

**Minutes No. 1 of the Annual General Meeting of Shareholders of
Kazakhstan Electricity Grid Operating Company (KEGOC)**

Astana

30 April 2015

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

Venue of the Annual General Meeting of Shareholders of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company, (hereinafter - the Meeting): 59 Tauyelsizdik Ave, Astana, Kazakhstan, 11:00 AM.

Kuanysh Bektemirov, the Chairman of the Board of Directors, delivered the welcoming speech, he told the audience that the present Meeting was convened on the initiative of the Board of Directors on 30 April 2015 with the following agenda:

1. Approve the annual report of KEGOC;
2. 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 2014;
3. Determine number of members, terms of office of KEGOC's Board of Directors, elect its members and the chairman, and determine the rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties;
4. Claims from the shareholders in relation to activities of KEGOC and its officers and results of consideration of such claims.
5. Number of members, terms of office of the Counting Board of the General Meeting of Shareholders of KEGOC and election of its members.

Information about the Meeting was published in national print media Egemen Kazakhstan and Kazakhstanskaya Pravda on 28 March 2015 and on the website of KEGOC.

In accordance with clause 1 of Article 46 of the law of the Republic of Kazakhstan No. 415 dated 13 May 2003 'On Joint-Stock Companies' (hereinafter - the Law), the functions of the Counting Board at the first General Meeting of Shareholders of the Company shall be assigned to the Registrar of the Company.

Kuanysh Bektemirov introduced the panel of the 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.

Then, Kuanysh Bektemirov gave the floor to B. Dairbekov, representative of the Integrated Securities Registrar, who exercises functions of the Chairman of the Counting Board at the Meeting.

B. Dairbekov reported 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 time of the registration of the meeting participants, shareholders or their representatives included in the list of shareholders entitled to participate in and vote on it, and who hold in aggregate fifty and more percent of the voting shares of the Company have been registered.

All attending shareholders were registered and their powers were properly checked. The powers of the representative of Samruk-Kazyna (shareholder) were certified by a duly issued power of attorney (provided).

All shareholders, who attended the Meeting, received explanatory notes, draft decisions and voting ballots on the agenda during the registration.

B. Dairbekov informed that in accordance with the list of shareholders of the Company represented by the Company's Registrar - Integrated Securities Registrar - as of 24 April 2015, the total number of placed shares amounts to - 260,000,000 (two hundred and sixty million), among them - 260,000,000 (two hundred and sixty million) ordinary shares, preferred shares - none.

The meeting was attended by 39 (thirty-nine) shareholders entitled to attend and vote at the Meeting. Number of votes registered at the Annual General Meeting of Shareholders is 234,018,793 (two hundred thirty-four million eighteen thousand seven hundred ninety-three), that represents 90.007% of the total number of votes of the shareholders - owners of the Company's placed shares.

Quorum of Annual General Meeting of Shareholders is reached.

Kuanish Bektemirov, Chairman of the Board of Directors, gave the floor to Bakytzhan Kazhiev, the Chairman of the Management Board of KEGOC.

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

After that, due to the necessity, the General Meeting of Shareholders in accordance with clause 4 of Article 48 of the Law shall decide on the form of voting: open or secret (by ballots); Bakytzhan Kazhiev offered to set an open form of voting.

After discussion the shareholders decided to set the open form of voting.

Voting results:

'Pro' - 36 shareholders (92.3077%)

'Contra' - none

'Abstain' - none

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

Resolved:

Decide the form of voting on agenda items: open.

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

Voting results:

'Pro' - 36 shareholders (92.3077%)

'Contra' - none

'Abstain' - none

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

Resolved:

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

Bakytzhan Kazhiyev continued. In accordance with sub-clause 12) of Article 1 of the Law, as part of its 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 as the Secretary of the Meeting the Corporate Secretary of the Company - Yertai Ramazanov.

Voting results:

'Pro' - 36 shareholders (92.3077%)

'Contra' - none

'Abstain' - none

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

Resolved:

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 informed 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 of the voting: 10 minutes;
- questions and answers: 10 minutes.

