

Introduced by resolution of general meeting of shareholders of
KazMunaiGas Exploration Production JSC
Minutes dated 16 August 2011

Amendments to the Charter of KazMunaiGas Exploration Production JSC

1. In section 10. "general Meeting of Shareholders":
in clause 10.27.:
the second part shall be as follows:

"In the event the item concerning appointment of the Company's Board of Directors (appointment of a new member of the Board of Directors) is included in agenda of general meeting of shareholders, the materials shall specify a shareholder nominating a candidate member to the Board of Directors and/or whether this person is a candidate for the post of independent director of the Company. If the candidate to the Board of Directors is a shareholder or an individual specified in the first part of clause 12.7 of the Charter then this information shall also be specified in the materials including information on voting shares owned by the shareholder as of the date the shareholders list is made."

2. In section 11. "Competence of General Meeting of Shareholders":
in clause 11.2.:

paragraph two the wording "present at the meeting" shall be omitted.

3. In section 12. "Board of Directors":

1) in clause 12.2.:

subclauses 12), 16), 28) shall be reworded as follows respectively:

"12) fixing official salary and wage conditions and bonus payment, decision-making as to imposition of disciplinary penalty on Management Board members;";

"16) appointment of, determination of the term of office of company secretary, early termination of powers, approval of by-laws/regulations for the company secretary as well as salary adjustment and compensation terms, decision-making as to imposition of disciplinary penalty on company secretary;";

"28) approval of strategy and strategic development plans of the Company;";

2) clause 12.2-1. shall be appended to be read as follows:

"12.2-1. Board of Directors shall:

1) monitor and, where possible, eliminate any potential conflict of interest on the level of executives and shareholders, including improper use of Company's property and abuse while entering into related party transactions;

2) exercise control over efficiency of corporate governance practice within the Company;

3) clauses 12.3., 12.5. shall be as follows respectively:

"12.3. in order to review the most important issues and develop recommendations for the Board of Directors the following committees shall be established within the Company:

1) strategic planning;

2) human resources;

3) remuneration;

4) internal audit;

5) social matters;

6) business planning;

7) corporate governance;

8) other matters provided for by laws and internal documents of the Company.

The committees of the Board of Directors are composed of members of the Board of Directors and experts having professional knowledge required to be able to work in a certain committee. The Board of Directors may engage experts out of employees of the Company having necessary knowledge, as advised by the Management Board of the Company. The Board of Directors may make a resolution to engage other individuals as experts.

The procedures for formation and operation, the number of people within the committees of the Board of Directors, as well as procedures for interaction between them and the Board of Directors of the Company shall be established by the Company's internal documents developed in accordance with best practice applied in listing companies, and approved by the Board of Directors.

"12.5. Resolutions of the Board of Directors on issues specified in subparagraphs 3), 5), 7), 14), 24), 26), 27), 31), 33), 37), 38) of paragraph 12.2 of the Charter shall be taken by a majority vote of the members of the Board of Directors including majority vote of independent non-executive directors.

In consideration of any issue stipulated herein, the independent directors:

- 1) have the right at the expense of the Company to employ advisory services of professional advisers (including legal and financial advisers) with respect to such provisions that they think necessary;
- 2) shall undertake to act in good faith, in a reasonable and right manner in compliance with requirements of the laws, ethical principles, and the rules of business ethics in the best interest of the Company's shareholders as a whole.

4) in clause 12.6.:

in subclause 2) the word "interests" shall be omitted;

5) in clause 12.7. the word "interests" shall be omitted;

6) clause 12.10. shall be appended with subclause 4) to be read as follows:

"4) had been earlier an official of a joint stock company which was found guilty by the court of crimes against property, in business activity or against the interests of service in commercial (profit-making) or other organizations, and released from criminal responsibility based on an exonerating grounds for the above crimes. This requirement has its effect within five years from the date of cancellation of or clearing a criminal record.";

7) shall be appended with clause 12.21-1. to be read as follows:

"12.21-1. Materials on agenda items shall be submitted to members of the Board of Directors at least seven calendar days prior to the meeting.

