

Approved by  
Decision of the Board of Directors  
NAC Kazatomprom JSC  
dated \_\_\_\_\_, 2018  
Minutes No. \_\_/18

**REGULATION**  
**on Committee for Industrial, Environmental, Radiation Safety,**  
**Occupational Health and Sustainable Development**

**National Atomic Company Kazatomprom JSC**  
**2018**

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## **1. General provisions**

1. This regulation on the Committee for Industrial, Environmental, Radiation Safety, Occupational Health and Sustainable Development of the Board of Directors (hereinafter referred to as “the Committee”) of the National Atomic Company Kazatomprom JSC (hereinafter referred to as “the Company”) has been developed in accordance with the legislation of the Republic of Kazakhstan, Articles of Association of the Company, Corporate Governance Code and international practice of corporate governance.

2. This regulation defines the status and competence of the Committee, its rights and obligations, composition, procedure of its formation, work and interaction with the Company’s bodies.

3. The Committee is an advisory body under the Board of Directors of the Company. All proposals developed by the Committee constitute recommendations to be submitted for the review by the Company's Board of Directors.

4. Recommendations of the Committee on the issues attributed by the Company’s Articles of Association to the competence of the Sole Shareholder are forwarded to the Sole Shareholder, in case of their approval by the Board of Directors, for consideration and making decision as required by law.

## **2. Competence of the Committee**

The competence of the Committee includes the following:

2.1. Development of the Company’s integrated policy in occupational health, environmental and radiation safety as a component of sustainable development oriented to minimization of chemical and radiation exposure, environment and personnel protection, improvement of industrial safety and automation of technological processes.

2.2. Preparation of proposals and recommendations for the Board of Directors:

- On improvement of the governance system in the area of industrial, environmental and radiation safety;
- On effective interaction with subsidiary and affiliated companies (hereinafter referred to as “S&A”) and coordination of Company’s activity on implementation of the policy on the issues of occupational health, environmental and radiation safety;
- On adoption of the Company’s program documents on the issues of sustainable development, including occupational health and environmental protection.

2.3. Submission of the annual report on the Committee work report to the Board of Directors.

2.4. Providing the recommendations to the Company's 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.

2.5. Participation in working groups, commissions, negotiations with organizations on the issues referred to the competence of the Committee.

2.6. Monitoring of introduction 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 and other processes.

2.7. Coordination and monitoring of actions aimed at the implementation of the sustainable development system and improvement of its individual processes, consideration of materials on implementation of sustainable development principles in the Company (for example, on the achievement of target KPIs, implementation of the program of sustainable development initiatives and other issues).

2.8. Preliminary review of social issues.

### **3. Rights and obligations of the Committee**

3.1. In order to perform its tasks and functions the Committee shall have the right to do the following:

3.1.1. Request the documents, reports, explanations and other information from S&As, Company's structural subdivisions, Internal Audit Service, Corporate Secretary and other employees of the Company;

The Company must duly provide the Committee with all necessary materials and resources at its own expense;

3.1.2. Invite members of the Company's Board of Directors, Executive Board and other persons to the meetings in the capacity of observers;

3.1.3. Initiate training for Committee members in order to develop professional and leadership skills in the field of sustainable development management;

3.1.4. Initiate a special session with Executive Board of the Company to discuss sustainable development options, assess performance of sustainable development system;

3.1.5. Initiate working meetings to raise the level of awareness of the members of the Company's Executive Board about best practices in the field of sustainable development, and to increase the degree of involvement of Executive Board in the processes of implementing the principles of

sustainable development.3.1.6. Enjoy other rights necessary to exercise the powers vested in it.

3.2. Committee members must:

- 3.2.1. Act honestly and in good faith in the interests of the Sole Shareholder and the Company and comply with the basic principles of the Corporate Governance Code;
- 3.2.2. Spend sufficient time to fulfil their obligations effectively;
- 3.2.3. Participate in the Committee's work and attend its meetings except in cases of business trips, vacation or sick leaves;
- 3.2.4. Make proposals on amending and supplementing this Regulation;
- 3.2.5. Keep confidentiality of all information of which they became aware in the course of performance of their duties as the Committee members;
- 3.2.6. Within its competence and in the order prescribed by this Regulation perform any other duties, which may be defined by the Company's Board of Directors.

3.3. The members of the Committee being Independent Directors must notify the Board of Directors of any changes in their status of independent director as soon as possible after the loss of this status or the occurrence of the conflict of interests related to the issues in relation to which the Committee must make decisions.

