



Approved
by decision of Board of Directors of
JSC NMSC (National Marine
Shipping Company)
Kazmortansflot
dated "14" november 2007.
No. 12-07/CD

REGULATION ON THE APPOINTMENT COMMITTEE OF JSC NMSC KAZMORTANSFLOT BOARD OF DIRECTORS

1. GENERAL PROVISIONS

1. This Regulation on the Appointment Committee Совета директоров (далее – Appointment Committee) of the Body of Directors of Joint Stock Company National Marine Shipping Company Kazmortansflot (hereinafter referred to as Company) is developed in compliance with the Law of the Republic of Kazakhstan, the Articles of Association of the Company, and international practice of corporate governance.
2. This Regulation determines the status and competence of the Appointment Committee, its rights and obligations, the membership of the Appointment Committee, the procedure of its forming, work and cooperation with the Company bodies.
3. The Appointment Committee is a consultative and advisory body of the Board of Directors. All proposals developed by the Appointment Committee, are recommendations to be considered by the Board of Directors.
4. The recommendations made by the Appointment Committee on the issues specified by the Articles of Association as the ones within the competence of the General Meeting of Shareholders, upon their approval by the Board of Directors, shall be forwarded to the General Meeting of Shareholders for approval and making a decision, in compliance with the established legal procedure.
5. The Appointment Committee is aimed at development and submission to the Board of Directors of the recommendations related to candidates election or appointment as Independent Directors, members of Executive Board, as Head of Internal Audit Service, the Corporate Secretary, with regard to the provisions of Company's internal documents.
6. The members of the Appointment Committee do not participate in the Committee's meetings when the issues related to their own appointment are discussed.

7. The following terms and definitions are used in this Regulation:

Director/s – member/s of the Board of Directors;

Legislation – the assembly of the regulatory acts of the of Kazakhstan, adopted in compliance with the established procedure;

Committee/s – the Committee/s of the Board of Directors;

The Remuneration Committee – The Remuneration Committee of the Board of Directors;

Corporate Secretary – Corporate Secretary of the Company;

Independent Directors – Directors determined as independent ones in compliance with the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Company’s Articles of Association and the Company’s Code of Corporate Governance;

General Meeting – the superior body of the Company;

Regulation – Regulation on the Remuneration Committee;

Executive Board – Executive body of the Company;

Internal Audit Service – Internal Audit Service of the Company;

Board of Directors – Body of Company management;

Articles of Association - The Company’s Articles of Association.

8. The terms used but not determined in the Regulation are used in the same sense they are used in Legislation, Articles of Association.

2. APPOINTMENT COMMITTEE COMPETENCE

9. The following issues are within the competence of the Appointment Committee:

1) preparation of qualifying requirements for the candidates for Independent Directors, for positions of head of Internal Audit Service and the Corporate Secretary;

2) consideration and development of recommendations related to qualifying requirements for candidate members of Internal Audit Service, developed and provided by the Head of Internal Audit Service;

3) recommendations related to candidates for Independent Directors, for members of Executive Board, for positions of the Head of Internal Audit Service and the Corporate Secretary. Candidates for job positions, whose election (appointment) is within the exclusive competence of the General Meeting of Shareholders are considered by the Appointment Committee in compliance with the relevant provisions of the Company’s internal documents and/or by request (order) of the General Meeting of Shareholders and or major Shareholder;

4) development of the guidelines for new Directors specifying information about the Company, the rights and obligations of Directors;

5) development of the succession policy for members of the Board of Directors and Executive Board, Committees, the Head of Internal Audit Service and the Corporate Secretary;

6) Submission of annual report about performance of the Appointment Committee to the Board of Directors;

7) Provision the Board of Directors with recommendations on other issues within the limits of Committee's competence in compliance with the Board of Directors' orders and/or provisions of the Company's internal documents.

3. RIGHTS AND OBLIGATIONS OF THE APPOINTMENT COMMITTEE

10. Appointment Committee is entitled to:

1) request for documents, reports, explanations and other information from the members of the Board of Directors, Committees, Executive Board, Internal Audit Service, Corporate Secretary and other Company's employees. The above information and documents shall be passed through the Corporate Secretary. The Company shall provide the Appointment Committee with all the necessary resources and materials at its own expense in compliance with the established procedure;

2) invite the members of the Board of Directors, Executive Board, Committees, and other people to its meetings as observers;

3) in compliance with the established procedure use the service of external experts within the frame of the funds provided by the Company budget for the current year.

