

 <b>KazTransOil</b>	<b>KazTransOil JSC</b>	
Name of the IMS document	<b>Statute on the Compliance Control Service of KazTransOil Joint Stock Company</b> <i>(as amended on 30.06.2023)</i>	
<b>Statute</b>	<b>KTO-P99-Statute - 25.2</b>	<b>p.</b>
Developed by: <b>compliance control service</b>	Approved by the decision of the Board of Directors KazTransOil JSC <a href="#">(Minutes</a> of the meeting dated April 14, 2022 No. 7/2022)	

## 1. GENERAL PROVISIONS

1. This Statute defines the status of the compliance control service of KazTransOil Joint Stock Company (hereinafter referred to as the Service), the procedure for appointing the head and employees of the Service, the tasks, functions, rights and responsibilities of the Service, as well as the procedure for the work and interaction of the Service with the Board of Directors, the Management Board and business units of KazTransOil JSC (hereinafter referred to as the Company).

2. When carrying out its activities, the Service is guided by the legislation of the Republic of Kazakhstan (hereinafter referred to as the Legislation), internal documents of Kazakhstan Stock Exchange JSC (hereinafter referred to as Regulatory Acts), the Company's [Charter \[1\]](#), the Corporate Governance [Code \[2\]](#), the Company's [Code](#) of Business Ethics [\[3\]](#), this Statute and other documents of the Integrated Management System (hereinafter - IMS) Companies that determine the order of the Company's activities.

Employees of the Service are subject to the requirements of the Company's IMS documents, with the exception of the Company's IMS documents, which cannot be applied in accordance with the status of the Service and this Statute.

3. The Service is a structural subdivision of the Company, accountable to the Board of Directors of the Company.

The Internal Audit Committee under the Board of Directors of the Company (hereinafter referred to as the Audit Committee of the Company) oversees the activities of the Service. Issues related to the activities of the Service are submitted for consideration by the Board of Directors of the Company after preliminary approval by the Audit Committee of the Company.

The interaction of the Administrative Affairs Service (hereinafter referred to as administrative interaction) is carried out with the Management Board and/or the General Director (Chairman of the Management Board) of the Company in accordance with the procedure provided for by this Statute and the Company's IMS documents.

4. The terms of remuneration and bonuses for Service employees, provision of social support, guarantees and compensation payments to them are determined in accordance with the Company's IMS documents and the Collective Agreement between the Company and the Company's employees [\[4\]](#).

The assessment of the fulfillment of the goals set by the head and employees of the Service is carried out monthly in accordance with the procedure provided for by the Company's IMS documents on remuneration for employees of the Company's central office:

Chairman of the Board of Directors of the Company - in relation to the head of the Service;  
the head of the Service - in relation to the employees of the Service.

Evaluation of the effectiveness of the Service is carried out in accordance with the Company's IMS documents.

5. The Service must be independent of the influence of any persons in the performance of its tasks and functions in order to properly perform them and ensure objective and impartial judgments. The independence of the Service is ensured by compliance with the requirements of the legislation of the Republic of Kazakhstan.

Employees of the Service must be impartial and unbiased in their work and avoid conflicts of interest.

6. Employees of the Service may, in accordance with the established procedure, be elected members of bodies (with the exception of executive bodies) of subsidiaries and jointly controlled organizations of the Company, as well as other organizations in which the Company owns (directly or indirectly) a participation interest (block of shares) (hereinafter referred to as SJCO) that control the activities (financial and economic activity) of the executive bodies of the SJCO.

7. The Service carries out its activities in accordance with the annual work plan for the corresponding year approved by the Board of Directors of the Company.

## **2. PROCEDURE FOR APPOINTING THE HEAD AND EMPLOYEES OF THE SERVICE**

*Paragraph 8 is set out in the wording of the decision of the Board of Directors of KazTransOil JSC, [minutes of the meeting dated 30.06.23 No. 9/2023 \(see old ed.\)](#)*

8. Determination of the quantitative composition of the Service, appointment of its head and other employees, termination of employment contracts with the head and other employees of the Service, as well as determination of the order of work of the Service, the size of official salaries and conditions of remuneration, bonuses and social support of employees of the Service, making decisions on bringing them to financial responsibility, imposing disciplinary penalties on them is carried out by the Board of Directors of the Company after preliminary approval by the Audit Committee of the Company.

