

**Minutes No. 9  
of Extraordinary General Meeting of Shareholders of**

**Kazakhstan Electricity Grid Operating Company (KEGOC)**

Astana

24 August 2018

Location of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company (hereinafter - KEGOC or the Company): Astana, Republic of Kazakhstan, 59 Tauyelsizdik Ave.

Venue of the Extraordinary General Meeting of Shareholders of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC, (hereinafter - the Meeting): Astana, Republic of Kazakhstan, 59, Tauyelsizdik Ave. 11.30 am

**Invited persons:**

1. Yermek Kudabayev, candidate to KEGOC's Board of Directors members;
2. Suinshlik Tiyyessov, Member of the Board of Directors, representative of Samruk-Kazyna;
3. Zhanna Yegimbayeva, Member of the Board of Directors, representative of Samruk-Kazyna;
4. Dominique Fache, Independent Director, member of the Board of Directors;
5. Janusz Bialek, Independent Director, member of the Board of Directors.
6. Askerbek Kuanyshbayev, Managing Director for Technological Development;
7. Aibek Botabekov, Managing Director for Finance and Accounting;
8. Bolat Temirbekov, Managing Director for Procurement and Supply;
9. Anuar Abdugaliyev, Managing Director for Information Technologies and Telecommunications;
10. Bulat Aitbekov, Managing Director for Business Assets Development and Technical Supervision;
11. Muktar Bekenov, Managing Director for System Services;
12. Bolatbek Omarov, Chief of the Staff;
13. Omirzhan Yessetov, Head of Internal Audit Service.

Bakytzhan Kazhiyev, the Chairman of KEGOC Management Board, delivered the welcoming speech and told the audience that the present Meeting was convened on the initiative of KEGOC's Board of Directors on 23 July 2018 with the following agenda: 'Election of a member of KEGOC's Board of Directors, determination of the term of office, the salary and terms of remuneration and compensation of expenses for the member of KEGOC's Board of Directors.

Information about the Meeting was published in the national print media 'Yegemen Kazakhstan' and 'Kazakhstanskaya Pravda' on 24 July 2018 and on the website of KEGOC and Kazakhstan Stock Exchange.

Bakytzhan Kazhiyev introduced the panel of the extraordinary General Meeting of Shareholders:

Daulet Karimov, representative of Samruk-Kazyna, major shareholder.  
Bakytzhan Kazhiyev, Chairman of Management Board, KEGOC.  
Yertai Ramazanov, Corporate Secretary, KEGOC.

In accordance with Article 36.1.4 of Kazakhstan Law No. 415 dated 13 May 2003 on Joint-Stock Companies (hereinafter - the Law), the General Meeting of Shareholders of KEGOC determined the number of members and term of office of the Counting Board and elected its Chairman and members.

Bakytzhan Kazhiyev gave the floor to Shayakhmet Tokubayev, the Chairman of the Counting Board.

Shayakhmet Tokubayev communicated 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 shall be entitled to consider and decide on the agenda items, if by the end of the registration of the meeting participants, the shareholders or their representatives, who hold in aggregate fifty and more percent of the voting shares of the Company, have undergone the registration.

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 that in accordance with the list of shareholders of the Company represented by the Company's Registrar - Integrated Securities Registrar JSC - as of 16 August 2018, the placed shares totalled to 260,000,000 including 259,998,610 voting shares and zero preferred shares.

The meeting registered fifteen (15) shareholders (including representatives) entitled to attend and vote at the Meeting. The number of shareholders registered at the Meeting is two hundred and thirty four million three thousand three ninety six (234,003,396), or 90.002 % of the total number of votes of the shareholders - owners of the Company's placed shares.

#### **Quorum of the extraordinary General Meeting of Shareholders is reached.**

Bakytzhan Kazhiyev made a welcoming speech and proposed the shareholders of KEGOC to consider the Meeting open.

After that, pursuant to Clause 4 of Article 48 of the Law stating that the extraordinary General Meeting of Shareholders shall decide on the form of voting: open or secret (by ballots); Bakytzhan Kazhiyev offered an open offered an open form of voting.

After discussion the shareholders agreed on the open form of voting.

#### **Voting results:**

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

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

#### **DECIDED to:**

Define the form of voting on agenda items open.

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 to the principle 'one shareholder - one vote'.

**DECIDED to:**

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

In accordance with sub-clause 12 of Article 1 of the Law, as part of his activity, the Corporate Secretary of the Company shall monitor the preparation and holding of the shareholders' meetings, ensure the compilation of the materials on the agenda of the General Meeting of Shareholders of the company.

