

PROTOCOL No. 59

of the Kazakhtelecom Joint-Stock Company's Annual General Shareholders' Meeting

Date, place and time of holding the meeting: April 21, 2017, at 15:00 at 12, Sauran street, Astana, Congress hall of Kazakhtelecom JSC.

Mr. Bulat Abdykalykov, Corporate Secretary of JSC Kazakhtelecom, is opening the meeting.

Dear shareholders and invitees,

Pursuant to the Decision of the JSC Kazakhtelecom's Board of Directors No. 3 as of March 14, 2017, the JSC Kazakhtelecom's Annual General Shareholders' Meeting is set to be held today, April 21, 2017 at 15:00.

Pursuant to article 45 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies", the General Shareholders' Meeting is entitled to consider the items that make up the agenda of the meeting and make decisions, if, at the end of registration, the registered shareholders or their representatives that are on the list of shareholders are holding in total 50% and more of the Company's voting shares.

The shareholders and their authorized representatives registered for participation at the Annual General Shareholders' Meeting have accumulated in aggregate (as at 15:00 local time) as many as **8 243 260** votes, which makes up **85,52%** of the total number of voting shares.

Thus, the quorum that is required to hold the meeting is achieved.

Since the authorities of the meeting's participants are confirmed, **I hereby declare this meeting open!**

The Meeting is attended by the Company's shareholders, members of the Board of directors, members of the Management Board, and invitees.

We have to, pursuant to item 4 article 48 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies", to choose the form of voting: by open vote or secret vote (using ballots).

A proposal has come in to cast a vote in a secret manner by using ballot papers.

To vote for this proposal, please, raise your hand.

The decision is unanimous.

Thus, the JSC Kazakhtelecom's Annual General Shareholders' Meeting has decided to choose a secret form of voting by using ballot papers (bulletins).

To explain the voting procedure in details the floor is now given to **Ms. Zhanna Belgibayeva**, Senior Manager of the JSC Kazakhtelecom's Secretariat.

Ms. Belgibayeva: *On procedural issues the vote will be cast by raising a hand, on all other issues - by making remarks on the ballot papers. You've got on your hands the ballot papers for voting, on which you are supposed to make a corresponding remark with respect to the vote (For, Against, Abstained) on each issue and to hand them over to the Accounting Commission.*

Mr. Abdykalykov: To hold the meeting we need to elect Chairman, Secretary of the meeting and Accounting Commission.

A proposal has come in to elect:

a) **Mrs. Gulnara Kubaizhanova**, Senior Manager of the Directorate for Communications of JSC Samruk-Kazyna JSC, as Chairwoman of the meeting.

Is there any other proposal? If not, please, vote for the proposed candidate by raising your hand.

The decision is unanimous.

b) **Mr. Abdykalykov**, Corporate Secretary of JSC Kazakhtelecom, as Secretary of the meeting. Are there any other proposals on candidates? If not, please, vote for the proposed candidates by raising your hands.

The decision is unanimous.

Mr. Abdykalykov: At the present time “The United Securities Registrar” JSC can not participate in our meeting as a member of the Accounting Commission. In this connection I propose to elect:

b) Accounting Commission in the following composition: **Ms. Zhanna Belgibayeva**, Senior Manager of the JSC Kazakhtelecom’s Secretariat, as Chairwoman of the Accounting Commission; **Mr. Tokhtar Kasymkanov**, Senior Manager of JSC Kazakhtelecom’s Secretariat, **Mr. Vakha Aliaskarov**, Manager of the Project Finance Department of JSC Kazakhtelecom. Is there any other proposal on candidates? If not, please, vote for the proposed candidate by raising your hand.

The decision is unanimous.

Pursuant to article 46 and item 4 of article 48 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” **the JSC Kazakhtelecom’s Annual General Shareholders’ Meeting has DECIDED:**

1. To elect **Mrs. Gulnara Kubaizhanova** as Chairwoman of the General Meeting.
2. To elect **Mr. Bulat Abdykalykov** as Secretary of the General Meeting.
3. To elect Accounting Commission of the General Meeting in the following composition: **Ms. Zhanna Belgibayeva, Mr. Tokhtar Kasymkanov, Mr. Vakha Aliaskarov.**

I ask the Chairman, Secretariat and Accounting Commission of the meeting to take their seats and to proceed to carrying out their duties.

