

**Minutes No. 11**  
**of the Extraordinary General Meeting of Shareholders of**  
**of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC**

Astana

Thirty of November Two Thousand Eighteen

Location of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company (hereinafter - KEGOC or the Company): 59 Tauyelsizdik Ave, 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 Ave, Astana, Republic of Kazakhstan, 11.30 am

**Invited persons:**

1. Suinshlik Tiyessov, 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;
6. Askerbek Kuanyshbayev, Managing Director for Technological Development;
7. Aibek Botabekov, Managing Director for Finance and Accounting;
8. Anuar Abdugaliyev, Managing Director for Information Technologies and Telecommunications;
9. Bolatbek Omarov, Chief of the Staff;
10. Omirzhan Yessetov, Head of Internal Audit Service.

Welcoming speech was made by the chairman of the Board of Directors of the Company, Almassadam Satkaliyev, who informed the meeting that the Meeting was convened on the initiative of the Board of Directors of the Company on September 28, 2018 to seek the approval of the interim financial statements, the procedure for distribution of net income, payment dividends on ordinary shares, the amount of dividends per ordinary share for the first half of 2018.

Information about the Meeting was published in the national print media 'Kazakhstanskaya Pravda' on 15 October 2018 and on the website of KEGOC and Kazakhstan Stock Exchange.

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

- Almassadam Satkaliyev, chairman of the Board of Directors, KEGOC.
- 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 Law of the Republic of Kazakhstan No. 415

dated 13 May 2003 On Joint-Stock Companies (hereinafter - 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 gave the floor to Shayakhmet Tokubayev, the chair 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. Absentee ballots received were submitted within the prescribed period and considered valid.

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 - Integrated Securities Registrar JSC - as of 15 November 2018, the number of placed shares totalled to 260,000,000 including 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 shareholders registered at the Meeting including absentee ballots was two hundred thirty-four million twenty-four thousand nine hundred sixty-four (234,024,363), 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 was reached.**

Almassadam Satkaliyev, chairman of the Board of Directors of the Company, gave the floor to Bakytzhan Kazhiyev, the chairman of the Management Board of KEGOC.

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 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 as open voting.

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 Article 1.12 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.

To this end it is proposed to elect Yertai Ramazanov, the Corporate Secretary of the Company, as 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.

The chairman of the Meeting, Daulet Karimov, announced the Meeting's agenda proposed the Board of Directors including approval of the interim financial statements, on the procedure for distributing net income, paying dividends on ordinary shares, on the first half of 2018.

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' – 234,024,964 votes (90.01%).

'Contra' – 0

'Abstain' – 0

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

**DECIDED to:**

Approve the following agenda of the Meeting:

'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 2018'.

Bakytzhan Kazhiyev, the chairman of the Management Board of KEGOC, reported on the agenda **item** the following:

1. According to clause 36.1.8 of the Law of the Republic of Kazakhstan On Joint Stock Companies, and clauses 22.1.17 and 22.1.18 of the Charter of KEGOC, the approval of the semi-annual interim financial statements and 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 KEGOC shall fall within the exclusive competence of the General Meeting of Shareholders.

Ernst&Young LLP, independent audit company, audited the interim financial statements of the Company for H1 2018.

According to the audit opinion of Ernst & Young, the interim consolidated and separate financial statements reliably reflect the financial health of the Company in all material aspects for six months ended on 30 June 2018, as well as its financial performance and cash flows for H1 ended on the mentioned date as per the International Financial Reporting Standards.

The copy of interim consolidated and separate financial statements as of and for six months ended on 30 June 2018 are attached hereto.

According to the interim consolidated financial statements as of 30 June 2018, the Company's assets amounted to KZT 640,403,474 thousand, liabilities - KZT 251,321,026 thousand, equity - KZT 389,082,448 thousand. The Company's income for H1 ended on 30 June 2018 amounted to KZT 90,217,495 thousand, expenditures - KZT 64,045,594 thousand, net profit - KZT 26,171,901 thousand.

According to clause 6 of the Regulations on Dividend Policy of the Company approved by Samruk-Kazyna's Management Board (Minutes No. 17/13, dated 9 April 2013 ), as amended by Samruk-Kazyna's Management Board (Minutes No. 42/14, dated 3 September 2014 , (hereinafter referred to as 'the Regulations') the source of dividends is the net income for the appropriate financial year or half-year, or retained profits accrued on the basis of the consolidated financial statements of the Company prepared in accordance with the IFRS. In this case, in accordance with clause 7 of the Regulations, the dividend amount on ordinary shares shall be not less than 40% of the net income.

According to Clause 5 of the Regulations, the main conditions for dividend payment for H1 2018 are observed: availability of the net income of the Company for a reporting period and the absence of restrictions on the distribution and payment of dividends envisaged by clauses 9 and 10 of the Regulations. As on 30 June 2018, the Company has the positive equity capital, and it will not turn negative as a result of dividend payment, and the Company has no signs of insolvency or bankruptcy in accordance with the legislation of the Republic of Kazakhstan on bankruptcy and these signs will not appear as a result of the dividend payment.