9. Employment contracts with employees of the Service are concluded on the basis of a decision of the Board of Directors of the Company by the General Director (Chairman of the Management Board) of the Company in accordance with the labor legislation of the Republic of Kazakhstan.

10. Job responsibilities, rights and responsibilities of the head and employees of the Service, qualification requirements for the head and employees of the Service are determined by the relevant job descriptions, which are developed taking into account this Statute, employment contracts, documents of the Company's IMS and approved by the Chairman of the Board of Directors or on its behalf by the Chairman of the Audit Committee of the Company.

## **3. TASKS AND FUNCTIONS**

*Paragraph 11 was amended in accordance with the decision of the Board of Directors of KazTransOil JSC, [minutes of the meeting dated 30.06.23 No. 9/2023 \(see old ed.\)](#)*

11. The main tasks of the Service are:

1) ensuring that the Company, its officials and other employees comply with the requirements of anti-corruption Legislation;

2) ensuring compliance by the Company with the requirements of Legislation, Regulatory Acts and documents of the Company's IMS in terms of disclosure of information about the Company, as well as internal control over the disposal and use of insider information;

3) ensuring the process of conflict of interest settlement among officials and other employees of the Company;

4) organization of the Company's sanctions risk management process aimed at compliance with economic, investment or financial restrictions, export control requirements, trade embargoes or other restrictive measures established by international organizations and (or) states (hereinafter referred to as sanctions) related to the Company's field of activity.

*Item 12 was amended in accordance with the decision of the Board of Directors of KazTransOil JSC, [minutes of the meeting dated 30.06.23 No. 9/2023 \(see old ed.\)](#)*

12. The functions of the Service are:

1) organization of anti-corruption measures in the Company and control over the implementation of anti-corruption measures;

2) determination of external regulatory requirements for the Company in the areas of anti-corruption, disclosure of information about the Company, internal control over the disposal and use of insider information of the Company;

3) conducting an internal analysis in the Company of the exposure of the Company's key business processes to corruption risks (hereinafter referred to as corruption risk analysis), preparing an analytical report on the results of the analysis and an action plan to minimize/prevent/eliminate them, as well as monitoring the implementation of the action plan to minimize/prevent/eliminate corruption risks in the Company;

4) participation in the external analysis of corruption risks by the authorized anti-corruption body of the Republic of Kazakhstan;

5) development/updating of the Company's IMS documents on anti-corruption issues, disclosure of information about the Company, organization of internal control over the disposal and use of the Company's insider information;

6) in accordance with the established procedure, verification of the reliability of the Company's counterparties;

7) monitoring of changes in Legislation and Regulatory Acts regarding anti-corruption, disclosure of information about the Company, disposal and use of insider information and timely informing the Company's employees about such changes;

8) implementation of internal control over compliance by the Company, its officials and other employees with the requirements of Legislation, Regulatory Acts and Internal Control [Rules](#) for the disposal and Use of insider information of KazTransOil JSC (hereinafter referred to as the Internal Control Rules) [\[5\]](#) in terms of disclosure of information about the Company, disposal and use of insider information;

9) maintaining and keeping up-to-date the list of insiders of the Company, ensuring its approval and submission to Kazakhstan Stock Exchange JSC in accordance with the procedure and deadlines established by Regulatory Acts, as well as to the authorized state body upon its request;

10) written notification of the Company's employees and other individuals and legal entities about the assignment of insider status, inclusion in the list of insiders and exclusion from it;

11) written notification of persons with access to the Company's financial statements about the prohibition periods provided for by the Internal Control [Rules](#) [\[5\]](#);

12) assistance in taking response measures when insiders reveal violations of Legislation and Internal Control Rules [\[5\]](#);

13) forming a list of the Company's employees who are insiders of the Company in order for them to undergo training and obtain the necessary competencies to ensure compliance with the requirements of Legislation and Regulatory Acts imposed on the Company as a listing company;

14) preparation for the Board of Directors of the Company of information on compliance by officials and other employees of the Company who are insiders of the Company with Internal Control [Rules](#) [5] and a report on the results of training for employees of the Company who are insiders of the Company;

