 KazTransOil	“KazTransOil” JSC	
Name of the IMS document	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 1 out of 8
Author: Corporate Secretary Service	Approved by the resolution of the Board of Directors of “KazTransOil” JSC (minutes of the meeting dated May 25, 2023 No. 8/2023)	

1. GENERAL PROVISIONS

1. These Regulations have been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of “KazTransOil” Joint-stock Company [1], the Corporate Governance Code [2] and determine the status, main tasks and functions, composition, procedures of activities of the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC (hereinafter – the Committee), as well as the rights and duties, and responsibilities of the Committee members.

2. The Committee is a permanent advisory and consultative body of the Board of Directors of “KazTransOil” JSC (hereinafter – the Company) and is created for preliminary consideration and preparation of recommendations to the Board of Directors on the issues defined in these Regulations.


3. The Committee shall report to the Board of Directors and shall act within the authority granted to it by the Board of Directors and these Regulations.

4. In its activities, the Committee shall be guided by the legislation of the Republic of Kazakhstan, the Charter of “KazTransOil” Joint-stock Company [1], the Corporate Governance Code [2], the Regulations on the Board of Directors of “KazTransOil” JSC [3], these Regulations and other internal documents of the Company.

5. Recommendations of the Committee made on the issues referred by the Charter of “KazTransOil” Joint-stock Company [1] to the competence of the General Meeting of Shareholders of the Company shall be submitted, if approved by the Board of Directors, to the General Meeting of Shareholders for consideration and decision-making in the manner prescribed by the legislation of the Republic of Kazakhstan.

2. MAIN TASKS AND FUNCTIONS

6. The objective of the Committee is to improve the effectiveness and quality of the Company's Board of Directors through in-depth consideration and monitoring of issues within the competence of the Board of Directors in the area of human resources and social policies, succession planning for the Chair and members of the Management Board, the appointment and remuneration system,

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 2 out of 8

performance evaluation in general and individually for members of the Board of Directors, Management Board members, including the General Director (Chair of the Management Board), and the Corporate Secretary and the Ombudsman of the Company.

7. The Committee shall make recommendations to the Board of Directors on the following issues:

1) election/appointment of candidates to the Board of Directors and the Management Board of the Company, including the General Director (Chair of the Management Board), to the positions of the Corporate Secretary and the Ombudsman of the Company, as well as positions specified in the List of positions, the appointment to which is subject to approval by the Board of Directors of “KazTransOil” JSC (hereinafter – the List) [4];

2) ensuring effective personnel and social policies of the Company;

3) forming proposals for determining the amount and terms of remuneration and reimbursement of expenses to members of the Board of Directors of the Company;

4) determining the official salaries and terms of remuneration, bonus payment and social support of the General Director (Chair of the Management Board) and members of the Management Board of the Company, making decisions on bringing them to material responsibility, imposing disciplinary penalties on them;

5) determining the official salary, terms of remuneration and social support of the Corporate Secretary, evaluating the Corporate Secretary's performance, making decisions on bringing him/her to material responsibility, imposing disciplinary penalties on him/her;

6) approval of salary schemes for the employees of the Company's Corporate Secretary Service and Ombudsman;


7) approval of the staff schedules of the Company's Corporate Secretary Service and Ombudsman;

8) approval of motivational key performance indicators for the General Director (Chair of the Management Board) and members of the Management Board, Corporate Secretary and Ombudsman of the Company;

9) determining the Company's position on election/appointment of the sole executive bodies/candidates to the collegial executive bodies of subsidiaries or jointly controlled entities (hereinafter – SJCEs) nominated by the Company;

10) determining the Company's position on the issues of determining the official salaries of the sole executive bodies/members of the collegial executive bodies of SJCEs elected/appointed as advised by the Company, as well as on imposing disciplinary penalties on them;

11) evaluating the performance of the Company's Board of Directors, committees and members of the Board of Directors, the Company, the

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 3 out of 8

Management Board, General Director (Chair of the Management Board) and members of the Company's Management Board;

12) approval of an induction program for newly elected members of the Board of Directors of the Company and a professional development program for each member of the Board of Directors;

13) approval of succession planning programs for members of the Management Board of the Company;

14) approval of the Company's corporate social responsibility strategy.

8. If necessary, the Committee shall interview candidates to the Board of Directors, the Management Board of the Company, the executive bodies of SJCEs, the Corporate Secretary and the Ombudsman of the Company, as well as to the positions identified in the List, to make appropriate recommendations to the Board of Directors.

In order for the Committee to prepare conclusions (recommendations) on the issues specified in sub-clauses 1), 9) of clause 7 of these Regulations, the following conclusions shall be provided to the Chair of the Committee:

1) by the Company's Human Resources Management Department – a conclusion on the candidate's compliance with the qualification requirements for the vacant position;

2) by the Compliance Control Service of the Company – a conclusion on the verification of the candidate for the acceptance of anti-corruption restrictions and compliance with financial control measures provided for by the legislation of the Republic of Kazakhstan, as well as the presence/absence of affiliation and/or conflict of interest/potential conflict of interest in the appointment of the candidate.


