

**Materials for the Extraordinary General Meeting of Shareholders of  
KazMunaiGas Exploration Production JSC (“Company”)  
25 February 2014, 10:30AM**

Agenda:

**Amendments to the Company Charter**

In accordance with subclause (1) of Article 11:1 of the Company Charter, introduction of amendments to the Company Charter is hereby brought forward for consideration by the general meeting of shareholders. The amendments are to do with the competence of Company’s bodies: the Management Board and the Board of Directors in terms of compliance with requirements of Samruk Kazyna Procurement Regulations; management of critical and top-priority areas (geology and exploration); direct loans to subsidiaries and joint ventures of the Company on conditions of repayment, maturity and interest payment; and some changes to wording to be consistent with financial documents of the Kazakh Stock Corporation Act and IFRS.

The comparison table enclosed hereto compares the current version of the Charter and the proposed amendments to the Charter and has comments explaining the reasons and circumstances behind those amendments.

**Resolution:**

- 1. To introduce the proposed amendments to the Company Charter.**
- 2. Mr. Abat Nurseitov, Company CEO and Management Board Chairman, shall take necessary actions arising from this resolution.**

**Introduced by resolution of extraordinary general meeting of shareholders of  
KazMunaiGas Exploration Production JSC  
Minutes dated \_\_\_\_\_ 201\_\_**

**Approval of amendments to Charter of KazMunaiGas Exploration Production JSC  
("Company")**

1. In Section 3 GOAL AND OBJECTIVES OF COMPANY'S BUSINESS  
add subclause 54-2) of Article 3:2. to read as follows:  
"providing loans to subsidiaries and joint ventures of the Company on conditions of  
repayment, maturity and interest payment;"
2. In Section 12 BOARD OF DIRECTORS:  
add subclause (19-1) to clause 12.2. to read as follows:  
"19-1) decision-making on matters as resolved by general meeting of shareholders and  
Board of Directors (and as stipulated by internal documents approved by the said bodies)  
except for matters that are within the remit of the executive body and general meeting of  
shareholders under the Charter;"  
The first sentence in paragraph 3 in subclause (8) of clause 12.3 shall be amended to read  
as follows:  
"a committee under the Board of Directors shall be chaired by a member of the Board of  
Directors except for chairman of Company's Management Board."
3. In Section 13 MANAGEMENT BOARD:  
subclause (10) of Article 13:1 shall be amended to read as follows:  
"10) approval of long-term plan for procurement of goods, works, and services;"
4. In Section 16 FINANCIAL REPORTING, ACCOUNTING RECORDS AND AUDIT:  
in Article 16:6 "an annual balance sheet, a report reflecting all changes in capital, a cash  
flow statement and an income and expenditure statement within dates" shall be replaced  
with "consolidated annual financial statements and auditor's report in the manner and  
within the timeframe".

**CEO  
Management Board Chairman**

**Abat Nurseitov**

## Comparison table of amendments recommended to be introduced to the Charter of KazMunaiGas Exploration Production JSC

Charter provision	Current version of the Charter	Proposed amendments to the Charter	Comments
Article 3:2 paragraph 8 of subclause (54-2)	N/A	providing loans to subsidiaries and joint ventures of the Company on conditions of repayment, maturity and interest payment;	Given the instruction given by Company's Board of Directors, in compliance with corporate practice of NC KMG group, the Company should be able to provide loans to its subsidiaries and joint ventures on conditions of repayment, maturity and interest payment. At the same time, according to Samruk's Procurements Regulations, single-source procurement by subsidiaries and joint ventures from the Company could only be made under subclause (4) of Article 137 which states that Company should have that type of activity stipulated in its Charter. The amendment is being introduced for subsidiaries and joint ventures to be able to be provided with direct loans from the Company.
Article 12:2 subclause (19-1)	N/A	(19-1) decision-making on matters as resolved by general meeting of shareholders and Board of Directors (and as stipulated by internal documents approved by the said bodies) except for matters that are within the remit of the executive body and general meeting of shareholders under the Charter;	Pursuant to subclause (20) of Article 53:2 of the Stock Corporation Act, only those matters lie within the Board's remit that have been stipulated by the Act and/or the Company's Charter, and that are not within the remit of general meeting of shareholders. The same provision is stipulated in Article 12:1 of the Charter. However, the matters that are listed in Article 12:2 of the Charter as having been within the remit of the Board do not stipulate in full all powers the Board is supposed to have, like: meet disclosure requirements under the laws, that has been in progress; regulatory requirements of some authorized bodies and stock exchange; instructions given by general meeting of shareholders and the Board itself. Therefore, the proposed wording that meets the Stock Corporation Act provisions would ensure that the Board utilizes in full all the powers it has been vested with, and performs more effectively.
Article 12:3 Sentence 1 in paragraph 3 of subclause (8)	a committee under the Board of Directors shall be chaired by a member of the Board of Directors	a committee under the Board of Directors shall be chaired by a member of the Board of Directors <u>except for chairman of Company's Management Board.</u>	Bring into compliance with amendments to clause (3) of Article 53-1 of the Kazakh Stock Corporation Act as per amendments made by clause 27 of Kazakh Act on amendments to some Kazakh acts for pension fund scheme dated 21 June 2013.
Article 13:1 Subclause (10)	(10) approval of procurement plan of the Company for a planned period	(10) approval of long-term plan for procurement of goods, works, and services	Bring into compliance with Samruk's Procurement Regulations (subclauses (9) and (10))
Article 16:6	The Company shall annually publish in mass media specified in paragraph 10.16 of the Charter	The Company shall annually publish in mass media specified in paragraph 10.16 of the Charter	The wording of the clause has been changed to be consistent with IFRS and clause (4) of Article 76 of the Stock Corporation Act (e.g. "annual balance sheet" is titled as "statement of financial position" in IFRS, and

	<p>an annual <u>balance sheet</u>, a report reflecting all changes in capital, a cash flow statement and an income and expenditure statement within dates fixed by the authorized body.</p>	<p><u>consolidated annual financial statements and auditor's report in the manner and within the timeframe</u> fixed by the authorized body.</p>	<p>"profit and loss account" is titled as "consolidated financial statements"). There is no need to list what the financial statements are composed of.</p>
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