

**Approved by the decision of One shareholder  
of JSC “KazTransOil” (JSC NC “KazMunaiGaz”  
dated 29<sup>th</sup> of May, 2007 No. 220)**

## **The Charter of JSC “KazTransOil”**

**Astana, 2007**

## **ARTICLE 1. GENERAL PROVISIONS**

JSC "KazTransOil" (further – the Company) is the legal entity by the legislation of the Republic of Kazakhstan and carries out the activity according to the Civil code of the Republic of Kazakhstan, Law of the Republic of Kazakhstan «About joint-stock companies», legislation of the Republic of Kazakhstan on natural monopolies and other legislation of the Republic of Kazakhstan (called further in common - Legislation), and also according to the present Charter (further - Charter).

2. Name of the Company:

full name in state language - "KazTransOil" joint stock Company, shortly - JSC "KazTransOil";

full name in Russian –“KazTransOil” joint-stock Company shortly - JSC “KazTransOil”;

full name in English - «KazTransOil» joint-stock Company reduced - JSC «KazTransOil».

3. Location of the Company and its executive body: 010000, the Republic of Kazakhstan, Astana, Kabanbay batyr avenue, bldg 20.

4. Term of activity of the Company - is unlimited.

5. The financial and production activity of the Company is carried out on the basis of economic independence.

6. The Company possesses independent balance, bank accounts, seal, stamps and forms with the indication of full Company’s name in the state and Russian languages and other requisites.

7. The Company can have trademark and symbolics which samples affirm the Board of the Company and which registered in accordance with the established procedure.

8. The Company possesses the property isolated from property of the One shareholder, and is not liable for its obligations.

9. The One shareholder of the Company is not liable for its obligations and bears risk of the losses connected with activity of the Company, within the cost of shares belonging to him, except for the cases provided by legislature of the Republic of Kazakhstan.

## **ARTICLE 2. CONSTITUENT DOCUMENTS OF THE COMPANY**

1. The constituent document of the Company is the Charter.

2. All interested persons have the right to familiarize with the Charter. On request of the interested person the Company is obliged to give him opportunity to familiarize with the Charter, including the subsequent changes and additions to it. Within three working days the Company is obliged to execute the requirement of the One shareholder on presenting the Charter copies to him.

## **ARTICLE 3. PURPOSE AND OBJECTS OF ACTIVITY OF THE COMPANY**

1. The Company's purpose - receiving a net profit by the way of implementation of independent economic activity.

2. Objects of activity of the Company are:

1) services in transportation of oil and oil products in the main pipelines, storage, unloading and loading, transfer on other means of transport or transfer to other adjacent pipeline systems, and also services in supply of water;

2) definition of order of legal entities and individuals access to system of pipelines of the Company;

3) development and introduction of new technologies;

4) carrying out of marketing researches of hydrocarbonic raw materials sales markets and products of its processing;

5) participation in development and implementation of the state and national programs on development of oil and Gaz sector;

6) support and participation in the programs directed on training, retraining and professional development of national personnel;

7) negotiation and conclusion of contracts on oil and other operations;

8) oil realization in the foreign and domestic markets;

9) implementation of design, financing, construction, possession and operation of pipeline system in the territory of the Republic of Kazakhstan and out of its bounds, including objects on storage, loading and transfer on other means of transport on which is carried out the transportation of liquid hydrocarbonic raw materials;

10) activity implementation on operation and maintenance of the main pipelines belonging to other legal entities;

11) organization of transportation and transit of the Kazakhstan's oil through pipeline systems of other states, including services of transport expedition;

12) implementation of scientific and technical, production and economic and foreign economic activity;

13) rendering of consulting and technical services in preparation and development of projects of oil-transport infrastructure;

14) other activity which is not been forbidden by the Legislation.

3. The kinds of activity demanding existence of the license or other type of permission which is necessary for receiving in the order established by the Legislation, are carried out after obtaining the corresponding licenses or other type of permissions.

#### **ARTICLE 4. RIGHTS AND DUTIES OF THE COMPANY**

1. For implementation of the charter purposes the Company has the right in the order established by the Legislation:

1) to open accounts in banks and other financial institutions located in the territory of the Republic of Kazakhstan and out of its bounds, both in national, and in foreign currency;

- 2) to have the seal, stamps and forms with a full name of the Company in the state and Russian languages, and also trademark and an emblem (symbolics) registered in accordance with the established procedure;
- 3) to have in property the isolated property, and also independent balance;
- 4) on its own behalf to conclude transactions (contracts, agreements) to accrue and carry out the property and personal non-property rights;
- 5) to issue securities;
- 6) to participate in formation or activity of other organizations;
- 7) to open branches and representations in the Republic of Kazakhstan and abroad, to allocate them with the fixed and current assets at the expense of own property and to define the order of their activity;
- 8) to be the claimant and the respondent in court;
- 9) to develop and approve the specifications and technical documentation, obligatory for execution by all divisions of the Company and users of Company's system of pipelines;
- 10) to carry out other rights provided to it according to the Legislation and/or the Charter.

2. The Company is obliged:

- 1) to observe the Legislation;
- 2) to pay taxes and other obligatory payments in the budget in accordance with the established procedure;
- 3) to be liable for its obligations within the property;
- 4) to coordinate with the One shareholder of the Company the foreign business trips of the chief executive officer of the Company;
- 5) to bear responsibility according to the Legislation;
- 6) to fulfill other duties assigned to it by the Legislation and/or the Charter.

## **ARTICLE 5. RIGHTS AND DUTIES OF THE ONE SHAREHOLDER**

1. The One shareholder of the Company has the right:

- 1) to participate in management of the Company in the order provided by the Legislation and the Charter;
- 2) to receive dividends;
- 3) to receive information on Company's activity, including being acquainted with financial statements of the Company, in order defined by the One shareholder or the Charter;
- 4) to receive extracts from the registrar of the Company or the nominal holder, confirming its property right to Company's securities;
- 5) to choose to (appoint) board members of the Company;
- 6) to challenge in judicial order the decision accepted by bodies of the Company;
- 7) to address in state authorities for protection of the rights and legitimate interests in case of commission by bodies of the Company of the actions infringing rules of the Legislation and the Charter;

- 8) to address in the Company with letters of inquiry on its activity and to receive reasoned answers in established periods, but no more than thirty days from the date of receipt of inquiry in the Company;
  - 9) on part of property at Company's elimination;
  - 10) pre-emptive purchase of shares or other securities of the Company converted in its shares, in order established by the Legislation;
  - 11) to demand convocation of meeting of Board of directors;
  - 12) to offer Board of directors inclusion of additional questions for submitting of the One shareholder according to the Legislation;
  - 13) to demand carrying out of audit by the auditor organization of the Company at own expense;
  - 14) to initiate decision-making on the questions related to competence of the One shareholder of the Company.
2. The One shareholder of the Company can have and other rights provided by the Legislation and/or the Charter.
  3. The One shareholder of the Company is obliged:
    - 1) to pay shares in order provided by the Legislation and/or the Charter;
    - 2) within ten days to inform the registrar of the Company and the nominal holder of the shares belonging to the One shareholder, on change of the data necessary for maintaining the register of shares holders of the Company;
    - 3) not to disclose information on the Company's or its activity, composing office, commercial or other secret protected by the law;
    - 4) to fulfill other duties according to the Legislation.
  4. The Company and the registrar of the Company don't bear responsibility for consequences of default by the One shareholder of the requirement established by subparagraph 2) of clause 3 of the present article.