9. At the request of the Board of Directors or on its own initiative, the Committee prepares opinions (recommendations) on other issues within the scope of its tasks and functions.

3. COMPOSITION OF THE COMMITTEE

10. The Committee shall consist of members of the Board of Directors and, if necessary, experts with the necessary professional knowledge, competencies and skills to serve on the Committee.

A majority of the independent directors of the Board of Directors of the Company shall be members of the Committee. The independent directors of the Board of Directors of the Company shall represent a majority of the Committee members.

11. The quantitative composition of the Committee shall be determined by the Board of Directors. The number of Committee members shall be at least 3 (three). Potential conflicts of interest are taken into account in the composition of the Committee.

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 4 out of 8

12. The Committee shall maintain a balance of skills, experience and knowledge to ensure that independent, objective and effective decisions are made in the best interests of the Company, taking into account the principles of sustainable development and fair treatment of all shareholders.

13. The Chair and members of the Committee are elected by the Board of Directors. At the same time, the Chair of the Committee shall be elected from among the independent directors.

14. The term of office of Committee members who are members of the Board of Directors shall be the same as their term of office as members of the Board of Directors, but may be reviewed annually by the Board of Directors.

15. The Board of Directors may terminate the powers of a member of the Committee at any time before the end of his/her term.

16. In addition to professional competences, the Chair of the Committee must have organizational and leadership skills and good communication skills to effectively organize the Committee's activities.

17. The Chair of the Committee shall perform the following functions:

- 1) organizes the work of the Committee;
- 2) convenes meetings of the Committee and chairs them;
- 3) arranges for minutes to be kept at meetings of the Committee;
- 4) determines the form of meetings of the Committee;
- 5) ensures the development of the Committee's work plan for the calendar year, taking into account the work plan of the Board of Directors;
- 6) ensures the process of evaluating the effectiveness of the Committee's work;
- 7) prepares a report on the Committee's activities and report to the Board of Directors on the results of the Committee's activities for the year.


18. In the absence of the Chair of the Committee, his/her functions are performed by one of the members of the Committee by decision of the Committee.

19. The functions of the Secretary of the Committee (without the right to vote) shall be performed by the Corporate Secretary of the Company.

4. COMMITTEE OPERATING PROCEDURES

20. The work of the Committee is carried out in the form of meetings. Meetings of the Committee shall be held both in accordance with the plan approved by the Committee before the beginning of the calendar year, indicating the list of issues and dates of meetings, and as necessary, but not less than 4 (four) times a year.

21. The decision to convene a scheduled meeting of the Committee, the date, time and place of the meeting, the issues on the agenda, as well as the decision on

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 5 out of 8

the list of persons invited to the meeting shall be made by the Chair of the Committee.

22. An extraordinary meeting of the Committee shall be held by decision of the Chair of the Committee on his/her own initiative, at the request of any member of the Committee, by order of the Board of Directors.

23. If the Chair of the Committee refuses to convene a meeting, the initiator has the right to address the said request to the Board of Directors. The Board of Directors is obliged to convene a meeting of the Committee.

A meeting of the Committee shall be held with the compulsory invitation of the person who submitted the said request.

24. The Secretary of the Committee shall ensure preparation of the agenda of the meeting of the Committee, send a notice to members of the Committee and invited persons indicating the agenda of the meeting and ensure provision of all necessary information and materials on each issue of the agenda no later than 7 (seven) calendar days prior to the date of the meeting of the Committee. The notice shall be given personally against a signature, or sent by mail, or by facsimile or electronic communication to each member of the Committee. At the same time, materials on an agenda item in which a member of the Committee has a conflict of interest are not provided to him/her.

25. Meetings of the Committee shall be held in person or by absentee voting. At the same time, the use of absentee voting should be minimized. Consideration and decision-making on issues of importance and strategic nature shall be made only at in-person meetings of the Committee. In special cases, a combination of both forms of the Committee meeting is possible.


26. Members of the Committee shall be obliged to participate in in-person meetings of the Committee, if necessary – by remote participation using videoconference (interactive audiovisual communication), conference call (simultaneous conversation of Committee members in "telephone meeting" mode), as well as other means of communication.

27. The quorum for an in-person meeting of the Committee shall be at least half of the Committee members entitled to vote, taking into account remote participation via videoconference (interactive audiovisual communication), conference call (simultaneous conversation of Committee members in "telephone meeting" mode), as well as other means of communication.

28. The Committee shall adopt resolutions by a simple majority vote of the Committee members present at the meeting. In the event of a tie, the vote of the Chair of the Committee or the person presiding at the meeting shall be decisive.

