



**SAT&COMPANY**  
**JOINT STOCK COMPANY**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**MINUTES No S&Co-7-2-02**

The full name of the legal entity:	SAT & Company Joint Stock Company (hereinafter “ <b>the Company</b> ”), Certificate of state registration No. 1712 -1910 – 02 - AO, issued on August 15, 2006 by Department of Justice of Almaty city
Name and location of the executive authority of the Company:	Chief Executive Officer to SAT & Company JSC 241, Mukanov Str., Almaty, Republic of Kazakhstan.
Place, date and time of the meeting:	241, Mukanov Str., Almaty, Republic of Kazakhstan August 21, 2014, 15:00
Start of registration of shareholders:	14:00
Deadline for registration of shareholders:	15:00

The list of shareholders of the Company authorized to participate and vote at annual general meeting of the shareholders of SAT & Company JSC was delivered based on data of Shareholders Registry System on 00 hours 00 minutes of August 04, 2014 by an independent registrar – “Unified Registrar of Securities” JSC.

**Invitees:**

- 1) Sagitova Rumiya Shafkhatovna - Member of the Board, Chief Finance Officer;
- 2) Rakhmatulayev Ablimit Abdurashitovich - Member of the Executive Board, Chief Legal Officer;
- 3) Sharabok Nadezhda Ivanovna – Chief Accountant
- 4) Tuyfyakova Svetlana Gennadievna – Deputy Director of Legal Department, Corporate Secretary.

Four shareholders (their substitutes) collectively holding 1 141 475 685 ordinary shares equal to 92.33 percent of total voting shares of Company were registered and attended annual general meeting.

Legal requirements of Clause 1, Article 45 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" # 415-II dated May 13, 2003 (hereinafter referred to as - "Law") in respect of the quorum were observed and the meeting was legally qualified to resolute on all issues of the agenda. As stated by the Corporate Secretary, no additional proposal was made to amend the agenda of the annual general meeting of the shareholders before meeting start date.

**The annual general meeting of the shareholders was opened by  
Rakhmatulayev Ablimit Abdurashitovich  
Member of the Board, Chief Legal Officer  
«SAT & Company» JSC**

Mr. Rakhmatulayev welcomed shareholders attending the general meeting and thanked for participation in the management of Company.

Further, Mr. Rakhmatulayev informed that authorities of the participants were confirmed and the quorum for general meeting of the shareholders was observed and proposed to announce annual general meeting opened to review the items of agenda of the general meeting of the shareholders.

In order to conduct annual general meeting of the shareholders it was proposed to elect Rustam Narimanovich Khodzhayev as the Chairman of the annual general meeting and Svetlana Gennadievna Tyufyakova as the Corporate Secretary.

Assign Corporate Secretary with the responsibilities of the tabulation commission at the annual general meeting of the shareholders as stipulated by Clause 46 of the Law.

The proposal was put to the vote.

The voting method is "one shareholder - one vote".

The total amount of shareholders votes for the item brought to voting – 4.

Voting results: «**pros**» – 4; «**cons**» - no; «**abstained**» - no.

RESOLVED:

Elect Rustam Narimanovich Khodzhayev as the Chairman of the meeting.

Elect Svetlana Gennadievna Tyufyakova as the Corporate Secretary

Assign Corporate Secretary with the responsibilities of the tabulation commission at the annual general meeting of the shareholders as stipulated by Clause 46 of the Law

R. N. Khodzhayev, Chairman of the meeting proposed to approve voting format. i.e. secret or open voting.

The meeting proposed to approve open voting format.

The proposal was put to the vote.

The voting method is "one shareholder - one vote".

The total amount of shareholders votes for the item brought to voting – 4.

Voting results: «**pros**» – 4; «**cons**» - no; «**abstained**» - no.

RESOLVED:

Approve open voting format on all items of meeting agenda.

Further, R. N. Khodzhayev, Chairman of the meeting announced that the annual general meeting of the shareholders was initiated by the Board of Directors of the Company with the agenda outlined by the Board of Directors of the Company on July 21, 2014.

Notification on annual general meeting of the shareholders was published on corporate website - [www.sat.kz](http://www.sat.kz) - and communicated to the shareholders by a written message.

The following issues are incorporated to agenda:

AGENDA

- 1) Approval of Year 2013 Annual Financial Statements of the Company.
- 2) Approval of procedure of distribution of Year 2013 net income and amount of dividend per one ordinary share of the Company.
- 3) Approval of resolution not to pay dividends on ordinary shares of the Company.
- 4) Consideration of information about the shareholders' claims towards the Company and its officials and review of consideration results.
- 5) Consideration of information on the size and composition of remuneration for the members of Board of Directors and Executive Board.
- 6) Election of the Board member, approval of the amount and terms of labor remuneration payable to Board of Directors member for his/her duties performance.

