

**MINUTES**  
**of the Annual General Meeting of Shareholders**  
**of “KazTransOil” JSC No.3/2019**

Full name	“KazTransOil” Joint-Stock Company
Registered address	12 Non-Residential Building, 20, Turan Avenue, Yessil District, 010000, Nur-Sultan, Republic of Kazakhstan
Venue	conference-hall on the 3 <sup>rd</sup> floor, Block B, 19, Kabanbay Batyr Ave., Yessil District, 010000, Nur-Sultan, Republic of Kazakhstan
Date	May 28, 2019
Beginning of registration	10:00 a.m.
Finishing of registration	01:00 p.m.
Beginning of the General Meeting of Shareholders	03:00 p.m.
Finishing of the General Meeting of Shareholders	04:10 p.m.

The Annual General Meeting of Shareholders of “KazTransOil” JSC (hereinafter - the Company) was convened by the resolution of the Company’s Board of Directors as of April 24, 2019 (Minutes No.3/2019) with the following agenda:

1. On confirmation of the annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2018.
2. On confirmation of the procedure of distribution of “KazTransOil” JSC net income for 2018, retained earnings for past years, decision-making on payment of dividends on common shares and confirmation of the amount of a dividend per one common share of “KazTransOil” JSC.
3. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2018.
4. On addresses of “KazTransOil” JSC shareholders against actions of “KazTransOil” JSC and its officials for 2018 and results of their consideration.

The information on holding the Annual General Meeting of Shareholders (hereinafter – the AGM) was published in Kazakh and Russian languages on internet-resources of Depository of financial statements and Kazakhstan Stock Exchange on April 25, 2019 and in the republican print media and on Company’s internet-resource on April 26, 2019.

In accordance with paragraph 39 of Article 9 of the Company’s Charter, the





Secretary of the AGM is Corporate Secretary of the Company A. Shmanov.

The Counting Commission performing the functions referred to in Article 46 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” was elected by the resolution of the Extraordinary General Meeting of Shareholders on January 28, 2019 (Minutes No.1/2019).

General Director (Chair of the Management Board) of the Company D. Dossanov gave the floor to A. Abdullina, the Counting Commission Chair.

A. Abdullina reported that, in accordance with the Company’s list of shareholders presented by the Central depository as of May 15, 2019, the total number of the Company’s voting shares is 384,296,793 (three hundred eighty four million two hundred ninety six thousand seven hundred ninety three).

According to the information provided by the Counting Commission seven (7) shareholders (their representatives) were registered to participate in the AGM at the end of the registration holding in aggregate 346,281,384 (three hundred forty six million two hundred eighty one thousand three hundred eighty four) voting shares, or 90.11% of the total voting shares.

Pursuant to paragraph 1 of Article 45 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, the General Meeting of Shareholders shall be entitled to consider and decide on the agenda issues, if at the end of the participants registration (on the date of submission of all voting papers or on the date of a deadline for voting papers submission in case of absentee voting) the shareholders (their representatives) included in the list of shareholders and entitled to participate in the meeting and vote, holding in aggregate fifty percent or more of the voting shares of the Company were registered.

The quorum to hold the meeting and vote on the agenda items is available.

All the attending shareholders (representatives of shareholders) were registered. All the shareholders (their representatives) present at the meeting received the materials on the agenda items and voting papers, and also got clarifications on the procedure of exercising their rights at the AGM and the order of voting during registration.

D. Dossanov informed the shareholders (representatives of shareholders) about the absence of proposals for amending the AGM agenda.

D. Dossanov proposed an open voting at the AGM.

The proposal was put to vote on the principle of “one shareholder - one vote”.

**Voted:**

“**Pro**” – 7 shareholders

“**Contra**” – no

“**Abstained**” – no

**The simple majority decision was taken under the principle of “one shareholder – one vote”:**

To define an open voting on the agenda items at the Company’s Annual General Meeting of Shareholders.



