

 <b>KazTransOil</b>	<b>“KazTransOil” JSC</b>	
Title of the Integrated management system document	<b>The Strategic Planning, Safety and Environmental Protection Committee of the Board of Directors of “KazTransOil” JSC terms of reference</b>	
<b>Terms of reference</b>	<b>KTO-P99-ToR-22.2</b>	<b>Page 1 of 6</b>
Originator: <b>Corporate Secretary service</b>	The Resolution of the Board of Directors of “KazTransOil” JSC (Minutes of meeting dated _____ 2021, No. ____/2021)	

## **1. GENERAL PROVISIONS**

1. These terms of reference define the status, the main goals and functions, the composition, the procedures, the rights and obligations, as well as the responsibilities of the Committee members of the Strategic Planning, Safety and Environmental Protection Committee of the Board of Directors of “KazTransOil” JSC (hereinafter the Committee). These terms of references were adopted in accordance with the legislation of the Republic of Kazakhstan, the Charter of “KazTransOil” JSC [1], and the Corporate Governance Code [2].

2. The Committee acts as an advisory body of the Board of Directors of “KazTransOil” JSC (hereinafter the Company) created for preliminary review and drafting of recommendations to the Board of Directors of the Company on issues determined by these terms of reference.

3. The Committee reports to the Board of Directors and acts within the framework of the powers vested in it by the Board of Directors of the Company and by these terms of reference.

4. The Committee is governed by the legislation of the Republic of Kazakhstan, the Company Charter [1], the Corporate Management Code [2], the Board of Directors terms of reference [3], by these terms of reference and other internal documents of the Company.

## **2. THE OBJECTIVES AND FUNCTIONS**

5. The Committee objectives:

1) The development of recommendations to the Board of Directors on the development and update of the long-term Strategy of the Company, measures aimed at maximizing shareholder value and improving the economic efficiency of the Company, the investment policy of the Company, introduction of innovations in the Company, as well as the integration of sustainable development principles, including the protection of health and safety of employees and environment;

2) Monitoring the implementation of the Board’s resolutions in priority areas of development and strategic planning of the Company.

6. The Committee develops recommendations to the Board, on the following issues:

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- 1) the Development Strategy, strategic goals, strategic plans and programs of the Company;
  - 2) the establishment and closure of branches and representative offices of the Company;
  - 3) the establishment of legal entities (participation in the establishment of legal entities);
  - 4) the acquisition or disposal of ten or more percent of the shares (stakes in the authorized capital) of other legal entities by the Company;
  - 5) the transfer by the Company of ten or more percent of shares (stakes in the authorized capital) of other legal entities into trust management;
  - 6) the restructuring (transformation, merger, division, spin-off or merger) or liquidation of legal entities, the stock of shares in the authorized capital of which are owned by the Company;
  - 7) the innovation development in the Company and assessment of compliance with the approved goals and objectives of the Company in terms of innovation development;
  - 8) the Company engagement with investors and minority shareholders;
  - 9) the closing of major transactions on which decision-making is assigned by the legislation of the Republic of Kazakhstan and (or) the Company Charter [1] to the exclusive competence of the Board of Directors of the Company;
  - 10) the implementation of the action plan of the Company Development Strategy;
  - 11) the Company policy on its own securities;
  - 12) the reorganization of the Company, including the terms, procedure and deadlines of such reorganization;
  - 13) the sustainable development, including protection of safety, preservation and improvement of health of employees and environmental protection.
7. The Committee develops recommendations to the Board of Directors, so the latter prepares proposals to the General Meeting of Shareholders on the procedure for distributing the Company's net income for the past financial year and the amount of dividend payment for the year per one ordinary share of the Company.
8. The Committee prepares resolutions (recommendations) at the request of the Board of Directors of the Company or on own initiative on issues within the framework of the vested objectives and functions.

### **3. THE COMMITTEE COMPOSITION**

9. The Committee consists of the members of the Board of Directors and experts (if required), with the necessary professional expertise and skills to work in the Committee. The experts participate in the Committee work with no voting privileges.