15) maintaining and keeping up-to-date the list of the Company's affiliated persons, as well as ensuring disclosure of information about the Company's affiliated persons in accordance with the procedure and deadlines established by Legislation and Regulatory Acts;

16) consideration of draft contracts concluded by the Company for the presence of affiliation of its parties;

17) in accordance with the established procedure, the implementation of control procedures for the identification and settlement of conflicts of interest, the organization of documentation and disclosure of conflicts of interest;

18) consideration of appeals on issues within the competence of the Service, participation in official investigations on appeals received by the Company within the competence of the Service, as well as on violations identified during the analysis of corruption risks;

18-1) collection, monitoring, analysis of information on current and planned sanctions, as well as distribution of this information to the business units of the Company;

18-2) carrying out, in accordance with the established procedure, a sanctions audit of counterparties, contracts of the Company for the presence of sanctions risks;

19) conducting inspections in the business units of the Company for compliance with the requirements of the Legislation and documents of the IMS of the Company on issues within the competence of the Service;

20) in accordance with the established procedure, within the competence of the Service, consideration of materials on issues related to the competence of the Sole Participant (Shareholder), the General Meeting of Shareholders (Participants, Partners), the Board (Meeting) of Directors, the Supervisory Board of legal entities, ten or more percent of shares (shares in the authorized capital) of which belong to the Company;

21) organizing and conducting training events (trainings, seminars) for employees of the Company and SJCO on anti-corruption issues, control over the disposal and use of insider information of the Company, as well as organizing events to verify the knowledge of employees of the Company on these issues;

22) organization of internal and external communications/consultations/ informing employees of the Company on issues within the competence of the Service;

23) interaction with state bodies, SJCO and other organizations on issues within the competence of the Service;

24) development and provision of amendments and additions to the Company's IMS documents on issues within the competence of the Service, as well as providing recommendations to the Company's business units on updating the Company's IMS documents on issues within the competence of the Service;

25) in accordance with the procedure established by the Company's IMS documents, within the competence of the Service, consideration of materials on issues submitted for consideration by the Management Board and/or the Board of Directors of the Company;

26) advising the Company's business units on issues within the competence of the Service;

27) informing and advising the Company's counterparties on the issues of anti-corruption policies and procedures adopted by the Company;

28) methodological support and coordination of the Company's SJCO compliance services;

- 29) identification and assessment of risks associated with the activities of the Service, development of proposals for managing these risks;
- 30) budget planning by cost items supervised by the Service;
- 31) other functions assigned to the Service by the Board of Directors/Chairman of the Board of Directors of the Company.

### **3. RIGHTS**

13. The Service, in order to carry out its tasks and functions, has the right, in accordance with the established procedure:

- 1) access to production and other facilities, to all documentation and any other information requested in connection with the performance of its functions by the Service, including information and information constituting commercial and official secrets of the Company;

- 2) request and receive from the business units of the Company and SJCO any information and documents, including draft documents submitted for approval by the bodies of the Company / SJCO, as well as to receive for review decisions/minutes of meetings of these bodies, and, if necessary, to receive extracts from decisions / minutes of meetings;

- 3) develop planned activities of the Service and perform certain tasks on behalf of the Board of Directors of the Company or the Chairman of the Board of Directors of the Company, in order to obtain advice on highly specialized issues, to involve employees of other business units of the Company as independent experts (in agreement with the relevant head), as well as specialists of other legal entities if the staff of the Service does not has sufficient knowledge and skills to carry out an assignment or part of it;

- 4) consult with the business units of the Company, SJCO and other organizations on issues within the competence of the Service;

- 5) make proposals to the Board of Directors, the Management Board of the Company on issues within the competence of the Service;

- 6) require the business units of the Company, the Company's SJCO to comply with Legislation and Regulatory acts in terms of disclosure of information about the Company, insider information;

- 7) participate in the preparation and implementation of the Company's programs and projects in the areas of the Service's activities;

- 8) prepare and submit proposals to the Company's management to improve the efficiency of the Service and the Company;

- 9) prepare and submit proposals to the management of the Company to improve the IMS of the Company;

- 10) take part in programs aimed at training, retraining, advanced training of employees of the Company and certification programs for employees of the Service;

- 11) ensure, within the limits of the funds provided for by the Company's budget, the involvement of consultants and experts on issues related to the performance of the functions of the Service;

- 12) organize and hold meetings on issues within the competence of the Service;

- 13) consult with the business units of the Company on issues within the competence of the Service;

- 14) in accordance with the established procedure, represent the interests of the Company in state bodies, courts and other organizations on issues within the competence of the Service;

- 15) exercise other rights that do not contradict the Legislation, the [Charter](#) of the Company [\[1\]](#), this Statute and the documents of the IMS of the Company.