Chairman of the Meeting read the agenda of the Meeting formed by the Board of Directors, which includes the following topics:

1. Approve the annual report of KEGOC;
2. 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 2014;
3. Determine number of members, terms of office of KEGOC's Board of Directors, elect its members and the chairman, and determine the rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties;
4. Claims from the shareholders in relation to activities of KEGOC and its officers and results of consideration of such claims.
5. Number of members, terms of office of the Counting Board of the General Meeting of Shareholders of KEGOC and election of its members.

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 question 'On approval of the agenda of the General Meeting of Shareholders of KEGOC' to vote.

Voting results:

'Pro' - 234,014,793 votes (90.005%).

'Contra' - none

'Abstain' - none

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

Resolved:

Approve the following agenda of the Meeting:

1. Approve the annual report of KEGOC;
2. 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 2014;
3. Determine number of members, terms of office of KEGOC's Board of Directors, elect its members and the chairman, and determine the rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties;
4. Claims from the shareholders in relation to activities of KEGOC and its officers and results of consideration of such claims.
5. Number of members, terms of office of the Counting Board of the General Meeting of Shareholders of KEGOC and election of its members.

RESULTS AND PROGRESS REVIEW OF ISSUES ON THE AGENDA

The Chairman of the Board of Directors, Kuanish Bektemirov, spoke on the first item of the agenda and said that in accordance with Clause 1.23 of Article 21 of KEGOC's Charter, the approval of the annual performance report of KEGOC, including the annual performance report of the Board of Directors of KEGOC is the exclusive jurisdiction of the General Meeting of Shareholders of KEGOC.

In order to disclose the information on KEGOC's performance in 2014 to the shareholders and other stakeholders, KEGOC prepared a draft Annual Report for 2014 (hereinafter - the Annual Report). The Annual Report discloses the results of the operating, investing, financial, economic and social activities of KEGOC in 2014 and contains the following key information:

- Key events of KEGOC in 2014;
- KEGOC's development strategy;
- Market overview;
- KEGOC's structure;
- Operation capacity;
- Corporate governance and sustainable development in KEGOC;
- Compliance with the corporate governance code;
- Report of the Board of Directors and committees of the Board of Directors of KEGOC;
- Report of KEGOC's Management Board;
- The main results of operations;
- Analysis of the financial and economic indicators;
- Innovation activities in KEGOC;
- Annual financial statements of KEGOC with notes;
- Report on management of branches, affiliates and jointly-controlled entities, and impact of the financial and economic performance of branches, affiliates and jointly-controlled entities on KEGOC performance indicators in 2014;

Based on the foregoing, approval of the Annual Report of KEGOC for 2014 is placed for consideration of KEGOC's shareholders.

Earlier the draft Annual Report was approved by the Board of Directors of KEGOC (MoM No.2 dated 20 March 2015).

Voting results:

'Pro' - 234,014,793 votes (90.005%).

'Contra' - none

'Abstain' - none

Having considered the agenda item and presented materials, in accordance with clause 1.23 of Article 21 of KEGOC's Charter, **the General Meeting of Shareholders of KEGOC DECIDED to:**

Approve the Annual Report of KEGOC for 2014 (Appendix No. 1 to minutes hereto).

The Chairman of the Management Board, Bakytzhan Kazhiyev, spoke on the second item of the agenda and informed that in accordance with clause 2.5 of Article 53, clause 3 of Article 76 of the Law and clauses 4.4 and 4.39 of Article 22 of KEGOC's Charter, the Company's annual financial statements for 2014 was preliminarily approved by the Board of Directors on 20 March 2015 (Minutes No. 2).

Audit of (separate and consolidated) financial statements of the Company for 2014 was performed by an independent audit firm - Ernst & Young.

According to the audit opinion of Ernst & Young, the financial statements of the Company in all aspects reflect the financial health of the Company and of its subsidiaries as of 31 December 2014, as well as their financial results and cash flows for the year ended on 31 December 2014 as per the International Financial Reporting Standards.

According to the consolidated audited financial statements as of 31 December 2014, the Company's assets amounted to KZT 549,928,041 thousand, liabilities - KZT 190,150,575 thousand, equity - KZT 359,777,466 thousand. The Company's income in 2014 amounted to KZT 111,634,553 thousand, expenditures amounted to KZT 103,018,533 thousand, net profit in 2014 amounted to KZT 8,616,020 thousand.

