

**(Minutes No. 5)**  
**of the Extraordinary General Meeting of Shareholders**  
**of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC**

Astana

28 October 2016

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

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

Kuanysh Bektemirov, the Chairman of the Board of Directors, delivered welcoming speech; he told the audience that the present Meeting was convened on the initiative of the Board of Directors on 26 August 2016 with the following agenda:

1. Changes in the number of members at KEGOC's Board of Directors, election of new members of KEGOC's Board of Directors, determination of the term of office, the salary and terms of remuneration and compensation of expenses for new members of KEGOC's Board of Directors.

2. Amendments and addenda to the Regulations on the KEGOC's Board of Directors.

3. Approve the interim financial statements, distribution of the net income, decision to pay dividends on ordinary shares and the amount of the dividends per one ordinary share of KEGOC for H1 2016.

Information about the Meeting was published in national print media 'Yegemen Kazakhstan' and 'Kazakhstanskaya Pravda' on 28 September 2016 and on the website of KEGOC and Kazakhstan Stock Exchange.

Kuanysh Bektemirov introduced the panel of the extraordinary General Meeting of Shareholders:

1. Kuanysh Bektemirov - Chairman of the Board of Directors, KEGOC;
2. Alexey Repin - representative of Samruk-Kazyna (major shareholder);
3. Bakytzhan Kazhiyev - Chairman of the Management Board, KEGOC;
4. Yertai Ramazanov - Corporate Secretary, KEGOC.

In accordance with sub-clause 4, clause 1 of Article 36 of Law of the Republic of Kazakhstan No. 415 dated 13 May 2003 'On Joint-Stock Companies' (hereinafter - the Law), 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.

Kuanysh Bektemirov gave the floor to Shayakhmet Tokubayev, the Chairman of the Counting Board.

Shayakhmet Tokubayev reported to the Meeting about the registration of shareholders and the quorum of the Meeting, clarified the rights and responsibilities of shareholders, in addition, he said that the Meeting shall be entitled to consider and decide on the agenda, if at the end of the registration of the meeting participants, shareholders or their representatives, who hold in aggregate fifty and more percent of the voting shares of the Company have been registered.

All attending representatives of shareholders were registered and their powers were properly checked.

During the registration all shareholders, who attended the Meeting, received explanatory notes, draft decisions and voting ballots on the agenda issues.

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 24 October 2016, the total number of placed shares amounts to - 260,000,000 among them - 260,000,000 ordinary shares, preferred shares - none.

The meeting was attended by forty one (41) shareholders (including representatives) entitled to attend and vote at the Meeting. The number of shareholders registered at the Meeting is two hundred thirty-four million thirteen thousand sixty-one), or 90.01 % 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.**

Kuanysh Bektemirov, Chairman of the Board of Directors, gave the floor to Bakytzhan Kazhiyev, the Chairman of the Management Board of KEGOC.

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 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 agreed on the open form of voting.

### **Voting results:**

The shareholders voted by majority votes 'Pro' the open form of voting. Voting was conducted according to the principle: 'one shareholder - one vote'.

### **RESOLVED to:**

Define the form of voting on agenda items: open.

Bakytzhan Kazhiyev proposed to elect Alexey Repin (the representative of the major shareholder Samruk-Kazyna) the Chairman of the Meeting to conduct the Meeting.

**Voting results:**

The shareholders by majority votes decided to elect Alexey Repin, the representative of the major shareholder Samruk-Kazyna, the Chairman of the Meeting.

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

**RESOLVED to:**

Elect Alexey Repin, the representative of the major shareholder Samruk-Kazyna, the Chairman of the Meeting.

Bakytzhan Kazhiyev continued. 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 by majority votes 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'.

**RESOLVED to:**

Elect Yertai Ramazanov the Secretary of the Meeting.

Alexey Repin welcomed the shareholders and thanked for electing him the Chairman of the General Meeting of Shareholders, then he gave notice of the regulations of the Meeting:

- 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.

The Chairman of the Meeting announced the agenda of the Meeting formed by the Board of Directors of the Company, which includes the following topics:

1. Changes in the number of members at KEGOC's Board of Directors, election of new members of KEGOC's Board of Directors, determination of the term of

office, the salary and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors;

2. Amendments and addenda to the Regulations on the KEGOC's Board of Directors;

3. Approve the interim financial statements, distribution of the net income, decision to pay dividends on ordinary shares and the amount of the dividends per one ordinary share of KEGOC for H1 2016.

The Chairman informed the shareholders that no proposals on changing the agenda of the Meeting had been received, in accordance with clause 3 of Article 43 of the Law, and put the issue 'On approval of the agenda of the General Meeting of Shareholders of KEGOC' to vote.

**Voting results:**

'Pro' - 234,013,061 votes (90.01 %).

