

**Minutes No. 13**  
**of the annual General Meeting of Shareholders**  
**of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC**

the city of Nur-Sultan

the third of May, two thousand and nineteenth

Location of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company (hereinafter referred to as “KEGOC” or “the Company”): 59 Tauyelsizdik Ave, Nur-Sultan, Republic of Kazakhstan.

Venue of the annual General Meeting of Shareholders of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company, (hereinafter referred to as “the Meeting”): 59 Tauyelsizdik Ave, Nur-Sultan, Republic of Kazakhstan, 11.30 am

**Invited persons from the Board of Directors of KEGOC:**

1. Suinshlik Tiyyessov, member of the Board of Directors, representative of Samruk-Kazyna;
2. Zhanna Yegimbayeva, member of the Board of Directors, representative of Samruk-Kazyna;
3. Dominique Fache, Independent Director, member of the Board of Directors;
4. Janusz Bialek, Independent Director, member of the Board of Directors;
5. Yermek Kudabayev, Independent Director, member of the Board of Directors.

**Invited persons from the Board of Directors of KEGOC:**

1. Aibek Botabekov, Managing Director for Finance and Accounting;
2. Tolegen Safuani, Managing Director for Legal Support and Risks;
3. Zhanabai Beksary, Chief of Staff;
4. Nurlan Mukhanov, Managing Director for Procurement;
5. Bulat Aitbekov, Executive Director for Capital Construction and Occupational Health.

Almassadam Satkaliyev, the Chairman of the Board of Directors, delivered the welcoming speech and told the audience that the Meeting was convened on the initiative of the Board of Directors on 29 March 2019 with the following agenda:

1. Approve the annual financial statements, distribution of the net income, decision to pay dividends on ordinary shares and approve the amount of the dividend per one ordinary share of KEGOC for 2018;
2. Review claims from the shareholders in relation to activities of KEGOC and its officers and results of consideration of such claims;
3. Select an audit organization for the audit of KEGOC;
4. Approve amendments to the KEGOC Charter.

Information about time, place and agenda of the Meeting was published on the Internet resources of KEGOC, Kazakhstan Stock Exchange and the Financial Reporting Depository on 2 April 2019.

In accordance with Article 36.1.4 of Law of the Republic of Kazakhstan 'On Joint-Stock Companies' (hereinafter referred to as 'the Law'), the General Meeting of Shareholders of KEGOC defined the number of members and term of office of the Counting Board and elected its Chairman and members.

Almassadam Satkaliyev introduced the panel of the annual General Meeting of Shareholders:

Almassadam Satkaliyev, chairman of the Board of Directors, KEGOC;  
Bakytzhan Kazhiyev, Chairman of the Management Board of KEGOC;  
Daulet Karimov, representative of Samruk-Kazyna, major shareholder;  
Yertai Ramazanov, KEGOC's Corporate Secretary.

Almassadam Satkaliyev gave the floor to Shayakhmet Tokubayev, the chair of the Counting Board.

Shayakhmet Tokubayev reported to the Meeting the information on registration of shareholders and the quorum of the Meeting, clarified rights and responsibilities of shareholders, and indicated that the Meeting may consider and decide on the agenda items, if the Meeting have registered such number of participants, the shareholders or their representatives, who in aggregate hold fifty and more percent of the voting shares of the Company.

All attending shareholders were registered and powers of shareholders' representatives were properly checked. During the registration all shareholders, who attended the Meeting, received explanatory notes, draft decisions and voting ballots on the agenda items.

Shayakhmet Tokubayev informed the Meeting that in accordance with the list of shareholders of the Company received from the Company's Registrar - Central depository of securities - as on 29 April 2018, the number of placed ordinary shares totalled to 260,000,000 including 260,000,000 ordinary shares, 259,998,610 voting shares, and zero preferred shares.

The meeting registered ten (10) shareholders (including representatives) entitled to attend and vote at the Meeting. The number of votes of the shareholders registered at the Meeting is two hundred and thirty-four million two thousand five hundred and three (234,002,503), or 90.001% of the total number of votes of the shareholders - owners of the Company's placed shares.

