint Mr Damir Teberikov, Deputy Director of Operations Department at National Company KazMunayGas Joint Stock Company, as the Chairman of the Meeting of the Company. The matter was put to a vote. The total number of the votes taking part in the voting was 43,087,006 votes.

<b>Votes:</b>	
<b>For</b>	43,087,006 votes;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**Decision made by the majority of votes:** to appoint Damir Teberikov, the Deputy Director of Operations Department at National Company KazMunayGas Joint Stock Company, as Chairman of the Meeting of the Company.

Ms Zhanna Kiinova informed that, in accordance with clause 10.39 of the Company's Charter, the Company Secretary should act as the Secretary of the Company's Meeting. In this regard, it was proposed to appoint Mr Aidar Zhexenbiyev, the Company Secretary, as the Secretary of the Company's Meeting.

The matter was put to a vote. The total number of the votes taking part in the voting was 43,087,006 votes.

<b>Votes:</b>	
<b>For</b>	43,087,006 votes;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**Decision made by the majority of votes:** to appoint Aidar Zhexenbiyev as the Secretary of the Company's Meeting.

Then the Chairman Mr Teberikov informed the shareholders of the manner and the form of voting at the Meeting. Pursuant to Article 50:1 of the Kazakh Stock Corporation Act, the voting at a general meeting of shareholders should be done on a "one share – one vote" principle except for the following cases: (1) if the number of votes on shares that one shareholder holds is limited under Kazakh laws; (2) if cumulative voting takes place when a member is being appointed to the Board; (3) if each person that is entitled to vote at a general meeting of shareholders is given one vote to cast on procedure for holding a general meeting of shareholders. It was recommended that open voting is used.

The matter was put to a vote. The total number of the votes taking part in the voting was one vote.

<b>Votes:</b>	
<b>For</b>	1 vote;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**Decision made by the majority of votes:** that open voting is used to vote on matters on the agenda of the Company's Meeting pursuant to Article 50:1 of the Kazakh Stock Corporation Act.

The chairman of the Meeting Mr Damir Teberikov gave the floor to the Secretary of the Company's Meeting Mr Zhexenbiyev regarding the time limits for the Meeting. Mr Zhexenbiyev proposed to give up to ten minutes to each speaker on agenda matters, up to five minutes to a speaker in debates, and up to seven minutes to the Counting Committee for counting votes.

Since no other recommendations were made on this matter at the Meeting, the matter was put to a vote. The total number of the votes taking part in the voting was one vote.

**Votes:**

<b>For</b>	1 vote;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**Decision made by the majority of votes:** to approve the following time limits of the Company's Meeting: up to ten minutes will be given to speakers on agenda matters, up to five minutes to speakers in debates, up to seven minutes to the Counting Committee for counting votes.

The Chairman of the Meeting Mr Damir Teberikov gave the floor to the Secretary of the Company's Meeting Mr Zhexenbiyev regarding the matter on the agenda.

Mr Zhexenbiyev informed that on 23 February 2016 the Company's Board of Directors made the decision to call an Extraordinary General Meeting of Shareholders. The notice about the calling of the Meeting was published in the newspapers *Yegemen Kazakhstan* and *Kazakhstanskaya Pravda* both dated 26 February 2016. There were no proposals from major shareholders about amendments to be introduced to the agenda.

Therefore, it was proposed to approve the following agenda:

- (1) the number of directors on the Board;
- (2) the term of powers of the Board of Directors;
- (3) election of directors to the Board of Directors;
- (4) amount and term of compensation package for and reimbursement of directors on the Board of Directors for discharging their duties.

Pursuant to clause 1 of Article 43 of the Kazakh Stock Corporation Act, agenda of a general meeting of shareholders must be compiled by the Board of directors and must have an exhaustive list of carefully phrased items to be discussed. Majority shareholder or the Board may add an item or items to the agenda provided that shareholders have been informed of such additional item or items at least fifteen days prior to the general meeting of shareholders or in the manner stipulated by clause 4 hereof.

There were no comments or recommendations on changes to the agenda from the majority shareholder and Board of Directors.