In the event the issue of entering into major transaction or related party transaction is being reviewed, information on such transaction shall include information on parties thereto, the term of the transaction and its conditions, the nature of and shares of parties concerned, and report of appraiser (in the event property of 10 (ten) or more percent from Company's assets is to be acquired or alienated).";

8) in clause 12.28.:

subclause 5) shall be read as follows:

"5) items put to vote and results of the voting on those items with voting results of each member of the Board of Directors disclosed on each item on the agenda of the Board of Directors' meeting;"

4. In section 13. «Правление Общества»:

1) in clause 13.1.:

subclause 10) shall be read as follows respectively:

"10) approval of plan of procurements of the Company for planned period;

shall be appended with subclause 14-2) to be read as follows:

“14-2) give recommendation to the Board of Directors, supervisory boards of subsidiaries and related organizations of the Company, and authorized representatives of the Company in those bodies, with regard to activities of those organizations;”;

2) in clause 13.2.:

first part shall be appended with the following sentence:

“Requirements and restrictions for persons nominated to Company’s Management Board shall be stipulated by laws, Code and internal documents of the Company.”;

3) clause 13.5. shall be appended with the second part to be read as follows:

“Resolutions of Company’s Management Board shall be recorded in the minutes which shall be signed by all those members of Management Board who have attended the meeting, and shall contain issues put to vote, voting results with votes of each member of the Management Board disclosed on each item.”;

4) in clause 13.6.:

subclause 5) shall be appended with the wording “and the Company Secretary”.

5. In section 14. “Company Officials and Company Secretary”:

1) shall be appended with clause 14.1-1. to be read as follows:

“14.1-1. Members of Company’s Board of Directors shall:

1) act in compliance with Kazakhstan laws, Charter, Code and internal documents of the Company based on awareness, transparency, in the interests of the Company and its shareholders;

2) treat any shareholder fairly, make objective independent judgment on company-wide matters.”;

2) clause 14.5. shall be read as follows:

“14.5. Officials of the Company shall be liable before the Company and the shareholders for damage caused by their acts/omissions, pursuant to the laws, including losses incurred as a result of:

1) provision of misleading information, or false representation;

2) violation of procedure for provision of information as established by Kazakhstan Joint Stock Companies Law;

3) suggestion to enter into and/or decision made to enter into a major transaction and/or a related party transaction resulting in losses incurred by the Company as a result of their wrongful acts or omission to act, including those aimed at making profit for themselves or for their affiliates from such transactions involving the Company.

Officials shall be liable before the Company and the shareholders in the event and in the manner established by Kazakhstan Joint Stock Companies Law.”.

6. In section 16. “Financial Reporting, Accounting Records and Audit”:

clause 16.5. shall be appended with third part to be read as follows:

“Should financial statements misrepresent financial standing of the Company, the officials of the Company who have signed the financial statements shall be liable before the third parties who suffer material damage as a result of this.”.

7. In section 17. «Раскрытие информации Обществом и документы Общества»:

1) in clause 17.1.:

The third part shall be appended with the following sentence:

“In the event Kazakhstan Joint Stock Companies Law and other legal acts of the Republic of Kazakhstan do not stipulate the term of announcement (making available to shareholders) of information, such information shall be published/announced (made available to shareholders) within five business days from the date it first emerged.”;

2) in clause 17.4.:

subclauses 11) and 13) be amended as follows respectively:

“11) minutes from general meetings of shareholders, minutes of voting results and ballots (including invalid ballots), materials on issues of agenda of general meetings of shareholders;”;

“13) minutes from meetings of the Board of Directors (resolutions of the Board of Directors made by absent voting) and ballots (including invalid ballots), materials on agenda items of the Board of Directors;”;

3) in clause 17.6. the wording “30 (thirty)” shall be replaced by the wording “10 (ten)”.

CEO
(Management Board Chairman)

A. Balzhanov