

THIS NOTICE IS NOT FOR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE SUCH NOTICE.

Joint Stock Company “KazAgro” National Management Holding (the “Issuer”) announces a consent solicitation in relation to two series of outstanding notes issued under its U.S.\$2,000,000,000 Debt Issuance Programme (as detailed in the table below).

Description of Notes	Regulation S Global Note ISIN / Common Code	Rule 144A Global Note ISIN/ Common Code/ CUSIP
€600,000,000 3.255 per cent. notes due 2019 (the “2019 Notes”)	XS1070363343/107036334	N/A
U.S.\$1,000,000,000 4.625 per cent. notes due 2023 (the “2023 Notes” and together with the 2019 Notes, the “Notes”)	XS0934609016/093460901	US48668JAA88/093502523/48668JAA8

1. Overview

The Issuer has today provided notices of meetings (the “Notices of Meetings”) to solicit (the “Solicitation”) proxies from the beneficial holders of the outstanding Notes (the “Noteholders”) to consider and, if thought fit, pass Extraordinary Resolutions (the “Extraordinary Resolutions”) at meetings of the Noteholders (the “Meetings”) in relation to certain consents and amendments being sought to the terms and conditions of the 2019 Notes and the 2023 Notes, all as more fully described in the Consent Solicitation Memorandum (the “Memorandum”) dated 22 February 2016 (the “Proposal”).

Subject to the terms of the Proposal and provided all of the Extraordinary Resolutions that are the subject of the Proposal are passed and become effective and upon the occurrence of the Effective Date (see “Timetable” below), Noteholders who validly vote in favour of the Proposal in accordance with the Solicitation will be entitled to receive the applicable Early Consent Fee or the applicable Late Consent Fee, as the case may be, on the Settlement Date (see “Consent Fee” below).

Noteholders are advised to refer to the Memorandum for meanings of capitalised terms used in this announcement, the full terms of the Solicitation and the procedures related thereto.

The Notices of Meetings convening the Meetings at the offices of White & Case LLP, 5 Old Broad Street, London, EC2N 1DW, at which the Extraordinary Resolutions to approve the Proposal and its implementation will be considered and, if thought fit, passed, have been published in accordance with the Conditions. The following table sets out the times and dates of each of the meetings:

	<u>Meeting Time (London time)</u>	<u>Meeting Date</u>
2019 Notes	4.00 p.m.	23 March 2016
2023 Notes	4.30 p.m.	23 March 2016

The 2023 Notes Meeting shall not commence until the 2019 Notes Meeting has been completed. Consequently, the 2023 Notes Meeting may commence later than the time advertised.

2. Background to and Rationale for the Proposal

The Issuer is seeking to make certain changes to the terms and conditions of each of the 2019 Notes and the 2023 Notes in the light of the following developments:

- (a) depreciation of the Kazakh Tenge (“**KZT**”) caused by the recent turbulence in the oil and gas markets and subsequent reduction in price of oil, compounded by a recession in Russia and weaker growth in China; and
- (b) release by the Government of Kazakhstan of a Comprehensive Privatisation Plan which impacts certain of the Issuer’s subsidiaries together with the implementation of the Issuer’s own Development Strategy for the years 2011-2020 (the "**Corporate Reorganisation**").

2.1 Kazakh Tenge depreciation

Since the fourth quarter of 2014, Kazakhstan has sustained a severe external macroeconomic shock as a result of a sharp fall in oil prices, compounded by a recession in Russia and weaker growth in China both of which are key trading partners of Kazakhstan. The policy response included a sharp devaluation of the Tenge.

On 20 August 2015 the governor of the National Bank of Kazakhstan (“**NBK**”) announced that the NBK would no longer intervene in the foreign exchange markets in order to maintain the exchange rate of the Tenge and that the exchange rate of the Tenge would be allowed to float freely. The KZT depreciated by 95.3% against the US dollar during the period from 20 August 2015 to 15 February 2016.