The proposal "To approve the agenda of annual general meeting of the shareholders" was voted on by the principle of "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – 1 141 475 685.

Voting results: «**pros**» – 1 141 475 685; «**cons**» - no; «**abstained**» - no.

**RESOLVED:**

To approve the agenda of the Annual General Meeting of Shareholders as follows:

**AGENDA:**

- 1) Approval of Year 2013 Annual Financial Statements of the Company.
- 2) Approval of procedure of distribution of Year 2013 net income and amount of dividend per one ordinary share of the Company.
- 3) Approval of resolution not to pay dividends on ordinary shares of the Company.
- 4) Consideration of information about the shareholders' claims towards the Company and its officials and review of consideration results.
- 5) Consideration of information on the size and composition of remuneration for the members of Board of Directors and Executive Board
- 6) Election of the Board member, approval of the amount and terms of labor remuneration payable to Board of Directors member for his/her duties performance.

**THE FIRST ITEM OF THE AGENDA** was addressed by Sagitova R. S. - Member of the Board, Chief Finance Officer and informed that in accordance to Clause 7), Article 36 of the Law, this issue is within the exclusive competence of the General Meeting of the Shareholders.

The Annual Financial Statements of the Company has been preliminary approved by the Board of Directors.

It was proposed to listen to the report of Sharabok N. I., Chief Accountant on mentioned agenda item.

Sharabok N. I. informed the attendees that annual financial statements approved by “Independent audit company Center-Audit-Kazakhstan” Limited Liability Company were available to the shareholders at the location of the Company, therefore, proposed to move to a discussion on agenda item.

Then, Sharabok N. I. submitted both consolidated and non-consolidated financial statements for 2013 for approval established in accordance with the requirements of International Financial Reporting Standards and approved by “Independent audit company Center-Audit-Kazakhstan” Limited Liability Company.

Sharabok N. I. announced the key issues of the results of annual financial activities of the Company in 2013, performance of the Company and the group of the companies within the structure of the

Company as a whole as long as other issues regarding annual financial activities of the Company in 2013.

Year 2013 consolidated financial statements of the SAT & Company JSC group approved by the auditor incorporated financial performances of the SAT & Company JSC and following subsidiaries:

Company / subsidiary	Location	Primary activity
«Sat & Company» JSC	Kazakhstan	Investment activities
"CAICC" LLP	Kazakhstan	Investment activities
"Taraz Metallurgical Plant" (TMP)	Kazakhstan	Ferroalloys' products manufacture
"Taraz Electrode Plant" LLP	Kazakhstan	Electrode paste manufacture
"Arman 100" LLP	Kazakhstan	Manganese ore production and enrichment
"Axem investment" LLP	Kazakhstan	Fertilizers manufacturing
"TEMP" LLP	Kazakhstan	Manganese ore production and ferroalloys' products manufacture
"KazNickel" LLP	Kazakhstan	Cobalt nickel ore exploration
SAT&Co Holding A.S.	Turkey	Subsurface Use
"FNK Ertys" LLP	Kazakhstan	Subsurface Use

The assets and liabilities of "SAT Komir Mining Company" JSC are shown in Balance sheet under disposal group line. Other companies, members of SAT group did not have any turnover and therefore not shown in the list.

#### Key Financial Indicators of P&L Statement

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	Year 2013	Year 2012
Revenue	11 487 183	15 696 670
COGS	15 338 506	16 445 586
<b>Gross profit</b>	<b>-3 851 323</b>	<b>-748 916</b>
Revenues from acquisitions	-	5 441 762
Other operating income	1 130 665	932 966
General and administrative expenses	10 526 218	2 454 600
Sales expenses	615 813	773 164
Other operating expenses	4 725 298	1 004 418
<b>Operating income</b>	<b>-18 587 987</b>	<b>1 393 630</b>
Income from financing	405 044	467 490
Financing expenses	3 510 308	4 398 885
The loss of companies accounted applying equity method	-240 163	-406 114
<b>Profit before taxation</b>	<b>-21 933 414</b>	<b>-2 943 879</b>
Income Tax expense (benefit)	978 915	1 010 954
Income from discontinued activities	22 988 340	-1 047 460