Mr. Abdykalykov: Now, let me give the floor to **Mrs. Gulnara Kubaizhanova**, Chairwoman of the meeting.

Chairwoman Mrs. Kubaizhanova: Before we proceed to discussing the issues we’ve got to adopt the Agenda of the JSC Kazakhtelecom’s annual General Shareholders’ Meeting. The Agenda of the meeting has been published in appropriate manner in the official print media (“Kazakhstanskaya Pravda” № 55 (28434) as of 18.03.2017 and “Eguemen Kazakhstan” № 55 (29036) as of 18.03.2017) and on the Company’s corporate website, and is made up of the following items:

- 1) On approval of the annual financial statements of Kazakhtelecom JSC for 2016.
- 2) On the order of distribution of net profit of Kazakhtelecom JSC for 2016
- 3) On remuneration of independent directors of Kazakhtelecom JSC.

To vote for this proposal, please, raise your hand.

The decision is unanimous.

Mrs. Gulnara Kubaizhanova: Thus, **the JSC Kazakhtelecom’s annual General Shareholders’ Meeting** has decided to adopt the Agenda of the meeting.

Chairwoman Kubaizhanova Gulnara: Before we proceed to discussing the items of the agenda of the meeting we’ve got to hear the information on the activity of the JSC Kazakhtelecom’s Board of

directors in 2016. Now, let me give the floor to **Mr. Bulat Abdykalykov**, Corporate Secretary of JSC Kazakhtelecom.

Mr. Bulat Abdykalykov: Dear shareholders, the Board of Directors' activity in 2017 can be characterized as being sufficiently active and productive. Across all issues attributed to the competence of the Company's managerial body, the Board took appropriate decisions that allowed the Company to further successfully pursue its activity. In addition to that, there were three committees of the Board of directors fruitfully operating throughout that period (on audit, on personnel, remuneration and social issues, on strategic planning).

In 2016, Kazakhtelecom JSC's Board of Directors held 12 meetings, of which 7 meetings in presentia and 5 meetings in absentia.

The Company's Board of Directors was submitted 98 issues in 2016. It took significant decisions in part of approval of the Strategy of increasing of Kazakhtelecom JSC's shareholder value, election of Kazakhtelecom JSC's Management Board members, implementation of the project on joint venture in mobile segment, and many other issues.

The Board of Directors considers on a regular (quarterly) basis Kazakhtelecom JSC's Management Board reports on implementation of large investment projects of Kazakhtelecom JSC, Development Plan, risks, Corporate Governance Code of Kazakhtelecom JSC, interested party transactions, decisions on which were taken by Kazakhtelecom JSC's Management Board and Internal Audit Service.

Being obligated to inform the shareholders pursuant to item 2 article 35 of the Law "On Joint-Stock Companies" on the size and composition of the remuneration to be paid to members of the Company's Board of Directors, I hereby advise you that, pursuant to the policy currently in force, only independent directors are entitled to receive annual fixed remuneration and additional remuneration for participation in the Company's Board of Directors committees meetings.

According to decisions of the Kazakhtelecom JSC' General Shareholders' Meeting (protocols **No. 39 as of September 4, 2009 and No. 46 as of December 29, 2011**) the following sizes of the annual fixed remuneration and additional remuneration for participation in each meeting in presentia of the Board of Director's Committee are established:

1. Annual fixed remuneration for:
 - non-resident of the Republic of Kazakhstan – USD 45 000,
 - resident of the Republic of Kazakhstan – KZT 6 660 000.
2. Additional remuneration for participation in the meeting in presentia of the Board of Director's Committee for:
 - non-resident of the Republic of Kazakhstan – USD 500,
 - resident of the Republic of Kazakhstan – KZT 75 000.

Payments to independent directors in 2016 amounted to:

- USD 108 000 for non-resident of the Republic of Kazakhstan,
- KZT 16 020 000 for resident of the Republic of Kazakhstan.