In this regard, it is 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 to the principle 'one shareholder - one vote'.

**DECIDED to:**

Elect Yertai Ramazanov the Secretary of the Meeting.

Daulet Karimov, the Chairman of the Meeting, welcomed the shareholders and thanked for electing him the Chairman of the extraordinary General Meeting of Shareholders, then he informed of the 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.

Daulet Karimov, the Chairman of the Meeting, announced the agenda item of the Meeting 'Election of a member of KEGOC's Board of Directors, determination of the term of office, the salary and terms of remuneration and compensation of expenses for the member of KEGOC's Board of Directors.

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 extraordinary General Meeting of Shareholders of KEGOC' to vote.

**Voting results:**

'Pro' – 234,003,934 votes (90.99 %).

'Contra' - none

'Abstain' - none

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

One ballot with 462 shares was declared invalid (not signed by shareholder).

**DECIDED to:**

Approve the following agenda item of the Meeting:

‘Election of a member of KEGOC’s Board of Directors, determination of the term of office, the salary and terms of remuneration and compensation of expenses for the member of KEGOC’s Board of Directors.

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

1. In accordance with Article 36.1.5, and Article 55.2 of the Law of the Republic of Kazakhstan ‘On Joint-Stock Companies’ (hereinafter referred to as ‘the Law’), and Article 22.1.11 of KEGOC’s Charter, determination of the number of members, term of office of the Board of Directors, election of its members and the Chairman and early termination of their office and determination of the salary rates and terms of remuneration and compensation of expenses for the members of KEGOC’s Board of Directors in fulfilment of their duties shall refer to the exclusive jurisdiction of the General Meeting of Shareholders.

In accordance with Chapter 5 of KEGOC’s Corporate Governance Code approved by the General Meeting of Shareholders on 16 October 2015 (Minutes No. 2), the Board of Directors shall be balanced, i.e. the combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the executive body) shall ensure that the decisions are taken to the benefit the company and provide fair treatment of shareholders, and the recommended number of members of the Board of Directors shall be 7-11 persons.

In accordance with the decision of the General Meeting of Shareholders dated 27 April 2018 (Minutes No. 8), the number of members of KEGOC’s Board of Directors shall be seven, however in fact there are six elected members: two independent directors (Dominique Fache, Janusz Bialek), three representatives of KEGOC’s major shareholder (Ibragim Tagashev, Zhanna Yegimbayeva, Suinshlik Tiyessov), and one Chairman of the KEGOC’s Management Board (Bakytzhan Kazhiyev).

Since the representatives of Samruk-Kazyna are in the majority on the Board of Directors, and the membership of the Board of Directors shall be balanced to provide fair treatment of shareholders, it is hereby proposed to the extraordinary General Meeting of Shareholders to:

1) elect a new member of KEGOC’s Board of Directors as an independent director;

2) determine the term of office of the new member on KEGOC’s Board of Directors;

3) determine the amount of annual fixed and additional remuneration for the new member of KEGOC’s Board of Directors;

4) determine the expenses compensation rates (travel expenses, accommodation, daily allowance) associated with the travel to the meetings of the Board of Directors and committees of the Board of Directors held beyond the place of permanent residence;

5) determine the procedure and terms of remuneration and compensation of expenses.

The Extraordinary General Meeting of Shareholders is proposed to consider the candidacy of Yermek Kudabayev as an independent director, a member of KEGOC’s Board of Directors, who was approved earlier on 30 March 2018 by the Nomination and

Remuneration Committee of KEGOC's Board of Directors (Minutes No. 3) and included in the pool of reserve candidates of KEGOC's Board of Directors.

Yermek Kudabayev was born on 7 April 1970 in the city of Aktobe. In 1993 graduated from the Economics Department of the Moscow Institute of Steel and Alloys (MISiS, Moscow, Russia). In 1996 received an MBA from the Kazakhstan Institute of Management, Economics and Forecasting (KIMEP). In 2004 was certified as an accountant and financier by Association of Certified Chartered Accountants (ACCA, London, UK). He is also a certified accountant-practitioner and licensed auditor of the Republic of Kazakhstan having over 5 years of experience as an independent director in large companies in Kazakhstan.

Yermek Kudabayev has more than 10 years of experience in international auditing firms in Kyrgyzstan (audit of Reemstra tobacco company), Georgia (audit of Georgia-Telecom and Aeti-TV), Turkmenistan and England (audit of the oil and gas company).