## **ARTICLE 6. SHARES AND OTHER SECURITIES OF THE COMPANY**

1. The Company has the right to issue shares, bonds, convertible and other securities, including derivatives. Conditions and order of issue, placement, address and repayment of securities of the Company are defined by the legislation of the Republic of Kazakhstan on securities market.
2. The Company has the right to issue only common shares. Shares are issued in a paperless form.
3. The common share provides to the One shareholder of the Company the right to make decisions on all questions which are within the competence of general shareholder meeting, the right to dividends at existence at the Company of a net profit, and also a part of property of the Company at its elimination in an order established by the Legislation.
4. The Company has the right to place the shares after the state registration of their issue by means of one or several placements within declared number of stocks.

The decision on placement (realization), including on number of placed (realized) stocks of the Company within number of the declared stocks, way and price of their placement (realization) is accepted by the One shareholder of the Company.

5. In payment of placed shares of the Company can be placed money, property rights (including the rights to objects of intellectual property) and other property, except for the cases provided by the Legislation.

Payment by other, besides money, is carried out by property at the price defined by the appraiser, operating on the basis of the license issued according to the Legislation.

6. If the right of use of property is brought in payment of placed shares of the Company, the assessment of such right is made proceeding from the size of a payment for using this property for all term of its using by the Company. Before the expiration of the specified term withdrawal of such property without consent of the One shareholder of the Company is forbidden.

7. Maintaining system of registers of shares holders of the Company can carry out only the registrar of the Company which shouldn't be the affiliated person of the Company and of its affiliated persons.

8. The order of maintaining system of registers of shares holders of the Company, and also granting to authorized body of information on it is defined by the legislation of the Republic of Kazakhstan on securities market.

9. Before complete payment of the placed share the Company hasn't the right to give the order on transfer of this action into the account of her purchaser in system of registers of shares holders of the Company (system of the accounting of the nominal holder).

10. The Company can accept as a deposit the securities placed by it only in case:

- 1) securities transferred in pledge are completely paid;
- 2) the total quantity of the shares transferred in pledge to the Company and being at it in pledge, makes no more than twenty five percent of the placed shares of the Company, except for the shares redeemed by the Company;
- 3) the contract on pledge of actions is approved by the One shareholder.

## **ARTICLE 7. DIVIDENDS**

1. The dividend is the income of the One shareholder on the shares belonging to him, paid by the Company according to the decision of the One shareholder.

2. Dividends on shares of the Company are paid by money or the Company's securities provided that the decision on payment of dividends was accepted by the One shareholder of the Company.

Payment of dividends on the Company's shares by its securities is allowed only at condition that such payment is carried out by the declared shares of the Company and the bonds issued by it at the presence of the written consent of the One shareholder.

3. Payment of dividends on shares of the Company is carried out following the results of a year or half-year or quarter.

4. Dividends aren't charged and not paid on shares which weren't placed or were redeemed by the Company and also if the court or the One shareholder of the Company made the decision on its elimination.

5. Payment of dividends on the Company's shares isn't allowed:

1) at the negative size of own capital or if the size of own capital of the Company becomes negative as a result of charge of dividends on its shares;

2) if the Company responds insolvency or insolvency signs according to the legislation of the Republic of Kazakhstan on bankruptcy or the specified signs will appear at the Company as a result of charge of dividends on its shares.

6. The decision on payment of dividends on common shares of the Company is accepted by the One shareholder.

7. The One shareholder has the right to make the decision on nonpayment of dividends on common shares of the Company with obligatory publication of it in the printing edition within ten working days from the date of decision-making.

8. Within ten working days from the date of making decision on payment of dividends on common shares of the Company this decision should be published in mass media.

9. The decision on payment of dividends on common shares of the Company should contain the following data:

1) name, location, bank and other details of the Company;

2) the period for which dividends are paid;

3) the size of the dividend in the calculation on one common share;

4) start date of payment of dividends;

5) order and form of payment of dividends.

## **ARTICLE 8. BODIES OF THE COMPANY**

Bodies of the Company are:

1) the supreme body - the One shareholder;

2) controlling body - Board of directors;

3) executive body - Board;

4) the body which is carrying out control for financially - economic activity of the Company, - Internal Audit Service.

## **ARTICLE 9. THE ONE SHAREHOLDER OF THE COMPANY**

1. Decisions on the questions carried by the Legislation and the Charter to competence of general shareholder meeting, are accepted by the One shareholder in accordance with the established procedure and are subject to registration in the form of order of JSC NC "KazMunaiGaz", as the decision of the One shareholder, signed by the first head or the person, replacing him.

2. The One shareholder of the Company is obliged annually within five months after the termination of fiscal year to make decisions on the questions related to competence of annual general shareholder meeting.

The specified term is considered prolonged to three months in case of impossibility of completion of audit of the Company for the reporting period.

3. Submitting for consideration of the One shareholder of the questions related to competence of annual general shareholder meeting, is initiated by the Board of directors.

4. Submitting for consideration of the One shareholder of other questions related to competence of general shareholder meeting, is initiated by the Board of directors, the One shareholder of the Company, and in the course of voluntary elimination of the Company can be also initiated by liquidating commission.

By the legislation can be provided the cases of obligatory submitting of questions for consideration of the One shareholder.

5. Materials on the questions submitted for consideration of the One shareholder of the Company, should contain information in the volume necessary for adoption of reasonable decisions on the matters.

6. Materials concerning election (assignment) of bodies of the Company should contain the following information on offered candidates:

- 1) surname, name, and also at will - patronymic;
- 2) data on education;
- 3) data on an affiliation to the Company;
- 4) data on places of work and positions for the last three years;
- 5) other information confirming qualification, experience of candidates.

In materials concerning election (assignment) of Board of directors (the new board member) it should be also specified, whether is the offered person the candidate for independent director position.

7. The materials which are subject to representation to the One shareholder of the Company for decision-making on questions, related to competence of annual general shareholder meeting, should include:

- 1) annual financial statements of the Company and the consolidated financial statements;
- 2) the auditor report to annual financial statements;
- 3) offers of Board of directors on an order of distribution of net profit of the Company for expired fiscal year and the size of the dividend in a year in calculation on one common share of the Company;
- 4) other documents at the discretion of the initiator of submitting of a question for consideration of the One shareholder of the Company.

8. The list of the questions submitted for consideration of the One shareholder, is formed by the Company's Board of directors, and also can be added by the One shareholder of the Company on its initiative.