### **The quorum of the annual General Meeting of Shareholders is present.**

Bakytzhan Kazhiyev, the chairman of KEGOC Management Board, made a welcoming speech and proposed KEGOC's shareholders to consider the Meeting open.

After that, pursuant to Article 48.4 of the Law stating that the General Meeting of Shareholders shall decide on the form of voting: open or secret (by ballots), Bakytzhan Kazhiyev offered an open form of voting.

After discussion the shareholders decided to vote on the open form of voting.

#### **Voting results:**

The shareholders unanimously voted 'Pro' the open form of voting.

Voting was conducted according on 'one shareholder - one vote' principle.

#### **The Meeting DECIDED to:**

Use open form of voting on agenda items.

Bakytzhan Kazhiyev proposed to elect Daulet Karimov, the representative of the major shareholder Samruk-Kazyna, the Chairman of the Meeting to conduct the Meeting.

**Voting results:**

The shareholders unanimously decided to elect Daulet Karimov, the representative of the major shareholder Samruk-Kazyna, the Chairman of the Meeting.

Voting was conducted according on 'one shareholder - one vote' principle.

**The Meeting DECIDED to:**

Elect Daulet Karimov, the representative of the major shareholder Samruk-Kazyna, the Chairman of the Meeting.

In accordance with Article 1.12 of the Law, the Corporate Secretary of the Company, as part of his/her activity, shall monitor the preparation and holding of the shareholders' meetings, prepare the materials on the agenda of the General Meeting of Shareholders of the Company.

In this regard, it was proposed to elect Yertai Ramazanov, the Corporate Secretary of the Company, the Secretary of the Meeting.

**Voting results:**

The shareholders unanimously decided to elect Yertai Ramazanov, the Corporate Secretary of the Company, the Secretary of the Meeting.

Voting was conducted according on 'one shareholder - one vote' principle.

**The Meeting DECIDED to:**

Elect Yertai Ramazanov the Secretary of the Meeting.

Daulet Karimov, the Chairman of the Meeting, welcomed the shareholders and thanked them for electing him the Chairman of the annual General Meeting of Shareholders, then he informed the Meeting about Meeting regulations:

- speaking on agenda items: up to 10 minutes;
- voting form: open;
- voting: 3 minutes;
- canvassing: 3 minutes;
- counting of votes and announcement of results: 10 minutes;
- questions and answers: 10 minutes.

Chairman of the Meeting, Daulet Karimov, announced the agenda of the Meeting formed by the Company's Board of Directors, which included the following items:

1. Approve the annual financial statements, distribution of the net income, decision to pay dividends on ordinary shares and approve the amount of the dividend per one ordinary share of KEGOC for 2018;
2. Review claims from the shareholders in relation to activities of KEGOC and its officers and results of consideration of such claims;
3. Select an audit organization for the audit of KEGOC;
4. Approve amendments to the KEGOC Charter.

The Chairman of the Meeting, Daulet Karimov, informed the shareholders that no proposals on changing the agenda of the Meeting had been received in accordance with Article 43.3 of the Law, and put the item 'Approval of the agenda of the annual General Meeting of Shareholders of KEGOC' to vote.

**Voting results:**

'Pro' - 234,002,503 votes (90.001%)

'Contra' - none

'Abstain' - none

Voting was conducted according to the principle 'one share - one vote'.

**The Meeting DECIDED to:**

Approve the following agenda of the Meeting:

1. Approve the annual financial statements, distribution of the net income, decision to pay dividends on ordinary shares and approve the amount of the dividend per one ordinary share of KEGOC for 2018;
2. Review claims from the shareholders in relation to activities of KEGOC and its officers and results of consideration of such claims;
3. Select an audit organization for the audit of KEGOC;
4. Approve amendments to the KEGOC Charter.