#### **1 4. RESPONSIBILITY**

4. The Head of the Service is responsible for the proper performance of the tasks and functions assigned to it by the Service, as well as for:

1) compliance by employees of the Service with labor and performance discipline, requirements for safety and labor protection, fire safety and industrial sanitation in the workplace;

2) organization of the work of the Service and execution by the employees of the Service of the Company's IMS documents related to their functional (official) duties;

3) providing timely and complete information on the status of identified risks and on the implementation of risk management measures to the structural unit whose functions include the implementation and maintenance of the internal control system and the risk management system.

15. Employees of the Service are responsible for:

1) timely and high-quality fulfillment of the duties assigned to them by employment contracts and job descriptions, as well as the instructions of the head of the Service;

2) compliance with labor and performance discipline, requirements for safety and labor protection, fire safety and industrial sanitation in the workplace;

3) safety of official documentation and confidential information, including insider information (until its disclosure), which became known due to the performance of their duties and the rights granted, as well as due to other circumstances of obtaining this information;

4) compliance with the requirements of the Legislation and documents of the Company's IMS;

5) proper execution of the Company's orders and orders, as well as the instructions of the Company's management;

6) a draft document initiated by him for the adoption of an appropriate decision, which entailed a negative consequence as a result of the adoption of such a decision;

7) fulfillment of the requirements of the Company's IMS documents related to their functional (official) duties;

8) compliance with the requirements of the Company's internal documents in the field of information security management system in accordance with ISO/IEC 27001;

9) timely and high-quality implementation of the measures provided for in the action plans for the management of production and non-production risks.

16. For violation of labor discipline or improper performance of assigned labor duties, by decision of the Company's Board of Directors, disciplinary penalties are applied to the head and employees of the Service in accordance with the established procedure.

#### **5. PROVISION OF INFORMATION TO THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE OF THE COMPANY**

17. Annually, no later than December 1 of the year preceding the planned year, the Service submits for consideration by the Audit Committee and the Board of Directors of the Company the work plan of the Service for the corresponding year. The Service ensures the execution of the approved annual work plan and reporting on its execution within the framework of the report on the activities of the Service within the time limits established by this Statute.

18. The Service submits to the Board of Directors of the Company reports on the activities of the Service, previously reviewed by the Audit Committee of the Company, in the following terms:

- 1) semi-annual - until the 1st day of the second month following the reporting half-year;
- 2) annual - until the 25th day of the second month following the reporting year.

19. Summaries of reports compiled by the Service based on the results of the analysis of corruption risks in the Company, indicating the emergence of new corruption risks of the Company and/or actions (inaction) of the Company's employees, entailing the possibility of a corruption offense, should be submitted to the Board of Directors of the Company immediately after summing up the results of the analysis.

20. Reports on the activities of the Service should include:

- 1) summary conclusions on the results of the work carried out in accordance with the work plan of the Service for the corresponding year;
- 2) information on the number of violations received in accordance with the [Policy](#) of proactive informing of Samruk-Kazyna JSC [\[6\]](#), as well as on the facts of corrupt actions of officials and employees of the Company;
- 3) information on the Company's compliance with the requirements of Legislation, Regulatory Acts and documents of the Company's IMS in terms of disclosure of information about the Company, disposal and use of insider information;
- 4) information on identified situations of conflict of interests of the Company's officials;
- 5) information on other activities and work carried out by the Service during the reporting period (results of monitoring the implementation of plans/recommendations based on the results of corruption risk analyses, information on participation in trainings, etc.).

21. The Board of Directors of the Company reviews reports on the activities of the Service and makes decisions on them in accordance with the established procedure.

