

Approved by the resolution  
of the Board of Directors  
of NAC Kazatomprom JSC  
dated April 30, 2019  
Minutes #5/19

**REGULATION  
ON PRODUCTION SAFETY (HSE) COMMITTEE OF THE BOARD OF DIRECTORS  
OF NATIONAL ATOMIC COMPANY KAZATOMPROM  
JOINT STOCK COMPANY**

**OBJECTIVE**

This Regulation on production safety (HSE) Committee of the Board of Directors of NAC Kazatomprom JSC (hereinafter – the Regulation, the Committee) defines the procedure for the formation of the composition of the Committee, the status, competence, work procedure and duties of the Committee of the Company's Board of Directors, procedure for convening and conducting the meetings, formalizing the decisions, as well as the rights and obligations of members of the Committee.

The Regulation has been developed in accordance with the legislation of the Republic of Kazakhstan, the Company's Charter, the Corporate Governance Code of the Company (hereinafter - the Corporate Governance Code) and other internal documents of the Company

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## **1. General Provisions**

### **1.1. Status**

1.1.1. Production safety (HSE) Committee is an advisory body of the Board of Directors of the Company and is established for in-depth study of issues that are within the competence of the Board of Directors or reviewed by the Board of Directors in order to monitor the activities of the executive body of the Company and develop the necessary recommendations to the Board of Directors and executive body of the Company.

1.1.2. Production safety (HSE) Committee reports to the Board of Directors of the Company, operates within the authorities provided by the Company's Board of Directors and this Regulation.

1.1.3. In its activities, the production safety (HSE) Committee is guided by the laws of the Republic of Kazakhstan, Charter of the Company, Regulation on the Board of Directors of the Company, Instruction for preparation of materials for the meetings of the Board of Directors of Kazatomprom JSC and its committees as well as this Regulation and other decisions of the Board of Directors, General meeting of shareholders.

### **1.2. Competence**

1.2.1. The competence of the Production safety (HSE) Committee of the Board of Directors includes following issues stipulated by the legislation of the Republic of Kazakhstan and the Charter of the Company:

1) Review of the regular reports on the state of HSE safety in the Company and the subsidiaries and affiliated companies of the Company;

2) Review of reports related to social issues;

3) Reviews the implementation of the sustainable development system in the Company, integration of sustainable development in key processes, including risk management, planning, human resources management, investments, operating activity, strategic planning, decision-making including, but not limited to the following processes:

3-1) introduction of social, economic and environmental components of sustainable development in the activities of the Company in accordance with the Corporate Governance Code of the Company and best international practice;

3-2) preliminary consideration and preparation of recommendations to the Board of Directors of the Company on the development of a management system in the field of sustainable development in three areas: economic, environmental and social;

3-3) preliminary consideration and preparation of recommendations to the Board of Directors of the Company on determining goals and KPIs in the field of sustainable development;

3-4) preliminary consideration of action plans, as well as internal documents in the field of sustainable development to be submitted to the Board of Directors of the Company;

3-5) monitoring and evaluation of measures, assessing the achievement of goals and key performance indicators in the field of sustainable development, the adoption of corrective measures, the introduction of a culture of continuous improvement;

3-6) analysis of the internal and external environment in three areas: economic, environmental and social and preparation of relevant recommendations to the Board of Directors of the Company;

3-7) preparation of recommendations on the integration of sustainable development in the key processes of the Company, including risk management, planning, human resources management, investments, reporting and others, as well as in the Company's Development Strategy and decision-making processes.

4) Submission of regular reports on the work of the Committee to the Board of Directors.

5) Provision of the recommendations to the Board of Directors on other issues within its competence, in accordance with the instructions of the Company's Board of Directors and/or provisions of the internal documents of the Company.

## **2. Forming the production safety (HSE) Committee**

### **2.1. Composition**

2.1.1. It is a competence of the Company's Board of Directors to determine the number of Committee's members, term of powers of the Production safety (HSE) Committee, election of the Committee's Chair and the members as well as early termination of their powers.