**AGENDA ISSUES REVIEW PROGRESS AND RESULTS**

Bakytzhan Kazhiyev, the Chairman of the Management Board of KEGOC, spoke on the second item of the agenda and informed the Meeting of the following:

1. According to clause 36.1.7 and clause 36.1.8 of the Law and clause 22.1.17 and 22.1.18 of the Charter of KEGOC, the approval of the annual financial statements and the procedure for distribution of the Company's net income for the reporting financial year, decision on payment of dividends on ordinary shares and approval of the dividend rate per one ordinary share of the Company shall fall within the authority of the General Meeting of Shareholders.

Ernst&Young LLP, an independent audit firm, audited the KEGOC's financial statements for the year ended on 31 December 2018.

According to the auditor's opinion, the consolidated and separate financial statements reliably reflect KEGOC's financial health in all material aspects as of 31 December 2018, as well as KEGOC's financial performance and cash flows for the year ended on the mentioned date in compliance with the International Financial Reporting Standards.

The copies of the consolidated and separate financial statements as on 31 December 2018 and for the year ended on that date, are attached.

According to the consolidated financial statements as of 31 December 2018, KEGOC's assets amounted to KZT 755,850,702 thousand, the liabilities: KZT 283,156,898 thousand, the equity: KZT 472,693,804 thousand. Revenues of KEGOC for the year ended on 31 December 2018 amounted to KZT 184,692,158 thousand, expenses are KZT 133,993,133 thousand, the profit share in the associate company is KZT 325,786 thousand (20% in Batys Transit JSC), expenses on corporate income tax are KZT 10,981,936 thousand, net profit is KZT 40,042,875 thousand.

In accordance with Clauses 6 and 7 of the Regulations on the dividend policy of KEGOC, the dividends shall be paid from the net income for the relevant financial

year or half-year, or the retained earnings, calculated on the basis of the IFRS consolidated financial statements of KEGOC, and the dividend amount on ordinary shares shall be not less than 40 % of the net income. According to clause 9 of the Regulations on the dividend policy of KEGOC, the Company may pay the dividends for 2018 because, as on 31 December 2018, KEGOC has positive equity capital, and it will not turn negative as a result of dividend payment, and KEGOC has no signs of insolvency or bankruptcy as defined by the laws of the Republic of Kazakhstan on bankruptcy and these signs will not appear as a result of the dividend payment.

In this connection, the General Meeting of Shareholders is proposed to allocate 87,6945330888454% of the net income for 2018. At the same time, since the income in the financial statements for 2018 is represented on an accrual basis for the entire year, and the dividends have already been paid to the amount of 80,0006390949591% or KZT 20,937,688,063.30 for H1 2018, it is proposed to reduce the amount to be allocated as dividends by the amount of dividends that has already been paid for H1 2018.

Thus the final amount of dividends will make fourteen billion one hundred seventy seven million seven hundred twenty four thousand two hundred three tenge thirty tiyn (KZT 14,177,724,203.30) to be paid to all holders of ordinary shares of the Company, which will make fifty four tenge fifty three tiyn (KZT 54.53) per one ordinary share.

Based on the foregoing it is proposed that the General meeting of shareholders of KEGOC approve annual financial statements, procedure for distribution of the Company's net income, approve payment of dividends on ordinary shares and the amount of dividends per one ordinary share of KEGOC for 2018.

2. Approval of the financial statements by the General Meeting of Shareholders of KEGOC will minimize the risk of reducing the level of corporate governance in terms of timely and complete disclosure of information about KEGOC's operations to the shareholders and other interested parties.

3. No social and economic and/or legal effects are expected, if the General Meeting of Shareholders of KEGOC makes approves the agenda item.

4. Earlier the item was reviewed by the meeting of KEGOC's Board of Directors on 29 March 2019 (Minute No. 3).

**Regarding the information on the Company's Annual Report, the Chairman of the Board of Directors Almassadam Satkaliyev, reported that in order to disclose information on the results of KEGOC's activities in 2018 to shareholders and other stakeholders of KEGOC, the Company developed the Annual Report 2018. The annual report considered the requirements of the Corporate Governance Code and the Listing Rules of the Kazakhstan Stock Exchange. The Annual Report discloses the results of the operating, investing, financial, economic and social activities of KEGOC in 2018.**

## **KEY EVENTS**

The past 2018 was significant and productive year not only for KEGOC, but in general for the entire electric power industry of the Republic of Kazakhstan.

