

**Attn: KEGOC's shareholders**

**EXPLANATORY NOTE**

**on the agenda item of annual General Meeting of Shareholders of KEGOC  
“Approval of amendments to the Regulations of KEGOC JSC-2015-19-OCA on  
the Board of Directors of Kazakhstan Electricity Grid Operating  
Company (KEGOC) joint-stock company”**

1. In accordance with sub-paragraphs 32) and 34) of Paragraph 1 of Article 18 of the Charter of KEGOC, approval of the Regulations on the Board of Directors and approval of amendments to the documents approved by the General Meeting of Shareholders shall be the competence of the General Meeting of Shareholders.

The Extraordinary General Meeting of Shareholders of KEGOC (Minutes No.15 dated 21 February 2020) approved Regulations on the Board of Directors of Kazakhstan Electricity Grid Operating Company (KEGOC) Joint Stock Company (hereinafter referred to as “the Regulations”) including the amendments introduced with Minutes No.26 dated 10 March 2022.

The extraordinary General Meeting of Shareholders (Minutes No. 30 dated 30 November 2022) approved a new version of the Charter of KEGOC.

The Board of Directors of KEGOC (Minutes No. 12 dated 15 December 2022) amended the Regulations with respect to the following:

- changes in the functions of the Board of Directors;
- shorter mobilization time to convene the meetings of the Board of Directors;
- complement of the procedure for holding meetings of the Board of Directors with reports from the CEO, CFO, Corporate Secretary;
- additional competence of the General Meeting of Shareholders in terms of re-election of members of the Board of Directors;
- exclusion of requirement to submit of a written statement (opinion);
- exclusion of the "mixed voting" concept;
- exclusion of the occupational health, safety and environmental protection committee (functions are distributed to other committees);
- exclusion of annexes to the Regulations (forms of explanatory notes, draft decisions, minutes of in-person, absentee and mixed meetings, written statement (opinion);
- clarification of some wording throughout the text of the Regulation.

Based on the foregoing, the agenda item "Approval of amendments to Regulations on the Board of Directors of Kazakhstan Electricity Grid Operating Company (KEGOC)" is submitted for consideration by the General Meeting of Shareholders.

2. If the General Meeting of Shareholders does not adopt a decision on this agenda item, there will be a risk of non-compliance of the Regulations with the Charter in the new edition; if adopted, there are no risks.

3. No social and economic and/or legal effects were expected, if the General Meeting of Shareholders would approve the agenda item.



4. Earlier, this item was preliminarily approved by the Board of Directors (Minutes No. 12 dated 15 December 2022).

5. Comparison table is attached.

**Chairman of  
the Board of Directors of KEGOC**



**Yernat Berdigulov**



**Decision on the agenda item of annual General Meeting of Shareholders of KEGOC “Approval of amendments to the Regulations П КЕГОС ИД-215-19-OCA on the Board of Directors of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company”**

Having considered the agenda item and the materials submitted, in accordance with subparagraphs 32) and 34) of paragraph 1 of Article 18 of the Charter of KEGOC, **the General Meeting of Shareholders DECIDED to:**

To approve amendments to П КЕГОС ИД-215-19-OCA Regulations on the Board of Directors of Kazakhstan Electricity Grid Operating Company (KEGOC) according to the Appendix to this decision.



**Notice No. П КЕГОС ИД-215-19-OCA/559 amendments to П КЕГОС ИД-215-19-OCA Regulations on the Board of Directors of KEGOC, approved by the decision of the Extraordinary General Meeting of Shareholders (Minutes No. 15 dated 21 February 2020)**

**Amendment No. 1**

Content of the amendment: sub-clause 10) of clause 7, clause 60, clause 70, clauses 76-81, sub-clause 4) of clause 109 П КЕГОС ИД-215-19-OCA of the Regulations on the Board of Directors of KEGOC (hereinafter referred to as the Regulations) shall be deleted

**Amendment No.2**

**Content of the amendment:** sub-clause 1) of clause 7 of the Regulations after the word "approve" shall be supplemented with the words "Development Plan".

**Amendment No. 3**

**Content of the amendment:** sub-clause 2) of clause 7 of the Regulations shall be stated as follows:

"2) set and monitor the key performance indicators for the Action Plan (Business plan);"

**Amendment No. 4**

**Content of the amendment:** sub-clause 5) of clause 7 of the Regulations after the word "elect" shall be supplemented with the words "(except for the Chairman of the Management Board)".