## **ARTICLE 10. EXCLUSIVE COMPETENCE OF THE ONE SHAREHOLDER OF THE COMPANY**

1. The following questions belong to exclusive competence of the One shareholder of the Company:

- 1) modification and additions in the Charter or the statement of it in the new edition;
  - 2) the adoption of the code of corporate governance, and also changes and additions in it;
  - 3) voluntary reorganization and the Company's elimination;
  - 4) making decision on increase in number of the declared shares of the Company or change of a type of not placed declared shares of the Company;
  - 5) making decision on placement (realization), including on number of placed (realized) shares of the Company within number of the declared shares, a way and the price of their placement (realization);
  - 6) definition of conditions and order of converting of securities of the Company, and also their change;
  - 7) definition of quantitative structure, term of office of Board of directors of the Company, election (assignment) of its members, including chairman of board of directors, and early termination of their powers, determination of the size and conditions of payment of compensations to board members, and also adoption of provision on it;
  - 8) definition in the order of the auditor organization which is carrying out audit of the Company established by the Legislation, and the amount of payment of its services;
  - 9) the approval of annual financial statements of the Company and the consolidated financial statements;
  - 10) the statement of an order of distribution of a net profit of the Company for reporting fiscal year, making decision on payment of dividends on common shares and the statement of the size of the dividend counting on one common share of the Company;
  - 11) making decision on nonpayment of dividends on common shares of the Company at approach of the cases provided by clause 5 of article 7 of the Charter;
  - 12) making decision on participation of the Company in formation or activity of other legal entities by transfer of a part or several parts of assets, in the sum of components of twenty five and more percent from all assets belonging to the Company;
  - 13) the statement of a technique of definition of a share value at their repayment by the Company, and also changes and the additions brought in it, according to the Law of the Republic of Kazakhstan «About joint-stock companies»;
  - 14) introduction and cancellation of "gold share";
  - 15) election (assignment) of the General Director(chairman of the board) of the Company and early termination of its powers;
  - 16) other questions, the decision-making on which is carried by the Law of the Republic of Kazakhstan «About joint-stock companies» and the Charter, to exclusive competence of the One shareholder of the Company.
2. The transfer of questions the decision-making on which is referred to exclusive competence of the One shareholder of the Company, in competence of other bodies, officials and workers of the Company isn't allowed if other isn't provided by the Legislation.

3. The One shareholder of the Company has the right to cancel any decision of other bodies of the Company.

## **ARTICLE 11. THE BOARD OF DIRECTORS THE COMPANY**

1. The board of directors carries out the general management of the Company activity, except for the solution of the questions carried by the Law of the Republic of Kazakhstan «About joint-stock companies» and the Charter to exclusive competence of the One shareholder of the Company. Decisions of the Board of directors are accepted in order defined by the present article.

2. According to the decision of the One shareholder to the board members of the Company which is not civil servants, in execution the of duties by them compensations can be paid and (or) be compensated the expenses connected with execution by them of functions of the board members of the Company. The amount of such fees and compensations is established by the decision of the One shareholder.

3. The following questions belong to exclusive competence of Board of directors of the Company:

- 1) definition of priority activities of the Company;
- 2) submitting of questions for consideration of the One shareholder;
- 3) approval of changes and the additions brought in the Charter of the Company, the code of corporate governance (at its existence);
- 4) making decision on repayment by the Company of the placed shares or other securities and the price of their repayment;
- 5) the preliminary approval of annual financial statements of the Company and the consolidated financial statements;
- 6) definition of conditions of issue of bonds and derivative securities of the Company;
- 7) definition of quantitative structure, term of powers of the Board of the Company, election (assignment) of its members, and also the early termination of their powers, except for the General Director (chairman of the board);
- 8) determination of the sizes of official salaries and terms of payment of work and awarding of the chairman and board members of the Company;
- 9) definition of term of powers of Internal Audit Service, appointment of its head and other workers, and also early termination of their powers;
- 10) definition of an operating procedure of Internal Audit Service, the size and terms of payment of work and awarding of employees of Internal Audit Service, making decisions on imposing on them disciplinary punishments, and also the approval of qualifying requirements to employees of Internal Audit Service;
- 11) approval of the annual plan of work of Internal Audit Service;
- 12) definition in the order of the size of fee of the appraiser established by the Legislation according to market cost of the property transferred in payment of shares of the Company, or being a subject of a large deal;

13) the approval of the documents regulating internal activity of the Company, which list affirms the Board of directors, including the internal document establishing conditions and the order of carrying out auctions and subscription of securities of the Company;

14) making decisions on creation and closing of branches and representations of the Company and adoption of regulations on them;

15) making decisions on acquisition by the Company of ten and more percent of shares (shares of participation in authorized capital) other legal entities, including, legal entities, the shareholder which (participant) is the Company, and also decision-making concerning their activity (change of type of not placed shares, increase in number of the declared stocks, authorized capital), including, decisions on alienation of actions (shares of participation) in them, except for the cases provided by the Legislation;

16) increase in obligations of the Company at size, component of ten and more percent of the size of its own capital;

17) a choice in the order of the registrar of the Company established by the Legislation in case of contract cancellation with the former registrar of the Company;

18) definition of information on the Company or its activity composing office, commercial or other secret protected by the law;

19) making decision on the conclusion of large deals, and also transactions in which the Company has an interest;

20) the approval of the business plan of the Company, and also adjustments brought in it;

21) statement of regular number of employees of central office of the Company;

22) statement of accounting policies of group of companies of the Company;

23) the adoption of internal procedures of the Company on risk management, ensuring observance and the efficiency analysis, and also improvement of such procedures;

24) definition of order and terms of board members' receipt of information on the Company activity, including financial;

25) other questions provided by the Law of the Republic of Kazakhstan «About joint-stock companies» and the Charter, which are not within the exclusive competence the One shareholder of the Company.

4. The questions, the list of which is established by clause 3 of the present article, can't be transferred for the decision to the Company's Board.

5. The board of directors of the Company hasn't the right to make decisions on questions which according to the Charter are related to competence of Board of the Company, and also to make the decisions contradicting decisions of the One shareholder of the Company.

6. The board member of the Company can be only physical person.

7. Board members are elected from number of:

1) the persons, offered (recommended) for election (assignment) in the Company's Board of directors as representatives of interests of the One shareholder;

2) other persons (taking into account the restriction established, clause 8 of the present article of the Charter).

8. As the board member can be elected the physical person not offered (not recommended) for election (assignment) in Board of directors as the representative of interests of the One shareholder of the Company. The number of such persons can't exceed fifty percent of structure of Board of directors of the Company.

9. Board members of the Company, except the General Director (chairman of the board), can't be chosen (assigned) in the Company's Board of directors. The General Director (chairman of the board) of the Company can't be chosen (assigned) as the chairman of board of directors of the Company.

10. The number of board members of the Company should make not less than three people. Not less than one third of number of board members of the Company should be independent directors.

In the decision of the One shareholder on election (assignment) of the Board of directors (the new board member) should be specified who from the elected (assigned) board members is the independent director.

11. Persons, the elite (assigned) in structure of Board of directors of the Company, can be re-elected unlimited number of times if other isn't provided by the Legislation.

12. The term of powers of Board of directors of the Company is established by the One shareholder of the Company.

The term of powers of Board of directors of the Company expires at the moment of acceptance by the One shareholder of the Company of the decision on election (assignment) of new Board of directors of the Company.

13. The One shareholder of the Company has the right to stop ahead of schedule powers of all or certain board members of the Company.

14. The early termination of powers of the board member of the Company on its initiative is carried out on the basis of the written notification of Board of directors of the Company.

Powers of such board member of the Company stop from the moment of obtaining the specified notice by the Company's Board of directors.

In case of the early termination of powers of the board member and election (appointment) as the One shareholder of the new board member, power of the last expire at the same time with the expiration of powers of Board of directors as a whole.

15. The chairman of board of directors of the Company is elected (assigned) from among his members the decision of the One shareholder of the Company.

The One shareholder of the Company has the right to re-elect the chairman of board of directors of the Company at any time.

16. The chairman of board of directors in an order established by the Legislation and the Charter:

1) will organize work of Board of directors of the Company;

2) convokes meetings of Board of directors of the Company and presides on them;

3) will organize at meetings maintaining the protocol;

4) represents the candidate for appointment to the post of the head of Internal Audit Service of the Company;

5) concludes on behalf of the Company the individual labor agreement with the head of Internal Audit Service of the Company;

6) annually informs the One shareholder of the Company about the size and structure of compensation of board members and the Company's Board;

7) carries out other functions provided by the Legislation and the Charter.