In 2018, the production and consumption of electricity in the country as compared to 2017 increased: electricity generation grew by 4.3 % (or by 4.4 billion

kWh) to 106.8 billion kWh; electricity consumption grew by 5.5 % (or by 5.4 billion kWh) 103.2 billion kWh.

The amount electricity transmission in the National Power Grid (NPG) amounted to 44.71 billion kWh. The amount grew by 2 million kWh or by 4.6% as compared to 2017 actual. The amount of technical dispatching of electricity supply to the network and consumption grew by 4.3% to 97.65 million kWh. The amount of electricity generation and consumption balancing services in 2018 also grew by 5.1% to 183.36 billion kWh.

The net income in 2018 amounted to KZT 40 billion, which is KZT 7.2 billion higher than in 2017.

In 2018, all goals in the strategic areas were achieved, the year was completed with positive production and financial indicators.

In 2018, the maximum market price of one share reached a historic high and amounted to KZT 1,631 vs. the placement price of KZT 505 in 2014.

It is symbolic that in 2018, KEGOC was awarded the prize of the Kazakhstan Stock Exchange 'For Contribution to the Development of the Stock Market'.

Shareholders were paid dividends twice in the total amount of about KZT 31.4 billion.

The main event of the reporting year was the successful implementation of the project of construction of 500 kV 500 kV Shulbinskaya HPP (Semey) - Aktogai - Taldykorgan - Alma overhead transmission line. Commissioning of this project took place on 11 December 2018 during a national teleconference on the Industrialization Day. The event was held with the participation of the head of state, Nursultan Nazarbayev, who praised the completed project.

Thus in 2018 KEGOC completed the largest infrastructure project in the power sector: North-East-South 500 kV Electricity Transmission Construction Project. In four years KEGOC constructed the total of 1,773 km of lines and three new 500 kV substations: Semey, Aktogai, and Taldykorgan. Open switchgears were expanded at 1150 kV Ekibastuzskaya substation, 500 kV Ust-Kamenogorsk substation, and 220 kV Shulbinskaya hydropower plant. The company also expanded and reconstructed the 500 kV Alma substation, which is one of the substations that provide power supply to Almaty.

In August 2018, the Board of Directors unanimously voted to update the Development Strategy in accordance with the long-term letter of the shareholder's expectations for 2018-2028. The strategic goals and objectives of KEGOC were brought in line with the strategic goals of Samruk-Kazyna JSC to include the objectives of technological development and business digitalization; update the investment project portfolio to increase the efficiency of invested capital and develop new types of business.

One of KEGOC's key development areas is social and labour relations.

Over the past few years, KEGOC has been the leader in Samruk-Kazyna group of companies in social stability rating. According to the results of the study, this rating in 2018 was 85%.

As part of the fulfilment of the instructions of the Head of State to reduce electricity tariffs, as well as to support the population, small and medium-sized businesses, the Company decided to reduce tariffs for its services. Considering the growth of consumption and production of electric energy, as well as the amount

regulated services provided by the Company, on 1 January 2019, the marginal tariffs for the following regulated services were reduced: for electricity transmission from 2.823 to 2.496 KZT per kWh, for technical dispatching of supply and consumption of electricity in the grid 0.306 to 0.237 KZT and management of electricity production and consumption balancing from 0.098 to 0.088 KZT per kWh.

The Company continues implementation of the Business Transformation Programme. All initiatives of the programme have been included in the portfolio of the programme.

The transformation portfolio includes 8 projects that are designed to increase the efficiency of the Company's operations.

In 2018 the company implemented 6 procurement category strategies, put into operation the integrated information management system (ITSM), completed installation of the synchrophasor equipment of the WAMS monitoring system, commissioned ERP SAP, the billing system, and the corporate information security management system.

In 2018 there were changes in the composition of the Board of Directors of KEGOC.