**Amendment No. 5**

**Content of the amendment:** clause 7 of the Regulations shall be supplemented with sub-clause 11) of the following content:

"11) appoint employees accountable to the Board of Directors and supervise their operations."

**Amendment No. 6**

**Content of the amendment:** clause 27 of Section 5 of the Regulations after the words "elected" shall be supplemented with the word "(re-elected)".

**Amendment No. 7**

**Content of the amendment:** clause 41 of the Regulations shall be supplemented with sub-clause 12) of the following content:

"12) receive information, explanations, and clarifications in full and on a timely basis from the Management Board, Internal Audit Service, Compliance Officer, Ombudsman and Corporate Secretary."

**Amendment No. 8**

**Content of the amendment:** sub-clause 8) of clause 43 of the Regulations after the word "confidential" shall be supplemented with the words "and insider".

**Amendment No. 9**

**Content of the amendment:** in paragraph 2 of clause 56 of the Regulations, the words "referred to in clause 69 of the Regulations" shall be deleted.



**Amendment No. 10**

**Content of the amendment:** in clause 58 of the Regulations the words “fifteen (15) business” shall be replaced with the words “ten (10) calendar”;

**Amendment No. 11**

**Content of the amendment:** clause 59 of the Regulations shall be stated as follows:  
‘59. Notices of the meeting and materials for the meeting of the Board of Directors must be sent to members of the Board of Directors in accordance with the legislation of the Republic of Kazakhstan and clause 3 of Article 33 of the Charter.’

**Amendment No. 12**

**Content of the amendment:** sub-clause 1) of clause 64 of the Regulations shall be supplemented with the words “1) hearing the reports of the CEO, CFO and Corporate Secretary,”

**Amendment No. 13**

**Content of the amendment:** clause 69 of the Regulations shall be stated as follows:  
‘69. It is not allowed to hold a meeting of the Board of Directors with absentee voting when considering the matters provided for by the legislation of the Republic of Kazakhstan and clause 10 of Article 34 of the Company’s Charter.’

**Amendment No. 14**

**Content of the amendment:** clause 75 of the Regulations shall be stated as follows:  
‘75. If a meeting of the Board of Directors shall be convened on the initiative of the Management Board, the materials for the meeting of the Board of Directors shall contain information in accordance with Appendix 1 to the Regulation.’

**Amendment No. 15**

**Content of the amendment:** clause 86 of the Regulations shall be stated as follows:  
‘86. When considering important issues, provided for by the Charter of the Company, a verbatim shall be recorded.’

**Amendment No. 16**

**Content of the amendment:** sub-clause 1) of clause 95 of the Regulations shall be stated as follows:  
“1) full name of the Company and place of operations of the Management Board;”

**Amendment No. 17**

**Content of the amendment:** in clause 103 of the Regulations, the words “using the forms given in Appendices 3-6 hereto” shall be replaced by the words “in accordance with the respective forms”.

**Amendment No. 18**

**Content of the amendment:** clause 114 of the Regulations shall be stated as follows:  
‘114. The committees shall annually elaborate their work plan, which shall be approved by the beginning of the next calendar year, be consistent with the work plan of the Board of Directors and specify the list of the reviewed agenda items and dates. The committees shall hold at least four (4) meetings each year. The meetings of the committees shall be held in presentia and formalized with the minutes of meeting. “

**Amendment No. 19**

**Content of the amendment:** Appendix 1 to the Regulations shall be replaced by the Appendix hereto.

**Amendment No. 20**

**Content of the amendment:** exclude the following appendices to the Regulations:

- 1) Appendix 2 (from of a draft decision);
- 2) Appendix 3 (form of the minutes of the meeting in praesentia of the Board of Directors);
- 3) Appendix 4 (form of the minutes of the meeting in absentia of the Board of Directors);
- 4) Appendix 6 (form of written notification (opinion) in praesentia of the Board of Directors).

**Reason for amendment:** harmonization with the draft new version of the Charter of KEGOC approved by the decision of the Board of Directors (Minutes No. 10 dated 21 October 2022) and submitted for approval by the General Meeting of Shareholders.