Since no other comments or recommendations were made on this matter at the Meeting, the matter was put to a vote. The total number of the votes taking part in the voting was 56,038,830 votes.

**Votes:**

<b>For</b>	56,038,830 votes;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**Decision made by the majority of votes:** to approve the following agenda of the Meeting:

- (1) the number of directors on the Board;
- (2) the term of powers of the Board of Directors;
- (3) election of directors to the Board of Directors;
- (4) amount and term of compensation package for and reimbursement of directors on the Board of Directors for discharging their duties.

**Item 1.** The Chairman of the Meeting Mr Damir Teberikov gave the floor to Mr. Zhexenbiyev, the Company Secretary.

Mr. Zhexenbiyev reported that pursuant to clause 8 of Article 11.1 of the Company's Charter, it is within the exclusive authority of the general meeting of shareholders to determine the number and terms of office of the Board of Directors, appointment of its members and early termination of their powers, approval of the By-Laws (Regulations) on the Board of Directors as well as determining the amount and terms of remuneration of members of the Board of Directors.

Pursuant to subclause 12:9 of Article 12 of the Company's Charter, the number of members of the Board of Directors shall (in the absence of casual vacancies) include at least eight (8) persons, including independent directors and CEO (Chair of the Management Board).

Since no other comments or recommendations were made on the matter at the Meeting, the following resolution was put to voting:

that the number of directors on the Board is eight

The total number of the votes taking part in the voting was 56,038,830 votes.

**Votes:**

<b>For</b>	56,038,830 votes;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**Decision was made that the number of directors on the Board is eight.**

**Item two.** The Chairman of the Meeting Mr Damir Teberikov gave the floor to Mr. Zhexenbiyev, the Company Secretary.

Mr. Zhexenbiyev reported that pursuant to resolution of the EGM (minutes dated 13 April 2015), the term of the current Board was set at one year (until 13 April 2016).

Pursuant to clause 8 of Article 11.1 of the Company's Charter, it is within the exclusive authority of the general meeting of shareholders to determine the number and terms of office of the Board of Directors, appointment of its members and early termination of their powers, approval of the By-Laws (Regulations) on the Board of Directors as well as determining the amount and terms of remuneration of members of the Board of Directors.

In accordance with the best practices of corporate governance and to raise the responsibilities of the Board of Directors for their performance, we recommend that the term of powers of the Board is fixed from 13 April 2016 through 25 May 2017. The term must expire once the Board has reported to shareholders on their performance for reporting period stipulated by Kazakh Stock Corporation Act and Company's internal documents.

Since no other comments or recommendations were made on the matter at the Meeting, the following resolution was put to voting:

that the term of the Board shall be from 13 April 2016 until 25 May 2017.

The total number of the votes taking part in the voting was 56,038,830 votes.

**Votes:**

<b>For</b>	56,038,830 votes;
<b>Against</b>	no votes;
<b>Abstained</b>	no votes.

**The decision was made that that the term of the Board shall be from 13 April 2016 until 25 May 2017.**

**Item three.** The Chairman of the Meeting Mr Damir Teberikov gave the floor to Mr. Zhexenbiyev, the Company Secretary.

Mr. Zhexenbiyev reported that the Meeting was held pursuant to resolution of the Board of Directors that had been passed on 23 February 2016. The notice about the calling of the Meeting was published in the newspapers *Yegemen Kazakhstan* and *Kazakhstanskaya Pravda* both dated 26 February 2016 (pursuant to clause 10.16 of the Company's Charter). Pursuant to clause 3.8 of the Provisions on the Company's Board (as approved by the general meeting of shareholders on 30 October 2007) ("Board Provisions"), shareholders may propose candidates to the Board within fifteen (15) days from the date of notice of the upcoming general meeting of shareholders that has appointment of new directors to the Board on its agenda. The Board may make recommendations on candidates to the Board on or before the date papers have been prepared for the agenda of the general meeting for information of shareholders but no later than within ten (10) days prior to the meeting.