In 2018, the Board of Directors held 11 meetings in praesentia and 1 meeting in absentia, which considered and made relevant decisions on 144 agenda items including: strategic, financial, economic and investment; corporate governance risks; personnel policy; on the activities of subsidiaries, etc.

KEGOC established four committees to review the most important issues and prepare recommendations to the Board of Directors:

- Audit Committee;
- Nomination and Remuneration Committee;
- Strategic Planning and Corporate Governance Committee;
- Occupational Health, Safety and Environmental Protection Committee.

The Committees comprise an advisory body of the Board of Directors. All proposals worked out by the Committees as recommendations are submitted to the Board of Directors for review.

In 2018, the Strategic Planning and Corporate Governance Committee held 9 meetings in praesentia, reviewed 34 issues and provided recommendations on them to the Board of Directors.

In 2018, the Nomination and Remuneration Committee held 10 meetings in praesentia, reviewed 40 issues, and provided the appropriate recommendations to the Board of Directors.

In 2018, the Occupational Health, Safety, and Environmental Protection Committee held 8 meetings in praesentia, reviewed 16 issues and provided recommendations on them to the Board of Directors.

In 2018, the Audit Committee held 9 meetings in praesentia, reviewed 58 issues, and provided the appropriate recommendations to the Board of Directors.

Rules on assessment of performance of the Board of Directors and its committees, the Chairman and members of the Board of Directors of KEGOC provide for annual evaluation of performance of KEGOC's Board of Directors including during the independent corporate governance diagnostics. In 2017, Samruk-Kazyna jointly with PwC carried out the independent diagnostics of

corporate governance of KEGOC as assessment of the efficiency of the Board of Directors. Based on the diagnostics results the component 'The Efficiency of the Board of Directors and the Executive Body' was rated 'BB', i.e. complying in all material respects with the majority of the established criteria.

In accordance with the Rules of remuneration and compensation of expenses for the members of the Board of Directors of KEGOC, independent directors shall be remunerated for the duration of their assignment, and the expenses associated with such assignment shall be compensated.

The remuneration of the independent directors of KEGOC includes:

- annual fixed fee;
- additional remuneration for participation in the meetings in praesentia of the committees.

Based on the decision of the General Meeting of Shareholders dated 27 April 2018, a member of the Board of Directors elected as representative of KEGOC's major shareholder (Samruk-Kazyna) shall be paid a fixed annual remuneration.

Payment of additional remuneration to the representative of a major shareholder of KEGOC, Samruk-Kazyna, is not provided.

The Director shall be compensated for the expenses associated with his/her travel to meetings of the Board of Directors, committees of the Board of Directors and the meetings held beyond the place of permanent residence of the independent director.

The labour payment and remuneration procedure for KEGOC Management Board members shall be outlined in the Regulations on KEGOC Management Board, as well as the Rules for labour payment and remuneration to the executive employees, employees of the Internal Audit Service and the Corporate Secretary of KEGOC. The remuneration system for the Chairman and the members of the Management Board includes a salary and a year-end bonus. A year-end bonus in KEGOC shall be paid within the limits of cash assets provided in the budget of KEGOC upon approval of the results of the financial and economic performance based on the audited financial statements. The payment of remuneration mainly depends on the consolidated total income for the reporting period. The bonus shall not be paid on a constant basis. The performance of the Chairman and members of the Management Board shall be assessed using the motivational key performance indicators which shall be developed through KEGOC strategic goals cascading by specific indicators on business processes/areas of KEGOC operations in the form of KPI maps. A member of the Management Board shall be entitled to remuneration for the year-end results based on the KPI achievements for the reporting period, if he/she have been working during the reporting period not less than five (5) months. The maximum remuneration for the planned period shall be approved by the Board of Directors. The total amount paid in 2018 to the members of the Board of Directors and the Management Board of KEGOC amounted to about KZT 372 million (vs. KZT 372 million in 2017).