#### **4. Formation of Committee for industrial, environmental, radiation safety, occupational health and sustainable development**

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

4.2. The Committee is formed from the members of the Company's Board of Directors and experts who have necessary expertise to work in the Committee.

4.3. The Chair is elected from independent directors.

4.4. The terms of powers of the Committee members are the same as those in the capacity of Directors.

4.5. If required, the Committee may include the experts without voting rights who have necessary professional knowledge to work in the Committee. The experts who have professional experience and qualification in the industry according to the aims, tasks and competence of the Committee are engaged to improve performance of the Committee. The role of experts in the Committee is providing necessary information to the Committee members for decision making using special knowledge and professional experience that will enable the Committee to study the issues

thoroughly and develop recommendations to the Board of Directors. While engaging experts a preference is given to employees of the Company.

4.6. The Chair of Executive Board shall not be a member of the Committee. The experts of the Committee attend the Committee meetings without a voting right. The experts of the Committee have the right to initiate the meetings of the Committee, early terminate their powers on their own initiative by written notification of the Committee through the secretary.

4.7. The Secretary of the Committee is appointed by decision of the Committee and provides organizational and information support to the Committee.

## **5. Chair of Committee for Industrial, Environmental, Radiation Safety, Occupational Health and Sustainable Development**

5.1. Chair of Committee is elected from the Independent Directors.

5.2. Chair of the Committee organizes the work of the Committee, in particular:

- 1) convenes Committee meetings and takes the chair;
- 2) approves agenda of the Committee meetings including the issues submitted for discussion in a meeting of the Committee;
- 3) organizes discussion of issues in the meetings of the Committee and hears opinions of the persons invited to the meeting;
- 4) develops the Plan of regular meetings for the current year based on the Action Plan of the Board of Directors.

## **6. Organization of work of Committee for Industrial, Environmental, Radiation Safety, Occupational Health and Sustainable Development**

6.1. The Committee conducts its work in the form of meetings.

6.2. The Committee meetings are held on the basis of the Work Plan preliminary approved by the Committee, at least four meetings in presentia per annum (once a quarter), where the Committee members may participate by means of technical communications. The Committee annually draws the work plan to be approved by the Committee.

6.3. The Secretary of the Committee ensures preparation of the meetings, collection and compilation of materials for meetings, timely sending to the Committee members and to the invited persons notices of holding the Committee meetings, meeting agenda, materials related to the agenda issues, minutes keeping, preparation of the drafts of the Committee decisions, gives abstracts of the Committee meeting minutes if necessary and ensures further storage of all respective materials.

The Secretary ensures receipt of all necessary information by the Committee members.

6.4. Extraordinary meetings of the Committee are held on decision of the Committee Chair on his/her own initiative or as requested by any member of the Committee, Board of Directors as well as upon written request of the Sole Shareholder and the Chair of Executive Board.

6.5. Notice of convening Committee meeting together with agenda shall be delivered to the persons attending the meeting at the latest five business days before the date of the Committee meeting.

6.6. Committee meeting has a quorum if attended by at least half of the members of the Committee.

6.7. The third parties without the right to vote on the agenda of the meeting may attend the Committee meetings at the invitation of the Committee Chair.

6.8. When voting the Chair of the Committee and its members may decide to vote on the agenda of the Committee meeting only in the presence of the members entitled to vote. In such cases, experts and other persons who are invited to participate in the meeting of the Committee as observers shall be present at the meeting of the Committee only during the discussion of issues, and at the time of voting they leave the meeting room.

6.9. The Committee's decisions are taken by simple majority of votes of the total number of members of the Committee and recorded in the minutes. In case of equality of votes, the vote of the Committee Chair shall be decisive.

6.10. Each member of the Committee may express his/her special opinion, which is presented together with the minutes of Committee's decision. In cases when a decision on certain issues cannot be taken due to the interest of individual Committee members, such fact is recorded in the minutes of the Committee meeting.

## **7. Legal effect of the Regulation**

7.1. Adoption of this Regulation, as well as amendments and supplements to it fall within the competence of the Board of Directors.

## **8. Final provisions.**

8.1. This Regulation and all amendments and supplements hereto shall be approved by the Company's Board of Directors.

8.2. Amendments and supplements hereto shall be made by the Board of Directors on its own initiative or on the initiative of the executive body or the Committee adopted by a simple majority of votes.

8.3. If the requirements of this Regulation contradict with the current legislation, the Company's Articles of Association, the Regulations on the Board of Directors, such requirements of the Regulation shall not apply.

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