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10. The Board of Directors determines the numerical composition of the Committee. The number of members of the Committee should consist of no less than 3 (three) people. Potential conflicts of interests should be taken into account when forming the composition of the Committee.

11. The Board of Directors of the Company elects the Chairman and members of the Committee. The Chairman of the Committee should be an Independent Director.

The Chairman of the Committee, amongst professional competencies, must possess organizational and leadership qualities, good communication skills for the efficient organization of the Committee activities.

12. The Committee must maintain a balance of skills, experience and knowledge that ensures the adoption of independent, objective and efficient resolutions in the interests of the Company with fair treatment of all shareholders and the principles of sustainable development.

13. The term of office of the Committee members, coincides with their term of office as members of the Board of Directors of the Company, and may be reviewed annually by the Board of Directors of the Company.

14. The Corporate Secretary performs the duties of the Committee secretary.

15. The Board is entitled to terminate the powers of any member of the Committee at any time.

#### **4. THE COMMITTEE CHAIRMAN**

16. The Committee Chairman performs the following duties:

- 1) Organizes the work of the Committee;
- 2) Convenes the Committee meetings and chairs them;
- 3) Organizes taking of the Committee meeting minutes;
- 4) Determines the format of the meeting;
- 5) Facilitates the development of the Committee’s work plan for the year taking into account the Board of Directors’ work plan;
- 6) Facilitates the efficiency evaluation process of the Committee’s work;
- 7) Reports to the Board of Directors of the Company on the results of the Committee activities for the year;

17. In the Chairman’s absence, one of the Committee members performs the duties by decision of the Committee.

#### **5. THE COMMITTEE RULES OF PROCEDURE**

18. The Committee carries out its work in the form of meetings. Meetings of the Committee are held according to the annual plan, approved by the Committee before the end of the year or as necessary, but not less than 4 (four) times a year.

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19. The Chairman makes the decision to convene the Committee meeting, deciding on the date, time, place, its agenda items, as well as the list of individuals invited to the meeting.

20. Extraordinary meetings of the Committee can be initiated by the Chairman, at the request of any member of the Committee, or the Board of Directors.

21. In case the Chairman of the Committee declines a request to convene the meeting, the initiator has the right to refer the request to the Board of Directors. The Board of Directors is obliged to convene the Committee meeting.

22. The Secretary of the Committee facilitates the preparation of the Committee meeting's agenda, sends the notification to the members of the Committee and invited individuals indicating the agenda of the meeting and provides them with all the necessary information and materials on each agenda item no later than 7 (seven) calendar days before holding the Committee meeting. The notification is either delivered personally, posted by mail, sent by fax or by means of electronic communication to each member of the Committee.

23. The meetings of the Committee are either held in-person or by means of absentee voting. The number of meetings held by absentee voting should be kept to a minimum. The review and resolution on strategically important issues is carried out at in-person meetings. In special cases, it is possible to combine both forms of the meeting.

24. Members of the Committee can participate in the Committee meeting via a video conference (interactive audio-visual communication), a conference call (a simultaneous conversation of the Committee members in “telephone meeting” mode), as well as other means of communication.

25. The quorum for holding a meeting of the Committee is at least half of the number of the Committee members and is established by taking into account the use of video conferencing (interactive audio-visual communication), conference communication (a simultaneous conversation of the Committee members in “telephone meeting” mode), as well as other means of communication.

26. The Committee members are obliged to attend in-person meetings of the Committee.

27. The Committee adopts resolutions by a simple majority of the Committee member votes present at the meeting. In case of a deadlock, the Chairman holds the casting vote.

28. Every member of the Committee has the right to express separate opinion, which is attached to the Committee meeting minutes. In case a resolution cannot be adopted by the Committee due to potential conflict of interest of the Committee members this is recorded in the minutes of Committee meeting.

29. The Committee meeting minutes are compiled no later than 3 (three) days after holding the meeting. The minutes are signed by all of the Committee members who participated in the meeting and by the corporate secretary.

