

General Business Policy on Local Content



Policy Statement

NCOC N.V. Local Content Policy is based on the fundamentals of the North Caspian Sea Production Sharing Agreement (NCSPSA), applicable laws and NCOC N.V. Company Mission, Vision, Value and Business Goals and Objectives.

NCOC N.V. commits itself to maximize the opportunities for Local Content and to support local suppliers whilst maintaining our principals and boundary conditions, as follows:

- Ensure implementation a Local Content Management System and a Local Content Plan that are communicated and implemented in a constant manner across the organization;
- Utilizing Local Content best practices and lessons learned from other major projects worldwide;
- Actively supporting local industry initiatives to promote Local Content development;
- Developing Company Local Content strategy that will contribute towards overall business goals and objectives

Objectives

The primary business reasons for developing local companies are:

- License to Operate – Comply with NCSPSA and applicable local laws and meet government expectations;
- Sustainable Development – Contribute to the Kazakhstan society growth and to the development of local community to achieve a mutually beneficial environment for carrying out Petroleum Operations;
- Commercial Benefits – Improve the capacity and capability of the Kazakhstan people and companies in order to achieve reduction in costs during Production Operations of NCSPSA in support of sustainable Local Content development over its full lifecycle.
- Competitive Market – Develop successful local suppliers and assist in building their capacity in order to source competitive local goods, works and services to international standards.

Scope

NCOC N.V. will maximize Local Content by:

- Ensuring procurement of local goods / materials of local nature and contracting of services from the Local Contractors;
- Hiring and development of both NCOC N.V. and it contractor's and subcontractor's national personnel;
- Improving the capacity and capability of the Kazakhstan people and companies in order to secure long-term sustainable commercial benefits for NCOC N.V.

Key Principles

- In maximizing Local Content opportunities, the project will not compromise HSSE, Quality, and other principal contract terms;
- Consideration will be given to Local Content objectives and drivers during the award of third party contracts and investment decisions for industrialization;
- Local Content performance needs to be sustainable in accordance with NCOC N.V. business principals.

Supporting and implementing this Local Content Policy is the responsibility of all NCOC N.V. staff, with ultimate accountability resting with the Managing Director.



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