2.1.2. The Production safety (HSE) Committee is formed from the members of the Company's Board of Directors and experts without the right to vote, who have necessary expertise to work in the Committee.

2.1.3. Production safety (HSE) Committee consists of at least three members. Experts are not considered as members of the Committee.

2.1.4. Only an independent director of the Board of Directors of the Company can be a member of the production safety (HSE) Committee.

2.1.6. The Secretary of the production safety (HSE) Committee is appointed by the decision of the production safety (HSE) Committee, and performs the functions of organizing the work and informing the Production safety (HSE) Committee.

### **2.2. The Chair**

2.2.1. The Chair of the Committee is elected by the Board of Directors from independent directors.

2.2.2. The Chair of the production safety (HSE) Committee performs the following functions:

- 1) Organizes the work of the production safety (HSE) Committee;
- 2) Convenes meetings of the production safety (HSE) Committee and chairs them;
- 3) Keeps records of the meetings;
- 4) Prepares a report on the activities of the production safety (HSE) Committee and reports to the Board of Directors on the results of such activities at regular Board of Directors meetings.

2.2.3. In the absence of the Chair, his functions are performed by one of the members of the production safety (HSE) Committee on the decision of the production safety (HSE) Committee.

## **3. Rights and responsibilities of the members of the production safety (HSE) Committee**

### **3.1. Rights of the production safety (HSE) Committee members**

3.1.1. A member of the production safety (HSE) Committee shall have the right to perform the following in the established manner:

- 1) Request and receive from the officials and employees of the Company any information (documents, materials) regarding the Company, if the specified information is required to perform the functions of a member of the production safety (HSE) Committee;
- 2) Familiarize with the Minutes of the meetings and decisions of the production safety (HSE) Committee;
- 3) Require the inclusion of their own special opinions to the agenda items and decisions taken into the Minutes of the production safety (HSE) Committee meetings;
- 4) Require the convening of a meeting of the production safety (HSE) Committee;
- 5) Put items to the agenda of the production safety (HSE) Committee meeting;
- 6) Exercise other rights stipulated by the current legislation of the Republic of Kazakhstan, Charter of the Company and other internal documents of the Company.

### **3.2. Responsibilities of the production safety (HSE) Committee members**

3.2.1. A member of the production safety (HSE) Committee is liable to the Company and the shareholders for the harm caused by his/her actions (inaction), in accordance with the

legislation of the Republic of Kazakhstan, including the losses incurred as a result of providing misleading or false information.

3.2.2. Each Committee member is obliged to attend at least 75 (seventy-five) % of the Committee meetings per year. The absence of Committee members at meetings is taken into account and the relevant measures can be taken.

#### **4. Organization of the work of the production safety (HSE) Committee**

##### **4.1. Meetings of the Committee**

4.1.1. Committee annually draws up and approves the work plan of the Committee.

4.1.2. The frequency of the meetings of the Committee is at least 4 (four) meetings a year.

4.1.3. In accordance with the Charter of the Company, the meetings of the Committee can be either in-presentia or in-absentia. Committee chooses the format of the meeting based on the importance of the issues addressed. At the same time, at least 75 (seventy-five) % of the Committee's meetings should be held in-presentia.

4.1.4. During in-absentia voting on the issues of the agenda, ballots are used that are compiled in accordance with Appendix No. 1 hereto.

4.1.5. The ballot for in-absentia voting must be submitted by the Committee Secretary to the members of the Committee no later than 10 (ten) working days before the date of the counting of votes for in-absentia voting with notification of its holding (agenda of the meeting).

4.1.6. Ballot for in-absentia voting and other information (materials) must be sent to members of the Committee via postal / electronic or other communication, or delivered personally.

4.1.7. A decision by in-absentia voting shall be deemed adopted if there is a quorum according to ballots received within the prescribed period.

4.1.8. It is allowed that a member of the Committee takes part in the in-presentia Committee meeting, if there is a quorum, through a video conference (interactive audio-visual communication), conference call (simultaneous conversation through the telephone), or other means of communication. In such a case, the member of the Committee is considered to have participated in the in-presentia meeting. At the same time, the type of communication used shall be indicated in the Minutes of the Committee meeting.