'Contra' - none

'Abstain' - none

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

**RESOLVED to:**

Approve the following agenda of the Meeting:

1. Changes in the number of members at KEGOC's Board of Directors, election of new members of KEGOC's Board of Directors, determination of the term of office, the salary and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors;

2. Amendments and addenda to the Regulations on the KEGOC's Board of Directors;

3. Approve the interim financial statements, distribution of the net income, decision to pay dividends on ordinary shares and the amount of the dividends per one ordinary share of KEGOC for H1 2016.

**RESULTS AND PROGRESS REVIEW OF ISSUES ON THE AGENDA**

**On the first issue** of agenda Kuanysh Bektemirov, the Chairman of the Board of Directors, informed that in accordance with sub-clause 5), clause 1 of Article 36, clause 2 of Article 55 of the Law of the Republic of Kazakhstan 'On Joint-Stock Companies' (hereinafter referred to as 'the Law'), and sub-clause 7), clause 1 of Article 21 of KEGOC's Charter, determination of the number of members, term of office of the Board of Directors, election of its members 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 Corporate Governance Code approved by the General Meeting of Shareholders on 16 October 2015 (Minute No. 2), the Board

of Directors shall be balanced, which means a combination of members of the Board of Directors (representatives of shareholders, independent directors, head of the executive body) ensuring the decision taking in favour of the company and with account of fair treatment to shareholders, at that the recommended number of members of the Board of Directors amounts to 7-11.

In accordance with the decision of the General Meeting of Shareholders dated 30 April 2015 (Minute No. 1) the Company's Board of Directors amounted to six members, including four independent directors and one representative of major shareholder (Samruk-Kazyna), Kuanysh Bektemirov, and the Chairman of the Company's Management Board, Bakytzhan Kazhiyev.

Considering that the majority in the Board of Directors is represented by independent members to ensure a balanced membership of the Board of Directors with account of fair treatment to shareholders, the extraordinary General Meeting of Shareholders shall:

- 1) determine the number of members of KEGOC's Board of Directors;
- 2) elect new members of KEGOC Board of Directors to represent the interests of Samruk-Kazyna;
- 3) determine the term of their office at KEGOC's Board of Directors;
- 4) determine the amount of annual fixed remuneration for members of KEGOC's Board of Directors to be newly elected;
- 5) determine for members of KEGOC's Board of Directors to be newly elected the expenses compensation rates (travel expenses, accommodation, daily allowance) associated with travel to the meetings of KEGOC's Board of Directors held beyond the place of permanent residence of a member;
- 6) determine the procedure and terms of remuneration and compensation of expenses for members of KEGOC's Board of Directors to be newly elected.

Suinshlik Tiyessov is an Honourable Power Engineer of the CIS and the Republic of Kazakhstan, Veteran of Power Industry; was awarded the Orders of Barys (II and III categories), Medals of the Republic of Kazakhstan, Letter of Appreciation from the President of Kazakhstan. Mr Tiyessov has a large work experience as a whole and large experience in executive positions as a member of the board of directors, and has an impeccable business reputation. He has a wide range of knowledge, skills and competences, particularly, in developing Strategy, Investment, as well as profound theoretical and practical skills in human resources management.

Moreover, the overall power-supply configuration of Tengiz oil-gas field was commissioned under the supervision of Suinshlik Tiyessov: 240 MW gas-turbine power plant, 220 kV lines (1500 km) from Mangistau Power Complex to Uralskaya SS and eight 110-220 kV substations were built and Guryevsk CHPP was rehabilitated.

Being the First Deputy of the Minister for Energy and Coal Industry of the Republic of Kazakhstan, he managed the Group on developing the First Programme for Restructuring, Privatisation and Reforming the Electric Power Industry, building a competitive electricity market in the Republic of Kazakhstan and implemented anti-crisis management of the electric power industry in Kazakhstan during severe times of the national economy downturns.

Zhanna Yegimbayeva has an extensive experience in Jurisprudence, executive positions as Head of Legal Division Sector at the Office of the President and the Cabinet of Ministers in the Republic of Kazakhstan; Deputy head of Prime-Minister's Office of the Republic of Kazakhstan, Government Office of the Republic of Kazakhstan, Deputy Head of the Office of the Prime Minister of the Republic of Kazakhstan, has an impeccable business reputation. She has a wide range of knowledge, skills and competences, particularly, in jurisprudence. She is Independent Director - member of the Board of Directors, KazAgro National Management Holding joint-stock company (since 02 June 2016).

In view of the above, the General Meeting of Shareholders is proposed to consider Suinshlik Tiyyessov and Zhanna Yegimbayeva to be appointed as members of the Company's Board of Directors as representatives of major shareholder.

