



**KAZAKHSTAN ELECTRICITY GRID OPERATING COMPANY
(KEGOC) JOINT-STOCK COMPANY (JSC)**

**APPROVED BY
the Decision of KEGOC Board of
Directors**

Minutes No. ____ 2011

**REPORT ON ACTIVITY OF BOARD OF DIRECTORS OF
KAZAKHSTAN ELECTRICITY GRID OPERATING COMPANY FOR
2010**

Astana 2011

INTRODUCTION

This Report of KEGOC Board of Directors for 2010 has been prepared in pursuance of KEGOC Corporate Governance Code.

The first section “The Board of Directors Activity” contains the information on the number and agenda of meetings, issues considered throughout 2010, decisions made by the Board of Directors and information on the work plan fulfilment by the Board of Directors in 2010.

The second section of the Report provides the report of KEGOC Corporate Secretary.

In general, the Report content and structure ensure provision of the Board of Directors members with reliable, complete and clear information on the activities of the Board of Directors, the Committees of the Board of Directors and Corporate Secretary in 2010.

Membership of KEGOC Board of Directors as of 1 January 2009:

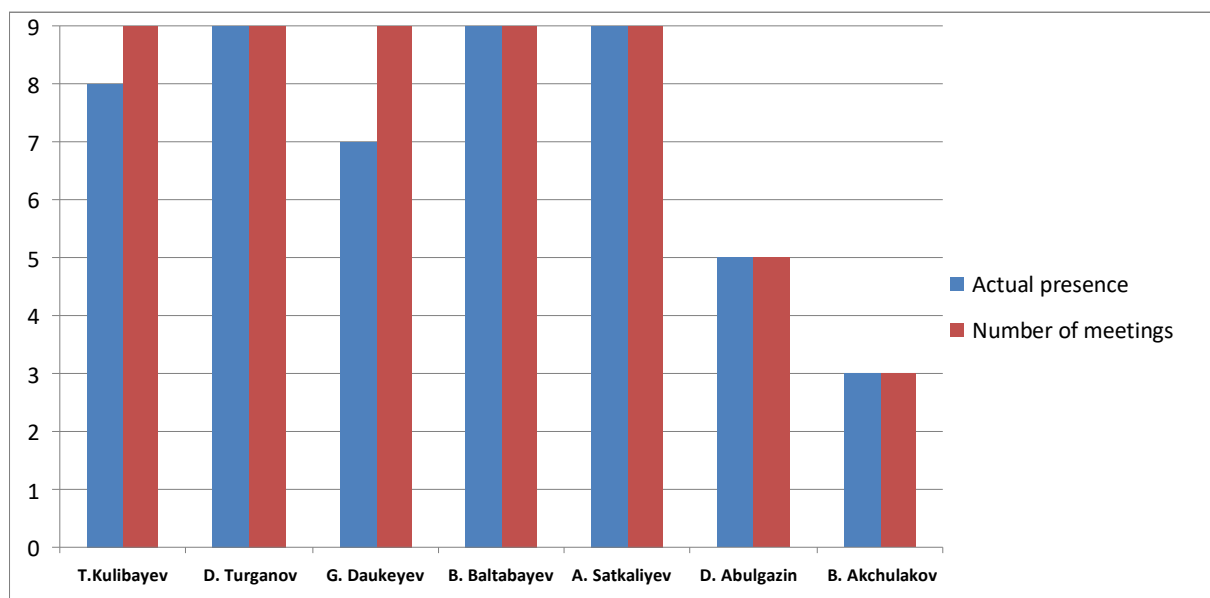
Timur Kulibayev	- Deputy Chairman of Management Board of National Welfare Fund “Samruk-Kazyna” JSC, Chairman of the Board of Directors
Duissenbai Turganov	- Vice Minister of Energy and Mineral Resources of the Republic of Kazakhstan
Gumarbek Daukeyev	- Rector of Almaty Power Engineering and Communications Institute, Independent Director
Almassadam Satkaliyev	- President of Kazakhstan Electricity Grid Operating Company JSC
Bazarbai Baltabayev	- Vice President of the “Chamber of Auditors of the Republic of Kazakhstan” Professional Auditors Organization (PAO), Independent Director
Bolat Akchulakov	- Managing Director of National Welfare Fund “Samruk-Kazyna” JSC

Membership of KEGOC Board of Directors as of 31 December 2010:

Timur Kulibayev	- Deputy Chairman of Management Board of National Welfare Fund “Samruk-Kazyna” JSC, Chairman of the Board of Directors
Duissenbai Turganov	- Vice Minister of Energy and Mineral Resources of the Republic of Kazakhstan
Gumarbek Daukeyev	- Rector of Almaty Power Engineering and Communications Institute, Independent Director
Bazarbai Baltabayev	- Vice President of the “Chamber of Auditors of the Republic of Kazakhstan” Professional Auditors Organization (PAO), Independent

Daniyar Abulgazin	Director - Managing Director of Samruk-Kazyna JSC
Almassadam Satkaliyev	- President of Kazakhstan Electricity Grid Operating Company JSC

Attendance of the Board of Directors meetings by the Company Board of Directors members:



Note: the attendance of the Board of Directors meetings by each director in 2010 expressed in percentage is as follows:

T. Kulibayev – 8 out of 9 – 89 %; D. Turganov – 9 out of 9 – 100%; G. Daukeyev – 7 out of 9 – 78 %; B. Baltabayev – 9 out of 9 – 100%; A. Satkaliyev – 9 out of 9 – 100 %; D. Abulgazin – 5 out of 5 – 100 %; B. Akchulakov – 3 out of 3 – 100%.

Report on Activity of KEGOC Board of Directors

The Report on Activity of KEGOC Board of Directors for 2010 is provided in accordance with Clause 129 of KEGOC Corporate Governance Code approved by Order of Holding Samruk JSC No.134–II dated 2 October 2007.

In 2010 the Board of Directors held 9 meetings including 6 meetings in presentia and 3 – in absentia. During 2010 the Board of Directors reviewed 72 issues at the meetings.

Based on the results of the meetings held the following issues were reviewed:

1. Approval of the Work Plan of KEGOC Board of Directors for 2010.
2. Approval of the Organizational Structure of KEGOC Executive Administration.
3. Approval of total staff number of KEGOC Executive Administration (central office).
4. Approval of changes to the Salary System for KEGOC Executive Administration (central office).
5. Certain issues relating to KEGOC Management Board.
6. Approval of Regulations on KEGOC Management Board in a new revision.
7. Approval of Rules for Remuneration of Labour and Bonus Payments to KEGOC Managerial and Administrative Staff.