D. Dossanov proposed to elect Nurtas N. Shmanov as the AGM Chair.  
The issue was put to vote.

**Voted:**

“Pro” – 346,281,384 votes

“Contra” – no

“Abstained” – no

**The simple majority decision was taken, given the total number of the Company’s voting participating shares:**

To elect Nurtas N. Shmanov as the Chair of the Annual General Meeting of Shareholders of the Company.

Further on, N. Shmanov announced the AGM time-limit, and put the following agenda to vote:

1. On confirmation of the annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2018.

2. On confirmation of the procedure of distribution of “KazTransOil” JSC net income for 2018, retained earnings for past years, decision-making on payment of dividends on common shares and confirmation of the amount of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2018.

4. On addresses of “KazTransOil” JSC shareholders against actions of “KazTransOil” JSC and its officials for 2018 and results of their consideration.

**Voted:**

“Pro” – 346,281,384 votes

“Contra” – no

“Abstained” – no

**The simple majority decision was taken, given the total number of the Company’s voting participating shares:**

To confirm the following agenda of the Company’s Annual General Meeting of Shareholders:

1. On confirmation of the annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2018.

2. On confirmation of the procedure of distribution of “KazTransOil” JSC net income for 2018, retained earnings for past years, decision-making on payment of dividends on common shares and confirmation of the amount of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2018.

4. On addresses of “KazTransOil” JSC shareholders against actions of “KazTransOil” JSC and its officials for 2018 and results of their consideration.

On the **first agenda item** N. Shmanov gave the floor to Zh. Makhin, the Deputy General Director of the Company.

Zh. Makhin presented the key indicators of the annual financial statements and annual consolidated financial statements of the Company for 2018 with the



analysis of the main items.

The presented statements were audited by “Ernst & Young” LLP determined as an audit organization of the Company in 2016-2018 following the resolution of the Company’s Extraordinary General Meeting of Shareholders as of January 14, 2016 (Minutes No.1/2016).

Further, Company’s shareholder A.Batayev addressed to the speaker with a request to provide clarifications on certain indicators of consolidated annual financial statements of the Company for 2018. Zh. Makhin provided the relevant comments.

Representative of a shareholder E. Abeni – D. Temirbayev informed on intension to address a formal request with questions on certain aspects of Company’s activity.

D. Dossanov informed that the Company will duly consider the questions and provide relevant answers.

N. Shmanov commented on different aspects of activity of the Company and environment it is working in.

N. Shmanov put the issue of confirmation of annual financial statements and annual consolidated financial statements of the Company for 2018 to vote.

**Voted:**

“Pro” – 346,276,221 votes

“Contra” – 5,163 votes

“Abstained” – no

**The simple majority decision was taken, given the total number of the Company’s voting participating shares:**

To confirm:

1) the annual financial statements of “KazTransOil” JSC for 2018 with the following main financial indicators:

Indicator	thous.tenge	
	2018	2017
Revenue	212 519 885	208 606 879
Cost of sales	(139 040 319)	(134 081 624)
<b>Gross profit</b>	<b>73 479 566</b>	<b>74 525 255</b>
Administrative expenses	(13 858 932)	(12 037 532)
Other expenses	(2 915 613)	(987 477)
Other income	2 158 138	2 397 469
<b>Net operating profit</b>	<b>58 863 159</b>	<b>63 897 715</b>
Financial income	6 934 017	4 869 730
Financial expenses	(2 591 256)	(6 721 805)
Other non-operating income	2 588 085	–
Other non-operating expenses	–	(597 171)
<b>Earnings before taxation</b>	<b>65 794 005</b>	<b>61 448 469</b>
Income tax expenses	(13 981 295)	(15 793 678)
<b>Net profit for the year</b>	<b>51 812 710</b>	<b>45 654 791</b>
<i>Earnings per share, tenge</i>	<b>135</b>	119



<b>Total assets</b>	<b>744 189 248</b>	698 167 815
<b>Total liabilities</b>	<b>161 142 532</b>	149 400 028
<b>Total equity</b>	<b>583 046 716</b>	548 767 787
<i>Book value of a share (tenge)</i>	<i>1 512</i>	<i>1 423</i>