**Voting results:**

'Pro' - 234,012,824 votes (90.004 %)

'Contra' - 214 votes (0.00008 %)

'Abstain' - 23 votes (0.00001 %)

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

In accordance with sub-clause 5), clause 1 of Article 36 and clause 2 of Article 55 of the Law of the Republic of Kazakhstan 'On Joint-Stock Companies' and sub-clause 7), clause 1, Article 21 of KEGOC Charter, **the General Meeting of KEGOC's Shareholders DECIDED to:**

1. Determine the number of members of KEGOC's Board of Directors as eight (8) members.
2. Nullify clause 1 of the decision of the General Meeting of Shareholders with regard to the third issue of agenda of the General Meeting of Shareholders dated 30 April 2015 (Minutes No.1).
3. Elect Suinshlik Tiyyessov to KEGOC Board of Directors as representative of Samruk-Kazyna up to the expiration of the term of office of KEGOC Board of Directors as a whole.
4. Elect Zhanna Yegimbayeva to KEGOC Board of Directors as representative of Samruk-Kazyna up to the expiration of the term of office of KEGOC Board of Directors as a whole.
5. Determine remuneration and compensation of the expenses for Suinshlik Tiyyessov and Zhanna Yegimbayeva, representatives of Samruk-Kazyna, out of KEGOC funds in accordance with the appendix to Samruk-Kazyna Management Board's decision On adoption of position of Samruk-Kazyna on the agenda of the extraordinary General Meeting of KEGOC Shareholders on changes in the number of members, election of new members of KEGOC Board of Directors, and determination of the term of office, salary and terms of remuneration and compensation of expenses for new members of KEGOC Board of Directors dated 5 June 2016 (Minute No. 26/16).

6. Kuanysh Bektemirov, the Chairman of KEGOC Board of Directors, to ensure contracts signing by KEGOC with Suinshlik Tiyessov and Zhanna Yegimbayeva, and take necessary measures arising out of this decision. AO «KEGOC»

**On the second issue** the Chairman of the Management Board, Bakytzhan Kazhiyev, spoke on the first item of the agenda and said that in accordance with sub-clause 20), clause 1 of Article 21 of KEGOC's Charter, the approval of the Regulations on the Board of Directors of KEGOC (further - Board of Directors) is the exclusive jurisdiction of the General Meeting of Shareholders.

Pursuant to Clause 20 of Section 133 of the Regulations on the Board of Directors, approval of the Regulations on the Board of Directors, as well as amendments and addenda thereto is the competence of the General Meeting of Shareholders of the Company.

In 2013-2015 the diagnostics of KEGOC corporate governance was performed, and based on its results PricewaterhouseCoopers LLP (hereinafter - PwC) recommended to:

1) develop requirements for materials used for meetings of KEGOC Board of Directors with due regard to the comments of members of the Board of Directors on quality and timeliness of materials, including the structure (an overview, a detailed description of issues, a form of analysis and recommendations of the Management Board of KEGOC or the relevant Committee, etc.);

2) develop and approve requirements for the minutes of meetings of KEGOC Board of Directors as to the completeness and details of discussions and made decisions, in particular, on the issues the Board of Directors shall pay a particular attention to.

Following the results of evaluation of the activity of the Board of Directors and its committees, the Chairman and members of the Board of Directors, the Management Board, the Internal Audit Service and its Head, and the Corporate Secretary of the Company by the end of 2015, Dostyk Advisory LLP consultants developed and submitted the above requirements for materials and minutes of the Board of Directors.

Therefore the amendments and addenda shall be made to the Regulations on the Board of Directors of KEGOC.

Based on the above, the issue 'On amendments and addenda to the Regulations on the Board of Directors of KEGOC' is submitted for consideration of the extraordinary General Meeting of Shareholders.

2. If the Extraordinary General Meeting of Shareholders fails to make a decision on the issue, there will be a risk of non-fulfilment of recommendations given by PwC LLP and Dostyk Advisory consultants.

3. No social, economic and/or legal consequences are expected in the event of approval of amendments and addenda to the Regulations on the General Meeting of Shareholders of KEGOC.

4. Earlier the new revision of amendments and addenda to the Regulations on the General Meeting of Shareholders of KEGOC was approved by the decision of the Board of Directors of KEGOC dated 26 August 2016 (Minutes No.10).

**Voting results:**

'Pro' - 234,010,961 votes (91.004 %)

'Contra' - none

'Abstain' - none

Voting was conducted according to the principle: 'one share - one vote'.  
2,100 shares did not vote.

Having reviewed the agenda issue and submitted materials, in accordance with sub-clause 18) clause 1 of Article 36 of the Law of the Republic of Kazakhstan 'On Joint-Stock Companies', and sub-clause 20) clause 1 of Article 21 of KEGOC's Charter, **the General Meeting of Shareholders DECIDED to:**

Approve amendments and addenda to the Regulations on the Board of Directors of KEGOC (Appendix No.1 hereto).

