

Remuneration Policy of Kazakhstan Kagazy PLC

The performance of the Company is dependent on the quality and commitment of its workforce. The Remuneration Committee will ensure that remuneration packages are realistic and competitive.

In the case of the Executive Directors and the Chairman of the Board, the remuneration packages shall take into account their individual roles and responsibilities.

The Remuneration Committee will review the levels of remuneration of the Company and its subsidiaries, considering circumstances that would justify adjustment, such as fundamental changes in the business environment or in the individual's responsibilities.

The Company believes that qualified staff will be attracted and motivated to secure maximum returns if the Company and its subsidiaries adopt policies which are consistent with its mission and values and are competitive in the market sector.

The Remuneration Committee, through the Board of Directors, shall cause all subsidiaries of the Company to adopt Remuneration Policies substantially in accord with the present Remuneration Policy.

The Company seeks through its Remuneration Policy to:

1. Recruit and retain the high quality staff it needs to deliver its corporate plan.
2. Achieve equity, fairness and consistency in the operation of reward policies and practices.
3. Ensure that our salaries and benefits remain competitive with other companies in our market sector.
4. Ensure that the contribution of staff to achieving the strategic goals of the organization is recognized.
5. Ensure that the reward system is transparent and the Company will publish all criteria of the reward system but not the earnings of individual staff members.
6. Develop a benefits structure which begins to lay greater emphasis on flexibility and employee choice.
7. Communicate to staff the details of the reward system as it affects them.

Adopted by the Remuneration Committee of
Kazakhstan Kagazy PLC
on 8 February 2008