2) the annual consolidated financial statements of “KazTransOil” JSC for 2018 with the following main financial indicators:

Indicator	thous.tenge	
	2018	2017
Revenue	225 399 570	222 449 954
Cost of sales	(152 393 686)	(146 598 531)
<b>Gross profit</b>	<b>73 005 884</b>	75 851 423
Administrative expenses	(16 871 021)	(16 020 923)
Other expenses	(5 799 824)	(1 000 544)
Other income	1 112 840	2 446 962
<b>Total operating profit</b>	<b>51 447 879</b>	61 276 918
Financial income	2 820 024	4 937 555
Financial expenses	(2 590 261)	(6 721 805)
Share in income/(loss) of joint ventures	(2 075 937)	7 101 470
Other non-operating income	2 594 699	-
Other non-operating expenses	-	(651 952)
<b>Earnings before taxation</b>	<b>52 196 404</b>	65 942 186
Income tax expenses	(13 711 421)	(15 824 330)
<b>Profit for the year</b>	<b>38 484 983</b>	50 117 856
<i>Earnings per share (tenge)</i>	<i>100</i>	<i>130</i>
<b>Total assets</b>	<b>803 440 601</b>	764 227 005
<b>Total liabilities</b>	<b>178 024 402</b>	164 535 958
<b>Total equity</b>	<b>625 416 199</b>	599 691 047
<i>Book value of a share (tenge)</i>	<i>1 608</i>	<i>1 542</i>

On the **second agenda item** N. Shmanov gave the floor to Zh. Makhin, the Deputy General Director of the Company.

Zh. Makhin informed the shareholders that, in accordance with the Dividend Policy and the Procedure on distribution of net income of the Company, the amount of dividends accrued by the Company for the reporting period shall be calculated at the rate of not less than 40% of consolidated or separate net income for a past year depending on which one is the highest.

Based on the audited financial statements of the Company for 2018, the consolidated net income is equal to 38,484,983,000 (thirty eight billion four hundred eighty four million nine hundred eighty three thousand) tenge, while the separate net income comprised 51,812,710,000 (fifty one billion eight hundred twelve million seven hundred ten thousand) tenge. 40% of the separate net income



is 20,725,084,000 (twenty billion seven hundred twenty five million eighty four thousand) tenge.

At the same time, the Company's Board of Directors decided on April 24, 2019 to recommend:

to allocate for payment of dividends the amount of 38,484,983,000 (thirty eight billion four hundred eighty four million nine hundred eighty three thousand) tenge that is 100% of the Company's net income;

to allocate for payment of dividends the amount of 1,516,339,296 (one billion five hundred sixteen million three hundred thirty nine thousand two hundred ninety six) tenge from retained earnings for past years;

to confirm the amount of one dividend for 2018 - 104 (one hundred and four) tenge for a share.

The list of shareholders entitled to receive dividends on common shares of the Company for 2018 will be recorded as at 12:00 a.m., June 5, 2019. It is therefore proposed to start paying dividends on the Company's common shares for 2018 from July 3, 2019.

The dividends will be paid by due cash transfer to the accounts of the Company's shareholders.

N. Shmanov put the issue of confirmation of the procedure on distribution of the Company's net income for 2018, retained earnings for past years, adoption of the decision on payment of dividends on common stock and confirmation of the amount of dividends per one common share of the Company to vote.