Historically, due to favourable interest rates and a stable foreign exchange rate, the Issuer has borrowed in foreign currencies (in particular, the US dollar and Euro) in the international debt capital markets. Due to limited KZT liquidity, the Issuer expects that it will need to continue to incur indebtedness in foreign currencies in order to fund its business needs.

The Issuer's reporting currency for the purposes of its financial statements is the KZT. Consequently, liabilities incurred by the Issuer and its Subsidiaries in foreign currencies will increase when converted into KZT and reflect the significant depreciation of the KZT against the US dollar and the Euro since August 2015. As a result, to the extent that the Issuer does not maintain matching foreign currency assets, the total consolidated equity of the Issuer will decrease.

Proposed Amendment

Notwithstanding the above actions taken by the Group, the Issuer believes that the Group will be unable due to the constraints set out in its covenant package for the Notes during 2016 and 2017 to raise sufficient foreign currency denominated funds in order to enable it to provide financing to the agricultural sector and to carry out its mandate of supporting the development of the agricultural sector in Kazakhstan. As a result of this, the Issuer wishes to introduce additional flexibility to its Permitted Indebtedness covenants during this period to address the impact of the significant depreciation experienced by the KZT against the US dollar and other currencies (including the Euro) since August 2015.

The Issuer believes that in the long-term it will be able to take effective action to reduce its exposure to non-KZT liabilities and to mitigate the effect of its ongoing exposure to foreign currencies. As a result, the Issuer believes that from 1 January 2018 it will have sufficient borrowing capacity under Condition 6.2 for it to be able to fund its ongoing activities without the need to extend the Permitted Indebtedness Amendment beyond two years.

Condition 6.2 (*Incurrence of Indebtedness*) prohibits the incurrence of Indebtedness (other than Permitted Indebtedness) by the Issuer or any Subsidiary, unless (amongst others things) on the date of such incurrence and after giving effect thereto on a pro forma basis, the ratio of the total consolidated assets of the Issuer to the total consolidated equity of the Issuer (the “**Asset/Equity Ratio**”), would be no more than five.

The Asset/Equity Ratio is determined under Condition 6.2 on the basis of the most recent consolidated financial statements of the Issuer which are required to be delivered to the Fiscal Agent as soon as practicable and in any event not later than 120 days after the end of each financial year of the Issuer or, as the case may be, the end of the first half of each financial year.

The Issuer is seeking the approval of Noteholders to amend the definition of Permitted Indebtedness to allow the Issuer and any Subsidiary to incur up to US\$750,000,000 (or its equivalent in any other currency) of additional Indebtedness (including the refinancing of any such Indebtedness) during each financial year ending 31 December 2016 and 31 December 2017 even if the Issuer's Asset/Equity Ratio is greater than five (the “**Permitted Indebtedness Amendment**”). The Issuer also wishes to include some additional clarificatory wording as regards applicable foreign exchange rates in relation to incurrence and refinancing of indebtedness.

The maximum amount of additional permitted Indebtedness pursuant to the Permitted Indebtedness Amendment in each of 2016 and 2017 is equal to US\$750,000,000 less any indebtedness incurred by the Issuer or its Subsidiaries in that year in accordance with the Asset/Equity Ratio requirement in Condition 6.2. The maximum amount of additional permitted Indebtedness is consistent with the range of annual Indebtedness incurred by the Issuer and its Subsidiaries since 2013.

2.2 Release by the Government of Kazakhstan of a Comprehensive Privatisation Plan and implementation of the Issuer's Development Strategy

Comprehensive privatisation plan

Notwithstanding the constraints the Issuer faces as a result of the depreciation of the KZT, the Issuer wishes to introduce some additional flexibility to be able to use any proceeds received in connection with disposals made pursuant to the Comprehensive Privatisation Plan and the Issuer's Development Strategy (each as defined below), to repay outstanding indebtedness of the Group.

On 30 December 2015, the Government of the Republic of Kazakhstan (the “**Government**”) approved Decree No. 1141 "Concerning Certain Issues of Privatization for 2016–2020" (“**Decree 1141**”) Decree 1141 became effective on 1 January 2016.