By summarizing the results of the Board of Director's activity in 2016, it is worth mentioning that it acted reasonably and in good faith in the Company's shareholders' interests.
Thank you for attention.

Chairwoman Mrs. Kubaizhanova: Are the any questions to the speaker?

Item №1

Chairwoman G. Kubaizhanova: We now proceed to discussing the first item of the agenda. The floor is given to Mr. Askhat Uzbekov, Chief Financial Officer of Kazakhtelecom JSC, to speak on the first item of the agenda **“On approval of the annual financial statements of Kazakhtelecom JSC for 2016”**.

Speech of Mr. Uzbekov:

Chairwoman Mrs. Kubaizhanova: Do you have any questions to the speaker?

Chairwoman Mrs. Kubaizhanova: Thus, the following draft decision is being put to the vote on the first item of the agenda **“On approval of the annual financial statements of Kazakhtelecom JSC for 2016”**:

Pursuant to sub-item 7) item 1 Article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, and sub-item 13) item 1 article 29 of the Kazakhtelecom JSC’s Charter, the Kazakhtelecom JSC’s Annual General Shareholders’ Meeting **HAS DECIDED:**

To approve the annual financial statements (consolidate and separate) of Kazakhtelecom JSC for 2016 in accordance to the annex hereto.

If there are no objections, please make corresponding remarks on the voting ballots on this particular issue and hand them over to the Accounting Commission.

Shareholders and their authorized representatives made corresponding remarks on the voting ballots. Members of the Accounting Commission collected voting ballots.

Item №2

Chairwoman Mrs. Kubaizhanova: Let us proceed to discussing the second item of the agenda. The floor on the second item **“On the order of distribution of net profit of Kazakhtelecom JSC for 2016”** is given to Mr. Askhat Uzbekov, Chief Financial Officer of Kazakhtelecom JSC.

Speech of Mr. Uzbekov:

Chairwoman Mrs. Kubaizhanova: Are the any questions to the speaker?

Chairwoman Mrs. Kubaizhanova: Thus, on the second item **“On the order of distribution of net profit of Kazakhtelecom JSC for 2016”** the following draft decision is put to the vote:

Pursuant to sub-item 8) item 1 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, and sub-item 3) item 24, sub-item 15) item 1 article 29 of the Kazakhtelecom JSC’s Charter, the Kazakhtelecom JSC’s Annual General Shareholders’ Meeting **HAS DECIDED:**

1. To approve the following order for distribution of net profit of Kazakhtelecom JSC for 2016 (net of the profit from discontinued operations) in the amount of KZT 14 872 009 000 (fourteen billion eight hundred seventy two million nine thousand):
30 % of the consolidated net income (net of discontinued operations profit) in the amount of KZT 4 461 549 007 (four billion four hundred sixty one million five hundred forty nine thousand seven) 3 (three) tiyn is to be allocated for payment of dividends for 2016;
the remaining part is to be left at Kazakhtelecom JSC’s disposal.
2. To approve the size of dividends for 2016 on ordinary shares in the amount of KZT 404 (four hundred four) 57 (fifty seven) tiyn per ordinary share.
3. To secure the list of shareholders entitled to receive dividends at the end of 2016, as of 00 hours 00 minutes of the first Sunday following the date of the Annual General Meeting of Shareholders.
4. To set the date of commencement of payment of dividends on ordinary shares for 2016 – the next business day following the date of securing the list of shareholders entitled to receive dividends for 2016 within one month.

5. To approve the procedure for the payment - a lump sum in one payment.
6. To approve the form of dividend payment on shares of Kazakhtelecom JSC located at: 12, Sauran str., Yesil district, Astana. Details: BIN 941240000193, IIC KZ779261802104233017 in Almaty branch of Kazkommertsbank JSC, BIC KZKOKZKX, BC16 – in cash, non-cash payment to the bank account of the shareholder.

If there are no objections, please make corresponding remarks on the voting ballots on this particular issue and hand them over to the Accounting Commission.

Shareholders and their authorized representatives made corresponding remarks on the voting ballots. Members of the Accounting Commission collected voting ballots.