**Voted:**

**"Pro"** – 346,268,905 votes

**"Contra"** – 12,479 votes

**"Abstained"** – no

**The simple majority decision was taken, given the total number of the Company's voting participating shares:**

1. To confirm:

1) the following procedure of distribution of the 2018 net income earned by "KazTransOil" JSC located at the following address: 20, Turan Ave., Yessil District, 010000 Nur-Sultan, Republic of Kazakhstan, BIN 970 540 000 107, Certificate of VAT registration dated August 29, 2012, series 62001 No.0015217, Beneficiary code 16, "Halyk Bank of Kazakhstan" JSC, SWIFT BIC: HSBKKZKX, KZ536010111000012185 (KZT), in the amount of 38,484,983,000 (thirty eight billion four hundred eighty four million nine hundred eighty three thousand) tenge - to allocate for payment of dividends the amount of 38,484,983,000 (thirty eight billion four hundred eighty four million nine hundred eighty three thousand) tenge, or 100% of the "KazTransOil" JSC net income;

2) the following procedure of distribution of retained earnings for past years - to allocate for payment of dividends the amount of 1,516,339,296 (one billion five hundred sixteen million three hundred thirty nine thousand two hundred ninety six) tenge;



3) the amount of a dividend for 2018 per one common share of “KazTransOil” JSC to be 104 (one hundred four) tenge.

2. To fix the list of shareholders entitled to receive dividends on common shares of “KazTransOil” JSC for 2018 as of 12:00 a.m., June 5, 2019.

3. To determine the date of starting payment of dividends on the “KazTransOil” JSC common shares for 2018 – July 3, 2019.

4. To pay dividends in cash by transferring to the accounts of “KazTransOil” JSC shareholders:

1) on common shares of “KazTransOil” JSC being in nominal holding of “Central Securities Depository” JSC through a paying agent represented by “Central Securities Depository” JSC;

2) on common shares of “KazTransOil” JSC not being in nominal holding of “Central Securities Depository” JSC by “KazTransOil” JSC itself.

5. General Director (Chair of the Management Board) of “KazTransOil” JSC D. Dossanov to duly take necessary measures to bring this resolution into effect.

On the **third agenda item** N. Shmanov gave the floor to A. Shmanov, the Corporate Secretary of the Company.

A. Shmanov informed the shareholders about the work done by the Board of Directors in 2018, the composition and structure of the Board of Directors, the most important decisions taken by the governing body within the reporting period and the work of its committees.

N. Shmanov put the issue of confirmation of the Annual Report of the Company’s Board of Directors on its performance in 2018 to vote.

**Voted:**

“**Pro**” – 346,276,221 votes

“**Contra**” – 5,163 votes

“**Abstained**” – no

**The simple majority decision was taken, given the total number of the Company’s voting participating shares:**

To confirm the enclosed Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2018.

A. Massalin, the IR Service Head, delivered his speech on the **fourth agenda item**. He noted that, in accordance with the Law of the Republic of Kazakhstan “On Joint-Stock Companies” and the Company’s Charter, the AGM shall consider the issue of addresses of shareholders against actions of the Company and its officials for the reporting period and results of their review.

As part of the issue, it was noted that there were no any addresses of shareholders against actions of the Company and its officials in 2018.

Meantime, the speaker noted that on May 27, 2019 the Company received a letter from the lawyer A. Begdessenov, representing the interests of Company’s shareholder Khassengali Dinara on violation of rights of shareholders – gratuitous transfer of the administrative building of the Western branch, located at 96, Gumarova str., Atyrau, to the akimat of Atyrau region. The information on the address and results of its consideration will be submitted for consideration of the

Ordinary General Meeting of Shareholders of the Company.

N. Shmanov put the issue of addresses of shareholders of the Company against actions of the Company and its officials for 2018 and results of their consideration to vote.

**Voted:**

“Pro” –346,281,384 votes

“Contra” – no

“Abstained” – no

**The simple majority decision was taken given the total number of the Company’s voting participating shares:**

To take into account the information on absence of addresses of the “KazTransOil” JSC shareholders against actions of “KazTransOil” JSC and its officials for 2018.

**Chair of the meeting**

**N. Shmanov**

**Secretary**

**A. Shmanov**

**Chair of the Counting Commission**

**A. Abdullina**

**Counting Commission members:**

**A. Baimakhanov**

**S. Bidaibekova**

**Zh. Kabenov**

**A. Kulisbayev**

**Z. Nurseitova**

**D. Nusipzhanova**

**Zh. Tapayeva**

**M. Temirbayeva**