29. Committee members must avoid conflict of interest situations and not participate in the consideration of their own appointment and/or remuneration.

30. Each member of the Committee has the right to state his/her dissenting opinion, which must be attached to the minutes of the Committee meeting. In cases

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 6 out of 8

where a resolution on certain issues cannot be adopted due to the interest of certain members of the Committee, this fact shall be recorded in the minutes of the meeting of the Committee.

31. Minutes of each meeting of the Committee shall be drawn up within 3 (three) working days after the meeting. The minutes shall be signed by all members of the Committee who participated in the meeting and the Secretary of the Committee.

The minutes of the Committee's meetings shall be kept and executed by the Secretary of the Committee or, in his/her absence, by an employee of the Company's Corporate Secretary Service.

32. When voting in absentia on items on the agenda of a meeting, the ballots sent to the members of the Committee entitled to vote, together with the notice of the meeting of the Committee, shall be used.

A resolution by absentee ballot shall be deemed adopted if there is a quorum in the ballots received in due time. The absentee ballot must be signed by a voting member of the Committee. A ballot without a signature is considered invalid.

A resolution of the Committee's meeting in absentia shall be in writing and shall be signed by the Secretary of the Committee and the Chair of the Committee.

33. The minutes of the meeting/resolution of the Committee adopted by in-person/absentee voting shall specify:


- 1) the date, place, and time of the meeting/resolution;
- 2) the list of Committee members who participated in the meeting/absentee voting, as well as the list of other persons who participated in the Committee meeting;
- 3) the agenda;
- 4) proposals of the members of the Committee on the issues on the agenda;
- 5) the issues put to vote and the voting results with the vote of each member of the Committee on each issue on the agenda of the meeting of the Committee;
- 6) the resolutions adopted.

34. The Secretary of the Committee shall ensure storage of the minutes of the Committee's meetings/resolutions, signed ballots, as well as stenograms, audio-video recordings and materials of the Committee's meetings.

5. RIGHTS

35. The Committee has the right to:

- 1) make recommendations to the Board of Directors on issues within the Committee's competence;
- 2) request documents and information from officials and employees of the Company on issues within the Committee's competence;

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 7 out of 8

3) use the services of external experts and consultants in accordance with the established procedure within the funds provided for in the budget of the Company for the current year;

4) exercise other rights stipulated by the legislation of the Republic of Kazakhstan, the Charter of “KazTransOil” Joint-stock Company [1], the Corporate Governance Code [2], the Regulations on the Board of Directors of “KazTransOil” JSC [3], these Regulations and other internal documents of the Company.

6. RESPONSIBILITY

36. The Chair and members of the Committee shall be liable, in accordance with the established procedure, to the Company and shareholders for damage caused by their actions and/or omissions, and for losses incurred by the Company, for failure to disclose/untimely disclose situations of conflict of interest in decision-making, as well as fulfillment of requirements stipulated by these Regulations.

37. The Chair, members and Secretary of the Committee, as well as persons invited to its meetings shall be responsible for the disclosure of confidential information received.


38. The Secretary of the Committee is responsible for organizational and informational support of the Committee's work in accordance with these Regulations.

7. FINAL PROVISIONS

39. These Regulations shall become effective upon approval by the Board of Directors. In the event of contradictions between certain provisions of these Regulations and the legislation of the Republic of Kazakhstan, these provisions shall become invalid in the part containing the contradictions, until they are amended accordingly.

8. REFERENCES TO DOCUMENTS*

[1]	Charter of “KazTransOil” Joint-stock Company, approved by the resolution of the Sole Shareholder of the Company (minutes of the meeting of the Board of Directors of “NC “KazMunayGas” JSC No. 8/2012 dated October 19, 2012)
[2]	Corporate Governance Code approved by the resolution of the General Meeting of Shareholders of the Company (minutes of the meeting

 KazTransOil	Regulations on the Nomination and Remuneration Committee of the Board of Directors of “KazTransOil” JSC	
Regulations	KTPO-P99-Regulations-27.2	page 8 out of 8

	No. 3/2016 dated May 27, 2016)
[3]	Regulations on the Board of Directors of “KazTransOil” JSC, approved by the resolution of the General Meeting of Shareholders of the Company (minutes of the meeting No. 1/2018 dated May 24, 2018)
[4]	List of positions to be agreed with the Board of Directors of “KazTransOil” JSC, approved by the resolution of the Board of Directors of the Company (resolution of the absentee meeting No. 2/2013 dated February 27, 2013)

* In applying these Regulations, it is necessary to check the validity of the referenced documents. If the referenced document is replaced (amended), the replaced (amended) document should be used as a guide in using these Regulations. If a reference document is repealed without replacement, the provision in which the reference is made applies insofar as it does not affect that reference.