

Approved by  
The Resolution of the Board of  
Directors of Tau-Ken Samruk JSC  
dated July 16, 2014  
Protocol №09/14

As amended by  
The Resolution of the Board of  
Directors of Tau-Ken Samruk JSC  
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**REGULATIONS  
ON THE STRATEGIC PLANNING AND INVESTMENTS COMMITTEE  
OF THE BOARD OF DIRECTORS,  
TAU-KEN SAMRUK JSC**

**Astana  
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## CHAPTER 1. GENERAL PROVISIONS

### Article 1. General provisions

1. The present Regulations On the Strategic Planning and Investment Committee is developed in accordance with the current legislation of the Republic of Kazakhstan, Charter, Corporate Governance Code and other internal documents of Tau-Ken Samruk Joint Stock Company.

2. The Strategic Planning and Investment Committee (hereinafter – the Committee) has been created to develop and provide to the Board of Directors recommendations in terms of Company’s business priorities, development strategy, investment activities and defining innovation strategy that fall within the competence of Tau-Ken Samruk Board of Directors.

3. The Committee is fully accountable to the Board of Directors and is its advisory body.

4. In the Regulations, the following terms and definitions are used (table 1):

<b>Term</b>	<b>Definition</b>
<b>Sole Shareholder</b>	Company’s shareholder that owns 100% of the Company’s shares (Samruk-Kazyna National Welfare Fund Joint-Stock Company)
<b>Director/s</b>	member/s of the Company’s Board of Directors
<b>Legislation</b>	complex of duly adopted laws and regulations of the Republic of Kazakhstan
<b>Investment project (project)</b>	Program aimed to realize an investment initiative that provides for investments attraction to ensure subsoil use operations, development of new business activities as well as production expansion and renewal, including sale and acquisition of shares and foundation of new businesses. Investment projects shall comply with the integrity criterion, which means that all procedures and resources required to achieve objectives of a particular investment proposal shall be integrated under its program; all procedures under one project shall be reasonably interrelated.
<b>Corporate Secretary</b>	Corporate Secretary of the Company
<b>Code</b>	Corporate Governance Code of the Company
<b>Committee</b>	Strategic Planning and Investments Committee of the Company’s Board of Directors
<b>Independent Directors</b>	Directors that based on the Joint-Stock Companies Law of the Republic of Kazakhstan as well as Charter and Code are recognized as independent
<b>Regulations</b>	Regulations on the Strategic Planning and Investments Committee of the Company’s Board of Directors
<b>Management</b>	Company’s Executive body
<b>Company</b>	Tau-Ken Samruk Joint-Stock Company
<b>Board of Directors</b>	Company’s governing body
<b>Charter</b>	Company’s Charter

5. Terms used but not defined in these regulations shall be interpreted based on the Legislation and Charter.

## **Article 2. Tasks and objectives of the Committee**

6. The main task of the Committee is to develop and provide recommendations to the Board of Directors on the following issues:

- 1) Company's Development Strategy and monitoring of its implementation;
- 2) Consideration and approval of strategic goals and objectives for the long-term development of the Company;
- 3) Innovation and investment strategy of the Company;
- 4) Investments realization;
- 5) Pre-approval of decisions related to investment projects.
- 6) *Company's long-term sustainable development.*

7. Objectives of the Committee are the following:

- 1) Preliminary consideration and preparation of recommendations to the Board of Directors on strategic planning, investment and innovation activities, sustainable development submitted for its approval;
- 2) Assessment of the Company's potential in the long term and preparation of recommendations to the Board of Directors on updating the existing Development Strategy and particular activities of the Company taking into consideration the need to improve Company's efficiency with due regard to the trends in commodity and capital markets, results of the Company's and its competitors' operations and other factors.
- 3) Monitoring of the adopted by the Board of Directors decisions on priority areas for the Company's development and strategic planning to be implemented.
- 4) To realize its activity the Committee is communicating with the Company's executive body, relevant departments and units.