Pursuant resolution of the Board of Directors passed on 23 February 2016 (minutes No.3), the following candidates are nominated for appointment to the Board:

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|---------------------------|--|
| (1) Christopher Hopkinson | representative from NC KMG – First Deputy Chair of the Management Board at NC KMG;             |
| (2) Kurmangazy Iskaziyeu  | Chief Executive Officer (Chair of the Management Board of KazMunaiGas Exploration Production); |
| (3) Yerzhan Zhangaulov    | representative from NC KMG – Managing Director for Legal Matters at NC KMG;                    |
| (4) Assiya Syrgabekova    | representative from NC KMG – Managing Director for Investment and Risk Management at NC KMG;   |
| (5) Igor Goncharov        | representative from NC KMG – Managing Director for Operational Production Assets;              |
| (6) Philip Dayer          | independent director;  |
| (7) Edward Walshe         | independent director;  |
| (8) Alastair Ferguson     | independent director.  |

The information on the nominees is enclosed herewith.

Mr. Edward Walshe has been independent director of the Company from August 2006, and Mr. Philip Dayer from May 2010, and Mr. Ferguson from October 2013. Given that Mr Walshe has served more than nine consecutive years with the Company, his appointment and independence was the subject of particular review and scrutiny. According to the Code on Corporate Governance, the Board of Directors and the Nominations Committee on February 23, 2016 (Minutes No.3) resolved to recognize the independence of Mr Walshe, the independent director, and to recommend that he is appointed as the independent director to the Board of Directors of KazMunaiGas Exploration & Production.

Two shareholders made recommendations to nominate certain candidates to the Company's Board.

- Lancrenan Investments Limited recommended nominating Alexey Germanovich as an independent director on the Company's Board.

- National Company KazMunaiGas ("NC KMG") recommended nominating the following candidates to the Company's Board:

1. Christopher Hopkinson, a representative from NC KMG;

2. Igor Goncharov, a representative from NC KMG;
3. Assiya Syrgabekova, representative from NC KMG;
4. Gustave van Meerbeke, representative from NC KMG;
5. Kurmangazy Iskazyev, Chief Executive Officer (Chair of the Management Board of KazMunaiGas Exploration Production);
6. Philip Dayer, independent director;
7. Edward Walshe, independent director; and
8. Alastair Ferguson, independent director.

Pursuant to clauses 3.8 and 3.11 of the Regulations for the Board of Directors, the Company Secretary has reviewed the recommendations on the election of directors to the Board, and found out that both recommendations were made within the time limit for recommendations, and that in all other respects they were meeting the requirements for candidates stipulated in Kazakh laws, Charter, the Code and the Regulations for the Board of Directors.

Pursuant to clause 100 of Article 3:2 and clause 107 of Article 3:3 of the Company's Code on Corporate Governance, and resolution No.5 passed by the Company's Board of Directors on 16 March 2016, taking into consideration the recommendations made by the Nominations Committee under the Board of Directors, the general meeting of shareholders is recommended to have Mr Gustave van Meerbeke and Mr Alexey Germanovich as candidates to the Company's Board of Directors. Pursuant to resolution No.5 passed on 16 March 2016 by the Company's Board of Directors, Mr Germanovich has been recognized as an independent candidate to the position of independent director of KazMunaiGas Exploration & Production as per documents that he has submitted.

More details about the candidates recommended by NC KMG and Lancrenan Investments Limited was attached.

Pursuant to clause 3 of Article 54 of the Kazakh Stock Corporation Act, members of the Board of Directors shall be appointed by cumulative voting using voting ballots unless there is one candidate running for one seat on Board of Directors.

As per recommendation made by the Company's Board of Directors, ten candidates have been recommended to the Board. All in all, there were ten candidates for eight seats.

Pursuant to clause 3 of Article 54 of the Kazakh Stock Corporation Act, candidates to the Board shall be appointed by cumulative voting using voting ballots.

1. Christopher Hopkinson, a representative from NC KMG;
2. Kurmangazy Iskazyev, Chief Executive Officer (Chair of the Management Board of KazMunaiGas Exploration Production);
3. Yerzhan Zhangaurov, representative from NC KMG;
4. Igor Goncharov, a representative from NC KMG;
5. Assiya Syrgabekova, representative from NC KMG;
5. Philip Dayer, independent director;
7. Edward Walshe, independent director;
8. Alastair Ferguson, independent director;
9. Gustave van Meerbeke, representative from NC KMG; and
10. Alexey Germanovich, independent director.