**Prepared by:**

Corporate Secretary

Yertai Ramazanov

Manager  
for the Corporate Secretary Service

Aliya Iskakova

**Agreed by:**

Managing Director for Strategy and  
Sustainable Development

Elvira Konakhbayeva

Managing Director for Legal  
Support and Risks

Tolegen Safuani

Head of Internal Audit Service

Omirezhan Yessetov

Head of Legal Department

Kabdulla Omarov

Head of Corporate Development Department

Zhanar Arpabekova

Compliance - officer

Askar Amirov





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

Approved by the General Meeting of  
Shareholders of KEGOC (Minutes No.  
15 dated 21 February 2020)

Amended by the General Meeting of  
Shareholders of KEGOC (Minutes No.  
26 dated 10 March 2022)

Amended by the General Meeting of  
Shareholders of KEGOC (Minutes No.  
dated 202 )

**REGULATIONS ON THE BOARD OF DIRECTORS OF KAZAKHSTAN  
ELECTRICITY GRID OPERATING COMPANY (KEGOC)**

**II KEGOC ИД-215-19-OCA**

**Copy No.**

**Revision 3**

**Effective date** \_\_\_\_\_

**Astana**



## **1. General Provisions**

1. Regulations on the Board of Directors of Kazakhstan Electricity Grid Operating Company (hereinafter referred to as “the Regulations”) are elaborated under the Law of the Republic of Kazakhstan “On Joint-Stock Companies” (hereinafter referred to as “the Law”), KEGOC’s Charter (hereinafter referred to as “the Charter”) and the Corporate Governance Code of KEGOC (hereinafter referred to as “the Code”).

2. The Regulations detail the activities of the Board of Directors as a governing body of KEGOC JSC (hereinafter referred to as “the Company”), defines the status, objectives, principles and functions, election procedure and competence of the Board of Directors of the Company (hereinafter referred to as “the Board of Directors”), powers and responsibilities of the Board of Directors, procedure for convening and holding meetings of the Board of Directors, making and documenting of its decisions.

3. The Board of Directors’ activity shall be governed by the laws of the Republic of Kazakhstan, the Charter, the Code, the Regulations and internal documents of the Company.

## **2. Goals, principles of operation and functions of the Board of Directors**

4. The Board of Directors is accountable to the General Meeting of Shareholders, ensures the strategic management of the Company and supervision of the Management Board activities.

5. The Board of Directors is responsible for general management of the Company, except for the issues referred to the competence of the General Meeting of Shareholders and (or) the Management Board of the Company according to the laws of Kazakhstan and (or) the Charter of the Company.

6. The members of the Board of Directors shall fulfil their functional duties and observe the following principles in their activity:

- 1) make decisions based on the collegial and weighted discussion of issues using reliable and comprehensive information on the Company’s activities;
- 2) protect the Company’s interests to the maximum extent, and comply with the principles of sustainable development and fair treatment of all shareholders;
- 3) act within the limit of their authority;
- 4) allot enough time to prepare and participate in the meetings of the Board of Directors, and its committees;
- 5) promote the growth of the long-term value and sustainable development of the Company;
- 6) maintain high standards of business ethics;
- 7) not allow conflict of interests;



8) act with due diligence, skills, efficiency, energy, good faith, fairness, responsibility, accuracy, professionalism, prudence, and objectivity.

7. The main functions of the Board of Directors are as follows:

1) define priority development areas of the Company, approve the Development Plan (Development Strategy) and monitor its implementation;

2) set and monitor the key performance indicators for the Action Plan (Business plan);

3) arrange and supervise the efficient functioning of the risk management and internal control systems;

4) approve and monitor the efficient implementation of major investment projects and other key strategic projects within the competence of the Board of Directors;

5) elect (except for the Chairman of the Management Board), remunerate, plan the succession and supervise the activities of the Chairman and members of the Management Board;

6) consider the matters of corporate governance and ethics;

7) ensure observance of the Code and corporate standards for business ethics (the Code of Conduct) in the Company;

8) approve the new revision of the Induction programme for newly elected members of the Board of Directors, and the Professional development plan for the members of the Board of Directors.

9) ensure the establishment of a robust framework for sustainable development and its promotion of sustainability principles; create a culture of sustainability at KEGOC;

10) *cancelled*;

11) appoint employees accountable to the Board of Directors and supervise their operations.

### 3. Competence of the Board of Directors

8. The Board of Directors is entitled to make decisions on the issues falling under the exclusive competence of the Board of Directors in accordance with the laws of the Republic of Kazakhstan and the Charter.