The Board of Directors of KEGOC made a decision and proposed at the General Meeting of Shareholders to distribute 99.97% of the 2014 net profit amounting to eight billion six hundred and thirteen million eight hundred thousand tenge (KZT 8,613,800 thousand) among all holders of ordinary shares of the Company, which would amount to thirty three tenge and thirteen tiyn (KZT 33.13) per one ordinary share.

Voting results:

'Pro' - 234,014,793 votes (90.005%).

'Contra' - none

'Abstain' - none

Having reviewed the agenda issue and the supporting materials, in accordance with sub-clauses 1) and 2) of Article 35.2, sub-clauses 7) and 8) of Article 36.1 of the Law and clause 15.3 of KEGOC's Charter, **the General Meeting DECIDED to:**

1. Approve the annual financial statements of the Company for 2014 (Appendix No. 2 to minutes hereto).

2. Approve the distribution of the net income of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company (address: 59 Tauyelsizdik Ave, Astana, 010010, Republic of Kazakhstan, BIN 970740000838, IBAN KZ45826Z0KZTD2001154 in ATF Bank BIC ALMNKZKA) in the amount of eight billion six hundred thirteen million eight hundred thousand tenge (KZT 8,613,800,000) earned as of the end of 2014 among all holders of the ordinary shares of the Company.

3. Approve the size of the dividend per one ordinary share of the Company in the amount of thirty three tenge thirteen tiyn (KZT 33.13).

4. Record the list of the Company's shareholders that have the right to obtain dividends on the ordinary shares of the Company following the 2014 results, as of 00 hours 00 minutes on 15 May 2015.

5. Determine the date to start payments of dividends as 25 May 2015.

6. Pay the dividends within twenty (20) working days from the start date of dividend payment in the form of non-cash transaction to the shareholders' accounts:

1) on the ordinary shares of the Company that are held by the nominee shareholder - Central Securities Depository - through the paying agent represented by the Central Securities Depository;

2) by the Company itself if the ordinary shares of the Company are not in nominal holding of the Central Securities Depository.

7. Bakytzhan Kazhiyev, the Chairman of the Management Board of the Company, to take the required measures to implement this decision in accordance with the laws of the Republic of Kazakhstan.

Alexey Repin, representative of Samruk-Kazyna (major shareholder), informed the following **on the third** item of the agenda.

The Sole Shareholder on 08 May 2012 (Minutes No. 21/12) determined the composition of the Board of Directors, elected the members of the Board of Directors for a three (3) year term and the chairman of the Board of Directors, determined terms of office, salary and terms of remuneration.

In accordance with Clause 1.5 of Article 36, and Clause 2 of Article 55 of the Law and Clause 1.7 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 Clause 2 of Article 55 of the Law, the term of office of KEGOC's Board of Directors shall expire at the time that the General Meeting of Shareholders is held and at which the new members of the Board of Directors are elected.

Considering the above, to ensure continuous execution of the functional responsibilities by the Board of Directors, secure the interests of the Company and protect the shareholders' rights, establish policies and rules of the Company's operations, and also ensure understanding of and compliance with the obligations of the Company to the General Meeting of Shareholders and others, KEGOC suggests that the General Meeting of KEGOC's shareholders determine the number of members, term of office of the Board of Directors, elect its members and the chairman and determine the salary and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties.

In accordance with Clause 6 of Article 23 of KEGOC's Charter, the number of members in the Board of Directors shall be at least six, where not less than one third shall be Independent Directors. The term of office of KEGOC's Board of Directors, in accordance with Clause 1 of Article 24 of KEGOC's Charter, shall not exceed three (3) years.

Considering the above, the General Meeting of Shareholders shall:

1) determine the number of members of KEGOC's Board of Directors;

2) elect the members of KEGOC's Board of Directors;

3) elect the Chairman of KEGOC's Board of Directors;

4) determine the terms of office of KEGOC's Board of Directors that shall not exceed three (3) years;

5) determine the amount of annual fixed and additional (for participation in each meeting in presentia of the Committee of KEGOC's Board of Directors) remuneration for the Independent Directors;

6) determine for the members of KEGOC's Board of Directors 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.