17. In case of absence of the chairman of board of directors of the Company, its function carry out one of the board members of the Company according to the decision of Board of directors of the Company.

18. Meeting of Board of directors of the Company can be called at the initiative of his chairman or Board of the Company or on demand of:

1) any board member;

2) Internal Audit Service of the Company;

3) the auditor organization which is carrying out audit of the Company;

4) the One shareholder of the Company.

19. The requirement about convocation of meeting of Board of directors of the Company is presented to the chairman of board of directors by means of the direction of the corresponding written message containing the offered agenda of meeting of Board of directors.

In case of the chairman of Board of directors's rejection in meeting convocation the initiator has the right to address with the specified requirement in Board of the Company which is obliged to call meeting of Board of directors.

Meeting of Board of directors of the Company should be called by the chairman of board of directors or the Company Board no later than ten working days from the date of receipt of the requirement about convocation.

Meeting of Board of directors is carried out with the obligatory invitation of the person which has made the specified demand.

20. The order of the direction of the notice to board members about carrying out meeting of Board of directors is defined by Board of directors.

The notice of carrying out meeting of Board of directors should contain, in case of carrying out internal meeting, an explanation about possibility of the board member to vote by means of the direction of the written message according to the agenda, in case when he can't take part in meeting.

21. Board members can take part in meeting of Board of directors by means of a videoconference (interactive audiovisual communication), a multiport conference (simultaneous conversation of board members in a mode of «telephone meeting»), and also participation with use of other means of communication.

The board member is obliged to notify in advance the Company Board on impossibility of its participation in meeting of Board of directors. The board member absent at meeting has the right to vote by means of the written message concerning the agenda of meeting of Board of directors.

Thus such written message according to the agenda should contain:

1) date of preparation;

- 2) the agenda on which the opinion of the board member by means of the direction of the written message is expressed;
- 3) accurately expressed position on each question of the agenda;
- 4) signature;
- 5) other data relating to the agenda, at the discretion of the board member.

The written message presented by the board member according to the agenda is considered at calculation of quorum and results of vote and is appended to the minutes in which the record about vote of this board member by means of the direction of the written message according to the agenda is made.

The written message according to the agenda should be presented by the board member to the chairman of board of directors or the secretary of Board of directors before carrying out meeting of Board of directors.

If the board member who has earlier presented the written message on the agenda, arrived for participation and vote at Council meeting on which the mixed vote is used, his written opinion isn't considered.

22. The quorum for carrying out meeting of Board of directors makes not less than a half from number of board members. In case the total of board members isn't enough for achievement of the specified quorum, the Board of directors is obliged to submit a question of election (assignment) of new board members for consideration of the One shareholder. The remained board members have the right to make the decision only on submitting of such question for consideration of the One shareholder of the Company.

23. Each board member has one voice. Decisions of Board of directors are accepted by a simple majority of votes of the board members who are present at meeting if other isn't provided by the Law of the Republic of Kazakhstan «About joint-stock companies».

At equality of votes the voice of the chairman of board of directors or the person presiding over meeting of Board of directors, is deciding.

24. The decision on the settlement of transactions in which concluding the Company has interest, is accepted by a simple majority of votes of the board members who have not been interested in its settlement. In case all board members, except independent directors, are interested in settlement of such deal, the decision is accepted by a simple majority of votes of independent directors.

In case of equality of votes, the decision on the settlement of the deal in which conclusion the Company has interest, is accepted by the One shareholder.

25 Board of directors has the right to make the decision on carrying out the private meeting in which board members can take part only.

26. At the discretion of the chairman of board of directors of the Company, decision-making by Board of directors on the questions submitted for its consideration, is possible by means of an absentee voting. Thus bulletins which go together with the notice of carrying out meeting of Board of directors are applied to an absentee voting concerning the agenda of meeting.

27. The bulletin for an absentee voting should contain:

- 1) full name and the Company's location (its Board);
- 2) date of submission of the signed bulletin to the secretary of Board of directors;

- 3) meeting agenda;
- 4) the questions put on vote, and vote options on them;
- 5) other data.

At the direction of bulletins for an absentee voting to board members the secretary of Board of directors certifies their correct and uniform drawing up by the signature.

28. The decision by means of an absentee voting admits accepted in the presence of quorum the bulletins received in due time.

The solution of correspondence meeting of Board of directors should be issued in writing and signed by the secretary and the chairman of board of directors and to contain:

The solution of correspondence meeting of Board of directors should be issued in writing and signed by the secretary and the chairman of board of directors and to contain:

- 1) full name and the Company's location (its Board);
- 2) date and place of written registration of the decision of correspondence meeting;
- 3) data on structure of Board of directors;
- 4) record about existence/absence of quorum for decision-making;
- 5) meeting agenda;
- 6) vote results on each question of the agenda and the made decision;
- 7) other data.

Within twenty days from the date of decision registration it should be sent to board members with the appendix of bulletins on the basis of which this decision was made.

29. Decisions of Board of directors that were accepted at its meeting which has been carried out in an internal order, are made out by the protocol which should be made and signed by the person presiding over meeting, and the secretary of Board of directors within three days from the date of carrying out meeting and to contain:

- 1) full name and the Company's location (its Board);
- 2) date, time and meeting venue;
- 3) data on the persons participating in meeting;
- 4) meeting agenda;
- 5) the questions put on vote, and vote results on them;
- 6) the adopted decisions;
- 7) record about vote of the board member by means of the direction of the written message according to the agenda (in case of existence of such written message);
- 8) other data according to the decision of Board of directors.

30. Protocols of meetings of Board of directors and the decisions of Board of directors accepted by an absentee voting, and also bulletins with signatures are stored in the Company archive.

The secretary of Board of directors on request of the board member is obliged to provide it the minutes of Board of directors and the decisions accepted by an absentee voting, for acquaintance and (or) to give out it extracts from the protocol and the decisions certified by the signature of the authorized worker of the Company and an impress of a seal of the Company.

31. For consideration of the most important questions and preparation of recommendations to Board of directors in the Company can be created, in case of adoption of the relevant decision by Board of directors, committees of Board of directors on questions of:

- 1) strategic planning;
- 2) staff and compensations;
- 3) internal audit;
- 4) social problems;
- 5) to other questions provided by the internal document of the Company.

Committees of Board of directors consist of board members and the experts possessing necessary professional knowledge for work in concrete committee.

The director general (chairman of the board) can't be the chairman of committee of Board of directors.

The order of formation and work of committees of Board of directors, and also their quantitative structure are established by the internal document of the Company approved by Board of directors.

## ARTICLE 12. THE COMPANY'S BOARD

1. The management of the current activity is carried out by the Company's Board. The board of the Company is headed by the General director (chairman of the board).

The organization of work of Board, order of convocation and carrying out its meetings is defined by the Provision on the Company Board, approved by Board of directors.