8. Approval of Rules for Social Support to KEGOC staff.
9. Approval of risk management documents.
10. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 4th quarter 2009.
11. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for 2009.
12. Bonus payments to KEGOC Corporate Secretary based on the work results for the 4th quarter 2009.
13. Review of the Report on KEGOC Internal Audit Service activities for the 2nd quarter 2009.
14. Review of the Report on KEGOC Internal Audit Service activities for the 3rd quarter 2009.
15. Approval of Annual Audit Plan of Internal Audit Service for 2010.
16. A secretary at the meeting of KEGOC Board of Directors.
17. KEGOC's vision of UPS RK development to 2025.
18. Approval of KEGOC Long-term Development Strategy for the period to 2025.
19. Approval of KEGOC Development Plan for 2010 as amended.
20. Conclusion of deals the Company is interested in.
21. KEGOC branch relocation.
22. Early termination of powers of KEGOC Management Board member.
23. Appraisal of activity of KEGOC Board of Directors members, Management Board, Chairman of Management Board, Management Board members, Internal Audit Service and head of Internal Audit Service.
24. Review of the Report on KEGOC Internal Audit Service activities for 2009.
25. Bonus payments to KEGOC Internal Audit Service employees based on the work results for the 4th quarter 2009.
26. Preliminary review and approval of Regulations on KEGOC Board of Directors in a new revision.
27. Approval of Regulations on KEGOC Corporate Secretary in a new revision.
28. Approval of KEGOC risk management documents.
29. Approval of Rules for limiting balance and off-balance sheet liabilities for counterparty banks.
30. Approval of Rules for Business Trips of KEGOC Employees.
31. Approval of individual key performance indicators of KEGOC managerial staff for 2010.
32. Amendments to KEGOC Risk Register and Risk Map.
33. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 1st quarter 2010.
34. Review of the Report on Risk Management System.
35. Invalidation of the procedure for using the funds allocated by KEGOC for representation expenses.
36. Amendments to Regulations on Appraisal of activity of KEGOC Board of Directors, members of Board of Directors, Management Board, Chairman of Management Board, members of Management Board, Internal Audit Service and Head of Internal Audit Service.
37. Bonus payments to KEGOC JSC Corporate Secretary based on the work results for the 1st quarter 2010.
38. Preliminary approval of KEGOC annual financial statements for 2009.
39. Review of the Report on Investment Program Implementation for 2009.

40. Review of the Report on KEGOC Internal Audit Service activities for the 1st quarter 2010.
41. Bonus payments to KEGOC Internal Audit Service employees based on the work results for the 1st quarter 2010.
42. Establishment of Energoinform JSC through reorganization of Energoinform Agency.
43. Approval of the Action Plan for KEGOC Corporate Governance System Improvement for 2010.
44. Review of the Report for 2009 on KEGOC Development Plan Implementation in 2008-2010.
45. Review of the Report on the Affiliates–Agencies Management and Impact of the Affiliates–Agencies Business Results on the Company Performance for 2009.
46. Review of the Report on Execution of Action Plan for KEGOC Management Accounting System Introduction for the 2nd quarter of and 1st half 2010.
47. Approval of Regulations on KEGOC MES Branches in a new revision.
48. Imposition of disciplinary actions on the auditor of KEGOC Internal Audit Service.
49. Amendments to Regulations on KEGOC Dividend Policy.
50. Amendments to “Regulations. KEGOC Environmental Management System”.
51. Approval of appointment of A. Akmurzin to the position of Managing Director – Branches and Affiliates, election of A. Akmurzin to KEGOC Management Board and determination of the salary.
52. Approval of KEGOC Development Plan for 2010 as amended.
53. Review of the Report on KEGOC Activities for 2009.
54. Approval of Rules for KEGOC Development Plans and Budgets development, coordination, approval, amendments, execution and execution monitoring in a new revision.
55. Achievement of individual key performance indicators by KEGOC managerial staff for 2009.
56. Bonus payments to KEGOC Corporate Secretary based on the work results for the 3rd quarter 2010.
57. Review of the Report on KEGOC Internal Audit Service Activities for the 2nd quarter 2010.
58. Approval of KEGOC Development Plan for 2011 – 2015.
59. Increase in KEGOC’s liabilities by the amount making ten or more percent of the company’s equity.
60. Determination of Energoinform Board of Directors number and term of office, election of Energoinform Chairman and members of Board of Directors.
61. Conclusion of deals the Company is interested in.
62. Approval of KEGOC total staff number and Organizational Structure of the central office.
63. Approval of the Salary System for KEGOC Executive Administration (central office) employees.
64. Definition of salary, labour and bonus payment conditions for KEGOC Management Board Chairman and members, Internal Audit Service and Corporate Secretary.
65. Review of the Report on KEGOC Internal Audit Service activities for the 3rd quarter 2010 and bonus payment to Internal Audit Service staff based on the work results for the 3rd quarter 2010.

66. Election of the chairman at the Board of Directors meeting.
67. Increase in KEGOC's liabilities by the amount making ten or more percent of the company's equity.
68. Preliminary approval of KEGOC Corporate Governance Code in a new revision.
69. Approval of the Action Plan on Risk Management System improvement for 2010 – 2013.
70. Review of the Report on Investment Program Implementation for the first half 2010.
71. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for nine months of 2010.
72. Approval of Corporate Risk Management Policy and Risk Management System Regulations.
73. Committees of KEGOC Board of Directors.
74. Amendments to P KEGOC 00-202-08 Regulations on KEGOC Dividend Policy.
75. Approval of amendments to Regulations on KEGOC Internal Audit Service.
76. Approval of amendments to Regulations on the Audit Committee of KEGOC Board of Directors.
77. Approval of Rules for receipt, consideration of complaints and appeals to the Audit Committee of KEGOC Board of Directors.

Information on Performance of the Work Plan of the Board of Directors for 2010

The work plan of the Board of Directors for 2010 (hereinafter referred to as the Plan) was approved by KEGOC Board of Directors on 24 February 2010.

The plan for 2010 provides for review of 61 issues. In 2010 the Board of Directors reviewed 72 issues, including 11 unplanned issues.

The approved plan of the Board of Directors for 2010 has been fulfilled by 100% with regard to all items.

The full information on the issues reviewed by KEGOC Board of Directors is provided below.

At the Board of Directors' meeting dated 24 February 2010 (Minutes No. 1) the decisions were made on 15 reviewed issues.

1. Approval of the Work Plan of KEGOC Board of Directors for 2010.

In accordance with Clause 72 of Regulations on KEGOC Board of Directors and Clause 119 of KEGOC Corporate Governance Code the Board of Directors approved the Work Plan of KEGOC Board of Directors for 2010.

2. Approval of the Organizational Structure of KEGOC Executive Administration.

To improve the operation efficiency of the Company corporate development and human resources units and strengthen the liability within the mentioned areas, in accordance with Subclause 19), Clause 4, Article 10 of KEGOC Charter the Board of Directors made a

decision to approve the Organizational Structure of KEGOC Executive Administration with the introduction of additional staff position of Vice President-Corporate Governance.

3. Approval of total staff number of KEGOC Executive Administration (central office).

Due to the changes made to the Organizational Structure of KEGOC Executive Administration (central office) and introduction of additional staff position of Vice President - Corporate Governance, KEGOC Board of Directors approved the total staff number of KEGOC Executive Administration (central office) amounting to 278 employees.

4. Approval of changes to the Salary System for KEGOC Executive Administration (central office).

Due to the changes made to the Organizational Structure of KEGOC Executive Administration (central office) and introduction of additional staff position of Vice President - Corporate Governance, KEGOC Board of Directors, in accordance with Subclause 27), Clause 4, Article 10 of KEGOC Charter, approved the Salary System for KEGOC Executive Administration (central office).