9. The Board of Directors shall not be entitled to make decisions on the issues, which, according to the Charter, fall under the competence of the Management Board, and also make decisions that contradict to the decisions of the General Meeting of Shareholders.

10. The Board of Directors must:

1) monitor and, if possible, remedy the potential conflicts of interests at the level of officials and shareholders, including illegal use of the Company's property and abuse of power in the non-arm's length transaction;

2) monitor the efficiency of the corporate governance practices used in the Company;

11. The Board of Directors shall annually make official and overall assessment of its activity, work of its committees, each of the directors; and discuss the results thereof at the meeting of the Board of Directors.

12. The Board of Directors has the right to timely receive full information, explanations and clarifications from the Management Board and the Internal Audit Service, Compliance Officer, Corporate Secretary and Ombudsman.

#### **4. Election of Members of the Board of Directors**

13. The members of the Board of Directors shall be elected by the General Meeting of Shareholders based on clear and transparent procedures with due consideration of the competencies, skills, achievements, business reputation and professional background of the candidates. When individual members or the entire membership of the Board of Directors are re-elected for another term, their contribution to the efficient operation of the Board of Directors shall be taken into account.

14. The only type of person who may serve on the board of directors is an individual.

15. A member of the Board of Directors shall not be entitled to delegate the duties assigned to him by the Law and/or the Charter to other parties.

16. The members of the Board of Directors shall be elected out of:

- 1) individuals, who are the Company's shareholders;
- 2) persons proposed (recommended) to be elected to the Board of Directors as representatives of shareholders;
- 3) individuals, who are not the Company's shareholders and are not proposed (recommended) to be elected to the Board of Directors as a representative of shareholder;

17. The members of the Management Board, except for its Chairman, cannot be elected to the Board of Directors. The Chairman of the Management Board cannot be elected as the Chairman of the Board of Directors.

18. A member of the Board of Directors cannot be a legal entity.

19. The Board of Directors shall include elected independent directors. An independent director shall have sufficient professional skills and be independent so that he/she could make independent and objective decisions not influenced by individual shareholders, Management Board or other interested parties.

20. The Board of Directors and its committees shall maintain the balance of skills, background and knowledge that will ensure independent, objective and efficient decision-making process for the benefit of the Company and with due account of fair treatment of all shareholders and sustainability principles. The members of the Board of Directors and candidates to the Board of Directors, to

deliver his/her functions, shall have relevant experience, skills, knowledge, qualification, successful outcomes and a spotless reputation in business and industry.

21. A member of the Board of Directors cannot be represented by a person who:

1) has convictions that are still pending or unpardoned in accordance with Kazakhstani law;

2) held one of the following positions for another legal entity for a full calendar year prior to the forced liquidation, forced repurchase of shares, or temporary closure of that legal entity that was declared bankrupt in accordance with the established procedure: chairman of the Board of Directors, member of the Board of Directors, chief executive of the executive body, deputy chief executive, member of a collective executive body, or chief accountant. Such person shall not be entitled to be a member of the Board of Directors within five (5) years after the date of making decision on involuntary liquidation or mandatory repurchase of shares, temporary closing of another legal entity ordinarily declared bankrupt.

*Clause 22 was amended in accordance with the decision of the extraordinary General Meeting of Shareholders (Minutes No. 26 dated 10 March 2022)*

22. The number of members of the Board of Directors of KEGOC shall be from seven to eleven people, including the recommended number of independent directors on the Board of Directors of at least 30 (thirty) percent but not greater than 50 (fifty) percent of the total number of members of the Board of Directors. A director is considered independent if he/she is not:

an affiliate of the Company within three years prior to his/her election to the Board of Directors (except for being an independent director of the Company);

an affiliated person in relation to the affiliated persons of the Company;

subordinated to officials of the Company or its affiliated companies within three years prior to his/her election to the Board of Directors;

a participant to the audit of the Company as an auditor working for an auditing organisation and has not taken part in such audit during the three years previous to his/her election to the Board of Directors;

a representative of the shareholder at the meetings of the Company's bodies and has not been as such within three years preceding his/her election to the Board of Directors;

a civil servant.

23. All members of the Board of Directors, including the newly elected, shall officially assume their appointments and regularly improve their professional knowledge and skills.

24. The re-elected members of the Board of Directors have the right to request to be trained under the induction programme.