11. The members of the Appointment Committee shall:

1) perform their work honestly and in good faith in the interests of Shareholders and the Company, as a whole, and follow the key principles of the Company's code of corporate governance;

2) devote enough time to efficient performance of their duties;

1) participate in the work of the Appointment Committee and attend its meetings;

2) keep confidentiality of all the information they get to know in the course of performing their duties;

3) within their competence and in compliance with the procedures provided for by this Regulation perform any other duties which can be determined by the Board of Directors.

The members of the Committee who are Independent Directors must inform the Board of Directors about any changes in their status of Independent Director as

soon as possible from the moment the status is lost or about arising the conflict of interests related to the decisions to be made by the Appointment Committee.

4. FORMATION OF THE APPOINTMENT COMMITTEE

12. The Appointment Committee consists at least of three Directors, at least two thirds of which must be Independent Directors.

13. The members of the Appointment Committee are elected by the majority of members of the Board of Directors. The Chairman of Executive Board cannot be a member of the Appointment Committee.

14. In case of necessity the Appointment Committee can include experts having necessary professional knowledge for the work in the Appointment Committee.

15. The terms of membership in the Appointment Committee coincide with the terms of membership in the Board of Directors, although they can be reviewed by the Board of Directors every year.

5. CHAIRMAN OF THE APPOINTMENT COMMITTEE

16. The chairman of the Appointment Committee is elected from Independent Directors.

17. The chairman of the Appointment Committee shall organize the work of the headed Committee, in particular:

1) calls the meetings of the Appointment Committee and presides over them;

2) approves the agenda of the Appointment Committee, в том числе including the contents of issues to be discussed at the meetings of the Appointment Committee;

3) organizes discussing issues at the meetings of the Appointment Committee, and also hears the opinions of the people invited to attend the meeting;

4) develops the plan of scheduled meetings for the current year with regard to the plan of the Board of Directors' meetings.

6. ORGANIZATION OF WORK OF THE APPOINTMENT COMMITTEE

18. The work of the Appointment Committee is carried out in the form of meetings.

19. The functions of the Appointment Committee are performed by the Corporate Secretary.

20. The Corporate Secretary organizes preparation of the Appointment Committee meetings and their conduction, collection and systematization of materials for the meetings, timely notification of the Appointment Committee members and invited people about the meetings of the Appointment Committee,

sending them agendas and materials related to the issues in the agenda, makes the Minutes of the meeting, prepares the draft decisions of the Appointment Committee and provides for further on safekeeping of all relevant materials.

The Corporate Secretary ensures the reception of all necessary information by the members of the Appointment Committee.

21. The meetings of the Appointment Committee are carried out according to the schedule approved by the Chairman of the Appointment Committee.
22. The decision about calling a regular meeting of the Appointment Committee, its date, time and venue and agenda, as well as the list of attendees is made by the Chairman of the Appointment Committee in compliance with the schedule of the Appointment Committee's regular meetings.
23. An off-scheduled meeting of the Appointment Committee is carried out by the Chairman's own initiative, by the request of any member of the Appointment Committee, Board of Directors, as well as by the written request of the Sole Shareholder (a major Shareholder) and the Chairman of Executive Board.
24. The notification about holding a meeting of the Appointment Committee, together with the agenda, should be sent to the meeting participants at least five work days prior to the date of the Appointment Committee meeting.
25. The meeting of the Appointment Committee is legally recognized if at least half of the Appointment Committee members participate in it.
26. The decisions of the Appointment Committee can be made both by voting in person, absentee voting, and by mixed voting. The Appointment Committee tries to minimize holding of meetings in the form of absentee voting.
27. The third parties can be present at the meetings of the Appointment Committee by the invitation of the Chairman of the Appointment Committee without the right of voting, as far as the issues of the agenda are concerned.
28. Decisions of the Appointment Committee are made by a simple majority from the total number of members of the Appointment Committee. In case the votes are equal, the Chairman of the Appointment Committee shall have the casting vote.
29. Every member of the Appointment Committee can lay out his/her dissenting opinion, which is provided with the protocol of the Appointment Committee. In cases when the decision cannot be made due to personal interests of some members of the Committee, this fact shall be recorded into the Minutes of the Appointment Committee's meeting.
30. The Minutes are written in two original copies, one of which, after its signing, is sent to the Board of Directors with the materials and recommendations prepared for it.