Decree 1141 sets out the Government's comprehensive privatisation plan for 2016-2020 (the “**Comprehensive Privatisation Plan**”). The Comprehensive Privatisation Plan includes, amongst other things, a recommendation to the Issuer to approve a list of its subsidiaries and affiliates which had been pre-selected by the Government for transfer to the private sector.

The Comprehensive Privatisation Plan does not at this stage set out specific details in relation to the legal framework or procedure to be followed to privatise any of these companies. The Issuer is also required by Decree 1141 to take measures to implement the Comprehensive Privatisation Plan and to submit progress reports semi-annually to the Ministry of the National Economy of the Republic of Kazakhstan.

Development Strategy

On 12 October 2015, the Board of Directors of the Issuer adopted a revised development strategy for the Group for 2011-2020 (the “**Development Strategy**”) The Development Strategy remains subject to the final approval of the Government. Although the Development Strategy has been formally

adopted by the Issuer's Board of Directors, it is important to note that the Development Strategy is still subject to further review and potential amendment. It is possible, therefore, that details relating to the structure of the Group and the method of achieving the Corporate Reorganisation will change.

The Development Strategy is designed to allow the Issuer and the Group to focus their operations on financing the agricultural sector, to structure the Issuer's financing of the agricultural sector through intermediary financial institutions rather than by lending directly to agribusinesses and to optimise the performance of the remaining Group companies. The Development Strategy will allow the Issuer to transfer to the private sector the subsidiaries and affiliates which are identified in the Government's Comprehensive Privatisation Plan. Implementation of the Development Strategy will not affect the Issuer's ability to access State funding.

Proposed Amendment

In connection with the release of the Comprehensive Privatisation Plan and the Issuer's Development Strategy, the Issuer wishes to introduce some additional flexibility to be able to use any proceeds from the disposal of assets, such as in connection with the Comprehensive Privatisation Plan and Development Strategy, to repay outstanding indebtedness of the Group.

The consent of the Noteholders is therefore sought to amend Condition 6.3(b) which currently only permits the Issuer to apply the net proceeds of any disposal of assets or property by the Issuer or any Material Subsidiary as part of a corporation reorganisation ("**Disposal Proceeds**") to be reinvested in capital assets of the Issuer or any wholly-owned Subsidiary of the Issuer, which reinvestment must occur within 180 days following the date of receipt of thereof (unless the reorganisation constitutes a Permitted Restructuring).

The Issuer wishes to amend Condition 6.3(b) to permit the Issuer to apply Disposal Proceeds to repay, prepay, purchase, redeem or retire any Notes or other Indebtedness for Borrowed Money of the Issuer or any of its Subsidiaries, *provided* such other Indebtedness for Borrowed Money ranks *pari passu* or senior in right of payment to the Notes (the "**Asset Disposal Amendment**").

The specific timing and terms of any repayment, prepayment, purchase, retirement or redemption of any Notes or other Indebtedness for Borrowed Money will be determined by the Issuer by reference to, among other matters, prevailing market conditions.

3. Consent Fee

Qualifying Noteholders who validly submit an Electronic Voting Instruction or who validly submit a Form of Sub-Proxy, as applicable, in favour of the relevant Extraordinary Resolution that is received by the Tabulation Agent (i) on or prior to the Early Consent Expiration Time and who have not validly revoked their Electronic Voting Instruction or Form of Sub-Proxy, as applicable, will be entitled to receive the applicable Early Consent Fee, *provided that* both Extraordinary Resolutions that are the subject of this Proposal are duly passed and become effective in accordance with their terms and the Effective Date has occurred; and (ii) after the Early Consent Deadline but on or prior to the Expiration Time and who have not validly revoked their Electronic Voting Instruction or Form of Sub-Proxy, as applicable, in respect of the relevant Extraordinary Resolution will be entitled to receive the applicable Late Consent Fee, *provided that* both Extraordinary Resolutions that are the subject of this Proposal are duly passed and become effective in accordance with their terms and the Effective Date has occurred.