25. Participation of the members of the Government of the Republic of Kazakhstan, officials of state bodies of the Republic of Kazakhstan in the Board of Directors of the Company shall not be allowed.

## **5. Term of office of members of the Board of Directors**

26. The term of office of the Board of Directors shall be defined by the General meeting of shareholders.

The term of office of a member of the Board of Directors shall coincide with the term of office of the entire Board of Directors and shall terminate, at the time of the General Meeting of Shareholders that makes a decision to elect the new membership of the Board of Directors.

27. The members of the Board of Directors shall be elected (re-elected) for a term not exceeding three (3) years. The persons elected to the Board of Directors, subject to satisfactory performance, may be re-elected for a term of up to three (3) years, with the exception of cases specified in clause 29 of the Regulations.

28. The election of a person to the Board of Directors for a period of more than six (6) consecutive years (for example, two (2) three-year terms) is subject to special consideration that shall take into account the need for a qualitative update of the composition of the Board of Directors.

29. An independent director cannot be elected to the Board of Directors for more than nine (9) years successively. In exceptional cases re-election can be made beyond those nine (9) years, but such independent director must be elected to the Board of Directors each time for one year with detailed clarification, why it is necessary to re-elect this member of the Board of Directors and how it will impact the independence of decision-making.

30. Nobody shall participate in the decision making on his/her own appointment, election and re-election.

31. The General Meeting of Shareholders shall have the right to early terminate the powers of all or some members of the Board of Directors. The powers of such member of the Board of Directors shall be terminated on the date of the decision on early termination of his/her powers made by the General Meeting of Shareholders.

32. The Board of Directors shall make recommendations to the General Meeting of Shareholders on early termination of powers of the member of the Board of Directors, who attended less than 50% of meetings in the reporting year and submitted voting ballots for less than 50% of agenda items voted in absentia.

33. Early termination of powers of a member of the Board of Directors on his/her own initiative shall be done upon his/her written notification addressed to the Chairman of the Board of Directors or the Board of Directors in general. The powers of such a member of the Board of Directors shall terminate upon receipt of

the said notice by the Board of Directors, unless the notice specifies the date of early termination of powers of such member of the Board of Directors

34. In case of early termination of powers of any member of the Board of Directors, a new member of the Board of Directors shall be elected by the General Meeting of Shareholders, and the powers of such newly elected member of the Board of Directors shall be terminated together with the termination of the powers of the Board of Directors as a whole.

## **6. Chairman of the Board of Directors**

35. The Chairman of the Board of Directors shall be elected by the General Meeting of Shareholders.

36. The Chairman of the Board of Directors shall be responsible for overall management of the Board of Directors, ensure that the members of the Board of Directors fulfil their key duties completely and efficiently, and ensure meaningful dialogue among the shareholders, the Board of Directors, and the Management Board.

37. The Chairman of the Board of Directors shall strive to create a team of professionals, who are oriented at the growth of the long-term value and sustainable development of the Company and are able to timely and duly respond to internal and external challenges.

38. The Chairman of the Board of Directors organizes the Board of Directors operations, convenes meetings of the Board of Directors, chairs on them, arranges minutes-keeping at meetings in accordance with the procedure set forth herein.

*Clause 39 was amended in accordance with the decision of the extraordinary General Meeting of Shareholders (Minutes No. 26 dated 10 March 2022)*

39. In the absence of the Chairman of the Board of Directors, the Senior Independent Director or another board member, as determined by the Board of Directors, shall perform the Chairman's duties.

40. The Chairman of the Board of Directors shall:

1) bear responsibility for governance of the Board of Directors, ensure its efficient operation in all aspects of its responsibility, ensure an effective connection with shareholders;

2) conclude an employment contract with the Chairman of the Management Board on behalf of the Company;

3) inform shareholders about the amount and composition of remuneration to members of the Board of Directors and the Management Board;

4) present shareholders with a report on the activities of the Board of Directors for the reporting period, and with information on observance of the Code;

5) be responsible for maintaining of a proper dialogue with shareholders;

6) in cooperation with the Corporate Secretary ensure timely obtaining of reliable and clear information by the members of the Board of Directors;

