
Corporate Governance

Good corporate governance is the prerequisite for the high performance of a company. In order to build a comprehensive international energy company, CNPC has stepped up the development of an internationally recognized modern corporate governance system. We also strictly comply with Kazakh laws and regulations on investment, labor, mineral resources, etc, as well as international norms and relevant international laws. All of our business activities take place according to unified rules and management standards. To ensure coordinated and sustainable development, we have also improved the corporate governance system and standardized the management of the whole production and operation process.

Internal control system

To control and prevent risks, the company has strengthened risk management and internal controls. Based on the requirements of the Sarbanes-Oxley Act and actual conditions, we have established an internal control system that is compatible with actual conditions. At the end of 2006, the company completed the internal control system of CNPC AktobeMunaiGas, which streamlined its business process and enhanced its risk management capability. All our other companies based in Kazakhstan have also enhanced their internal control systems.

HSE system

The company has established and improved its HSE standards and enforced these standards in all its global businesses in accordance with the *HSE Management System Guide*. In 2008, CNPC published nine principles for HSE management in accordance with the *HSE System Development Plan*, establishing a new framework for the HSE system. The company also formulated and piloted 41 HSE systems and the CNPC *HSE Training System Improvement Plan* and *HSE Performance Management Improvement Plan*. The company also formulated the HSE Standard System List based on different units and fields, and issued *Regulations on Inspection of Safety of the Pipeline Construction Site* and the *Implementation Guide for Formulation of HSE Management Plans*, to standardize the company's HSE risk management in Kazakhstan.

Anti-corruption system

CNPC is determined to wipe out corruption wherever it appears. In 2008, the company focused its efforts on improving its management, anti-corruption and supervision systems, using performance inspections to encourage clean management. The development of the anti-corruption system made new progress and achieved new results.

Social investment

CNPC believes that social investment is not limited to charitable donations, but should also cover such fields as infrastructure construction, employee training, environmental protection, the development of small- and medium-sized enterprises, support for disadvantaged groups and the socio-economic development of the host areas. Among these, public welfare is an important priority. We have clear rules, priorities and methods for social investment in Kazakhstan, and we conduct constant supervision and assessment of the programs.