2. The board has the right to make the decision on any questions of activity of the the Company, not related by the Legislation and the Charter to competence of other bodies and officials, including:

- 1) approves structure and the staffing establishment of the Company, its branches and representations, taking into account the regular number of workers of central office of the Company approved by Board of directors, and also approves regular number of employees of branches and the Company's representations;
- 2) publishes decisions (resolution) and gives instructions, obligatory for execution by all workers of the Company;
- 3) organizes work on shares placement;
- 4) coordinates and directs work of branches, representations of the Company, its affiliated and jointly- controllable organizations;
- 5) makes decisions on financial and economic and production activity of the Company;
- 6) approves the documents accepted with a view of the organization of activity of the Company, not entering into the list of documents specified in subparagraph 13) of clause 3 of article 11 of the Charter;
- 7) in accordance with the established procedure makes the decision on rendering by the Company of the sponsor's (charitable) help;

8) makes decisions on acquisition by the Company up to ten percent of shares (shares of participation) in authorized capital of other legal entities, including, legal entities, the shareholder of which (participant) is the Company, and also decision-making concerning their activity (change of type of not placed shares, increase in number of the authorized shares, charter capital), including, decisions on carve-out of shares (shares of participation) in them, except for the cases provided by the Legislation;

9) makes decisions on increase in obligations of the Company for the sum making from five to ten percent from the size of its own capital;

10) previously approves questions decision-making on which is referred to competence of the One shareholder or Board of directors;

11) makes decisions on other questions of activity supporting of the Company, not within the exclusive competence of the One shareholder and the Company's Board of directors.

The board is obliged to execute decisions of the One shareholder and the Company's Board of directors.

The Company has the right to challenge the validity of the deal made by its Board with violation of constraints established by the Company if will prove that at the moment of the deal settlement the parties knew about such restrictions.

3. The Board members can be the representatives of the One shareholder and the workers of the Company who are not its shareholders.

The board member has the right to work in other organizations only with the consent of the Company's Board of directors.

The General director (chairman of the board) hasn't the right to hold a position of the head of executive body or the person which is individually carrying out functions of executive body, of other legal entity.

Functions, the rights and duties of the board member are defined by the Legislation, the Charter, the Provision on Board, and also the individual labor agreement concluded by the specified person with the Company. The individual labor agreement on behalf of the Company with the General Director (chairman of the board) is signed by the chairman of board of directors or the person authorized on it by the One shareholder or Board of directors. The individual labor agreement with other board members is signed by the General Director (chairman of the board) of the Company.

4. The number of board members should make not less than five people.

5. The board of the Company meets, as a rule, not less once a month. The board is competent to make decisions if at its meeting participate not less than a half from number of the elected (assigned) board members.

6. Each board member has one voice. Decisions of Board are accepted by a simple majority of votes of the board members who are present at meeting. In case of equality of votes is accepted the decision for which the General Director (chairman of the board) of the Company voted.

7. The General Director (chairman of the board) of the Company:

1) manages the Company's Board;

- 2) organizes implementation of decisions of the One shareholder and Board of directors;
- 3) without the power of attorney operates on behalf of the Company in relations with the third parties;
- 4) issues powers of attorney on the right of representation of the Company in its relations with the third parties;
- 5) carries out reception, moving and dismissal of workers of the Company (except for the cases established by the Law of the Republic of Kazakhstan «About joint-stock companies» and the Charter), applies to them measures of encouragement and imposes disciplinary punishments, establishes the sizes of official salaries of workers of the Company and personal extra charges to salaries according to the staffing establishment the Company, defines the sizes of awards of workers of the Company, except for the workers who are part of Board, and Internal Audit Service of the Company;
- 6) in coordination with the One shareholder, according to the nomenclature established by the One shareholder, appoints executives of the Company;
- 7) establishes the Company's operating mode;
- 8) provides development and performance of the current and long-term plans and program – works of the Company;
- 9) signs on behalf of the Company contracts (agreements) and provides their performance;
- 10) makes decisions on increase in obligations of the Company for the sum up to five percent from the size of its own capital;
- 11) opens bank and other accounts of the Company;
- 12) within competence issues orders and instructions of the Company;
- 13) accepts decision on the questions carried to competence of general shareholder's meeting or participants of other legal entities, in which the Company is the One shareholder (or all voting shares belong to the Company) or the participant;
- 14) convokes board meetings and submits for consideration the necessary materials;
- 15) bears responsibility for the Company's work before the One shareholder;
- 16) in case of the absence assigns execution of the duties to one of board members;
- 17) distributes duties, and also spheres of powers and responsibility between board members of the Company;
- 18) makes decisions on all other questions concerning the current activity of the Company, necessary for performance of the tasks which are not within the exclusive competence of the One shareholder, Board of directors and Board of the Company.

### **ARTICLE 13. INTERNAL AUDIT SERVICE OF THE COMPANY**

1. For control of financial and economic activity of the Company the Internal Audit Service is formed. The Internal Audit Service possesses for this purpose the

right of unconditional access to all information and the Company's documentation in order provided by internal documents of the Company.

The Internal Audit Service consists of three workers.

2. Employees of Internal Audit Service can't be chosen (assigned) in structure of Board of directors and the Company Board.

3. The Internal Audit Service directly submits to Board of directors and reports to it about the work.

4. The head of Internal Audit Service has the right to be present at meetings of Board of directors of the Company on which questions of its activity are considered, and also to submit for consideration of Board of directors the offers on candidates for appointment to the post of the employee of the Internal Audit Service.

#### **ARTICLE 14. OFFICIALS OF THE COMPANY**

1. Officials of the Company (members of Board of directors and the Company's Board):

1) carry out the duties assigned to them honestly and use ways which in most reflect interests of the Company and the One shareholder;

2) shouldn't use property of the Company or allow its use in a contradiction with the Charter and decisions of the One shareholder and the Company's Board of directors, and also for personal reasons and to abuse at deals with the affiliated persons;

3) are obliged to provide integrity of systems of accounting and financial statements, including carrying out independent audit;

4) supervise disclosure and providing information on the Company's activity according to the Legislation requirements;

5) are obliged to observe confidentiality of information on the Company's activity, including within three years from the moment of job termination in the Company.

2. Officials of the Company bear social responsibility before of the Company and the One shareholder for the harm caused by their actions (inaction), according to the Legislation, including for the losses suffered as a result:

1) providing information misleading, or obviously false information;

2) the violation of order of providing information established by the Law of the Republic of Kazakhstan «About joint-stock companies».

3. The Company has the right on the basis of the decision of the One shareholder to appeal to court with the claim to the official about compensation of harm or the losses damaged to the Company.

4. Officials of the Company are relieved from responsibility in case of voting against the decision accepted by body of the Company, which have entailed losses of the Company or the One shareholder, or didn't accept participation in vote.

#### **ARTICLE 15. FINANCIAL STATEMENTS AND THE COMPANY'S AUDIT**

1. The order of conducting accounting and drawing up of financial statements of the Company is established by the legislation of the Republic of Kazakhstan on accounting and financial statements.
2. The Company board annually represents to the One shareholder annual financial statements for the expired year which audit was carried out according to the legislation of the Republic of Kazakhstan on auditor activity, for its discussion and the statement. Besides financial statements, the Board presents to the One shareholder the auditor report.
3. Annual financial statements of the Company and the consolidated financial statements are subject to the preliminary approval by the Company's Board of directors not later than thirty days before date of their submitting for consideration to the One shareholder.  
The final approval of annual financial statements of the Company and the consolidated financial statements is made by the One shareholder.
4. The Company is obliged to publish annually in mass media the annual balance sheet, the report showing all changes in the capital, the report on cash flow and profit and loss report in the terms established by authorized body. The Company has the right to publish other financial statements in addition.
5. The Company is obliged to book audit of annual financial statements.
6. Audit of the Company can be carried out at the initiative of Board of directors, Board at the expense of the Company or on request of the One shareholder at his expense, thus the One shareholder has the right to define the auditor organization independently. In case of carrying out audit on request of the One shareholder the Company is obliged to provide all necessary documentation (materials) requested by the auditor organization.
7. If the Board of the Company evades from carrying out audit of the Company, the audit can be appointed by judgment on the claim of any interested person.

