

Information about the issues considered by the Board of Directors of “KazTransOil” JSC for 1H2016

No. and date of the resolution of the Board of Directors	Members of the Board of Directors participated in the meeting	Issues considered
Minutes No.1/2016 dated 12.01.2016	A. Kassymbek D. Mihalik A. Mukushov S. Primbetov	1. On formation of a list of candidates to the Board of Directors of “KazTransOil” JSC.
		2. On recommendations for the General Meeting of Shareholders of “KazTransOil” JSC on the size, procedure and terms of remuneration of independent directors of “KazTransOil” JSC.
		3. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of participation of “Kazakhstan-China Pipeline” LLP in Association of Legal Entities “Kazakhstan Association of Oil, Gas and Energy Complex “KAZENERGY”.
		4. On termination of labor relations with S. Utegaliyev, the First Deputy General Director of “KazTransOil” JSC for Production, and early termination of his powers as a member of the Management Board of “KazTransOil” JSC.
		5. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of termination of the employment contract with D. Dossanov, the General Director of “Kazakhstan-China Pipeline” LLP, and early termination of his powers as the Chair of the Management Board of “Kazakhstan – China Pipeline” LLP.
		6. On coordination of appointment of D. Dossanov as the First Deputy General Director of “KazTransOil” JSC for Production.
		7. On election of D. Dossanov as a member of the Management Board of “KazTransOil” JSC and determination of the size of salary and terms for payment of remuneration and bonuses.
		8. On determination of the quantitative composition of the Management Board of “KazTransOil” JSC and early termination of powers of A. Ungarsynov as a member of the Management Board of “KazTransOil” JSC.
		9. On confirmation of the structure of the central office of “KazTransOil” JSC.
Minutes No.2/2016 dated 30.01.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov N. Shmanov	1. On confirmation of the Action Plan of the Board of Directors of “KazTransOil” JSC for 2016.
		2. On committees of the Board of Directors of “KazTransOil” JSC.
		3. On termination of labor relations with R. Mestoyev, the Deputy General Director of “KazTransOil” JSC for Business Support, and early termination of his powers as a member of the Management Board of “KazTransOil” JSC.
		4. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of appointment of A. Tanatarov as the General Director of “Kazakhstan-China Pipeline” LLP

		and his election as the Chair of the Management Board of “Kazakhstan-China Pipeline” LLP.
Minutes No.3/2016 dated 18.02.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov N. Shmanov	1. On evaluation of performance of the Board of Directors of “KazTransOil” JSC for 2015.
		2. On approval of the Corporate Governance Code.
		3. On coordination of appointment of E. Aimurzayev as the Deputy General Director of “KazTransOil” JSC for Production.
		4. On election of E. Aimurzayev as a member of the Management Board of “KazTransOil” JSC and determination of the size of salary and terms for payment of remuneration and bonuses.
		5. On coordination of appointment of M. Mukashev as the Deputy General Director of “KazTransOil” JSC for Corporate Development.
		6. On determination of the quantitative composition of the Management Board of “KazTransOil” JSC, election of M. Mukashev as its member and determination of the size of salary and terms for payment of remuneration and bonuses.
		7. On consideration of the Report of the Internal Audit Service of “KazTransOil” JSC on its performance in 2015.
		8. On confirmation of functional key performance indicators of the Internal Audit Service of “KazTransOil” JSC and its Head for 2016.
		9. On confirmation of incentive key performance indicators of the Corporate Secretary of “KazTransOil” for 2016 and their target values.
		10. On confirmation of adjusted Business Plans of “KazTransOil” JSC for 2016-2020 at revalued and historical costs of fixed tangible assets.
		11. On determination of the size of salary and terms for payment of remuneration and bonuses of B. Zakirov as a member of the Management Board of “KazTransOil” JSC.
		12. On confirmation of the Scheme of salaries of employees of the central office of “KazTransOil” JSC.
		13. On changes and an addition to the Methodology for valuation of shares in case of their buyback by “KazTransOil” JSC at the informal stock market.
Minutes No.4/2016 dated 14.03.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov N. Shmanov	1. On confirmation of incentive key performance indicators of executive employees of “KazTransOil” JSC for 2016 and their target values.
		2. On review of the Report on dynamics of key risks and course of execution of the Action Plan on key risk management of “KazTransOil” JSC for Q4 of 2015.
		3. On closure of the Representative Office of “KazTransOil” JSC in Moscow.
		4. On consideration of the Audit Report upon the results of audit of production, operational and financial processes of “KazTransOil” JSC conducted by the Internal Audit Service of “KazMunayGas” NC JSC within the period from November 2, 2015 to December 11, 2015 and the Plan of Corrective Actions on Identified Inconsistencies.
		5. On access of the Internal Audit Service of “KazMunayGas” NC JSC to information, materials and facilities of “MunaiTas” NWPC JSC.