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The minutes of the Committee meeting are documented by the corporate secretary, and in the corporate secretary’s absence by one of the members of the corporate secretary’s service.

30. The absentee voting ballots on issues of the agenda are sent with the notification of the meeting to the Committee members.

31. The resolution adopted by the Committee by means of absentee voting is deemed adopted if a quorum is established by the received voting ballots in due time. The member of the Committee must sign the absentee voting ballot. An unsigned ballot is considered invalid.

32. The resolution of the Committee meeting in absentia is documented in writing and is signed by the corporate secretary and the Committee Chairman.

33. The minutes of the meeting or resolution of the Committee adopted by means of absentee voting should indicate:

- 1) the date, place and time of the meeting or adoption of the resolution;
- 2) the list of Committee members who participated in the meeting or the absentee voting, as well as the list of other persons who participated in the Committee meeting;
- 3) the agenda;
- 4) the proposals put forward by the Committee members on agenda issues;
- 5) the issues put up for voting and the results of voting on them, reflecting the voting results of each member of the Committee on each item of the agenda;
- 6) the adopted resolutions.

34. The corporate secretary stores minutes of the Committee meetings/ resolutions of the Committee, as well as transcripts, audio-video recordings and materials of the Committee meetings.

## **6. THE RIGHTS AND DUTIES OF THE COMMITTEE MEMBERS**

35. The Committee members have the right to:

- 1) request documents and information from the Company officials and the corporate secretary on issues covered by the Committee;
- 2) make proposals on outsourcing external experts and consultants within the Company allocated budget in accordance with the established procedure;
- 3) demand to convene the Committee meeting;
- 4) enter items into the Committee meeting agenda;
- 5) demand entry of own separate opinion into the minutes or resolution of the Committee meeting;
- 6) read minutes and resolutions of the Committee meetings;
- 7) propose amendments and additions to these terms of reference;
- 8) practice other rights prescribed by the legislation of the Republic of Kazakhstan, the Company Charter [1], the Corporate Management Code [2], the

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Board of Directors terms of reference [3], these terms of references, and other internal documents of the Company.

36. The Committee members are obliged to:

- 1) carry out their duties with honesty, in good faith, and in the interests of the Company and its shareholders, as well as comply with the basic principles of the Corporate Governance Code [2];
- 2) devote sufficient amount of time to efficiently perform their duties;
- 3) participate in the work of the Committee and attend its meetings;
- 4) preserve the confidentiality of all information that becomes known to them in the course of performing their duties.

## 7. LIABILITY OF THE COMMITTEE MEMBERS

37. As defined by the legislation of the Republic of Kazakhstan, the Committee members are liable to the Company and its shareholders for the damage and losses incurred by the Company as a result of their actions and/or inactions.

## 8. FINAL PROVISIONS

38. These terms of reference as well as amendments and additions to it are subject to approval by the Board of Directors of the Company.

39. Should any of the clauses of these terms of references come into conflict with the legislation of the Republic of Kazakhstan, as a result of introduced amendments to the legislation, these clauses become invalid, and until appropriate amendments are introduced to these terms of references, it is necessary to be guided by the requirements of the legislation of the Republic of Kazakhstan.

## 9. REFERENCE LIST\*

[1]	The Charter of “KazTransOil” JSC, approved by the resolution of the sole shareholder of the Company (Minutes of the Board of Directors of JSC NC “KazMunayGas” meeting No. 8/2012, dated October 19, 2012)
[2]	The Corporate Management Code approved by the resolution of the General Meeting of Shareholders of the Company (Minutes of meeting dated May 27, 2016, No. 3/2016)
[3]	The Board of Directors of “KazTransOil” JSC terms of reference, approved by the resolution of the General Meeting of Shareholders of the Company (Minutes of meeting dated May 24, 2018, No. 1/2018)

\*When using these terms of reference, it is advisable to check if the documents are still valid for the current period. If the reference document is replaced or changed, then one should be guided by the replaced (changed) document when using these terms of reference. If the referenced document is canceled without replacement, then the provision in reference applies in the part that does not touch on this reference.