## **Article 3. Committee competence**

8. To assist the members of the Board of Directors, the Committee has the following functions:

- 1) The Company's development strategy:
  - a) preliminary consideration of the Company's Development Strategy, making amendments;
  - b) preliminary consideration and approval of an Action Plan on Development Strategy realization and preparing recommendations for the goals to be achieved;
  - c) regular monitoring of Development Strategy realization and providing the report on action plan efficiency to the Board of Directors and preparing recommendations for the goals to be achieved;
  - d) preliminary consideration and preparation of recommendations to the Board of Directors regarding the internal documents regulating the processes of strategic planning of the Company;
  - e) monitoring of changes in the economic and competitive environment to identify their impact on existing Development Strategy and review/reassessment of development strategy with respect to these changes;

- f) analysis and recommendations on certain strategic decisions aimed at improvement of the Company's potential in the mid-term and long-term;
- g) analysis and recommendations on certain strategic decisions related to the Company reorganization in the form of merger, affiliation, demerger, spin-off, transformation;
- h) preliminary review of the documents submitted for consideration to the Company's Board of Directors, containing information on the implementation of Development Strategy, achievements of the strategic key performance indicators (KPI);

*«i) preliminary consideration and preparation of recommendations on matters relating to the management and development of information technologies and investments in the field of information technology».*

2) The Company's investment and innovation activity:

- a) preliminary approval of internal documents regulating innovation policy within the competence of the Company's Board of Directors;
- b) analysis of the Company Development Master Plan and particular investment projects to identify degree of their compliance with the Company's Development Strategy;
- c) assessment of changes, including market conditions, current legislation, etc., which can influence the development of the Company and effectiveness of its financial and economic activities, and preparation of recommendations on such changes to be taken into consideration in the Company Development Master Plan, Development Strategy of the Company and its specific areas;
- d) preparing recommendations to the Board of Directors on the following issues to be subsequently approved by the Board of Directors:
  - e) Company Development Master Plan approval and amendments to be made;
  - f) analysis of the monitoring report on the Company Development Master Plan implementation on a quarterly basis;
  - g) approval of the investment projects implementation at all stages and approval to move to the next stage of implementation;
  - h) monitoring and amendments to the key parameters of investment and innovation projects previously considered and approved by the Committee at all stages. The main parameters of the project are project cost, period and schedule of realization, funding structure, indicators of economic efficiency of the project, date of achieving the designed capacity.

3) *Sustainable development of the Company:*

- a) *Preliminary consideration and preparation of recommendations to the Board of Directors on sustainable development management system in three areas: economic, environmental and social;*
- b) *monitoring of compliance with the principles of sustainable development, including openness, accountability, transparency, ethical behaviour, respect for stakeholder interests, rule of law, respect for human rights, intolerance to corruption, the inadmissibility of conflict of interests, being an example to follow;*
- c) *preliminary consideration of the action plans and internal documents relating to sustainable development to be considered by the Board of Directors;*
- d) *monitoring and assessment of procedures, evaluation to what degree sustainable development goals and key performance indicators have been achieved, corrective measures, implementation of an ongoing enhancement culture;*

e) analysis of an internal and external environment in three areas: economic, environmental and social, and preparation of appropriate recommendations to the Board of Directors;

f) preparation of recommendations on integration of sustainable development into the Company's key processes, including risk management, planning, human resource management, investments, accounting and others, as well as into Development Strategy and decision-making processes.

## **CHAPTER 2. RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE COMMITTEE MEMBERS**

### **Article 4. Rights of the Committee Members**

9. The Committee is entitled:

1) to request documents, reports, explanations and other information from members of the Board of Directors, other committees, Management Board, Internal Audit Service, Corporate Secretary and other Company's staff. The information and documents specified above shall be provided via the Corporate Secretary. The Company is obliged at its own expense to provide the Committee with all the necessary materials and resources in the established manner;

2) to invite to its meetings the members of the Board of Directors, Management Board, Committees and other persons to be the observers;

3) in the established manner to use the services of the external experts and advisors within the funds provided in the Company's budget for the current year;

4) to exercise other rights necessary to perform their assigned responsibilities.

### **Article 5. Obligations of the Committee Members**

10. The Committee members are obliged:

1) to carry out their activities honestly and conscientiously in the interests of the Sole Shareholder, Board of Directors and the Company, and respect the basic principles of the Code;

2) to contribute time required on the effective performance of their duties;

3) comply with confidentiality requirements to the information, which becomes known to them during their official duties;

4) within its competence and in accordance with these regulations to perform any other duties that may be determined by the Board of Directors.