4.1.9. Responsible departments shall regularly monitor the Work plan of the Committee and prepare materials accordingly.

4.1.10. Materials for the meetings of the Committee shall be prepared in accordance with the Instruction for preparation of materials for the meetings of the Board of Directors of Kazatomprom JSC and its committees.

4.1.11. Meeting of the Committee may be convened at the initiative of its Chair or Board of Directors of the Company or at the request of the following:

- 1) any member of the Audit Committee;
- 2) audit organization auditing the Company;
- 3) Shareholder;
- 4) Internal Audit Services of the Company;
- 5) Compliance Service.

4.1.12. If the Chair of the Committee refuses to convene a meeting, the initiator has the right to address this request to the Board of Directors of the Company, which is obliged to convene a meeting of the Committee. The meeting of the Committee is held with the obligatory invitation of the person who has addressed the above requirement.

4.1.13. Notification for convening the meeting of the Committee is provided in the form of the agenda of the meeting, which contains information on the date, time and place of the meeting, items of the agenda, and information on whether the meeting is held in-presentia or in-absentia. The Chair of the Committee approves the agenda beforehand.

4.1.14. The agenda of the meeting of the Committee with the relevant materials is prepared and circulated by the Secretary of the Committee to all Committee members and interested parties at least 10 (ten) working days before the planned date of the meeting.

4.1.15. A meeting of the Committee is considered valid if there is a quorum - at least half of members of the Committee.

4.1.16. The decisions are made by a simple majority of votes of participating Committee members. In case of equality of votes, the Chair of the Committee shall have the deciding vote.

4.1.17. Non-committee personnel may attend meetings only on the invitation of the Committee Chair.

4.1.18. Based on the results of each (in-presencia or in-absentia) Committee meeting, Minutes shall be drawn up in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company. The Minutes shall be signed by the Chair or by the person who chaired the meeting and by members of the Committee who attended the meeting, as well as by Secretary of the Committee, who are all responsible for the correctness and the content of the Minutes of the meeting.

4.1.19. The Secretary of the Committee shall keep the minutes of the Committee meetings in the Company. The term of storage of the Minutes of the Committee meetings shall be regulated by the legislation of the Republic of Kazakhstan and the Charter of the Company.

**Ballot of in-absentia  
to the meeting of the production safety (HSE) Committee of the Board of Directors  
of National Atomic Company Kazatomprom JSC**

Venue of NAC Kazatomprom JSC (Executive Board of NAC Kazatomprom JSC):

Meeting of the production safety (HSE) Committee of the Board of Directors of NAC Kazatomprom JSC convened by: \_\_\_\_\_.

Date of submission of this Ballot to the member of the production safety (HSE) Committee of the Board of Directors of NAC Kazatomprom JSC \_\_\_\_\_  
\_\_\_\_\_ 20 .

Full name

The deadline for accepting the ballots \_\_\_\_ \_\_\_\_\_ 20\_\_ until 16.30.

Explanation of the procedure for filling in the bulletin:

We request you to vote on each decision by putting a signature in the appropriate column for each agenda item.

If you vote for the decision, please put your signature in FOR column.

If you vote against the decision, please put your signature in AGAINST column.

If you abstain from making a decision, please put your signature in ABSTAINED column.

In case of voting AGAINST or if ABSTAINED, a member of the production safety (HSE) Committee of the Board of Directors has the right to express his/her special opinion to be attached separately in written form.

**AGENDA:**

1. \_\_\_\_\_  
\_\_\_\_\_

**DECISION OF THE MEMBER OF THE PRODUCTION SAFETY (HSE)  
COMMITTEE OF THE BOARD OF DIRECTORS ON THE AGENDA ISSUES:**

- 5.3. \_\_\_\_\_
- 5.4. \_\_\_\_\_

**Voting Result:**

Full name	For	Against	Abstained