7) determine the conditions and terms of remuneration and compensation of expenses for the Independent Directors of KEGOC's Board of Directors.

The major shareholder of KEGOC (Samruk-Kazyna), in accordance with Clause 1.5 of Article 14 of the Law, proposed the following to the General Meeting of Shareholders:

1. Determine the number of members of KEGOC's Board of Directors as six (6) members.
2. Elect the members of KEGOC's Board of Directors as follows:
 - 1) Kuanysh Bektemirov,
 - 2) Anatoliy Spitsyn, Independent Director;
 - 3) Luca Sutera, Independent Director;
 - 4) Dominique Fache, Independent Director;
 - 5) Janusz Bialek, Independent Director;
 - 6) Bakytzhan Kazhiyev.
3. Elect Kuanysh Bektemirov, the Chairman of KEGOC's Board of Directors.
4. Determine the terms of office of KEGOC's Board of Directors as three (3) years.
5. Determine the amount of remuneration for the Independent Directors as follows:
 - 1) annual fixed remuneration: forty thousand US dollars (USD 40,000), at the exchange rate of the National Bank of the Republic of Kazakhstan as of 31 December of the reporting year;
 - 2) additional remuneration for participation in each meeting in praesentia of the Committee: one thousand four hundred US dollars (USD 1,400), at the exchange rate of the National Bank of the Republic of Kazakhstan at the date of the meeting in presentia of the Committee of KEGOC's Board of Directors.
6. Determine that the amounts of remuneration are specified before taxes and other compulsory payments to the national budget in accordance with the tax laws of the Republic of Kazakhstan.
7. Determine for the Independent Director of KEGOC the expenses compensation rates (travel expenses, accommodation, daily allowance) associated with the travel to the meetings of KEGOC's Board of Directors held beyond the place of permanent residence of a director within the limits of business travel expenses compensation rates for the Chairman of Management Board of KEGOC in accordance with the internal documents of KEGOC.
8. Determine that the conditions and terms of remuneration and compensation of expenses for the Independent Directors of KEGOC's Board of Directors shall be in accordance with the Rules of remuneration and compensation of expenses for the Independent Directors of Samruk-Kazyna's companies, as approved by Decision of the Management Board of Samruk-Kazyna (Minutes No. 50/09 dated 22 May 2009).
9. Kuanysh Bektemirov, the Chairman of KEGOC's Board of Directors to sign contacts with the Independent Directors of KEGOC Board of Directors taking into account this decision.

Voting results:

'Pro' - 234,014,644 votes (90.005%).

'Contra' - 149 votes (0% 00005)

'Abstain' - none

In accordance with Clause 1.5 of Article 36 and Clause 2 of Article 55 of the Law and Clause 1.7 of Article 21 of KEGOC's Charter, **the General Meeting of Shareholders DECIDED to:**

1. Determine the number of members of KEGOC's Board of Directors as six (6) members.
2. Elect the members of KEGOC's Board of Directors as follows:
 - 1) Kuanysh Bektemirov;
 - 2) Anatoliy Spitsyn, Independent Director;

- 3) Luca Sutera, Independent Director;
 - 4) Dominique Fache, Independent Director;
 - 5) Janusz Bialek, Independent Director;
 - 6) Bakytzhan Kazhiyev.
3. Elect Kuanysh Bektemirov, the Chairman of KEGOC's Board of Directors.
 4. Determine the terms of office of KEGOC's Board of Directors as three (3) years.
 5. Determine the amount of remuneration for the Independent Directors as follows:
 - 1) annual fixed remuneration: forty thousand US dollars (USD 40,000), at the exchange rate of the National Bank of the Republic of Kazakhstan as of 31 December of the reporting year;
 - 2) additional remuneration for participation in each meeting in praesentia of the Committee: one thousand four hundred US dollars (USD 1,400), at the exchange rate of the National Bank of the Republic of Kazakhstan at the date of the meeting in presentia of the Committee of KEGOC's Board of Directors.
 6. Specify that the amounts of remuneration are indicated before taxes and other compulsory payments to the national budget in accordance with the tax laws of the Republic of Kazakhstan.
 7. Determine for the Independent Director of KEGOC the expenses compensation rates (travel expenses, accommodation, daily allowance) associated with the travel to the meetings of KEGOC's Board of Directors held beyond the place of permanent residence of a director within the limits of business travel expenses compensation rates for the Chairman of Management Board of KEGOC in accordance with the internal documents of KEGOC.
 8. Conditions and terms of remuneration and compensation of expenses for the Independent Directors of KEGOC's Board of Directors shall be determined in accordance with the Rules of remuneration and compensation of expenses for the Independent Directors of Samruk-Kazyna's companies, approved by Decision of the Management Board of Samruk-Kazyna (Minutes No. 50/09 dated 22 May 2009).
 9. Kuanysh Bektemirov, the Chairman of KEGOC's Board of Directors to sign contacts with the Independent Directors of KEGOC Board of Directors taking into account this decision.