### **Article 6. Responsibilities of the Committee Members**

11. Committee members are responsible before the Company, Board of Directors and the Sole Shareholder for damage caused by their action (or failure to act), in accordance with the laws of the Republic of Kazakhstan.

## CHAPTER 3. THE PROCEDURE FOR THE COMMITTEE CREATION

### Article 7. Committee creation and structure

12. The Board of Directors is entitled to make decisions regarding Committee creation, its structure and election of the Chairman of the Committee. *The Committee should consist of at least three members, including independent director(s). Chairman of the Committee shall be elected from among the independent directors. Chief Executive Officer cannot be a member of the Committee.*

13. Where the need may arise, the Committee may include experts with no voting rights, those having required professional background to work in the Committee.

14. The terms of power of Committee members coincide with terms of their office as Directors, but may be reviewed annually by the Board of Directors.

### Article 8. Chairman of the Committee

15. The Committee Chairman is elected by the Board of Directors from among the independent directors.

16. The Chairman of the Committee administers work of the Committee, namely:

- a) convenes Committee meetings and presides at them;
- b) approves the agenda of the Committee meeting, including the issues submitted for discussion to the Committee meeting;
- c) administers discussion of issues at the Committee meetings as well as hears opinions of persons invited to participate in the meeting;
- d) develops the Activity Plan of the Committee for the current year (Appendix 1) taking into account the Activity Plan of the Board of Directors.

## CHAPTER 4. PROCEDURES OF THE COMMITTEE ACTIVITY

### Article 9. Committee convening

17. The decision to convene the regular meeting of the Committee, its date, time, and place as well as agenda issues and resolutions about list of persons invited to the meeting shall be taken by the Chairman of the Committee in compliance with the Activity Plan of the Committee meetings.

18. By the resolution of the Committee, a Secretary of the Committee shall be appointed to perform the organizational functions and provide information to the Committee. Secretary of the Committee shall appoint a Corporate Secretary.

19. Corporate Secretary ensures arrangement and holding of the meetings of the Committee, collection and systematization of materials for the meetings, timely direction to

Committee members and invited persons notifications on holding the meetings of the Committee, agendas of meetings, materials on agenda issues, records minutes of meetings, prepares draft decisions of the Committee and subsequently maintains filing of all relevant materials.

Corporate Secretary ensures that Committee members receive the necessary information.

20. Committee meetings are held according to the plan approved by the resolution of the Committee.

21. The Committee is running its activities in the form of meetings in presentia.

22. Ad-hoc meetings of the Committee shall be held based on the resolution of the Chairman of the Committee at his initiative, request of any member of the Board’s Committee and upon the written request of the Sole Shareholder and Chief Executive Officer.

**Article 10. Notification of Committee members about convening the meeting**

23. Notification of the Committee meetings together with the agenda and materials should be sent to the persons participating in the meetings no later than five working days in advance.

24. The Committee meeting is deemed duly constituted, if attended by at least half of the Committee members.

25. The third parties with no right to vote on agenda issues may attend the Committee meetings by an invitation of the Chairman of the Committee.

26. The Committee’s decisions are taken by simple majority of votes from the total number of the Committee members. In case of equality of votes, the Chairman of the Committee has the casting vote. Depending on the urgency and importance of the issues under consideration and provided the quorum is present, a member of the Committee may participate in the meeting via videoconference (interactive audiovisual communication), conference call (simultaneous communication of the Committee members in a mode of “phone meeting”) as well as using other means of communication. In this case, a member of the Committee is deemed participating in the meeting. Therewith, the type of communication used shall be specified in the minutes of the meeting.

27. Each member of the Committee can express his/her individual opinion, which shall be submitted with the Protocol Resolution of the Committee. In those cases, where decisions on particular issues cannot be made due to the interest of certain members of the Committee, such fact shall be recorded in the minutes of the Committee meeting.

**CHAPTER 5. FINAL PROVISIONS**

28. Approval of the Regulations and amendments thereto fall within the competence of the Board of Directors.

29. If because of amendments to the Legislation, Charter or Code certain provisions of the Regulations are in conflict with them, such provisions become invalid until relevant amendments.