5. Certain issues relating to KEGOC Management Board.

In accordance with Subclause 6), Clause 4, Article 10 of KEGOC Charter it is within the exclusive competence of KEGOC Board of Directors to define the number and term of office of the Company executive body, elect its members and early terminate their office.

KEGOC Board of Directors by its decision (Minutes No.7 dated 22 December 2006) approved the Rules for Approval by KEGOC Board of Directors of KEGOC Managerial Staff Appointment (hereinafter – the Rules), under which the Board of Directors approves the appointment of candidatures for managerial positions.

Thus, the Board of Directors considered issues relating to approval of candidatures for managerial positions, determination of number of the Executive Body, election of the Executive Body members and determination of salaries to the newly elected members of KEGOC Executive Body.

The Board of Directors according to Subclauses 6) and 7), Clause 4, Article 10 of KEGOC Charter made a decision to:

- 1) approve the candidatures of Serik Ospanov to the position of First Vice President and Zhanabai Beksary to the position of Vice President – Corporate Governance.
- 2) define the composition of KEGOC Management Board including nine members.
- 3) elect Serik Ospanov, First Vice President, and Zhanabai Beksary, Vice President – Corporate Governance, to KEGOC Management Board membership.
- 4) define salaries for the newly elected members of KEGOC Management Board.

6. Approval of Regulations on KEGOC Management Board in a new revision.

The Law of the Republic of Kazakhstan “On National Welfare Fund” sets up legal regulations, operating procedures, objectives, tasks and powers of the National Welfare Fund “Samruk - Kazyna” (hereinafter – Samruk–Kazyna JSC) and particular characteristics of legal status of legal entities, which shares (shares of participation) are owned by Samruk–Kazyna JSC and other organizations included in the group of Samruk–Kazyna JSC and makes amendments to the Laws of the Republic of Kazakhstan “On Joint-Stock Companies”, “On Natural Monopolies and Regulated Markets” and “On Electric Power Industry”.

In this regard and in order to improve KEGOC corporate development based on the recommendations given by rating agencies analysts, KEGOC Sole Shareholder approved a new revision of KEGOC Charter (Order of Chairman of Samruk–Kazyna Management Board No. 65-П dated 25.12.2009).

So that KEGOC internal documents specifying the status, procedure for establishment and functioning, and competence of the Company Management Board, powers and liability of the Management Board members, procedure for convening and holding the Management Board meetings, adopting and executing its decisions complied with KEGOC Charter, the Company Board of Directors in accordance with Clause 155 of KEGOC Corporate Governance Code approved the Regulations on KEGOC Management Board in a new revision.

7. Approval of Rules for Remuneration of Labour and Bonus Payments to KEGOC Managerial and Administrative Staff.

In accordance with Subclause 27), Clause 4, Article 10 of KEGOC Charter the approval of Rules for Remuneration of Labour to the Managerial and Administrative Staff of Executive Administration (central office) falls within the exclusive competence of KEGOC Board of Directors.

The Rules for Remuneration of Labour and Bonus Payments to KEGOC Managerial and Administrative Staff (hereinafter - the Rules) were elaborated in accordance with the Salary Policy for administrative and managerial staff of national development institutes, national companies and other legal entities, more than fifty of voting shares (shares of participation) of which are owned by Samruk-Kazyna JSC on the basis of right of ownership or beneficial ownership approved by the decision of Samruk-Kazyna JSC Management Board (Minutes No. 66/09 dated 9 July 2009).

Based on the above KEGOC Board of Directors approved the Rules for Remuneration of Labour and Bonus Payments to KEGOC Managerial and Administrative Staff.

8. Approval of Rules for Social Support to KEGOC staff.

According to the decision of Samruk-Kazyna JSC Management Board (extract from minutes No. 46/09 dated 30.04.2009) KEGOC elaborated Rules for Social Support to KEGOC staff (hereinafter – the Rules).

The Rules were elaborated based on the Policy of Social Support to the employees of national development institutes, national companies and other legal entities, which share packages (shares of participation) are owned by Samruk-Kazyna JSC approved by the decision of Samruk-Kazyna JSC Management Board.

In this regard KEGOC Board of Directors, in accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter, approved the Rules for Social Support to KEGOC staff.

9. Approval of risk management documents.

In accordance with Subclause 23), Clause 4, Article 10 of KEGOC Charter, it is within the exclusive competence of KEGOC Board of Directors to approve the Company internal risk management procedures, ensure compliance with, efficiency analysis and improvement of such procedures of the Company.

In this connection the Company Board of Directors approved the following risk management documents:

- 1) Rules for operating risks evaluation and management;
- 2) Risk Management Programs for 2010.

10. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 4th quarter 2009.

In accordance with Subclause 43), Clause 4, Article 10 of KEGOC Charter, the Company Board of Directors took into consideration the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for 2009.

12. Bonus payments to KEGOC Corporate Secretary based on the work results for the 4th quarter 2009.

In accordance with Subclause 10-1), Clause 2, Article 53 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and Subclause 9), Clause 4, Article 10 of KEGOC Charter, the Board of Directors approved the evaluation of performance by KEGOC Corporate Secretary of the set objectives based on the work results for the 4th quarter 2009 and made a decision to give a bonus to the Company Corporate Secretary.

13. Review of the Report on KEGOC Internal Audit Service activities for the 2nd quarter 2009.

In accordance with Subclause 42), Clause 4, Article 10 of KEGOC Charter, it is within the exclusive competence of KEGOC Board of Directors to review quarterly and annual reports of the Internal Audit Service (hereinafter - IAS) and make decisions on them, thus KEGOC Board of Directors took into consideration the Report on KEGOC Internal Audit Service activities for the 2nd quarter 2009.

14. Review of the Report on KEGOC Internal Audit Service Activities for the 3rd quarter 2009.

In accordance with Subclause 42), Clause 4, Article 10 of KEGOC Charter, it is within the exclusive competence of KEGOC Board of Directors to review quarterly and annual reports of the Internal Audit Service (hereinafter - IAS) and make decisions on them, thus KEGOC Board of Directors took into consideration the Report on KEGOC Internal Audit Service activities for the 3rd quarter 2009.

15. Approval of Annual Audit Plan of Internal Audit Service for 2010.

In accordance with Subclause 24), Clause 4, Article 10 of KEGOC Charter, it is within the exclusive competence of KEGOC Board of Directors to approve the annual audit plan of the Internal Audit Service, therefore KEGOC Board of Directors approved the Annual Audit Plan of Internal Audit Service for 2010.

On 16 April 2010 (Minutes No. 2) at the meeting of the Board of Directors 10 agenda issues were reviewed and decisions were made on:

1. A secretary at the meeting of KEGOC Board of Directors.

Due to the fact that A. Dzhanayeva, Corporate Secretary, was on a business trip the Board of Directors of the Company decided to elect M. Auezova, Head of Legal Department, secretary at the meeting in accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors.

2. KEGOC's vision of UPS RK development to 2025.

In accordance with Subclause 43), Clause 4, Article 10 of KEGOC Charter and Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" the Board of Directors gave the instruction to A. Satkaliyev, Chairman of Management Board, to ensure the updating of the document "KEGOC's vision of UPS RK development to 2025" considering the given comments and present it at the regular meeting in presentia of the Board of Directors of KEGOC.