The annual report has the information on the results of the Company's activities for 2018, such as:

general information, including history, mission, purpose in the industry, production structure;

Key events of KEGOC in 2018;



- the dividend policy;
- the risk management and internal control system,
- information policy;
- the tariff policy;
- the results of the operating, investing, financial and economic activities of KEGOC in 2018;
- information on sustainability activities including HR policy, environmental protection activities in the field and occupational safety.

The Annual Report also includes:

KEGOC's corporate governance information including compliance with the Corporate Governance Code, and the Report on performance of the Board of Directors and Committees of the Board of Directors of KEGOC for 2018.

Daulet Karimov, the Chairman of the Meeting, proposed to the annual General Meeting of Shareholders to vote on the item under consideration.

**Voting results:**

'Pro' - 234,002,503 votes (90.001%)

'Contra' - none

'Abstain' - none

Voting was conducted according to the principle 'one share - one vote'.

Having reviewed the agenda item and submitted materials, in accordance with sub-clauses 7) and 8), clause 1 of Article 36 of the Law and sub-clause 17) and 18) clause 1, Article 22 of KEGOC's Charter, **the General Meeting of Shareholders DECIDED, with due account of the position of Samruk-Kazyna, major shareholder:**

1. Approve the financial statements of KEGOC for 2018 (Appendix No. 1 to minutes hereto).

2. Approve the following procedure for distribution of net income of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company (address: 59 Tauyelsizdik Ave, Nur-Sultan, BIN 970740000838, VAT registration certificate Series 62001 No. 0016310 dated 12 September 2012, KBE 16, ATF Bank, SWIFT BIC:

- allocate an amount equal to fourteen billion one hundred seventy seven million seven hundred twenty four thousand two hundred three tenge thirty tiyn (KZT 14,177,724,203.30) accounting for 87,6945330888454% of KEGOC's net income for 2018 of forty billion forty two million eight hundred seventy five thousand tenge (KZT 40,042,875,000) less twenty billion nine hundred thirty seven million six hundred eighty eight thousand sixty three tenge 30 tiyn (KZT 20,937,688,063.30) of the previously paid dividends for H1 2018, as payment of dividends for all holders of ordinary shares of KEGOC;

- leave the remaining part in the amount of four billion nine hundred twenty-seven million four hundred sixty-two thousand seven hundred thirty-three tenge forty tiyn (KZT 4,927,462,733.40), accounting for 12,3054669111546% of KEGOC's net income for 2018, at the disposal of KEGOC for development.

3. Approve the amount of dividend per one ordinary share of KEGOC for 2018 in the amount of fifty-four tenge fifty-three tiyn (KZT 54.53).

4. Finalize the list of KEGOC's shareholders, who have the rights for receiving dividends on KEGOC's ordinary shares for 2018, on 00.00 am, 14 May 2019.

5. Determine the date to start payment of dividends as 15 May 2018.

6. Pay the dividends within ninety (90) calendar days from the moment of making the decision on paying the dividends through non-cash transaction to the shareholders' accounts:

1) on KEGOC's ordinary shares nominally held by the Central Securities Depository: the dividends shall be paid through the payment agent, represented by the Central Securities Depository;

2) on KEGOC's ordinary shares nominally not held by the Central Securities Depository: the dividends shall be paid by KEGOC.

7. Bakytzhan Kazhiyev, Chairman of KEGOC Management Board, shall take necessary measures to implement this decision.

Bakytzhan Kazhiyev, the Chairman of the Management Board of KEGOC, spoke on the second item of the agenda and informed the Meeting of the following:

1. In accordance with Article 35.2.3) of the Law and Article 15.3 of KEGOC Charter, the annual General meeting of shareholders shall review the claims from the shareholders in relation to activities of the Company and its officers and results of review of such claims.

From 1 January to 31 December 2018, there were no claims from the shareholders in relation to activities of KEGOC and its officers.

Based on the above, the issue of claims from the shareholders in relation to KEGOC's activities and its officers and results of consideration of such claims shall be reviewed at the General Meeting.

2. If the General meeting fail to accept the proposed decision, there is a risk of violation of Article 35.2.3) of the Law and Article 15.3 of KEGOC's Charter.