The following table sets out the applicable Early Consent Fee and Late Consent Fee payable to a Qualifying Noteholder on the Settlement Date (subject to the terms of this Memorandum) in respect of each Series of Notes (per each €1,000, with respect to the 2019 Notes and per each U.S.\$1,000, with respect to the 2023 Notes, in each case in principal amount of Qualifying Notes (as defined below) held by such Qualifying Noteholder):

	<u>Early Consent Fee</u>	<u>Late Consent Fee</u>
2019 Notes.....	€10	€2.50
2023 Notes.....	U.S.\$15	U.S.\$3.75

The Early Consent Fee and the Late Consent Fee will be paid as consideration for the relevant Noteholders’ approval of the relevant Extraordinary Resolution, and are subject to the passing of the Extraordinary Resolutions relating to both Series. No Early Consent Fee or Late Consent Fee shall be payable to any Noteholder to the extent either Extraordinary Resolution is not duly passed at the relevant Meeting or, as the case may be, Adjourned Meeting, notwithstanding that the other Extraordinary Resolution was duly passed at the relevant Meeting or, as the case may be, Adjourned Meeting.

Noteholders will not be eligible to receive the applicable Early Consent Fee or the applicable Late Consent Fee if (i) they vote against the relevant Extraordinary Resolution, (ii) they vote other than by delivery of a valid Electronic Voting Instruction or Form of Sub-Proxy, as the case may be (including attending and voting at the relevant Meeting in person), (iii) they vote after the Early Consent Deadline or Expiration Date, as applicable, (iv) they do not vote at all, (v) they revoke their Electronic Voting Instruction or Form of Sub-Proxy, as the case may be, (vi) either of the Extraordinary Resolutions is not duly passed at the relevant Meeting (including any adjournment thereof), or (vii) when submitting the Electronic Voting Instruction or Form of Sub-Proxy, as the case may be, such Noteholder is unable to make the representations set out in the “**Representations, Warranties and Undertaking**” section of the Memorandum.

4. Expected Timetable of Events

This timetable assumes that (i) all Meetings in respect of each Series of Notes are quorate on the date on which they are first convened and, accordingly, no Adjourned Meetings are required and (ii) new meetings are not convened in respect of the Notes. The Early Consent Deadline and Expiration Date, *inter alia*, can be amended under the terms of the Proposal. Accordingly, the actual timetable may differ significantly from the expected timetable set out below. The Issuer will publicly announce any such amendment. The times stated below refer to the relevant time in London on the relevant date.

Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other trustee, Clearing System or other intermediary through which they hold Notes whether such intermediary would require receiving any notice or instructions prior to the deadline set out above.

All of the below dates are subject to earlier deadlines that may be set by the Clearing Systems or any intermediary.

<u>Event</u>	<u>Date and Time</u>
Launch Date/Announcement of the Solicitation	22 February 2016
<i>Announcement of the Solicitation and each Notice of Meeting given to Noteholders of each Series through the Clearing Systems. Memorandum made available to Noteholders via the Tabulation Agent (free of charge).</i>	
Record Date	5.00 p.m. (EST)/9.00 p.m.

Record Date in respect of EC/CS Notes and DTC Notes. Only Direct Participants at this time and date will be entitled to submit an Electronic Voting Instruction or Form of Sub-Proxy, as applicable. (London time) on 14 March 2016

Early Consent Expiration Time and Early Consent Deadline 5.00 p.m. (EST)/9.00 p.m.
(London time) on 15 March 2016

Deadline for EC/CS Noteholders to deliver or procure delivery (via the relevant Clearing System) to the Tabulation Agent of Electronic Voting Instructions or DTC Noteholders to deliver or procure delivery to the Tabulation Agent the Forms of Sub-Proxy in favour of the relevant Extraordinary Resolution to be eligible to receive the applicable Early Consent Fee.

Latest time for Noteholders to deliver a Revocation Instruction in respect of previously submitted Electronic Voting Instructions or Forms of Sub-Proxy, as applicable. Noteholders who deliver a Revocation Instruction (and do not subsequently deliver an Electronic Voting Instruction or Forms of Sub-Proxy, as applicable prior to this time in favour of the relevant Extraordinary Resolution) will not be eligible to receive the applicable Early Consent Fee.