<b>Profit per annum</b>	<b>2 033 841</b>	<b>-2 980 385</b>
Foreign exchange profit/loss	121 673	67 720
<b>Grand Total, Aggregate Annual Income</b>	<b>2 155 514</b>	<b>-2 912 665</b>

The structure of the proceeds from sales (services):

#### Revenue

	<b>Year 2013</b>	<b>Year 2012</b>
Ferroalloys	7 441 015	11 278 690
Calcium carbide	2 204 951	2 508 477
Limestone	978 990	775 303
Metal scrap	151 112	732 285
Other	711 115	401 915
<b>Grand Total:</b>	<b>11 487 183</b>	<b>15 696 670</b>

#### COGS

	<b>Year 2013</b>	<b>Year 2012</b>
Raw materials	3 466 337	6 609 358
Electric power	3 266 845	4 237 274
Fixed assets depreciation	2 026 180	2 309 208
Wages and taxes	1863 880	1 779 192
Stripping works		21 477
Provisions for impairment of FA and IA	4 177 675	469 534
Transportation		50 229
Other	537 589	969 414
<b>Grand Total:</b>	<b>15 338 506</b>	<b>16 445 586</b>

As stated above, the principal activities of the Group' companies resulted with gross loss at the amount of KzT -3 851 323 thousand mainly due to accrual of provision onto FA impairment mainly due to Taraz Metallurgical Plant idle period and sales of investment assets at TEMP JSC at the value below the fair value.

#### General and Administrative Expenses

	<b>Year 2013</b>	<b>Year 2012</b>
Payroll and related expenses	1 823 506	1 348 187
Consultation services	242 014	507 197
VAT write-off	382 977	346 695
Depreciation of FA and IA	585 187	236 136
FA impairment	187 907	98 178
Taxes and levies	226 779	246 252
Guard Services	262 722	191 454
Sponsorship and other financial aid	75 380	152 357
Materials	436 644	143 806
Business trips and Representations expenses	61 533	118 918
Bank services	35 617	75 146
Rent	109 839	52 355
Communication servers	28 026	35 270

Penalties and fine	132 146	-
Goodwill impairment	-	6 542
Fixed production overheads during idle period	43 551	-
Provision for impairment of the receivables	4 730 712	-1 622 301
Other	1 161 678	518 408
<b>Grand Total</b>	<b>10 526 218</b>	<b>2 454 600</b>

The major share in increase of G&A expenses is the accrual of provision on the receivables outstanding for more than 2 years and totaling KzT 4 730 712 thousands.

### Other Operating Income

	Year 2013	Year 2012
Income on liabilities write-off		234 041
Income on sales of other materials		229 309
Income on state subsidies at TMP	218 623	218 623
Profit less foreign exchange loss		104 212
Income on sales of shares in KPI and restoration of discount of LG.	784 405	
Other	127 637	146 781
<b>Grand Total:</b>	<b>1 130 665</b>	<b>932 966</b>

Financial income totaling KzT 405 044 thousands include cancellation of discount under long-term financial assets and foreign exchange gain/loss under loans and cash funds.

Financial expenses totaling KzT 3 510 308 thousands mainly represented by interest paid on loans and bond loan.

Income from discontinued activities totaling KzT 22 988 340 thousand is the income on sales of "ShalkiyaZinc LTD" JSC - KzT 23 803 878 thousands and loss from classification of the investments at "SAT Komir Mining Company" JSC to discontinued activities totaling KzT 815 538 thousands.

Aggregate income for Year 2013 was KzT 2 155 514 thousands. The shareholders of the Group shall be given with the income of KzT 1 907 161 thousand; minorities shall be given with the income totaling KzT 245 721 thousand.

### Earnings per share

Basic earnings per share are calculated as the ratio of profit for the year attributable to shareholders of the group to the weighted average number of shares in circulation, excluding repurchased shares.

	Year 2013
Profit (loss) attributable to the shares holders (KzT thousands)	2 033 841
Weighted average number of shares in circulation (thousands pcs)	1 627 234
Income (loss) per share attributable to the shareholders of the Company (KzT)	1,25