3. There are no social and economic and/or legal effects expected if the General meeting make a decision on this issue.

4. This issue was earlier considered at the meeting of the Board of Directors of KEGOC on 29 March 2019 (Minutes No. 3).

Daulet Karimov, the Chairman of the Meeting, proposed to the annual General Meeting of Shareholders to vote on the item under consideration.

**Voting results:**

'Pro' - 234,002,503 votes (90.001%)

'Contra' - none

'Abstain' - none

Voting was conducted according to the principle 'one share - one vote'.

Having reviewed the agenda issue and in accordance with Article 35.2.3) of the Law of the Republic of Kazakhstan on Joint-Stock Companies and Article 16.3 of KEGOC's Charter, **the annual General meeting of KEGOC's shareholders DECIDED to:**

Take note of the absence of claims from the shareholders in relation to activities of KEGOC and its officers.

Bakytzhan Kazhiyev, the Chairman of the Management Board of KEGOC, spoke on the third item of the agenda and informed the Meeting of the following:

1. In accordance with Article 39.1.6 of the Law of the Republic of Kazakhstan and Article 22.1.1 of KEGOC's Charter, the exclusive authority of the General Meeting of Shareholders of KEGOC includes selection of KEGOC's auditor.

In accordance with the Rules for selection of an auditor for Samruk-Kazyna JSC and organizations, more than fifty percent of voting shares (participatory shares) of which are directly or indirectly owned by Samruk-Kazyna JSC under the right of ownership or trust management approved by management board Samruk-Kazyna JSC (minutes No. 46/16 dated 27 December 2016), KEGOC approved the composition of the Joint Commission for selection of an auditor (hereinafter referred to as 'the Joint Commission') for KEGOC and its subsidiaries: Energoinform JSC and Financial Settlement Centre for Renewable Energy Sources Support LLP.

According to the results the auditor selection procedure, the Joint Commission recommended Ernst & Young LLP as the auditor to conduct an audit of the financial statements of KEGOC and its subsidiaries: Energoinform JSC and Financial Settlement Centre for Renewable Energy Sources Support LLP for 2019.

Ernst & Young LLP over the past six years, has been auditing the financial statements of KEGOC, which is not a violation, because the Company periodically changed its audit partner. At the same time, it should be noted that the contract for the audit of the financial statements is planned to be concluded only for one year, for the audit of the financial statements of 2019, and thereafter the Company will conduct the next procedure for selection of the auditor.

Based on the above, it is proposed to the General Meeting of Shareholders of KEGOC to approve of Ernst & Young LLP as the auditor of KEGOC JSC for 2019.

2. If the General Meeting does not approve the proposed decision of the agenda item, there will be a risk of failure to meet the deadlines for completion of the audit of the financial statements for the first half of 2019 and issue of an audit report.

3. The expected social and economic and / or legal consequences, if the General Meeting approves the proposed decision on this agenda items are: compliance with the Laws of the Republic of Kazakhstan "On Joint Stock Companies", "On Natural Monopolies", "On Auditing".

4. The issue was addressed at the meeting of KEGOC's Board of Directors earlier on 29 March 2019 (Minute No. 3).

Daulet Karimov, the Chairman of the Meeting, proposed to the annual General Meeting of Shareholders to vote on the item under consideration.

**Voting results:**

'Pro' - 234,002,503 votes (90.001%)

'Contra' - none

'Abstain' - none

Voting was conducted according to the principle 'one share - one vote'.

Having reviewed the agenda issue and submitted materials, in accordance with Article 36.1.6) of the Law and Article 22.1.16) of KEGOC's Charter, **the General Meeting DECIDED to:**

1. Approve Ernst & Young LLP as the auditor to audit KEGOC in 2019.

2. Bakytzhan Kazhiyev, Chairman of KEGOC Management Board, shall take necessary measures to implement this decision.

Bakytzhan Kazhiyev, the Chairman of the Management Board of KEGOC, spoke on the fourth item of the agenda and informed the Meeting of the following:

1. In accordance with Article 39.1.1 of the Law of the Republic of Kazakhstan and Article 22.1.1 of KEGOC's Charter, the exclusive authority of the General Meeting of Shareholders of KEGOC includes amending of KEGOC's Charter or approving its new revision.