## **ARTICLE 16. INFORMATION ON THE COMPANY'S ACTIVITY**

1. The Company is obliged to provide the One shareholder with information on the Company's activity, infringing on interests of the One shareholder, according to clause 79 of the Law of the Republic of Kazakhstan «About joint-stock companies».

The written requirement of the One shareholder about providing information about the activity of the Company infringing on interests of the One shareholder, should be executed by the Company within ten working days from the date of obtaining such requirement if other isn't established by the One shareholder.

2. The Company is obliged to provide according to the written requirement of the One shareholder the copy of the documents stipulated by article 80 of the Law of the Republic of Kazakhstan «About joint-stock companies», within ten working days from the date of obtaining such requirement, except for a case provided by clause 2 of article 2 of the Charter.

The size of a payment for granting copies of documents is established by Board of the Company and can't exceed cost of expenses on manufacturing of copies of

documents and the payment of expenses, the documents connected with delivery to the One shareholder.

3. Information on the Company or its activity is provided to the One shareholder, taking into account the restrictions established concerning information, component office, commercial or other secret protected by the law.

The documents regulating single questions of release, placement, and address and converting of securities of the Company containing information, composing office, commercial or other secret protected by the Legislation, should be presented for acquaintance to the One shareholder according to his requirement.

4. The Company provides obligatory maintaining the list of workers of the Company possessing information, making an office or trade secret.

5. The Company keeps registration of the affiliated persons on the basis of the data provided by these persons.

The Company represents the list of affiliated persons to authorized body in the order established to them.

6. The One shareholder and officials of the Company provide the General Director (chairman of the board) of the Company with information on the affiliated persons within thirty days from the date of the adoption of the Charter, and also in process of affiliation termination within seven days from the date of its termination.

In a case when the person specified earlier by the One shareholder or the official of the Company as affiliated, ceases to be such, the One shareholder or the official of the Company notify on it the General Director (chairman of the board) of the Company within five days from the date of the affiliation termination.

Information on affiliated persons is provided to the General Director (chairman of the board) of the Company in a form established by authorized body.

7. The Company publishes information on the activity on the corporate website of the Company ([www.kaztransoil.kz](http://www.kaztransoil.kz)) and (or) in the periodic printing edition defined according to the legislation of the Republic of Kazakhstan about the state purchases and the regulatory legal act of authorized body. Information on the periodic printing edition used for the publication of information on activity of the Company, takes place on the corporate website of the Company ([www.kaztransoil.kz](http://www.kaztransoil.kz)) within thirty calendar days from the date of the conclusion of the relevant contract.

8. Responsibility for the appropriate fulfillment of duties, established by the present article, bears the Company's Board.

## **ARTICLE 17. COMPANY'S REORGANIZATION**

1. The Company's reorganization (confluence, accession, division, allocation, transformation) is carried out according to the Legislation.

2. At Company's reorganization by division or allocation the creditors of the Company have the right to demand the early termination of the obligation the debtor on which is the Company, and indemnification.

3. If in case of reorganization the Company stops the activity, issue of its shares is subject to cancellation in order established by the Legislation.

## **ARTICLE 18. THE COMPANY'S ELIMINATION**

1. The decision on voluntary elimination of the Company is accepted by the One shareholder of the Company who defines liquidating procedure under the agreement with creditors and under their control according to the Legislation.

2. Compulsory elimination of the Company is carried out by court in the cases provided by the Legislation.

The requirement about elimination of the Company can be shown in court by interested persons if other isn't provided by the Legislation.

3. By judgment or the One shareholder's decision of the Company about elimination of Company is appointed the liquidating commission.

The liquidating commission possesses powers on management of the Company in its elimination and to commission of the actions which list is defined by the Legislation.

At voluntary elimination representatives should be included in structure of the liquidating commission from creditors of the Company, representatives of the One shareholder of the Company, and also other persons according to the decision of the One shareholder.

4. Procedure of elimination of Company and an order of satisfaction of requirements of his creditors are regulated by the Legislation.

5. At elimination of the Company its authorized shares including placed, are subject to cancellation in order established by the Legislation.

6. The Company's property, remained after calculations with creditors, is transferred to the One shareholder of the Company.

## **ARTICLE 19. FINAL PROVISIONS**

1. If any provision of the Charter becomes invalid, it doesn't influence the validity of remained provisions. Invalid provision is replaced with another, meeting the requirements of the Legislation.

2. The charter comes into force from the date of its state registration in judicial authorities.

The General Director  
(chairman of the board)

B.Tolumbayev

On “04”th of June, 2007 I, Malakhova Elena Vladimirovna, the notary officer of the notarial district of Astana city (state license No. 0000633 is issued on 27<sup>th</sup> of October, 1999 by the Ministry of Justice of the Republic of Kazakhstan), testify authenticity of the signature of the General Director (Chairman of the board) of Joint-stock company “KazTransOil” – citizen Tolumbayev Berik Ziyabekovich which is made in my presence. The identity of the representative is established, his powers are checked. The signature is testified with departure to the address: The Republic of Kazakhstan, Astana city, Kabanbay batyr’s Avenue, 20, at time of 16:30 .

Registered in list-register № 135  
Services of notary officer are paid

Notary officer \_\_\_\_\_

**Appendix to the decision of the Board  
of directors JSC NC "KazMunaiGaz"  
dated 19<sup>th</sup> of August 19, 2008 of No. 9/2008**

**Are confirmed by the decision  
of Board of directors  
JSC NC "KazMunaiGaz"  
from August, 19th, 2008 №9/2008**  
*Stamp: JSC NC "KazMunayGaz" Board of directors*

*Stamp: The Ministry of Justice of the Republic of Kazakhstan. The Department of Justice in Astana city. The state re-registration of the legal person. 31.05.2008 #6636-1901-AK, Date of registration: 14.05.1997*

*Stamp: The Ministry of Justice of the Republic of Kazakhstan. The Department of Justice in Astana city. The made changes and additions. 15.09.2008. ECH 970540000107. Date of registration: 14.05.1997*

**Changes and the additions brought in the charter  
of joint-stock company " KazTransOil"**

1. Subparagraph 6) of clause 2 of article 3 to state in the following edition:  
«6) implementation of professional training, retraining and advanced training of workers of the Company».
2. Subparagraph 4) of clause 8 to state in the following edition:  
«4) the body which is carrying out control for financially - economic activity of the Company, assessment in the field of internal control, risk management, execution of documents in the field of corporate governance and consultation with a view of improvement of activity of the Company – is Internal Audit Service.».
3. Clause 7 of article 9 to add with subparagraph 3-1) of the following content:  
«3-1) the annual report of the Company and the annual report of Board of directors on the executed work;».
4. Clause 1 of article 10 to add with subparagraph 10-1) of the following content:  
«10-1) approval of the annual report of the Company and annual report of Board of directors about the executed work;».
5. In article 11:
  - 1) clause 1 to add with second and third paragraphs of the following content:  
«The board of directors bears responsibility before the One shareholder for implementation of general management of the Company's activity.  
Following the results of a year the Board of directors delivers to the One shareholder the report on the executed work in an order provided by the provision on Board of directors. »;
  - 2) in clause 3: subparagraph 3) to state in the following edition:  
«3) approval of changes and the additions brought in the Charter of the Company, or its new edition, and also the code of corporate governance of the Company, changes and additions in it;»;
  - subparagraph 5) to state in the following edition:  
«5) the preliminary approval of annual financial statements of the Company, the consolidated financial statements and the annual report of the Company, representation to the One shareholder of the Company of offers on an order of distribution of a net profit of the Company for expired

fiscal year and the size of the dividend in a year in calculation on one common share of the Company;»;

to add with subparagraph 11-1) of the following content:

«11-1) assignment, definition of powers term of the corporate secretary, early termination of its powers, and also determination of the size of official salary and conditions of compensation of the corporate secretary;»;

subparagraph 15) to state in the following edition:

«15) making decisions on acquisition by the Company of ten and more percent of shares (shares of participation in authorized capital) other legal entities, and also decision-making concerning activity of the legal entities, ten and more percent of shares (share of participation) which is in authorized capitals in the Company's property, including on the questions specified in clause 1 of article 36 of the Law of the Republic of Kazakhstan «About joint-stock companies», clause 2 of article 43 of the Law of the Republic of Kazakhstan «About partnerships with limited and additional liability» and to all other questions carried according to charters of legal entities, ten and more percent of shares (share of participation in authorized capitals) which is in the Company's property, to competence of the shareholder/participant or the One shareholder/participant;»;

3) clause 6 to state in the following edition:

«6. Only the physical person can be the board member of the Company.

The person that can't be chosen to a position of the board member:

1) not having the higher education;

2) having outstanding or not removed in the order established by the law criminal record;

3) earlier being the chairman of the board of directors, the first head (chairman of the board), the deputy of first head, the chief accountant of other legal entity during the period no more than in one year prior to making decision on compulsory elimination or compulsory repayment of shares, or deactivation of other legal entity who has been declared bankrupt in accordance with the established procedure. The specified requirement is applied within five years after date of decision-making on compulsory elimination or compulsory repayment of shares, or deactivation of other legal entity who has been declared bankrupt in accordance with the established procedure. »;

4) in subparagraph 5) of clause 16 the word "individual" to exclude;

5) in clause 21:

the paragraph first to add with the sentence «An order of registration of decisions of the Board of directors accepted at such meetings, is defined by the provision on Board of directors.»;

in the tenth paragraph the word to "the secretary of Board of directors» to replace with words to "the corporate secretary»;

6) in clause 22:

the first sentence to state in the following edition:

«22. The quorum for carrying out the meeting of Board of directors makes not less than a half from number of board members and is defined with use of videoconference (interactive audiovisual communication), multiport conference (simultaneous conversation of board members in a mode of «telephone meeting»), other means of communication, and also taking into account absent board members (in the availability of their votes expressed in writing). »;

to add with the second paragraph with the following content:

«The quorum for decision-making on the questions specified in subparagraphs 1), 4) - 9), 10), 11), 16), 20) and 23) of clause 3 of the present article, composes two-thirds of board members, thus should take part in the meeting of Board of directors the majority of independent directors.»;

7) in clauses 27, 28, 29 and 30 the words "to the secretary of Board of directors», «the secretary of Board of directors», "secretary", «by the secretary of Board of directors», «the Secretary of Board of directors» to replace respectively with words "to the corporate secretary», «the

corporate secretary», «by the corporate secretary», «the corporate secretary of Board of directors »;

8) in the paragraph second of clause 30 the words «authorized worker of the Company» to replace with words «the corporate secretary».

6. In article 12:

1) in clause 2:

the subparagraph 8) to state in the following edition:

«8) makes decisions on acquisition by the Company up to ten percent of shares (shares of participation) in authorized capital of other legal entities, including legal entities, the shareholder which (participant) is the Company, and also about carve-out of shares (shares of participation) in them, except for the cases provided by the Legislation;»;

to add with subparagraphs 10-1) and 10-2) with the following content:

«10-1) carries out control of execution of decisions of the Board of directors, the One shareholder, recommendations of the auditor organization which is carrying out audit of annual financial statements of the Company, and also recommendations of Internal Audit Service;

10-2) will organize work on identification of the reasons and the conditions generating illegal actions concerning a property of the Company;»;

2) in clause 3:

to add with the second paragraph with the following content:

«In case of the early termination of powers of the board member, except for the General Director (chairman of the board), and election (assignment) by Board of directors the new board member, the power of the last expire at the same time with the expiration of Board's powers as a whole.»;

in the forth paragraph the word "individual" to exclude, and the words «Individual labor agreement» to replace with the words "Labor agreement";

3) in clause 7:

in subparagraph 2) the words «and Board of directors» to replace with words «Board of directors and the Company's Board»;

subparagraph 13) to exclude;

in subparagraph 15) after the word "before" to add with words «Board of directors and».

7. The first paragraph of clause 1 of article 13 to state in the following edition:

«1. For control of financial and economic activity of the Company, an assessment in the field of internal control, risk management, execution of documents in the field of corporate governance and consultation with a view of improvement of activity of the Company the Internal Audit Service is formed. The Internal Audit Service possesses for these purposes the right of unconditional access to all information and the Company's documentation in order provided by internal documents of the Company.».

**The General Director  
(The Chair of the Management Board)  
N. Shmanov**

*Stamp: The Republic of Kazakhstan. Astana. Joint-stock company " KazTransOil"*

**On 3<sup>rd</sup> of September, 2008 I, Malakhov Mikhail Fedorovich, the notary officer of the notarial district of Astana city (the State license No. 0000001 issued on 25<sup>th</sup> of April, 1998 by the Ministry of Justice of the Republic of Kazakhstan), I testify authenticity of the signature of the General Director (Chairman of the board) of JSC “KazTransOil” citizen Shmanov Nurtas Nuribekovich which is made at my presence. The identity is established, capacity and competency are checked. With departure to the address: The Republic of Kazakhstan, Astana city, Kabanbay’s batyr Avenue, 20, at time of 10: 30 a/m.**

**Registered in list-register № B-252  
Services of notary officer are paid**

**Notary officer \_\_\_\_\_**

*(the stamp of “KazMunaiGaz” NC JSC)*

**Approved by the  
Decision of the Sole shareholder of  
“KazTransOil” JSC (minutes of Board meeting of the  
“KazMunaiGaz” NC JSC # 2/2009 as  
Of February 18, 2009)**

**The amendments and additions, which are entered to the Articles of Association of the  
“KazTransOil” Joint-stock company**

1. In the paragraph 3 of article 1 the words “the house 20” should be replaced by the words “house 19”
2. In the paragraph 2 of article 3:
  - 1) The subparagraph 1) shall be amended as follows:  
“1) rendering of services on the oil transport (pumpover, reloading, run-off, filling, storage, compounding) and oil products on trunk pipelines;”;
  - 2) In the subparagraph 11) the words “including the services of transport dispatch service” should be replaced by the words “operator performance over single routing”;
  - 3) To add by the subparagraphs 11-1), 11-2), 11-3) and 11-4) specifying:  
“11-1) the rendering of services over transportation of natural gas on the distribution pipes for the consumers of the Republic of Kazakhstan;  
11-2) the rendering of services over transmission and distribution of electric energy;  
11-3) the rendering of services over manufacture, transmission and distribution of heat energy;  
11-4) the rendering of services over water supply by the trunk line;”.
3. The subparagraph 4) of article 8 should be excluded.
4. The paragraph 1 of article 9 shall be amended as follows:  
“1. The decisions on the questions, which are referred by the Legislation and Articles of Association to the General shareholder meeting competence, are adopted by the Sole shareholder in accordance with the procedure established by the Legislation and its Articles of Association.”.
5. The paragraph 1 of article 10 should be added by the subparagraph 11-1) specifying:  
“11-1) The decision making about voluntary delisting of Society shares;”.
6. In the article 11:
  - 1) In the paragraph 3:  
The subparagraph 1) should be added by the words “, and also the decision making about the carrying out by the Society of activity, which is not provided by the subparagraphs 1)-13) of a paragraph 2 of article 3 of Articles of Association”;  
The subparagraphs 9)-11) should be excluded;  
The subparagraph 11-1) should be added by the words “, the employees of the Corporate secretary apparatus”;  
Should be added by the subparagraph 11-2) specifying:

“11-2) establishment and annihilation of the Corporate secretary central office, approval of its staff size and staff schedule, reconciliation of appointment and termination of appointment of the Corporate secretary central office;”;

The subparagraph 15) shall be amended as follows:

“15) decision making about the Society acquisition of ten and more percents of shares (shares of participation in the charter capital) of other legal entities;”;

Should be added by the subparagraph 15-1) specifying:

“15-1) decision making on the questions of activity, which refer to the competence of the General shareholders (participants) meeting of the legal entity, ten and more percent of which belongs to the Society;”;

In the subparagraph 21 after the word “employees” the words “and structures” should be added;

To add by the subparagraph 24-1) specifying:

“24-1) determination of the appointments of the leading employees List in the subsidiary and jointly controlled organizations, reconciliation of candidates of which is performed by the Board of directors;”;

2) The paragraph 6 should be added by the second break specifying:

“The candidates to the members of the Board of directors and the members of the Board of directors should possess the appropriate experience, knowledge, qualification, positive achievements and unblemished reputation in the business and branch environment, which are necessary for the exercise of their duties and organization of effective work of the whole Board of directors in favor of the Sole shareholder and the Society.”;

3) To add by the subparagraph 10-1 specifying:

“10-1. The person who match the independence criterion, stated by the Law of Republic of Kazakhstan “On the Joint-stock companies” and also who:

- 1) Was not and is not the Society employee or its subsidiary organization during the last five years;
- 2) Has not received and does not receive the supplementary remuneration from the Society, except the remuneration as a member of Board of directors;
- 3) Having occupied the same position in other organizations or bodies does not have the significant contacts with the other members of the Board of directors through the such participation in other organizations or bodies;
- 4) Is not the representative of the Sole shareholder or the state regulatory body;
- 5) Was not and is not the member of the Board of directors of the Society for more than nine years successively is elected as an independent director”;

4) The paragraph 11 shall be amended as follows:

“11. Any election period to the composition of the Board of directors for the term of more than 6 years successively is a subject to special consideration with due account for the necessity of qualitative updating of the Board of directors’ composition. The same person cannot be elected to the Board of directors more than 9 years successively. The election for the term of more than nine years is acceptable in exceptional circumstances, but herewith the election of such person to the Board of directors should take place annually.”;

5) The subparagraphs 4) and 5) of paragraph 16 should be excluded;

6) The subparagraph 2) of paragraph 18 should be excluded;

- 7) In the second break of paragraph 22 the numbers “4)-9) should be replaced by the numbers “4)-8), the numbers “10),11,” should be excluded;
- 8) The paragraph 23 should be added by the third and fourth breaks specifying:  
“ The member of the Board of directors, who has not taken part in the Board meeting or voted against the decision, which was adopted by the Board of directors in contravention of the order, established by the Law of Republic of Kazakhstan “On the Joint-stock companies” and the Articles of Association, has a right to litigate it in a judicial proceeding.  
The Sole shareholder has a right to litigate the Board of directors’ decision, which was adopted in violation of the Law of Republic of Kazakhstan “On the Joint-stock companies” and the Articles of Association , if the rights and lawful interests of the Society and (or) the Sole shareholder were violated by the specified decision.”;
- 9) The paragraph 26 should be added by the second break specifying:  
“The decisions cannot be adopted by way of absentee vote on the questions, defined by the subparagraphs 1), 4)-8), 16), 20) and 23) of paragraph 3 hereof”;
- 10) The paragraph 28 should be added by the second break specifying:  
“The absentee ballot should be signed the member of the Board of directors. The ballot without signature is considered to be invalid”;
- 11) The subparagraphs 2), 3) and 4) of paragraph 31 shall be amended as follows:  
“2) appointments;  
3) remunerations;  
4) auditing;”

7. In the article 12:

- 1) In the paragraph 2:  
The subparagraph 1) shall be amended as follows:  
“1) approves the staff schedule of the central office and the Society structure with due account for the approved by the Board Directors of staff numbers of employees and the structure of central office of the Society, the staff schedule of the Corporate secretary central office, and also approves the staff number of employees, staff schedule and the structure of the Society branches and representations;”;  
To add by the subparagraph 8-1) specifying:  
“8-1) defines the procedure for the execution of shareholders (participants)’ rights by the Society regarding the organizations, specified in the subparagraph 8) hereof;”;  
In the subparagraph 10-1) the words “, and also the recommendations of the Internal audit service” should be excluded;  
To add by the subparagraphs 10-3) and 10-4) specifying:  
“10-3) is responsible for the elaboration and application of the internal control and risk management procedures in the Society;  
10-4) in accordance with the established procedure submits the Board of directors with the risk management reports;”;
- 2) In the paragraph 3:  
The first break should be added by the sentence specifying:  
“The Executive Board member should possess the appropriate experience, knowledge, qualification, business reputation.”;  
Should be added by the sixth and seventh breaks specifying:

“The termination of labor relationship with the Society employee, who is the Executive Board member, except the General Director (CEO), on the initiative of the employer on the grounds, prescribed by the article 54 of the Labor Code of Republic of Kazakhstan, is performed by agreement with the Board of directors.

The termination of labor relationship with the Society employee who is the Executive Board member on the initiative of the employer on the grounds, prescribed by the article 27 the Labor Code of Republic of Kazakhstan, is performed on the basis of relevant decision of the Board of directors and with the General Director (CEO)-on the grounds of the Sole shareholder decision.”;

- 3) The paragraph 6 should be added by the second sentence specifying:  
“The transfer of voting rights by the Executive Board member to another person, including to the other Executive Board member, is not acceptable.”;
- 4) In the paragraph 7:  
In the subparagraph 5) the words “and the Internal audit service of the Society” should be replaced by the words “Corporate secretary and the employees of the central office of the Corporate secretary”;  
Should be added by the subparagraph 8-1) specifying:  
“8-1) represents the reports in due order to the Board of directors and a Sole shareholder:  
Semi-annual- about the management of subsidiary and jointly controlled organizations, about the influence of financial and operating results of subsidiary and jointly controlled organizations to the Society performance indicators;  
Annual- about the implementation of the Society business-plan;”.
8. The article 13 should be excluded.
9. In the article 16:
  - 1) In the paragraph 1:  
The first break shall be amended as follows:  
“The Society brings to the notice of the Sole shareholder upon his request any information about the activity of the Society, including that affects the interests of the Sole shareholder according to the article 79 of the Law of Republic of Kazakhstan “On the Joint-stock companies”;  
To add by the third break specifying:  
“the information about the initiation of proceedings in the court on the corporate dispute should be presented to the Sole shareholder during seven working days after the date the Society has received the certificate of service (invitation) in a civil action on the corporate dispute.”;
  - 2) In the first break of the paragraph 3 the words “, with due account for limitations, determined in relation to information, which composes the official, commercial or other legally protected secret” should be replaced by the words “in accordance with the established procedure”.

The General Director  
(The Chair of the Management Board)

N. Sultan

(the stamp of the “KazTransOil” JSC  
the signature)