The Chairman of the Management Board, Bakytzhan Kazhiyev, spoke on the fourth item of the agenda and informed that in accordance with clause 2.3 of Article 35 of the Law and clause 3 of Article 15 of KEGOC's Charter the Annual General Meeting of Shareholders considers the claims from the shareholders in relation to activities of KEGOC and its officials and results of consideration of such claims.

From 1 January to 31 December 2014, there was no claim from the shareholders in relation to activities of KEGOC and its officers.

Voting results:

'Pro' - 234,013,840 votes (90.005%).

'Contra' - none

'Abstain' - none

Having reviewed the agenda issue in accordance with Article 35.2.3) of the Law and Article 15.3 of KEGOC's Charter, **the General Meeting of Shareholders DECIDED to:**

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

The Chairman of the Management Board, Bakytzhan Kazhiyev, spoke on the fifth item of the agenda and informed that in accordance with clause 1 of Article 46 of the Law, the Counting Board shall be elected by the General Meeting of Shareholders, the number of shareholders of which is one hundred or more.

According to Article 36.1.4) of the Law and Article 21.1.6) of KEGOC's Charter, determination of number of members, terms of office of the Counting Board, election of its members and early termination of their powers shall refer to the exclusive competence of the General Meeting of Shareholders.

In accordance with Article 46.1 of the Law, the Registrar of the Company shall perform the functions of the Counting Board at the first General Meeting of Shareholders.

Based on the above and with a view to ensure functioning of the Counting Board at the next meetings, the General Meeting of Shareholders is proposed to consider seven candidates among employees of KEGOC structural subdivisions and their terms of office in the Counting Board for three years.

Voting results:

'Pro' - 234,014,793 votes (90.005%).

'Contra' - none

'Abstain' - none

Having reviewed the agenda issue in accordance with Article 36.1.4) of the Law and Article 21.1.6) of KEGOC's Charter, **the General Meeting of Shareholders DECIDED to:**

1. Determine the number of members of the Counting Board of the General Meeting of Shareholders as seven (7) members and their terms of office in the Counting Board for three years.
2. Elect members of the Counting Board of the General Meeting of Shareholders as follows:
 - 1) Shayakhmet Tokubayev, Chairman of the Counting Board;
 - Counting Board members:
 - 2) Arman Meyrzhanov;
 - 3) Daniyar Shugayev;
 - 4) Asset Satymbekov;
 - 5) Murat Zhunussov;
 - 6) Gulvira Konakbayeva;
 - 7) Altynai Koshanova.
3. The Chairman of the Management Board of KEGOC (Bakytzhan Kazhiyev) to take appropriate actions arising from this decision.

The Chairman announced that the agenda for the Meeting is over and thanked the shareholders, the Board of Directors, the Management Board and the invited persons for participation.

The meeting of the General Meeting of Shareholders closed at 12:30 PM.

Signatures:

Chairman of the Annual General Meeting of Shareholders _____ **A. Repin**

Secretary of the Annual General Meeting of Shareholders _____ **Ye. Ramazanov**

Chairman of the Counting Board of the Annual General Meeting of Shareholders _____ **B. Dairbekov**

**Members of the Counting Board of the
Annual General Meeting of Shareholders:**

_____ **T. Iskakov**

_____ **A. Kulatayeva**

**Authorized representative of the major
shareholder Samruk-Kazyna**

_____ **A. Repin**