In this regard, it is proposed to approve the semi-annual interim financial statements of the Company and allocate at least 80% of the net income for H1 2018 to pay dividends.

Based on the above, it is proposed to distribute the Company's net income for H1 2018 as follows:

- the amount of twenty billion nine hundred and thirty-seven million six hundred and eighty-eight thousand sixty-three tenge thirty tiyn (KZT 20,937,688,063.30) making 80.0006390949591% of the Company's net income for H1 2018 to the amount of twenty-six billion one hundred and seventy-one million nine hundred and one thousand (KZT 26,171,901,000) shall be allocated to pay dividends for all holders of the Company's ordinary shares;

- the remaining part in the amount of five billion two hundred and thirty-four million two hundred and twelve thousand nine hundred and thirty-six tenge seventy tiyn (KZT 5,234,212,936.70) making 19.9993609050409% of the Company's net income for H1 2018 shall be left at the Company's disposal for development.

Thus the dividend per ordinary share of the Company is proposed to be approved in the amount of eighty tenge fifty-three tiyn (KZT 80.53).

2. Approval of the financial statements by the General Meeting of the Company's Shareholders will mitigate the corporate governance risk that can occur due to failure to timely and complete disclose information about the Company's operations to the shareholders and other interested parties.

A decision to pay dividends may cause a liquidity risk for the Company after the payment of dividends. However the Company shows a trending growth of net income and robust financial performance, and thus this risk is estimated as insignificant.

If the General Meeting of the Company's Shareholders does not take a decision, there is a risk of violating the Regulations. Also, Samruk-Kazyna and other minority shareholders will not be able to receive dividends, which in turn will most likely reduce the shareholder value of the Company.

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

According to the decision made by the Board of Directors (Minutes No.10, dated 28 September 2018) the preliminary approved the financial statements of the Company for H1 2018 and proposed to allocate 80.0006390949591% of net income for H1 2018 in the amount of twenty billion nine hundred thirty seven million six hundred eighty eight thousand sixty three tenge 30 tiyn (KZT 20,937,688,063.30) to all holders of ordinary shares of the Company, which will make eighty tenge 53 tiyn (KZT 80.53) per one ordinary share.

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

**Voting results:**

'Pro' – 234,024,964 votes (90.01%).

'Contra' – 0

'Abstain' – 0

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

Having reviewed the agenda issue and submitted materials, in accordance with to clause 36.1.8 of the Law of the Republic of Kazakhstan On Joint Stock Companies, and clauses 22.1.17 and 22.1.18 of the Charter of KEGOC, **the General Meeting of**



**Shareholders of KEGOC DECIDED to:**

1. Approve KEGOC's interim financial statements for H1 2018 in accordance with the Appendix 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, Astana, BIN 970740000838, VAT registration certificate Series 62001 No. 0016310 dated 12 September 2012, KBE 16, ATF Bank, SWIFT BIC: ALMNKZKA,

KZ45826Z0KZTD2001154 (tenge), for H1 2018:

–the amount of twenty billion nine hundred and thirty-seven million six hundred and eighty-eight thousand sixty-three tenge thirty tiyn (KZT 20,937,688,063.30) making 80.0006390949591% of KEGOC's net income for H1 2018 to the amount of twenty-six billion one hundred and seventy-one million nine hundred and one thousand (KZT 26,171,901,000) shall be allocated to pay dividends for all holders of KEGOC's ordinary shares;

–the remaining part in the amount of five billion two hundred and thirty-four million two hundred and twelve thousand nine hundred and thirty-six tenge seventy tiyn (KZT 5,234,212,936.70) making 19.9993609050409% of KEGOC's net income for H1 2018 shall be left at KEGOC's disposal for development.

3. Approve the dividend per ordinary share of KEGOC in the amount of eighty tenge fifty-three tiyn (KZT 80.53).

4. Finalize the list of KEGOC's shareholders entitled to obtain dividends on KEGOC's ordinary shares at the end of H1 2018, as of 11 December 2018, 00.00 am.

5. Determine the date to start payments of dividends as 12 December 2018.

6. Pay the dividends within ninety (90) days from the date of the positive decision in the form of cashless transfer to the shareholders' accounts:

1) on KEGOC's ordinary shares nominally held by the Central Securities Depository: the dividends will be paid by the Central Securities Depository;

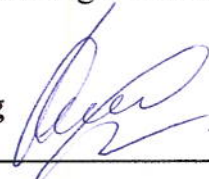
2) on KEGOC's ordinary shares nominally not held by the Central Securities Depository: the dividends will be paid by KEGOC.

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

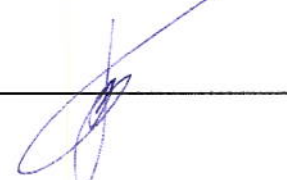
The Chairman of the meeting, Daulet Karimov, announced that the meeting agenda for the extraordinary General Meeting of Shareholders had been exhausted and thanked the shareholders and the invited persons for their participation.

The meeting of the extraordinary General Meeting of Shareholders closed at 12:10 PM.

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

  
\_\_\_\_\_ **Yertai Ramazanov**

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

  
\_\_\_\_\_ **P. Ozernov**