3. Approval of KEGOC Long-term Development Strategy for the period to 2025.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 1), Clause 4, Article 10 of KEGOC Charter the Board of Directors of the Company approved the KEGOC Long-term Development Strategy for the period to 2025.

4. Approval of KEGOC Development Plan for 2010 as amended.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 21), Clause 4, Article 10 of KEGOC Charter the KEGOC Development Plan for 2010 was approved as amended.

5. Conclusion of deals the Company is interested in.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 17), Clause 4, Article 10 of KEGOC Charter, Subclause 19), Clause 2, Article 53 and Clause 1, Article 73 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", Clause 5, Article 15 of KEGOC Charter the Board of Directors of the Company gave the instructions to conclude the deals the Company is interested in - agreements between KEGOC and Batys Tranzit JSC for services on electricity generation-consumption balancing in Kazakhstan UPS and on electricity transmission via KEGOC networks in accordance with the established procedure.

6. KEGOC branch relocation.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 11), Clause 4, Article 10 of KEGOC Charter the Board of Directors made the following decisions:

1) Rename Shymkentskiye MES branch of KEGOC to Yuzhnye MES branch of KEGOC.

2) Approve the Regulations on Yuzhnye MES branch of KEGOC.

3) Recognize the Regulations on Shymkentskiye MES branch of KEGOC approved by the decision of the Board of Directors (Minutes No. 3 dated 01.12.2004) to be void.

7. Early termination of powers of KEGOC Management Board member.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 6), Clause 4, Article 10 of the Company Charter, Subclause 8), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the powers of Zhenis Tuyakov, Management Board member, are early terminated.

8. Appraisal of activity of KEGOC Board of Directors members, Management Board, Chairman of Management Board, Management Board members, Internal Audit Service and Head of Internal Audit Service.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Clause 7, Article 2, of the Regulations on Appraisal of Activity of KEGOC Board of Directors, members of the Board of Directors, Management Board, Chairman of Management Board, Management Board members, Internal Audit Service and Head of Internal Audit Service, the Board of Directors gave the following instructions:

1) Make the appraisal of activity of KEGOC Board of Directors members, Management Board, Chairman of Management Board, Management Board members, Internal Audit Service and Head of Internal Audit Service using questionnaires.

2) During a month A. Dzhanayeva, Corporate Secretary, shall act appropriately in accordance with the Regulations on Appraisal of Activity of KEGOC Board of Directors members, Management Board, Chairman of Management Board, Management Board members, Internal Audit Service and Head of Internal Audit Service.

9. Review of the Report on KEGOC Internal Audit Service activities for 2009.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 42), Clause 4, Article 10 of the Company Charter the Board of Directors took into consideration the Report on KEGOC Internal Audit Service activities for 2009 (including the 4th quarter of 2009).

10. Bonus payments to KEGOC Internal Audit Service employees based on the work results for the 4th quarter 2009.

In accordance with Clauses 40, 41, 42, 43 of the Regulations on KEGOC Board of Directors and on the basis of Subclause 8), Clause 4, Article 10 of the Company Charter, Subclause 10), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved evaluation of the set objectives fulfillment based on the results of the 4th quarter 2009 submitted by the Head of Internal Audit Service and approved by the Audit Committee of Board of Directors of KEGOC.

On 8 June 2010 at the meeting of the Board of Directors (Minutes No. 3) 12 agenda issues were reviewed and decisions were made on:

1. Preliminary review and approval of Regulations on KEGOC Board of Directors in a new revision.

In accordance with Subclause 15), Clause 1, Article 9 of KEGOC Charter, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved the draft Regulations on KEGOC Board of Directors in a new revision and submitted the draft Regulations on KEGOC Board of Directors for the review of the Sole Shareholder in accordance with the established

procedure.

2. Approval of Regulations on KEGOC Corporate Secretary in a new revision.

In accordance with Subclause 43), Clause 4, Article 10 of KEGOC Charter, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved the Regulations on KEGOC Corporate Secretary in a new revision.

3. Approval of KEGOC risk management documents.

In accordance with Subclause 23), Clause 4, Article 10 of KEGOC Charter, Subclause 13), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved:

- 1) Rules for Interest Risk Management of KEGOC.
- 2) Rules for Exchange Risk Management of KEGOC.
- 3) Rules for Liquidity Risk Management of KEGOC.

4. Approval of Rules for limiting balance and off-balance sheet liabilities for counterparty banks.

In accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter, Subclause 13), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved the Rules for limiting balance and off-balance sheet liabilities for counterparty banks.

5. Approval of Rules for Business Trips of KEGOC Employees.

In accordance with Subclause 40), Clause 4, Article 10 of KEGOC Charter, Subclause 13), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved Rules for Business Trips of KEGOC Employees.

6. Approval of individual key performance indicators of KEGOC managerial staff for 2010.

In accordance with Subclause 7), Clause 4, Article 10 of KEGOC Charter, Subclause 9), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved “The individual key performance indicators of KEGOC managerial staff for 2010”.

7. Amendments to KEGOC Risk Register and Risk Map.

In accordance with Subclause 23), Clause 4, Article 10 of KEGOC Charter, Subclause 13), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved amendments to KEGOC Risk Register and Risk Map identifying “Shutdown or limitation of power supply including undersupply of electric energy» risk as critical one along with transfer to the red zone (5; 4).

8. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 1st quarter 2010.

In accordance with Subclause 43), Clause 4, Article 10 of KEGOC Charter, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors took into consideration the Report on

Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 1st quarter 2010.

9. Review of the Report on Risk Management System.

In accordance with Subclause 23), Clause 4, Article 10 of KEGOC Charter and Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors took into consideration the Report on Risk Management System, information on implementation of Action Plan for Risk Management for 2009.

10. Invalidation of the Procedure for using the funds allocated by KEGOC for representation expenses.

Board of Directors decided to recognize the Procedure for using the funds allocated by KEGOC for representation expenses approved by the decision of the Board of Directors of KEGOC (Minutes No.7 dated 22.12.2006) to be void.

11. Amendments to Regulations on Appraisal of Activity of KEGOC Board of Directors and members of Board of Directors, Management Board, Chairman of Management Board, members of Management Board, Internal Audit Service and Head of Internal Audit Service.

In accordance with Subclause 43), Clause 4, Article 10 of KEGOC Charter, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved the amendments to Regulations on Appraisal of Activity of KEGOC Board of Directors and members of Board of Directors, Management Board, Chairman of Management Board, members of Management Board, Internal Audit Service and Head of Internal Audit Service with regard to amendments to Annexes – Activity Appraisal Questionnaires.

12. Bonus payments to KEGOC JSC Corporate Secretary based on the work results for the 1st quarter 2010.

In accordance with Subclause 10-1), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, Subclause 9), Clause 4, Article 10 of KEGOC Charter the Board of Directors approved appraisal of the set objectives fulfillment by the Corporate Secretary of KEGOC based on the work results for the 1st quarter 2010.