## **6. INTERACTION OF THE SERVICE WITH THE MANAGEMENT BOARD, GENERAL DIRECTOR (CHAIRMAN OF THE MANAGEMENT BOARD) OF THE COMPANY**

22. The administrative interaction of the Service with the Management Board and/or the General Director (Chairman of the Management Board) of the Company involves:

acceptance (edition) by the Management Board, the General Director (Chairman of the Management Board) of the relevant decisions, internal acts aimed at ensuring the activities of the Service and the performance of its functions;

provision by the Management Board, General Director (Chairman of the Management Board) of appropriate conditions of remuneration and bonuses for employees of the Service, provision of social support, guarantees and compensation payments in accordance with the Company's IMS documents and the Collective Agreement between the Company and the Company's employees [\[4\]](#);

execution of orders for business trips, vacations, as well as other actions that do not contradict the status of Service in accordance with this Statute and other documents of the Company's IMS;

receipt of Service reports by the Board.

The Management Board should not use administrative interaction to influence the independence and objectivity of the Service.

23. The Service, based on the results of its activities, submits to the Management Board of the Company an analysis of corruption risks with an assessment of possible risks of the Company, as well as other information within the competence of the Service.

24. Within the framework of interaction with the Management Board of the Company, the Service:

1) submits to the Management Board of the Company the work plan of the Service for the corresponding year, approved by the Board of Directors of the Company;

2) provide the Management Board of the Company with copies of the relevant reports of the Service compiled based on the results of the activities provided for in the work plan of the Service.

25. The Management Board of the Company shall, in accordance with the established procedure;

1) contribute to the creation of an effective control environment in Company;

2) carry out administrative and organizational and technical support of the Service.

26. The Company's Management Board may not interfere with the activities of the Service.

## 7. COOPERATION WITH OTHER STRUCTURAL UNITS

27. The Service interacts with all business units of the Company in the process of performing the tasks and functions assigned to it.

## 8. FINAL AND TRANSITIONAL PROVISIONS

28. This Statute, as well as amendments and additions to it, are approved by a decision of the Company's Board of Directors.

29. If, as a result of changes in the legislation of the Republic of Kazakhstan, certain paragraphs of this Statute come into conflict with it, these paragraphs become invalid and until changes are made to this Statute, it is necessary to be guided by the requirements of the legislation of the Republic of Kazakhstan.

30. The requirements of paragraph 8 of this Statute regarding the determination of the quantitative composition of the employees of the Service, the appointment of the head and employees of the Service do not apply to:

1) the number of employees of the Service determined in accordance with the established procedure as of the date of approval of this Statute;

2) the head and employees of the Service appointed to the position before the approval of this Statute.

*The Statute was supplemented by paragraph 31 in accordance with the decision of the Board of Directors of KazTransOil JSC, [Minutes of the meeting dated 30.06.23 No. 9/2023](#)*

31. This Statute is posted on the Company's Internet resource and is brought to the attention of all employees of the Company.

## 9. REFERENCES\*

[1]	<a href="#">The Charter</a> of KazTransOil Joint-Stock Company approved by the decision of the Sole Shareholder of the Company (minutes of the meeting of the Board of Directors of KazMunayGas NC JSC dated October 19, 2012 No. 8/2012)
[2]	<a href="#">The Corporate Governance Code</a> approved by the decision of the General Meeting of Shareholders of the Company (Minutes of the meeting dated May 27, 2016 No. 3/2016)
[3]	<a href="#">The Code</a> of Business Ethics of KazTransOil JSC, approved by the decision of the Board of Directors of the Company (Minutes of the meeting dated December 10,



	2020 No. 12/2020)
[4]	Collective agreement between KazTransOil JSC and employees of KazTransOil JSC dated February 27, 2020
[5]	<a href="#">Rules</a> of Internal Control over the disposal and Use of Insider Information of KazTransOil JSC, approved by the decision of the Board of Directors of the Company (Minutes of the meeting dated December 11, 2019 No. 10/2019)
[6]	<a href="#">The policy</a> of proactive informing of Samruk-Kazyna JSC approved by the decision of the Board of Directors of Samruk-Kazyna JSC (Minutes of the meeting dated March 31, 2017 No. 138)

\*When using this Statute, it is advisable to check the validity of the reference documents as of the current year. If the reference document is replaced (amended), then when using this Statute, the replaced (amended) document should be guided. If the reference document is canceled without replacement, the provision containing the reference to it applies in the part that does not affect this reference.