**Balance Sheet Ratio as of December 31, 2013 and December 31, 2012**

	<b>As of December 31, 2013</b>	<b>As of December 31, 2012</b>
<b>Assets:</b>	<b>93 180 327</b>	<b>87 590 519</b>
Fixed assets	18 709 948	24 434 807
Assets on Exploration and Assessment	1 687 142	3 825 714
Investments to the associated companies	6 354 157	6 829 171
Receivables	52 523 511	12 604 340
Inventories	1 638 306	2 124 312
Cash and their equivalents	333 688	501 688
Other assets	7 956 560	11 595 810
Assets of disposal groups	3 977 015	25 674 677
<b>Liabilities:</b>	<b>59 289 283</b>	<b>55 570 704</b>
Bonds issued	12 508 182	12 146 758
Loans and borrowings	21 552 203	17 706 803
Accounts payable and other liabilities	19 336 126	16 582 809
Liabilities of disposal groups	5 892 772	9 134 334
<b>Capital:</b>	<b>33 891 044</b>	<b>32 019 815</b>
Equity	31 583 510	31 453 737
Provisions	-15 718 106	-15 775 989
Retained profit	18 194 654	15 154 175
Minorities share	-169 014	1 187 892

Shareholders' equity of the Group for Year 2013 increased on to KzT 1 871 229 thousand, including:

- contributions of the shareholders to Charter capital KzT 129 773 thousand;
- annual income KzT 2 155 514 thousand;
- minorities' share alteration KzT 471 941 thousand;
- provisions decrease KzT 57 883 thousand;

Having listened to N. I. Sharabok and discussed both consolidated and non-consolidated financial statements for 2013 approved by the opinion of "CenterAudit-Kazakhstan" Independent Audit Company", the shareholders have voted as follows:

The item put to vote:

- 1) Approve consolidated financial statements for Year 2013 approved by the opinion of "Independent audit company Center-Audit-Kazakhstan" Limited Liability Company.
- 2) Approve non-consolidated financial statements for Year 2013 approved by the opinion of "Independent audit company Center-Audit-Kazakhstan" Limited Liability Company.

The voting method - "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – **1 141 475 685**.

voting results: «**pros**» – 1 141 475 685; «**cons**» - no; «**abstained**» - no.

**RESOLVED:**

- 1) Approve consolidated financial statements for Year 2013 approved by the opinion of "Independent audit company Center-Audit-Kazakhstan" Limited Liability Company.
- 2) Approve non-consolidated financial statements for Year 2013 approved by the opinion of "Independent audit company Center-Audit-Kazakhstan" Limited Liability Company.



**THE SECOND ITEM OF THE AGENDA** was addressed by Sagitova R. Sh. - Member of the Board, Chief Finance Officer and informed that net profit by the end of 2013 totaled to KzT 2 155 514. The Board of Directors recommended to allocate net profit of the Company of KzT 2 155 514 for the development and stabilization of «SAT & Company» JSC subsidiaries by investing in production processes.

The proposal was put to the vote.

The item put to vote:

Allocate Year 2013 net profit of the Company of KzT 2 155 514 for the development and stabilization of «SAT & Company» JSC subsidiaries by investing in production processes.

The proposal was voted on by the principle of "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – 1 141 475 685.

Voting results: «**pros**» – 1 141 475 685; «**cons**» - no; «**abstained**» - no.

**RESOLVED:**

Allocate Year 2013 net profit of the Company of KzT 2 155 514 for the development and stabilization of «SAT & Company» JSC subsidiaries by investing in production processes

**THE THIRD ITEM OF THE AGENDA** was addressed by Sagitova R. Sh. - Member of the Board, Chief Finance Officer who proposed the shareholders to resolute not to allocate/pay the dividends on ordinary shares.

The proposal was put to the vote.

The item put to vote:

Not to allocate/pay the dividends on ordinary shares.

The proposal was voted on by the principle of "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – 1 141 475 685.

Voting results: «**pros**» – 1 141 475 685; «**cons**» - no; «**abstained**» - no.

**RESOLVED:**

Not to allocate/pay the dividends on ordinary shares.

**THE FOURTH ITEM OF THE AGENDA** was addressed by Rakhmatulayev A. A., Member of the Board, Chief Legal Officer who informed the meeting (in compliance to Subclause 3, Clause 2, Article 35 of the Law) that claims from the part of the shareholders with regard to the actions of the Company and the officials have not been reported in Year 2013. Due to abovementioned Rakhmatulayev A. A. proposed to take note of lack of claims from the part of the shareholders with regard to the actions of the Company and the officials in Year 2013.

The proposal was put to the vote.

The item put to vote:

Take note of lack of claims from the part of the shareholders with regard to the actions of the Company and the officials in Year 2013.

The proposal was voted on by the principle of "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – 1 141 475 685.

Voting results: «**pros**» – 1 141 475 685; «**cons**» - no; «**abstained**» - no.

**RESOLVED:**

Take note of lack of claims from the part of the shareholders with regard to the actions of the Company and the officials in Year 2013.