		6. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of a change made by “Kazakhstan-China Pipeline” LLP in the deal which cost exceeds 1,096,000,000 tenge, - the Amendment Agreement No.3 to the Term Facility Agreement dated August 12, 2008.
		7. On consideration of the Report on compliance of “KazTransOil” JSC with the principles enshrined in the Corporate Governance Code of “KazTransOil” JSC for 2015.
		8. On consideration of the Report on the issue of transparency in “KazTransOil” JSC and efficiency of information disclosure for the 2 nd half of 2014 and 2015.
		9. On an interested-party deal concluded with “Mangistaumunaigas” JSC for 2016, - the Contract on sewage disposal at HOPS “Kalamkas” of Mangistau Oil Pipeline Department of the KTO Western branch.
		10. On interested-party deals concluded with “Kazakhstan-China Pipeline” LLP: 1) the Contract on operation of “Atasu-Alashankou” main oil pipeline for 2016; 2) the Contract on operation of “Kenkiyak-Kumkol” main oil pipeline for 2016.
		11. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of deals concluded by “Kazakhstan-China Pipeline” LLP which costs exceed 1,096,000,000 tenge: 1) the Contract on operation of “Atasu-Alashankou” main oil pipeline for 2016; 2) the Contract on operation of “Kenkiyak-Kumkol” main oil pipeline for 2016.
Minutes No.5/2016 dated 14.04.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov N. Shmanov	1. On consideration of the Annual Progress Report on the Business Plan of “KazTransOil” JSC for 2015.
		2. On confirmation of adjusted Business Plans of “KazTransOil” JSC for 2016-2020 at revalued and historical costs of fixed tangible assets.
		3. On preliminary confirmation of annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2015.
		4. On proposals of the Board of Directors to the General Meeting of Shareholders of “KazTransOil” JSC on the procedure of distribution of net income of “KazTransOil” JSC for 2015, retained earnings for past years and the size of a dividend for 2015 per one common share of “KazTransOil” JSC.
		5. On preliminary confirmation of the Annual Report of “KazTransOil” JSC for 2015.
		6. On approval of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2015.
		7. On addresses of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2015 and results of their consideration.
		8. On approval of changes and additions to the Charter of “KazTransOil” JSC.
		9. On calling the Annual General Meeting of Shareholders of “KazTransOil” JSC.
		10. On confirmation of Regulations on Representative Office of “KazTransOil” JSC in Samara in a new edition.
		11. On consideration of the Report of the Internal Audit Service of “KazTransOil” JSC on its performance in Q1 of 2016.
		12. On access of the Internal Audit Service of “KazMunayGas” NC JSC to information, materials and facilities of

		Batumi Oil Terminal, Batumi Sea Port and Petrotrans Ltd.
		13. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of confirmation of the adjusted budget of “Kazakhstan-China Pipeline” LLP for 2016.
		14. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of appointment of M. Jumadillayev as the Deputy General Director for Commerce of “Kazakhstan-China Pipeline” LLP and Yin Zhi Cheng as the Deputy General Director for Production of “Kazakhstan-China Pipeline” LLP, their appointment as persons authorized to sign payment documents of “Kazakhstan-China Pipeline” LLP and election as members of the Management Board of “Kazakhstan-China Pipeline” LLP.
		15. On determination of the position of “KazTransOil” JSC as the Shareholder of “MunaiTas” NWPC JSC on the issue of confirmation of annual financial statements of “MunaiTas” NWPC JSC for 2015.
		16. On determination of the position of “KazTransOil” JSC as the Shareholder of “MunaiTas” NWPC JSC on the issue of confirmation of the procedure of distribution of net income of “MunaiTas” NWPC JSC for 2015, adoption of the decision on payment of dividends on common stock and confirmation of the size of a dividend per one common share of “MunaiTas” NWPC JSC.
		17. On determination of the position of “KazTransOil” JSC as the Shareholder of “MunaiTas” NWPC JSC on the issue of addresses of shareholders of “MunaiTas” NWPC JSC against actions of “MunaiTas” NWPC JSC and its officials for 2015 and results of their consideration.
		18. On determination of the position of “KazTransOil” JSC as the Shareholder of “MunaiTas” NWPC JSC on the issue of determination of an audit organization implementing audit of “MunaiTas” NWPC JSC for 2016, cost of its services for audit of financial statements and single-source procurement.
		19. On access of external consultants involved by the Internal Audit Service of “KazMunayGas” NC JSC to information, materials and facilities of “KazTransOil” JSC.
		20. On determination of the position of “KazTransOil” JSC as the Shareholder of “MunaiTas” NWPC JSC on the issue of early termination of powers of A. Nussupova and Kh. Soltanbayev as members of the Board of Directors of “MunaiTas” NWPC JSC.
		21. On determination of the position of “KazTransOil” JSC as the Shareholder of “MunaiTas” NWPC JSC on the issue of election of D. Dossanov and B. Shayakhmetov as members of the Board of Directors of “MunaiTas” NWPC JSC.
Minutes No.6/2016 dated 26-27.05.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov	1. On consideration of the Report on evaluation of performance of the Board of Directors of “KazTransOil” JSC for 2015.
		2. On consideration of the Progress Report for 2015 on the updated Development Strategy of “KazTransOil” JSC for 2012-2022.
		3. On confirmation of the structure of the central office of “KazTransOil” JSC.
		4. On review of the Report on dynamics of key risks and course of execution of the Action Plan on key risk management of “KazTransOil” JSC for Q1 of 2016.