From 1997 to 2003 he worked in international audit firms as a senior auditor and manager, and was also the director of the Astana office, where he was responsible for coordinating audit and business consulting projects in a number of regions of Kazakhstan. Has experience in business consulting of transport companies (restructuring and development of tariff methodology), as well as in the audit of oil and gas, mining, transport and telecommunications companies.

He has an extensive experience in the position of CFO, President/Chairman of the Management Board (CEO) of various companies listed on the Kazakhstan, London, US stock exchanges.

Currently, Yermek Kudabayev is the Managing Director for Economics and Finance of Intelligent Consulting Solutions LLP.

Considering the above, the extraordinary General Meeting of Shareholders of KEGOC is proposed to:

1. Elect Yermek Kudabayev to KEGOC's Board of Directors an independent director with the term of office expiring with the term of office of the entire KEGOC's Board of Directors.

2. Determine for Yermek Kudabayev, as an independent director, at the expense of KEGOC, the following remuneration amounts:

- 1) fixed annual fee of KZT 6,500,000 (six million five hundred thousand tenge), after taxes and other compulsory payments in accordance with the laws of Kazakhstan.

- 2) additional remuneration for participation in meetings of the Committee of the Board of Directors of KEGOC as a member: KZT 650 000 (six hundred fifty thousand tenge) for one year after taxes and other compulsory payments in accordance with the laws of Kazakhstan, as the Chairman of the Committee: KZT 1 300 000 (one million three hundred thousand) tenge after taxes and other compulsory payments in accordance with the laws of Kazakhstan.

3. The procedure and terms of remuneration and compensation of expenses for Yermek Kudabayev shall be determined in accordance with ПП КЕГОС ИД-311-16-OCA Rules for Payment of remuneration and compensation of expenses of members of KEGOC's Board of Directors in a new revision' approved by the decision of the General Meeting of Shareholders of KEGOC dated 12 May 2017 (Minutes No. 6).

4. Ibragim Tagashev, the Chairman of KEGOC Board of Directors shall ensure in the established procedure the contract signing by KEGOC with Yermek Kudabayev and take other necessary measures arising from this decision.

The Chairman of the Meeting, Daulet Karimov, proposed to the General Meeting of Shareholders to vote on the item under consideration taking into account Samruk-Kazyna's proposals.

**Voting results:**

‘Pro’ – 234 003 396 votes (100 %).  
‘Contra’ - none  
‘Abstain’ - none

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

In accordance with Article 36.1.5) and Article 55.2 of the Law of the Republic of Kazakhstan ‘On Joint-Stock Companies’ and Article 22.1.11) of KEGOC Charter, **the extraordinary General Meeting of Shareholders DECIDED to:**

1. Elect Yermek Kudabayev to KEGOC’s Board of Directors an independent director with the term of office expiring with the term of office of the entire KEGOC’s Board of Directors.

2. Determine for Yermek Kudabayev, as an independent director, at the expense of KEGOC, the following remuneration amounts:

1) fixed annual fee of KZT 6,500,000 (six million five hundred thousand tenge), after taxes and other compulsory payments in accordance with the laws of Kazakhstan.

2) additional remuneration for participation in meetings of the Committee of the Board of Directors of KEGOC as a member: KZT 650,000 (six hundred fifty thousand tenge) for one year after taxes and other compulsory payments in accordance with the laws of Kazakhstan, as the Chairman of the Committee: KZT 1,300,000 (one million three hundred thousand) tenge after taxes and other compulsory payments in accordance with the laws of Kazakhstan.

3. The procedure and terms of remuneration and compensation of expenses for Yermek Kudabayev shall be determined in accordance with ПП КЕГОС ИД-311-16-OCA Rules for Payment of remuneration and compensation of expenses of members of KEGOC’s Board of Directors in a new revision’ approved by the decision of the General Meeting of Shareholders of KEGOC dated 12 May 2017 (Minutes No. 6).

4. Ibragim Tagashev, the Chairman of KEGOC Board of Directors shall ensure in the established procedure the contract signing by KEGOC with Yermek Kudabayev and take other necessary measures arising from this decision.

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

The meeting of the extraordinary General Meeting of Shareholders closed at 12:15 PM.

**Secretary of the extraordinary General Meeting  
of Shareholders of the Company**



**Artai Ramazanov**

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**A. Engisheva**