Expiration Time and Expiration Date

12 noon (EST)/4.00 p.m.
(London time) on 21 March 2016

Deadline for EC/CS Noteholders to deliver or procure delivery (via the relevant Clearing System) to the Tabulation Agent of Electronic Voting Instructions or for DTC Noteholders to deliver or procure delivery to the Tabulation Agent of the Forms of Sub-Proxy in favour of the relevant Extraordinary Resolution to be eligible to receive the applicable Late Consent Fee and to be eligible to vote.

Latest time for Noteholders to appoint the Tabulation Agent (or its nominee) as proxy to attend the relevant Meeting and vote in respect of the applicable Extraordinary Resolution or to appoint another proxy to attend and vote at the relevant Meeting in accordance with the provisions of the relevant Fiscal Agency Agreement and the relevant Notice of Meeting.

Date of the Meetings

23 March 2016

Announcement of results

The announcement via the Clearing Systems of the results or notice of adjournment of the Meetings, as the case may be.

23 March 2016 or as soon as reasonably practicable after the Meetings

Effective Date

If both Extraordinary Resolutions are passed, without requiring any adjourned meetings, the date on which all Supplemental Fiscal Agency Agreements shall be executed and delivered and become effective

Not later than 6 days after all Extraordinary Resolutions have been passed

Settlement Date

Settlement in respect of the relevant Consent Fee.

On or about 29 March 2016

The above times and dates are indicative only and will depend, among other things, on timely receipt (and non-revocation) of instructions and passing the Extraordinary Resolutions. If any of the Meetings are adjourned, the relevant times and dates set out above will be modified accordingly and will be set out in the notice(s) convening such Adjourned Meeting(s).

If any Extraordinary Resolution that is the subject of this Proposal shall not have been passed at a Meeting, or, as the case may be, at an Adjourned Meeting, then the remaining Extraordinary Resolution that is the subject of this Proposal shall not be adopted, even if such Extraordinary Resolution shall have been duly passed at the relevant Meeting or Adjourned Meeting for the applicable Series, and the Effective Date shall not occur. The Early Consent Fee and the Late Consent Fee will be paid as consideration for the relevant Noteholders' approval of the relevant Extraordinary Resolution, and are subject to the passing of the Extraordinary Resolutions relating to both Series. No Early Consent Fee or Late Consent Fee shall be payable to any Noteholder to the extent either Extraordinary Resolution is not duly passed at the relevant Meeting or, as the case may be, Adjourned Meeting, notwithstanding that the other Extraordinary Resolution was duly passed at the relevant Meeting or, as the case may be, Adjourned Meeting.

5. Solicitation Agent

Any questions from any person regarding the terms of the Proposal or the Solicitation may be directed to the Solicitation Agent at the address and telephone number specified below:

UBS AG, LONDON BRANCH

1 Finsbury Avenue
London EC2M 2PP
United Kingdom

In Europe and Asia:

Attention: Liability Management Group
Tel: +44 (0) 20 7568 2133
Email: ol-liabilitymanagement-eu@ubs.com

In the Americas:

Attention: Liability Management Group
Collect: +1 (203) 719-4210
Toll free: +1 (888) 719-4210

6. Tabulation Agent

Noteholder may obtain copies of the Memorandum and the Notices of Meetings from the Tabulation Agent:

LUCID ISSUER SERVICES LIMITED

Tankerton Works,
12 Argyle Walk,
London WC1H 8HA

Attention: David Shilson / Paul Kamminga
By telephone: +44 (0) 20 7704 0880
By email: kazagro@lucid-is.com

Neither the Solicitation Agent, the Tabulation Agent, the Fiscal Agent nor the Issuer takes any responsibility for the contents of this announcement and none of the Issuer, the Solicitation Agent, the Tabulation Agent, the Fiscal Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Solicitation, or any recommendation as to whether Noteholders should provide their consent in the Solicitation. This announcement must be read in conjunction with the Memorandum. This announcement and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Solicitation. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent adviser.