**On the third issue** of the agenda Bakytzhan Kazhiyev, Chairman of the Management Board, informed that in accordance with clause 1 of Article 23 and sub-clause 8), clause 1 of Article 36 of the Law of the Republic of Kazakhstan On Joint Stock Companies, approval of the procedure for distribution of the Company's net income, 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 competence of the General Meeting of Shareholders.

Ernst&Young LLP, independent audit company, audited KEGOC's interim financial statements for H1 2016. According to the audit report of Ernst&Young the financial statements as of and for six months ended on 30 June 2016 in all aspects were prepared in accordance with IAS 34 Interim Financial Statements.

The copy of interim financial statements as of and for six months ended on 30 June 2016 is attached hereto.

According to the interim consolidated financial statements as of 30 June 2016, the Company's assets amounted to KZT 609,000,067 thousand, liabilities: KZT 251,821,076 thousand, equity: KZT 357,178,991 thousand. The Company's income for six months ended on 30 June 2016 amounted to KZT 66,047,237 thousand, expenditures: KZT 49,844,860 thousand, net profit: KZT 16,202,377 thousand.

Therefore it is proposed to distribute 40% of net income for H1 2016 amounting to KZT 6,481,800,000 (six billion four hundred and eighty one million eight hundred thousand ) among all holders of the Company's ordinary shares, which would amount to KZT 24.93 (twenty four tenge and ninety three tiyn) per one ordinary share.

Based on the foregoing it is proposed that the General meeting of shareholders approve interim financial statements of KEGOC, payment of dividends and amount of dividends per one ordinary share of KEGOC for H1 2016.

2. Approval of the interim financial statements by the extraordinary General Meeting of Shareholders will minimize the risk of reduced level of corporate

governance for delayed and incomplete disclosure of information about the Company's operations to shareholders and other interested parties.

3. Social and economic and/or legal effects are not expected, should the General Meeting of Shareholders make a decision on this issue.

4. Earlier the issue was addressed at the meeting of KEGOC's Board of Directors on 26 August 2016 (Minute No. 10).

**Voting results:**

'Pro' - 234,013,061 votes (90.01 %)

'Contra' - none

'Abstain' - none

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

Having reviewed the agenda issue and the supporting documents in accordance with clause 1 of article 23 and sub-clause 8, clause 1 of Article 36 of the Law of the Republic of Kazakhstan On Joint-Stock Companies, and sub-clause 12), clause 1 of Article 21 of KEGOC Charter, **the General Meeting of Shareholders DECIDED to:**

1. Take into account KEGOC's interim financial statements for H1 2016.
2. Approve distribution of KEGOC's net income amounting to KZT 6,481,800,000 following the results of H1 2016 among all holders of KEGOC's ordinary shares.
3. Approve size of the dividend per one ordinary share of KEGOC in the amount of KZT 24.93.
4. Finalize the list of the Company's shareholders, who is entitled to obtain dividends on KEGOC ordinary shares at the end of H1 2016, on 13 November 2016.
5. Determine the date to start payment of dividends as 14 November 2016.
6. Pay the dividends within 60 working days from the start date of dividends payment in the form of non-cash transaction to the shareholders' accounts:
  - 1) on KEGOC's ordinary shares nominally held by Central Securities Depository through the paying agent represented by the Central Securities Depository;
  - 2) on KEGOC's ordinary shares nominally not held by Central Securities Depository: by KEGOC.
7. That the Chairman of KEGOC Management Board, should take necessary actions on this decision implementation.

Alexey Repin, the Chairman, announced that the agenda for the Meeting was through and thanked the shareholders, the members of the Board of Directors, the Management Board and the invited persons for participation.

The meeting of the General Meeting of Shareholders closed at 12.40 pm.

**Signatures:**

**Chairman of the  
Extraordinary General Meeting of Shareholders \_\_\_\_\_ A. Repin**

**Secretary of the  
Extraordinary General Meeting of Shareholders \_\_\_\_\_ Ye. Ramazanov**

**Chairman of the  
Counting Board of the Extraordinary  
General Meeting of Shareholders \_\_\_\_\_ Sh.Tokubayev**

**Members of the Counting Board of  
Counting Board of the Extraordinary  
General Meeting of Shareholders \_\_\_\_\_ D. Shugayev**

\_\_\_\_\_ **A. Meirzhanov**

\_\_\_\_\_ **A. Satymbekov**

\_\_\_\_\_ **M. Zhunussov**

\_\_\_\_\_ **G. Konakbayeva**

\_\_\_\_\_ **A.Koshanova**

**Authorized representative of  
the major shareholder  
Samruk-Kazyna JSC \_\_\_\_\_ A. Repin**