Item №3

Chairwoman Mrs. Kubaizhanova: Let us proceed to discussing the third item of the agenda. The floor on the third item **“On remuneration of independent directors of Kazakhtelecom JSC”** is given to Mr. Bulat Abdykalykov, Corporate Secretary of Kazakhtelecom JSC.

Speech of Mr. Abdykalykov:

Chairwoman Mrs. Kubaizhanova: Are there any questions to the speaker?

Chairwoman Mrs. Kubaizhanova: Thus on the third item **“On remuneration of independent directors of Kazakhtelecom JSC”** the following draft decision is put to the vote:

Pursuant to sub-item 5) item 1 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” and sub-item 10) item 1, article 29 of the Kazakhtelecom JSC’s Charter, the Kazakhtelecom JSC’s Annual General Shareholders’ Meeting **HAS DECIDED:**

1. To establish the following amount of annual fixed remuneration of independent director of “Kazakhtelecom” JSC:
 - for non-resident of the Republic of Kazakhstan – USD 45 000,
 - for resident of the Republic of Kazakhstan – KZT 14 400 000.
2. To establish the following amount of additional remuneration of independent director of Kazakhtelecom JSC for the participation in each meeting in praesentia of the Committee of the Board of Directors as a member of Committee, including by means of tele-video conferencing:
 - for non-resident of the Republic of Kazakhstan – USD 500,
 - for resident of the Republic of Kazakhstan – KZT 160 000.
3. To pay to Mr. Dmitry Zaika additional remuneration in the amount of KZT 43 000 000 (forty three million) based on the results of 2016.
4. Chairman of the Board of Directors of Kazakhtelecom JSC to take measures arising from this decision.

If there are no objections, please make corresponding remarks on the voting ballots on this particular issue and hand them over to the Accounting Commission.

Shareholders and their authorized representatives made corresponding remarks on the voting ballots. Members of the Accounting Commission collected voting ballots.

We announce a 10 minute break.

Chairwoman Mrs. Kubaizhanova: The floor is given to the Chairwoman of the Accounting Commission to announce the results of voting on the first item of the meeting agenda “On approval of the annual financial statements of Kazakhtelecom, JSC for 2016”

Ms. Belgibayeva, Chairwoman of the Accounting Commission:

(Protocol of the Accounting Commission's meeting of the JSC Kazakhtelecom's annual General Shareholders' Meeting based upon the results of voting on item 1 of the Agenda of the General Shareholders' Meeting as of April 21, 2017).

Summing-up the results of the open voting on the first item the votes have been distributed as follows:

The “**FOR**” votes totalled **8 243 260** votes - making up **100 %** of the total number of participating votes.

The “**AGAINST**” votes totalled **0** votes - making up **0%** of the total number of participating votes.

The “**ABSTAINED FROM VOTING**” votes totalled **0** votes, making up **0%** of the total number of participating votes.

To take the decision on this particular issue pursuant to item 2 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” ordinary majority of votes out of the total number of voting shares is required.

As a result of voting ***THE DECISION HAS BEEN TAKEN UNANIMOUSLY***.

Chairwoman Mrs. Kubaizhanova: Thus, according to sub-item 7) item 1 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” and sub-item 13) item 1 article 29 of Kazakhtelecom JSC’s Charter the annual General Shareholders’ Meeting **HAS DECIDED:**

To approve the annual financial statements (consolidate and separate) of Kazakhtelecom JSC for 2016 in accordance with the annex hereto.

Chairwoman Mrs. Kubaizhanova: The floor is given to the Chairwoman of the Accounting Commission to announce the results of voting on the second item of the meeting agenda “**On the order of distribution of net profit of Kazakhtelecom JSC for 2016**”

Ms. Belgibayeva, Chairwoman of the Accounting Commission:

(Protocol of the Accounting Commission's meeting of the JSC Kazakhtelecom's annual General Shareholders' Meeting based upon the results of voting on item 2 of the Agenda of the General Shareholders' Meeting as of April 21, 2017).

Summing-up the results of the open voting on the first item the votes have been distributed as follows:

The “**FOR**” votes totalled **8 243 260** votes - making up **100 %** of the total number of participating votes.