	N. Shmanov	5. On changes and additions to the integrated management system document of “KazTransOil” JSC – KTO-SA-IN-1.1 Guidelines on the procedure of write-off of fixed tangible and intangible assets and inventory in “KazTransOil” JSC.
		6. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of confirmation of the conclusion of the Audit Commission on audit of financial-economic activity of “Kazakhstan-China Pipeline” LLP for 2015.
		7. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of confirmation of annual financial statements of “Kazakhstan-China Pipeline” LLP for 2015.
		8. On confirmation of annual financial statements and annual consolidated financial statements of Batumi Terminals Limited for 2015.
		9. On early termination of powers of A. Shmanov as the Ombudsman of “KazTransOil” JSC and appointment of B. Kirgizbayev as the Ombudsman of “KazTransOil” JSC.
		10. On buyback by “KazTransOil” JSC of its outstanding shares upon a shareholder request and buyback price.
Minutes No.7/2016 dated 15.06.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov N. Shmanov	1. On a change in the Minutes of the Board of Directors of “KazTransOil” JSC as of May 26-27, 2016 No.6/2016.
Minutes No.8/2016 dated 27.06.2016	D. Berlibayev L. Coimbra F. Machinena A. Mukushov S. Primbetov N. Shmanov	1. On confirmation of the Action Plan on improvement of performance of the Board of Directors of “KazTransOil” JSC.
		2. On confirmation of incentive key performance indicators of executive employees of “KazTransOil” JSC for 2016 and their target values.
		3. On remuneration of executive employees of “KazTransOil” JSC for 2015.
		4. On remuneration of employees of the Internal Audit Service and Corporate Secretary of “KazTransOil” JSC for 2015.
		5. On determination of quantitative composition, term of office of the Internal Audit Service of “KazTransOil” JSC, appointment of its Head and other employees, determination of sizes and terms for payment of salaries and bonuses to employees of the Internal Audit Service of “KazTransOil” JSC.
		6. On confirmation of the List of documents regulating the internal activities of “KazTransOil” JSC to be confirmed by the Board of Directors.
		7. On confirmation of the integrated management system document of “KazTransOil” JSC – KTO-SA-M-11.1 Methodology for calculation of tariffs for services of “KazTransOil” JSC on oil transportation via main pipelines for export beyond the Republic of Kazakhstan and transit through the territory of the Republic of Kazakhstan.
		8. On interested-party deals concluded with “Kazakhstan-China Pipeline” LLP: 1) the Agreement on dissolution of the Contract on operation of “Kenkiyak-Kumkol” main oil pipeline for 2016 dated

		<p>March 18, 2016 No.58-2016//OS3/2016;</p> <p>2) the Agreement on dissolution of the Contract on operation of “Atasu-Alashankou” main oil pipeline for 2016 dated March 18, 2016 No.57-2016//OS4/2016;</p> <p>3) the Contract on operation of “Kenkiyak-Kumkol” main oil pipeline for 2016-2020 in the amount of 16,063,885,492 (sixteen billion sixty three million eight hundred eighty five thousand four hundred ninety two) tenge 20 tiyn, including VAT;</p> <p>4) the Contract on operation of “Atasu-Alashankou” main oil pipeline for 2016-2020 in the amount of 27,556,520,982 (twenty seven billion five hundred fifty six million five hundred twenty thousand nine hundred eighty two) tenge 23 tiyn, including VAT.</p> <p>9. On determination of the position of “KazTransOil” JSC as the Participant to “Kazakhstan-China Pipeline” LLP on the issue of deals which costs exceed 1,096,000,000 tenge:</p> <p>1) the Agreement on dissolution of the Contract on operation of “Kenkiyak-Kumkol” main oil pipeline for 2016 dated March 18, 2016 No.58-2016//OS3/2016;</p> <p>2) the Agreement on dissolution of the Contract on operation of “Atasu-Alashankou” main oil pipeline for 2016 dated March 18, 2016 No.57-2016//OS4/2016;</p> <p>3) the Contract on operation of “Kenkiyak-Kumkol” main oil pipeline for 2016-2020 in the amount of 16,063,885,492 (sixteen billion sixty three million eight hundred eighty five thousand four hundred ninety two) tenge 20 tiyn, including VAT;</p> <p>4) the Contract on operation of “Atasu-Alashankou” main oil pipeline for 2016-2020 in the amount of 27,556,520,982 (twenty seven billion five hundred fifty six million five hundred twenty thousand nine hundred eighty two) tenge 23 tiyn, including VAT.</p> <p>10. On expected results of the activities of Batumi Terminals Limited group of companies for the 1st half of 2016.</p> <p>11. On consideration of the Action Plan targeted at ensuring financial stability of “Kazakhstan-China Pipeline” LLP in order to prevent its default.</p>
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