On 29 April 2010 at the meeting of the Board of Directors (Minutes No. 4) 4 agenda issues were reviewed and decisions were made on:

1. Preliminary approval of KEGOC annual financial statements for 2009.

In accordance with Subclause 3), Clause 4, Article 10 of KEGOC Charter the Board of Directors KEGOC decided:

1. Preliminarily approve KEGOC Annual Financial Statements for 2009.
2. In accordance with established procedure submit KEGOC Annual Financial Statements for 2009 to the Sole Shareholder of KEGOC for approval.
3. Suggest the Sole Shareholder of KEGOC not to attribute and pay dividends on ordinary shares of the Company due to lack of net income.

2. Review of the Report on Investment Program Implementation for 2009.

In accordance with Subclause 8.6.4 of KEGOC Investment Policy the Board of Directors took into consideration the Report on Investment Program Implementation for 2009.

3. Review of the Report on KEGOC Internal Audit Service Activities for the 1st quarter 2010.

In accordance with Subclause 42), Clause 4, Article 10 of KEGOC Charter the Board of Directors of KEGOC took into consideration the Report on KEGOC Internal Audit Service activities for the 1st quarter 2010.

4. Bonus payments to KEGOC Internal Audit Service employees based on the work results for the 1st quarter 2010.

In accordance with Subclause 8), Clause 4, Article 10 of KEGOC Charter the Board of Directors of KEGOC approved the evaluation of the set tasks fulfillment by Internal Audit Service employees based on the results of the 1st quarter 2010, preliminarily approved by the Audit Committee of KEGOC, and set bonus rates for KEGOC Internal Audit Service employees.

On 30 September 2010 at the meeting of the Board of Directors (Minutes No. 5) 9 agenda issues were reviewed and decisions were made on:

1. Establishment of Energoinform JSC through reorganization of Energoinform Agency.

In accordance with Subclause 12), Clause 4, Article 10 of KEGOC Charter the Board of Directors made the following decisions:

- 1) Reorganize Energoinform Agency into Energoinform joint stock company.
- 2) Establish Energoinform joint stock company (hereinafter - Energoinform JSC) with the full participation of KEGOC JSC in its authorized capital.
- 3) Determine the following main areas of Energoinform JSC activities:
 - maintenance of electric networks facilities (OHTL and SS) of outside organizations;
 - sale of inventories;
 - other operations allowed by the legislation of the Republic of Kazakhstan.
- 4) Elect Gaukhar Upusheva authorized person for:
 - signing of Energoinform Charter on behalf of KEGOC as a Sole Founder;
 - signing of documents for state registration on behalf of Energoinform JSC;
 - performing of financial and economic activities of Energoinform JSC and representing its interests before the third parties until Energoinform bodies are established.
- 5) Approve:
 - Energoinform Charter;
 - Methodology of share value determination in case of their redemption by Energoinform JSC;
 - Handover certificate.
- 6) Determine:
 - authorized capital of Energoinform JSC paid by the Sole Founder in the amount of KZT 70,650,000 (seventy million six hundred and fifty thousand);
 - amount of authorized shares and shares to be paid by the Sole Founder in the amount of 7,065 (seven thousand sixty five) ordinary shares;

- nominal value of ordinary share of Energoinform JSC amounting to KZT 10,000 (ten thousands).

7) Appoint Independent Evaluation and Consulting Tsentraudit Ltd. to estimate the property to be transferred in payment of the authorized capital of Energoinform JSC.

8) Choose Registrar Securities System Ltd. as a registrar of Energoinform JSC.

9) In accordance with the legislation within 30 (thirty) days since the state registration of Energoinform JSC the authorized person on behalf of Energoinform JSC shall:

- sign the agreement for services on forming, keeping and storing of shareholder register with Energoinform JSC registrar;

- provide the state registration of the authorized shares issue of Energoinform JSC in the authorized body;

- take other measures arising out this decision.

2. Approval of the Action Plan for KEGOC Corporate Governance System Improvement for 2010.

In accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter and Subclause 13), Clause 2, Article 53 of Law of the Republic of Kazakhstan “On Joint Stock Companies” No.415-II dated 13 May 2003 the Board of Directors approved the Action Plan for KEGOC Corporate Governance System Improvement for 2010.

3. Review of the Report for 2009 on KEGOC Development Plan Implementation in 2008-2010.

In accordance with Subclause 12), Clause 2, Article 20 of KEGOC Charter the Board of Directors took into consideration the Report for 2009 on KEGOC Development Plan Implementation in 2008-2010.

4. Review of the Report on the Affiliates - Agencies Management and Impact of the Affiliates - Agencies Business Results on the Company Performance for 2009.

In accordance with Subclause 12), Clause 2, Article 20 of KEGOC Charter the Board of Directors of the Company took into consideration the Report on the Affiliates - Agencies Management and Impact of the Affiliates Agencies Business Results on the Company Performance for 2009.

5. Review of the Report on Execution of Action Plan for KEGOC Management Accounting System Introduction for the 2nd quarter of and 1st half 2010.

In accordance with Subclause 42), Clause 4, Article 10 of KEGOC Charter and Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors took into consideration the Report on Execution of Action Plan for KEGOC Management Accounting System Introduction for the 2nd quarter of and 1st half 2010.

6. Approval of Regulations on KEGOC MES Branches in a new revision.

In accordance with Subclause 11), Clause 4, Article 10 of KEGOC Charter the Board of Directors approved the Regulations on KEGOC MES Branches in a new revision – “Severnnye Interconnection Electrical Networks”, “Tsentralnye Interconnection Electrical Networks of KEGOC JSC”, “Akmolinskiye Interconnection Electrical Networks”, “Aktyubinskiye Interconnection Electrical Networks”, “Sarbaiskiye Interconnection Electrical Networks”, “Vostochnye Interconnection Electrical Networks”, “Almatinskiye

Interconnection Electrical Networks” and “Zapadnye Interconnection Electrical Networks”.

7. Imposition of disciplinary actions on the auditor of KEGOC Internal Audit Service.

In accordance with Clause 26 of the Regulations on Internal Audit Service of KEGOC the Board of Directors gave the instructions to the Chairman of Management Board (A. Satkaliyev) to impose disciplinary actions on M. Taubayev, Auditor of KEGOC Internal Audit Service, in accordance with the established procedure in the form of reprimand.

8. Amendments to Regulations on KEGOC Dividend Policy.

In accordance with Subclause 7), Clause 1, Article 9 of KEGOC Charter the Board of Directors of the Company decided to approve and submit for consideration of the Sole Shareholder amendments and supplements to P KEGOC 00-202-08 «Regulations on KEGOC Dividend Policy».

9. Amendments to “Regulations. KEGOC Environmental Management System”.

In accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter the Board of Directors approved amendments to R EMS KEGOC 00-600-08 “Regulations. KEGOC Environmental Management System”.

On 19 October 2010 at the Meeting of the Board of Directors (Minutes No. 6) 7 agenda issues were reviewed and decisions were made on:

1. Approval of appointment of A. Akmurzin to the position of Managing Director – Branches and Affiliates, election of A. Akmurzin to KEGOC Management Board and determination of the salary.