- 7) ensure efficient contribution of the members of the Board of Directors to the activities of the Board of Directors, as well as constructive relations between members of the Board of Directors and the Management Board;
- 8) ensure that the re-elected members of the Board of Directors were trained under the induction programme;
- 9) ensure efficient relations with shareholders, and communicate the views of shareholders to the Board of Directors in general;
- 10) bear responsibility for the process of assessing of the operations of the Board of Directors, its committees, and taking relevant measures.
- 11) plan meetings of the Board of Directors and draft the agenda for the meetings of the Board of Directors;
- 12) ensure that the Board of Directors focuses on the strategic issues, minimise the routine (operational) issues subject to consideration by the Board of Directors;
- 13) ensure maximum efficiency of the meetings held by the Board of Directors through provision of enough time for discussion, detailed and in-depth study of the agenda items, stimulation of open discussions, and achievement of consensus decisions;
- 14) ensure proper communication and relations with a major shareholder by organizing consultations in making key strategic decisions;
- 15) ensure monitoring and supervision over the proper implementation of the decisions made by the Board of Directors and the General Meeting of Shareholders;
- 16) for the purpose of making decisions that meet the Company's interests, given the difference in opinions, ensure that all acceptable options and suggestions proposed by the members of the Board of Directors are considered;
- 17) in case of a corporate conflict, take measures to resolve such conflict and minimise its negative impact on the Company's activity, and timely inform shareholders about such cases, when such conflicts cannot be resolved internally.
- 18) make decisions on other issues stipulated by the laws of the Republic of Kazakhstan, the Charter and the Regulations.

*Supplemented by Section 6.1 with Clauses 40-1 and 40-2 in accordance with the decision of the extraordinary General Meeting of Shareholders (Minutes No. 26 dated 10 March 2022)*

### **6.1 Senior Independent Director**

40-1 If necessary, the Board of Directors may elect from among the independent directors of the Board of Directors, the Senior Independent Director whose functions include:

- 1) act as an adviser to the Chairman of the Board of Directors and support him/her in communicating the goals he/she defines;
- 2) assess the activities of the Chairman of the Board of Directors;

- 3) plan the succession of the Chairman of the Board of Directors;
- 4) in case of disagreements between shareholders, the executive body, the Chairman of the Board of Directors and other directors, act as an intermediary in resolving disagreements;
- 5) other functions as decided by the Board of Directors, as well as in accordance with these Regulations.

#### 40-2 Election of the Senior Independent Director:

- 1) independent directors have the right to appoint a Senior Independent Director from among the elected independent directors;
- 2) the Senior Independent Director shall be elected by a majority vote of the members of the Board of Directors participating in the meeting;
- 3) the powers of the Senior Independent Director shall be valid until the election of a new Board of Directors. The powers of the Senior Independent Director shall be terminated prematurely if he/she loses the status of an independent director, and may also be terminated prematurely by resolution of the Board of Directors. In the event of early termination of the powers of the Senior Independent Director, the Board of Directors shall have the right to elect a new Senior Independent Director as proposed by the Independent Directors.

## **7 Rights and Obligations of Members of the Board of Directors**

41. The members of the Board of Directors, within the jurisdiction of the Board of Directors, shall be entitled to:

- 1) demand training under the induction programme;
- 2) demand holding of a meeting of the Board of Directors;
- 3) demand inclusion of his/her minority opinion on the agenda items and made decisions into the minutes of meeting of the Board of Directors;
- 4) participate in meetings and discussion of the items of the approved agenda of the Board of Directors and its committees;
- 5) include items into the agenda of the Board of Directors' meetings in a prescribed manner;
- 6) obtain information on the Company's activities, including the official, commercial or other secrets of the Company protected by law, study all documents of the Company in accordance with the laws of the Republic of Kazakhstan and internal documents of the Company;
- 7) submit proposals on drafting the work plan of the Board of Directors;
- 8) early terminate their powers by submitting a written notice in the manner prescribed by clause 33 of the Regulations;
- 9) receive remuneration and reimbursement of expenses related to performance of their duties as members of the Board of Directors in accordance with the decision of the General Meeting of Shareholders;



10) represent the interests of the Company in relationships with the outside organizations and state bodies of the Republic of Kazakhstan, international organizations through building business relations, participating in various events (forums, workshops, meetings, etc.) held in the Republic of Kazakhstan and beyond and perform other actions as provided for in the laws of the Republic of Kazakhstan, the Charter, the Code, and other internal documents of the Company;

11) visit (make business trips to) facilities related to the activities of the Company;