The Charter of KEGOC was approved by the General Meeting of Shareholders of KEGOC (Minutes No. 6 dated 12 May 2017).

On 2 July 2018, the Law of the Republic of Kazakhstan "On Amendments to Certain Legislative Acts of the Republic of Kazakhstan on Insurance and Insurance Activities, Securities Market" (hereinafter - the Law) was adopted. This Law amended the Law of the Republic of Kazakhstan "On Joint Stock Companies" with regard to the following:

- 1) Change of the registrar to the central depository;
- 2) Requirement to publish information on the Internet sites of financial statements depository;
- 3) Procedure for conducting and a quorum of a general meeting of shareholders;
- 4) Rights and obligations of shareholders;
- 5) Method and timing of sending information materials to shareholders;
- 6) Dividend payment procedure in the absence of information about the current details of the shareholder.

The Law has two effective dates: on 1 January 2019, and on 1 July 2019.

Also, by Decree No. 6 of the President of the Republic of Kazakhstan dated 23 March 2019 the city of Astana, the capital of the Republic of Kazakhstan, was renamed to the city of Nur-Sultan, the capital of the Republic of Kazakhstan".

In this regard KEGOC prepared amendments to its Charter.

In accordance with Article 14-1 of the Law of the Republic of Kazakhstan "On State Registration of Legal Entities, Branches and Representative Offices", if a legal entity changes its location, the respective amendments to the constituent documents of a legal entity shall be registered with public authorities.

In this regard, amendments to the Charter of KEGOC shall come into force from the date of their registration in with the justice authorities, except for paragraphs four, five, sixth, tenth, eleventh and twelfth of sub-clause 7) of the amendments that shall come into force on 1 July 2019.

Based on the above it is proposed that the annual General Meeting of Shareholders of KEGOC approve the amendments to KEGOC's Charter.

2. In case of failure to approve by the annual General Meeting of Shareholders of KEGOC, of the proposed agenda item there will be a risk that the KEGOC's Charter non-compliance with the laws of the Republic of Kazakhstan.

3. No social and economic and/or legal effects are expected, if the annual General Meeting of Shareholders of KEGOC will approve the agenda item.

4. Earlier, on 29 March 2019 (Minutes No. 3) the agenda item of introducing amendments to the Charter of KEGOC was reviewed by the Board of Directors of KEGOC.

Daulet Karimov, the Chairman of the Meeting, proposed to the annual General Meeting of Shareholders to vote on the item under consideration.

**Voting results:**

'Pro' - 234,002,503 votes (90.001%)

'Contra' - none

'Abstain' - none

Voting was conducted according to the principle 'one share - one vote'.

Having reviewed the agenda item and submitted materials, in accordance with sub-clause 1) clause 1 of Article 36 of the Law of the Republic of Kazakhstan 'On Joint-Stock Companies', and sub-clause 1) clause 1 of Article 22 of KEGOC's Charter, **the annual General Meeting of Shareholders DECIDED to:**

1. Approve the amendments to the Charter of KEGOC (appendix No.2 to these minutes).

2. The amendments to the Charter of KEGOC shall come into force from the date of their registration in with the justice authorities, except for paragraphs four, five, sixth, tenth, eleventh and twelfth of sub-clause 7) of the amendments that shall come into force on 1 July 2019.

3. Bakytzhan Kazhiyev, the Chairman of the Management Board, shall sign the enclosed amendments to the Charter of KEGOC and take the necessary actions arising from this decision.

The Chairman of the meeting, Daulet Karimov, announced that the meeting agenda for the annual General Meeting of Shareholders had been exhausted and thanked the shareholders and the invited persons for their participation.

The meeting of the annual General Meeting of Shareholders closed at 12:50 pm.

**General Meeting of Shareholders  
of the Company**

**Head of Translations,  
Business Initiatives and Projects Department**



**Yertai Ramazanov**

**P. Ozernov**