In accordance with Rules for approval by the Board of Directors of KEGOC Executives, Subclauses 6), 7), Clause 4, Article 10 of KEGOC Charter, Subclauses 6), 7), Clause 8 of the Regulations on KEGOC Board of Directors, Subclauses 8), 9), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors of the Company approved candidacy of Abat Akmurzin to the position of Managing Director – Branches and Affiliates and elected A. Akmurzin to KEGOC Management Board and determined the salary in the amount of KZT 501,000.

2. Approval of KEGOC Development Plan for 2010 as amended.

In accordance with Subclause 21), Clause 4, Article 10 of KEGOC Charter, Subclause 21), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved KEGOC Development Plan for 2010 as amended.

3. Review of the Report on KEGOC Activities for 2009.

In accordance with Subclause 14), Clause 1, Article 9, Subclause 38), Clause 4, Article 10 of KEGOC Charter, Subclause 38), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors approved and submitted for consideration of the Sole Shareholder of KEGOC the Annual Report on KEGOC Activities for 2009.

4. Approval of Rules for KEGOC Development Plans and Budgets development, coordination, approval, amendments, execution and execution monitoring in a new revision.

In accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter, Subclause 10), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 13), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors of the Company approved the Rules for KEGOC Development Plans and Budgets development, coordination, approval, amendments, execution and execution monitoring in a new revision.

5. Achievement of individual key performance indicators by KEGOC managerial staff for 2009.

In accordance with Subclause 26), Clause 4, Article 10 of KEGOC Charter, Subclause 26), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors of the Company took into consideration the information on achievement of individual key performance indicators by KEGOC managerial staff for 2009.

6. Bonus payments to KEGOC Corporate Secretary based on the work results for the 3rd quarter 2010.

In accordance with Subclause 9), Clause 4, Article 10 of KEGOC Charter, Subclause 26), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 9), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors of the Company decided to approve the bonus rate to the Corporate Secretary of KEGOC for the 3rd quarter 2010 at the level of 1.5 and pay the bonus to the Corporate Secretary of KEGOC in the amount of 1.5 of official salary.

7. Review of the Report on KEGOC Internal Audit Service activities for the 2nd quarter 2010.

In accordance with Subclause 42), Clause 4, Article 10 of KEGOC Charter, Subclause 42), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors of the Company took into consideration the Report on KEGOC Internal Audit Service activities for the 2nd quarter 2010.

On 8 December 2010 at the Meeting of the Board of Directors (Minutes No. 7) 8 agenda issues were reviewed and decisions were made on:

1. Approval of KEGOC Development Plan for 2011 – 2015.

In accordance with Subclause 21), Clause 4, Article 10 of KEGOC Charter, Subclause 21), Clause 8 of the Regulations on KEGOC Board of Directors, the Board of Directors of the Company approved KEGOC Development Plan for 2011 – 2015.

2. Increase in KEGOC’s liabilities by the amount making ten or more percent of the company’s equity.

In accordance with Subclause 16), Clause 4, Article 10 of KEGOC Charter, Subclause 16), Clause 8 of the Regulations on KEGOC Board of Directors the Board of Directors of the Company decided to increase liabilities of the Company by the amount which makes more than ten percent of equity by signing the Loan Agreement with International

Bank for Reconstruction and Development to the amount including the principal debt up to USD seventy eight (78) million along with interests and other payments to be paid by the Company in accordance with the Loan Agreement.

3. Determination of Energoinform Board of Directors number and term of office, election of Energoinform Chairman and members of Board of Directors.

In accordance with Subclause 14), Clause 4, Article 10 of the Company Charter, Subclause 14), Clause 8 of the Regulations on KEGOC Board of Directors the Board of Directors of the Company decided to:

1) determine the composition of the Board of Directors of Energoinform JSC to include 6 persons.

2) set the term of powers of the Board of Directors as two years.

3) Elect:

Zhanabai Beksary, Vice President - Corporate Management of KEGOC, as member of the Board of Directors of Energoinform JSC;

Abat Akmurzin, Managing Director – Branches and Affiliates of KEGOC, as member of the Board of Directors of Energoinform JSC;

Kairat Zhakipbayev, Managing Director – Legal Support and Security of KEGOC, as member of the Board of Directors of Energoinform JSC;

Gaukhar Upusheva as member of the Board of Directors of Energoinform JSC;

Ybrai Akhmetov as member of the Board of Directors of Energoinform JSC, Independent Director;

Yelena Korolyova as member of the Board of Directors of Energoinform JSC;

4) Elect Zhanabai Beksary as Chairman of the Board of Directors of Energoinform JSC.

4. Conclusion of deals the Company is interested in.

In accordance with Subclause 17), Clause 4, Article 10 of KEGOC Charter, Subclause 17), Clause 8 of the Regulations on KEGOC Board of Directors, Subclause 19), Clause 2, Article 53 and Clause 1, Article 73 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” the Board of Directors of the Company gave the instruction to KEGOC to conclude the deals the Company is interested in - agreements between KEGOC and Batys Tranzit JSC for services on electricity generation-consumption balancing in Kazakhstan UPS and on electricity transmission via KEGOC networks in accordance with the established procedure.

5. Approval of KEGOC total staff number and Organizational Structure of the central office.

In accordance with Subclause 19), Clause 4, Article 10 of KEGOC Charter, Subclause 19), Clause 8 of the Regulations on KEGOC Board of Directors the Board of Directors approved the Organizational Structure of Executive Administration of KEGOC and the total staff number of KEGOC central office of 318 employees.

6. Approval of the Salary System for KEGOC Executive Administration (central office) employees.

In accordance with Subclause 27), Clause 4, Article 10 of KEGOC Charter, Subclause 27), Clause 8 of the Regulations on KEGOC Board of Directors the Board of Directors approved the Salary System for KEGOC Executive Administration (central office) employees to be valid starting from January 2011.

7. Definition of salary, labour and bonus payment conditions for KEGOC Management Board Chairman and members, Internal Audit Service and Corporate Secretary.

In accordance with Subclauses 7), 8) and 9), Clause 4, Article 10 of KEGOC Charter, Subclauses 7), 8) and 9), Clause 8 of Regulations on KEGOC Board of Directors, the Board of Directors defined the salaries for KEGOC Management Board Chairman and members, Internal Audit Service staff and Corporate Secretary, labour and bonus payment conditions for KEGOC Management Board Chairman and members, Internal Audit Service staff and Corporate Secretary based on the Rules for Remuneration of Labour and Bonus Payments to KEGOC managerial and administrative staff, Salary System for KEGOC Executive Administration employees.

8. Review of the Report on KEGOC Internal Audit Service activities for the 3rd quarter 2010 and bonus payment to Internal Audit Service staff based on the work results for the 3rd quarter 2010.

In accordance with Subclause 8), Clause 4, Article 10 of the Company Charter, Subclause 8), Clause 8 of Regulations on KEGOC Board of Directors, the Board of Directors of the Company took into consideration the Report on KEGOC Internal Audit Service activities for the 3rd quarter 2010, approved the set tasks fulfillment evaluation based on the work results for the 3rd quarter 2010 by KEGOC Internal Audit Service staff and set bonus rates for KEGOC Internal Audit Service staff.