The “**AGAINST**” votes totalled **0** votes - making up **0%** of the total number of participating votes.

The “**ABSTAINED FROM VOTING**” votes totalled **0** votes, making up **0%** of the total number of participating votes.

To take the decision on this particular issue pursuant to item 2 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” ordinary majority of votes out of the total number of voting shares is required.

As a result of voting ***THE DECISION HAS BEEN TAKEN UNANIMOUSLY***.

Chairwoman Mrs. Kubaizhanova: Thus, according to sub-item 8) item 1 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” and item 3 article 24, sub-item 15) item 1 article 29 of Kazakhtelecom JSC’s Charter the annual General Shareholders’ Meeting **HAS DECIDED:**

1. To approve the following order for distribution of net profit of Kazakhtelecom JSC for 2016 (net of the profit from discontinued operations) in the amount of KZT 14 872 009 000 (fourteen billion eight hundred seventy two million nine thousand):
30 % of the consolidated net income (net of discontinued operations profit) in the amount of KZT 4 461 549 007 (four billion four hundred sixty one million five hundred forty nine thousand seven) 3 (three) tiyn is to be allocated for payment of dividends for 2016;
the remaining part is to be left at Kazakhtelecom JSC's disposal.
2. To approve the size of dividends for 2016 on ordinary shares in the amount of KZT 404 (four hundred four) 57 (fifty seven) tiyn per ordinary share.
3. To secure the list of shareholders entitled to receive dividends at the end of 2016, as of 00 hours 00 minutes of the first Sunday following the date of the Annual General Meeting of Shareholders.
4. To set the date of commencement of payment of dividends on ordinary shares for 2016 – the next business day following the date of securing the list of shareholders entitled to receive dividends for 2016 within one month.
5. To approve the procedure for the payment - a lump sum in one payment.
6. To approve the form of dividend payment on shares of Kazakhtelecom JSC located at: 12, Sauran str., Yesil district, Astana. Details: BIN 941240000193, IIC KZ779261802104233017 in Almaty branch of Kazkommertsbank JSC, BIC KZKOKZKX, BC16 – in cash, non-cash payment to the bank account of the shareholder.

Chairwoman Mrs. Kubaizhanova: The floor is given to the Chairwoman of the Accounting Commission to announce the results of voting on the third item of the meeting agenda **“On remuneration of independent directors of Kazakhtelecom JSC”**

Ms. Belgibayeva, Chairwoman of the Accounting Commission:

(Protocol of the Accounting Commission's meeting of the JSC Kazakhtelecom's annual General Shareholders' Meeting based upon the results of voting on item 3 of the Agenda of the General Shareholders' Meeting as of April 21, 2017).

Summing-up the results of the open voting on the first item the votes have been distributed as follows:

The **“FOR”** votes totalled **2 672 592** votes - making up **32,42 %** of the total number of participating votes.

The **“AGAINST”** votes totalled **5 570 668** votes - making up **67,58 %** of the total number of participating votes.

The **“ABSTAINED FROM VOTING”** votes totalled **0** votes, making up **0%** of the total number of participating votes.

To take the decision on this particular issue pursuant to item 2 article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” ordinary majority of votes out of the total number of voting shares is required.

As a result of voting ***THE DECISION HAS NOT BEEN TAKEN.***

Chairwoman Mrs. Kubaizhanova: Thus, on the third item of the agenda **“On remuneration of independent directors of Kazakhtelecom JSC”** **THE DECISION HAS NOT BEEN TAKEN.**

Chairwoman Mrs. Kubaizhanova: Are there any remarks or proposals as to the way in which the meeting has been conducted? If not, let me announce the closure of the annual General Shareholders' Meeting of JSC Kazakhtelecom. Thank you for participation. Good bye.

G. Kubaizhanova

Chairwoman of the General Meeting

B. Abdykalykov
Secretary of the General Meeting



Zh. Belgibayeva
Chairwoman of the Accounting Commission

V. Aliaskarov
T. Kassymkanov
Members of the Accounting Commission

D. Roshcha
Representative of the shareholder holding 10 and more % of voting shares