The election of directors to the Board of Directors was put to cumulative voting. The total number of votes cast is 448,246,207.

**Votes:**

Candidate nominated to the Board	Number of votes cast
Christopher Hopkinson	68,492,688 votes;
Kurmangazy Iskaziyeu	68,424,003 votes;
Yerzhan Zhangaulev	518,284 votes;
Igor Goncharov	68,271,497 votes;
Assiya Syrgabekova	68,071,156 votes;
Philip Dayer	27,878,879 votes;
Edward Walshe	27,526,432 votes;
Alastair Ferguson	27,878,879 votes;
Gustave van Meerbeke	68,271,497 votes;
Alexey Germanovich	22,912,892 votes.

**The decision was made that the following candidates are elected to the Board:**

- 1) Christopher Hopkinson** representative from NC KMG;
- 2) Kurmangazy Iskaziyeu** Chief Executive Officer (Chair of the Management Board of KazMunaiGas Exploration Production);
- 3) Igor Goncharov** representative from NC KMG;
- 4) Assiya Syrgabekova** representative from NC KMG;
- 5) Gustave van Meerbeke** representative from NC KMG;
- 6) Philip Dayer** independent director;
- 7) Edward Walshe** independent director; and
- 8) Alastair Ferguson** independent director.

**Item four.** The Chairman of the Meeting Mr Damir Teberikov gave the floor to Mr. Zhexenbiyev, the Company Secretary.

Mr. Zhexenbiyev reported that pursuant to clause 8 of Article 11.1 of the Company's Charter, it is within the exclusive authority of the general meeting of shareholders to determine the number and terms of office of the Board of Directors, appointment of its members and early termination of their powers, approval of the By-Laws (Regulations) on the Board of Directors as well as determining the amount and terms of remuneration of members of the Board of Directors.

The Board of Directors recommends that shareholders make no changes to the compensation package for the directors that was set by the general meeting of shareholders in 2015.

Since no other comments or recommendations were made on the matter at the Meeting, the matter was put to a vote. The total number of the votes taking part in the voting was 56,038,830 votes.

**Votes:**

**For** 56,038,830 votes;  
**Against** no votes;  
**Abstained** no votes.

**The decision was made:**

**1. to set the following amount and terms of compensation to members of the Board of Directors that are independent directors from the date of their appointment to the Company's Board of Directors:**

**(1) Annual fee - 150,000 US dollars per annum**

**(2) Participation in meetings of the Board of Directors, per meeting:**

**Physical attendance - 10,000 US dollars**

**Telephone/video attendance - 5,000 US dollars**

**(3) Committee chairmanship, per annum:**

**Audit Committee - 25,000 US dollars**

**Strategic Planning Committee - 15,000 US dollars**

**Remuneration Committee - 15,000 US dollars**

**(4) INED Meetings fee - 2,500 US dollars per meeting**

**2. to authorize the chair of the Company's Board of Directors to sign contracts with the independent directors on behalf of the Company on the above terms and conditions.**

Once the decisions on the items on the agenda have been adopted, the Chairman of the Meeting Mr Teberikov thanked the shareholders for participation and brought the meeting to a close.

The Company's Meeting was closed at 12:00AM.

Chairman of the General  
Meeting of Shareholders

\_\_\_\_\_ Damir Teberikov

Secretary of the General  
Meeting of Shareholders

\_\_\_\_\_ Aidar Zhexenbiyev

Members of the Counting  
Committee:

\_\_\_\_\_ Yerden Raimbekov

\_\_\_\_\_ Gulnara Ayaganova

\_\_\_\_\_ Aigul Aliakparova



From the Shareholder holding  
more than 10% of Common  
Shares

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Damir Teberikov

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From the Shareholder holding  
more than 10% of Common  
Shares

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Aizhan  
Amanzholova

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