At the meeting of the Board of Directors dated 22 December 2010 (Minutes No. 8) the decision was made to increase the Company's liabilities by the amount making ten and more percent of the company's equity.

In accordance with Subclause 16), Clause 4, Article 10 of KEGOC Charter, Subclause 16), Clause 8 of Regulations on the Board of Directors, the Board of Directors of the Company decided to increase the Company's liabilities by the amount making more than ten percent of the its equity through signing the guarantee agreement with Halyk Savings Bank to the amount that includes the principal debt of seventy eight million (78,000,000) US dollars, interest, fees, charges (penalty, fine) and other payments as well as interest accrued on the amount withdrawn from the budget according to the budget legislation.

The Board of Directors reviewed and made a decision on 10 agenda items at the meeting on 29 January 2010 (Minutes No. 9).

1. Preliminary approval of KEGOC Corporate Governance Code in a new revision

In accordance with Subclause 37), Clause 4, Article 10 of KEGOC Charter, Subclause 37), Clause 8, Regulations on the Board of Directors, the Company Board of Directors preliminarily approved KEGOC Corporate Governance Code in a new revision.

2. Approval of the Action Plan on Risk Management System improvement for 2010 – 2013.

In accordance with Subclause 23), Clause 4, Article 10 of KEGOC Charter, Subclause 23), Clause 8 of Regulations on the Board of Directors, the Company Board of Directors approved the Action Plan on Risk Management System improvement for 2010 – 2013.

3. Review of the Report on Investment Program Implementation for the first half 2010

In accordance with Clause 8.6.4 of KEGOC Investment Policy, the Company Board of Directors took into consideration the Report on Investment Program Implementation for the first half 2010.

4. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for nine months of 2010.

In accordance with Subclause 43), Clause 4, Article 10 of KEGOC Charter, Subclause 43), Clause 8 of Regulations on the Board of Directors, Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Company Board of Directors took into consideration the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for nine months of 2010.

5. Approval of Corporate Risk Management Policy and Risk Management System Regulations.

In accordance with Subclause 23), Clause 4, Article 10 of KEGOC Charter, Subclause 23), Clause 8 of Regulations on the Board of Directors, the Company Board of Directors approved the Corporate Risk Management Policy in a new revision and Risk Management System Regulations in a new revision.

6. Committees of KEGOC Board of Directors

In accordance with Subclause 18), Clause 4, Article 10 of the Charter, Subclause 18), Clause 8 of Regulations on the Board of Directors, the Company Board of Directors:

- 1) early terminated powers of B. Akchulakov, member of the Audit Committee and Strategic Planning and Corporate Governance Committee of the Board of Directors, and O. Amerguzhina, Expert of Appointments and Remuneration Committee of the Board of Directors.
- 2) elected D. Abulgazin as member of Audit Committee and Strategic Planning and Corporate Governance Committee of the Board of Directors, N. Orazbekova, Senior Manager of Human Resources Department in Samruk-Kazyna JSC, as Expert (without vote) in the Appointments and Remuneration Committee of the Board of Directors.

7. Amendments to P KEGOC 00-202-08 Regulations on KEGOC Dividend Policy

In accordance with Subclause 7), Clause 1, Article 9 of KEGOC Charter, the Company Board of Directors approved amendments to P KEGOC 00-202-08 “Regulations on KEGOC Dividend Policy” approved by the Decision of Samruk Holding Board of Directors dated 14 August 2008 (Minutes No. 11/08).

8. Approval of amendments to Regulations on KEGOC Internal Audit Service

In accordance with Subclause 8), Clause 4, Article 10 of KEGOC Charter, the Company Board of Directors approved amendments to Regulations on KEGOC Internal Audit Service approved by the Decision of KEGOC Board of Directors dated 11 December 2009 (Minutes No. 12).

9. Approval of amendments to Regulations on Audit Committee of KEGOC Board of Directors

In accordance with Subclause 18), Clause 4, Article 10 of KEGOC Charter, Subclause 18), Clause 8 of Regulations on the Board of Directors, the Company Board of Directors approved amendments to Regulations on Audit Committee of KEGOC Board of Directors approved by the Decision of KEGOC Board of Directors dated 20 October 2009 (Minutes No. 10).

10. Approval of Rules for receipt, consideration of complaints and appeals to the Audit Committee of KEGOC Board of Directors

In accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter, Subclause 10), Clause 8 of Regulations on the Board of Directors, the Company Board of Directors approved Rules for receipt, consideration of complaints and appeals to the Audit Committee of KEGOC Board of Directors.

Activities of Committees of the Board of Directors

Committees of KEGOC Board of Directors

On 20 October 2009 (Minutes No. 10) KEGOC Board of Directors, according to Subclause 25), Clause 4, Article 10 of the Charter, Subclause 25), Clause 9 of Regulations on the Board of Directors established the following Committees of the Board of Directors:

Audit Committee including:

Bazarbai Baltabayev – Independent Director, Chairman of the Committee;
Gumarbek Daukeyev – Independent Director;
Bolat Akchulakov – Director;
Ryskhan Baimurzin – Senior Manager of Audit and Control Department of Samruk-Kazyna National Welfare Fund JSC, Expert /without vote/;

Strategic Planning and Corporate Governance Committee including:

Duissenbai Turganov – Director – Chairman of the Committee;
Gumarbek Daukeyev – Independent Director;
Bolat Akchulakov – Director;
P. Howes – Managing Director of Samruk-Kazyna JSC - Expert /without vote/.

Appointments and Remuneration Committee including:

Gumarbek Daukeyev – Independent Director – Chairman of the Committee;
Bazarbai Baltabayev – Independent Director;
Duissenbai Turganov – Director;
Olga Amerguzhina – Senior Manager of Human Resources Department of Samruk-Kazyna National Welfare Fund JSC, Expert /without vote/.

According to the Decision of the Board of Directors (Minutes No. 9 dated 29 December 2010) D. Abulgazin was elected as a member of Audit Committee and Strategic Planning and Corporate Governance Committee of the Company Board of Directors, N. Orazbekova, Senior Manager of Samruk-Kazyna JSC Human Resources Department, was elected as Expert (without vote) in the Appointments and Remuneration Committee of the Board of Directors.

The Board of Directors determined period of powers of Committees members until termination of powers of the Board of Directors as a whole.

In 2010 **the Appointments and Remuneration Committee (hereinafter referred to as “the Committee”)** held 4 meetings in presentia within its competence. At the meetings the Committees reviewed and made recommendations to the Board of Directors under 9 items.

The Committee approved the Work Plan for Appointments and Remuneration Committee for 2010.

The Committee approved draft Rules for Remuneration of Labour and Bonus Payments to KEGOC Managerial and Administrative Staff, approved amendments to the salary system of KEGOC Executive Administration (central office) employees, and gave recommendations to KEGOC Board of Directors on evaluation of KEGOC Board of Directors activities.

The Committee gave recommendations to the Board of Directors in terms of appointment of candidates for the position of KEGOC First Vice President, Vice President – Corporate Governance and recommendations on electing candidates to the executive body of the Company.

The Committee gave recommendations to the Company Board of Directors on early termination of powers of member of the Company Management Board.