**THE FIFTH ITEM OF THE AGENDA** was addressed by Sagitova R. Sh. - Member of the Board, Chief Finance Officer who stated that during annual meeting, the shareholders should be informed on the size and composition of remuneration to the members of the Board of Directors and Executive Board. The information on remuneration to the officials for Year 2013 was presented to the meeting.

	Accrued	Paid
Board of Directors	KzT 11 946 000,00	KzT 9 676 260,00
Executive Board	KzT 30 693 547,00	KzT 24 833 420,00

The proposal was put to the vote.

The item put to vote:

Take note of information on remuneration to the members of the Board of Directors and Executive Board.

The proposal was voted on by the principle of "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – 1 141 475 685.

Voting results: «**pros**» – 1 141 475 685; «**cons**» - no; «**abstained**» - no.

**RESOLVED:**

Take note of information on remuneration to the members of the Board of Directors and Executive Board.

**THE SIXTH ITEM OF THE AGENDA** was addressed by Rakhmatulayev A. A., Member of the Board, Chief Legal Officer who informed that due to early termination of the powers of O. T. Tokhtarov as Member of the Board of Directors effectively August 19, 2014 on his own initiative (as stipulated by Clause 4, Article 55 of the Law) it was necessary to consider the issue of election of new Board member. Previously, on July 18, 2014 the Board of Directors terminated the powers of O. T. Tokhtarov, Chief Executive Officer on his own initiative.

It was proposed to elect new Board member and consider proposed candidate Rollan Daniyalovich Musinov who was elected as Chief Executive Officer effectively August 21, 2014. The proposal was made by major shareholder Mr. K. K. Rakishev.

In compliance to Clause 3, Article 54 of the Law, the election of the members of the Board of Directors is performed by the shareholders by cumulative voting using voting ballots, save for "one seat - one candidate" instance.

There was no other candidate proposed to be elected as new Board member.

The proposal was put to the vote.

The item put to vote:

1. To early terminate the powers of O. T. Tokhtarov as Member of the Board of Directors effectively August 19, 2014 on his own initiative.
2. Elect Rollan Daniyalovich Musinov as new Board member effectively August 21, 2014 with no remuneration (representative of K. K. Rakishev)
3. The term of office of Rollan Daniyalovich Musinov, Member of the Board of Directors expires simultaneously with term of office of the members of the Board of Directors elected by General Meeting of the Shareholders on February 18, 2013.

The proposal was voted on by the principle of "one voting share - one vote".

The total amount of shareholders votes for the item brought to voting – 1 141 475 685.

Voting results: «**pros**» – 1 141 475 685; «**cons**» - no; « **abstained**» - no.

**RESOLVED:**

1. To early terminate the powers of O. T. Tokhtarov as Member of the Board of Directors effectively August 19, 2014 on his own initiative.
2. Elect Rollan Daniyalovich Musinov as new Board member effectively August 21, 2014 with no remuneration (representative of K. K. Rakishev)
3. The term of office of Rollan Daniyalovich Musinov, Member of the Board of Directors expires simultaneously with term of office of the members of the Board of Directors elected by General Meeting of the Shareholders on February 18, 2013.

The Chairman of the meeting summarized that the items of the agenda of annual general meeting of shareholders of the Company were considered and resolutions were made. Therefore it was proposed to consider an annual general meeting of shareholders of the Company closed.

CHAIRMAN OF MEETING \_\_\_\_\_ **Khodzhayev R.N.**

CORPORATE SECRETARY \_\_\_\_\_ **TYUFYAKOVA S.G.**

**SHAREHOLDERS**

**HOLDING 10 PERCENT OR MORE OF VOTING SHARES OF THE COMPANY:**

**R.N.KHODZHAYEV**

**ACTING BY VIRTUE OF POWER OF ATTORNEY**

**FROM RAKISHEV K.K. NO.1530 AS OF 12.05.2014** \_\_\_\_\_ **R.N.KHODZHAYEV**

**A.S.UMAROV**

**ACTING BY VIRTUE OF POWER OF ATTORNEY**

**FROM "SPECIAL FINANCIAL COMPANY" LLP**

**"KOR – INVEST" NO.13 AS OF 12.05.2014** \_\_\_\_\_ **D.B.SAGADIYEV**

**A.M.DZHAIKBAEV**

**ACTING ON THE BASIS OF A POWER OF ATTORNEY ISSUED BY**

**"UNIFIED PENSIONS SAVINGS FUND" JSC № 227 AS OF AUGUST 15, 2014** \_\_\_\_\_ **A.M.DZHAIKBAEV**