Along with that the Committee approved Rules for Remuneration of Labour and Bonus Payments to KEGOC managerial and administrative staff and salary system of KEGOC Executive Administration (central office) employees, salaries for head and members of executive body, KEGOC’s Corporate Secretary, head and employees of Internal Audit Service. The Committee submitted for consideration to the Board of Directors proposals on bonuses payment to KEGOC Internal Audit Service employees and Corporate Secretary.

Strategic Planning and Corporate Governance Committee reviewed Work Plan of Strategic Planning and Corporate Governance Committee of KEGOC Board of Directors for 2010, KEGOC long-term strategy to 2025, KEGOC Development Plan as amended, preliminarily reviewed and approved KEGOC Action Plan on improvement of corporate

governance system for 2010, new revision of draft Corporate Governance Code, draft KEGOC Development Plan for 2011-2015.

In 2010 the Audit Committee reviewed the following:

No.	Name of issue
1	Approval of the Report on KEGOC Internal Audit Service activities for the 3rd quarter 2009
2	Preliminary approval of Annual Audit Plan of KEGOC Internal Audit Service for 2010
3	Approval of the Work Plan of the Audit Committee of KEGOC Board of Directors for 2010
4	Appointment of Audit Committee secretary of KEGOC Board of Directors
5	Preliminary approval of Rules for KEGOC Operational Risks Assessment and Management
6	Preliminary approval of KEGOC Risk Management Program for 2010
7	Preliminary approval of Rules for KEGOC Currency Risk Management
8	Preliminary approval of KEGOC Rules for limiting balance and off-balance sheet liabilities for counterparty banks
9	Preliminary approval of Rules for KEGOC Liquidity Risk Management
10	Preliminary approval of Rules for KEGOC Interest Risk Management
11	Amendments to salary conditions of the Internal Audit Service head
12	Preliminary approval of Draft service procurement agreement “Audit of financial statements for 2010 (auditor’s opinion)”
13	Approval of the Report on the activity of the Internal Audit Service for the 4 th quarter 2009
14	Preliminary approval of the appraisal of set objectives fulfillment based on the results of the 4 th quarter 2009 by the Internal Audit Service employees
15	Approval of the Report on the activity of the Internal Audit Service for 2009
16	Approval of the Report on the activity of the Internal Audit Service for the 1 st quarter 2010
17	Preliminary approval of the appraisal of set objectives fulfillment based on the results of the 1 st quarter 2010 by the Internal Audit Service employees
18	Review of the audit results of financial statements for 2009
19	Preliminary approval of the Report on Risk Management System for 2009
20	Preliminary approval of KEGOC Risk Register and Risk Map as amended
21	Preliminary approval of KEGOC financial statements for 2009
22	Approval of the Report on the Internal Audit Service activities for the 2 nd quarter 2010
23	Preliminary approval of the appraisal of set objectives fulfillment based on the results of the 2 nd quarter 2010 by the Internal Audit Service employees
24	Approval of the Report on the activity of the Audit Committee of KEGOC Board of Directors for 2009
25	Review of issues and notices of Deloitte LLP submitted in letter No.61781 dated 7 of July 2010
26	Review of amendments to the Regulations on the Audit Committee of KEGOC Board of Directors
27	Preliminary approval of amendments to the Regulations on the KEGOC Internal Audit Service

28	Preliminary approval of the Rules for receipt, consideration of complaints and appeals to the Audit Committee of KEGOC Board of Directors
29	Approval of the Report on the activity of the Internal Audit Service for the 3 rd quarter 2010
30	Preliminary approval of the appraisal of set objectives fulfillment based on the results of the 3 rd quarter 2010 by the Internal Audit Service employees
31	Preliminary approval of KEGOC Risk Register and Risk Map for 2011
32	Preliminary approval of the Action Plan on Risk Management System improvement for 2010 – 2013
33	Preliminary approval of the Regulations “Risk Management System” R RMS KEGOC 00-200-10.
34	Preliminary approval of Organization standard “KEGOC Risk Corporate Governance Policy” ST KEGOC 00-202-10.

REPORT OF THE CORPORATE SECRETARY ON WORK RESULTS FOR 2010

Corporate Secretary is a Company’s employee who is not a member of the Board of Directors or executive body of the Company, shall be appointed by the Board of Directors and accountable to the Company’s Board of Directors. Within his (her) activity he (she) shall control preparation and holding of meetings of the Company’s Board of Directors, insure organization for meeting of the Company’s Board of Directors, keep control over access assurance thereto. Competence and activity of the Corporate Secretary shall be determined by the Company’s internal documents.

The Corporate Secretary shall carry out his (her) activity in accordance with norms of the laws of the Republic of Kazakhstan, KEGOC Charter, Corporate Governance Code, Regulations on KEGOC Corporate Secretary, other Company’s internal documents as well as decisions of the Sole Shareholder and KEGOC Board of Directors.

The Corporate Secretary arranged and delivered documents (materials) necessary to organize and hold meetings of the Board of Directors (notification of meetings, draft decisions on agenda issues of meeting, draft documents for prior review etc.).

Documents put for review of the Board of Directors were timely executed according to the established procedure; documents were received by the Company’s departments and necessary documents (information) were submitted at requests of Directors; requests and answers on behalf of the Board of Directors were prepared, documents approved by the Board of Directors were delivered; control over fulfillment progress of decisions of the Board of Directors by the Company was organised.

Due to holding of meetings in absentia the appropriate ballot papers were drawn up, delivery (handing over) of ballot papers for voting of Directors was furnished, and receipt of completed ballot papers, written opinions of Directors and submission thereof to the Chairman of the Board of Directors was performed.

Issues discussed at meetings of the Board of Directors during 2010 were particularly given in sub-section “Report on KEGOC Board of Directors activity”.

Board of Directors

The main objective of the Corporate Secretary’s activity is assurance of efficient activity of the Board of Directors and its committees, storage, disclosure and submission of

substantial information on the Company as well as maintenance of high level information transparency, smooth and efficient cooperation between the Company's bodies.

Committees of the Board of Directors

The Corporate Secretary shall insure preparation and holding of meetings of the Appointments and Remuneration Committee, the Strategic Planning and Corporate Governance Committee, collection and filing of materials for meetings, timely delivery of notification of meeting of the Committee, agenda of meetings, materials for agenda issues to the Committees' members and invitees, record-keeping of meetings, preparation of draft decisions of the Committee as well as further storage of all relevant materials.

Management Board

The Corporate Secretary duties shall include assurance of normal information flow within the Board of Directors, its Committees, between the Management Board and the Board of Directors. The Corporate Secretary relations with the Company's executive body shall be created according to principles of relationships with the Company's employees and management, by formation of the own position and by availability of various professional knowledge and skills necessary for work.

Remuneration to the Corporate Secretary

Salary of the Corporate Secretary shall be determined by the Board of Directors in accordance with Subclause 10-1), Clause 2, Article 53 of the Law of the Republic of Kazakhstan 'On Joint Stock Companies', Subclause 9), Clause 4, Article 10 of KEGOC Charter.

Salary of the Corporate Secretary shall be paid in accordance with the concluded labour contract and the Company's internal documents.

Bonus payments shall be made according to the assessment results of the set objectives and tasks for the reported period by the Corporate Secretary in accordance with activity rating scale.