12) receive information, explanations, and clarifications in full and on a timely basis from the Management Board, Internal Audit Service, Compliance Officer, Ombudsman and Corporate Secretary;

42. Members of the Board of Directors shall be obliged to:

1) properly perform their duties and ensure the growth of the long-term value and sustainable development of the Company;

2) act with good faith, in a rational and fair manner observing the requirements set in the laws of the Republic of Kazakhstan, the Charter, the Code and Regulations, ethical principles and business ethic rules in the interests of shareholders and the Company on the whole;

3) keep confidential the information on the Company's activities, including within five (5) years upon termination of working in the Company, unless otherwise stated in the internal documents of the Company;

4) monitor the status of the Company's standing and maintain constant contacts with other bodies and officials of the Company;

5) participate in meetings and work of the committees of the Board of Directors, of which they are members;

6) notify in advance of impossibility to attend a meeting of the Board of Directors indicating the reasons for their absence;

7) agree with the Board of Directors upon the possibility to be elected to bodies of another joint-stock company or to be employed by any other organization;

8) participate in preparation of a plan for improving knowledge and skills;

9) report to the Chairman of the Board of Directors within two (2) business days of any change in circumstances that would cause a director to no longer be an independent director. The Chairman of the Board of Directors shall immediately inform the shareholders about it, so that they can make a relevant decision;

10) regularly improve knowledge and skills;

43. A member of the Board of Directors shall observe the following rules and requirements relating to the conflict of interests:

*Sub-clauses 2) and 4) of Clause 43 were amended in accordance with the decision of the extraordinary General Meeting of Shareholders (Minutes No. 26 dated 10 March 2022)*

1) not to vote on the agenda items, he/she is interested in;

2) timely report his/her affiliation or changes to affiliation;

3) not to establish and not to participate in the bodies of organizations competing with the Company;

4) not use the Company property or allow its use in contradiction with the Charter of the Company and the decisions of the General Meeting of Shareholders and the Board of Directors, as well as for personal purposes, or abuse their authority in making transactions with their affiliates;

5) initiate meetings of the Board of Directors to make operating decisions;

6) be in control of that disclosure and submission of the information on the Company's activities is in accordance with the laws in the Republic of Kazakhstan;

7) independent directors shall take an active part in discussion of the agenda items with potential for conflict of interests (preparation of financial statements and non-financial reporting, non-arm's length transactions, proposing of candidates to the Management Board, determination of the remuneration rates for the Management Board members);

8) observe all rules and procedures set in the internal documents of the Company relating to the security system and safety of confidential and insider information of the Company.

## **8 Management of the Board of Directors**

44. The preparation and holding of the meetings of the Board of Directors shall ensure maximum efficiency of its activity. To perform their duties, the members of the Board of Directors shall have access to complete, relevant and timely information.

45. The Board of Directors shall hold its meetings regularly to ensure the efficient fulfilment of its duties. The meetings shall be held in accordance with the Work Plan of the Board of Directors, that shall be approved before the beginning of the calendar year and include the list of agenda items and the schedule of meetings with their dates. The plan shall be developed in accordance with the proposals of the members of the Board of Directors, Internal Audit Service, Ombudsman, Compliance Officer and the Management Board (structural business units), Work Plan of the Board of Directors is reviewed every six months (if required).

46. Supervision of preparation of the annual Work Plan of the Board of Directors shall be done by the Chairman of the Board of Directors.

47. The recommended periodicity of the meetings of the Board of Directors shall be eight-twelve (8-12) meetings a year. It is recommended that the agenda items planned for consideration during the year be evenly distributed to ensure their thorough and comprehensive discussion and making timely and sound decisions.

48. The agenda of the meeting of the Board of Directors shall not include the items, for which the materials were provided in violation of the deadlines, unless the Chairman of the Board of Directors was provided with an exhaustive

explanation of the reason for the violation of the deadline for the submission of materials.

49. The Board of Directors shall make its decisions based on complete, reliable and sound information. The following conditions shall be ensured for the efficient and timely decision making by the Board of Directors:

- high quality of the materials, information, and documents submitted to the Board of Directors;
- consultations with experts (internal and external) as required;
- sufficient time for discussion of the agenda items at the meetings of the Board of Directors, especially important and complex agenda items;
- timely consideration of the agenda items;
- the decisions shall specify follow-up actions, deadlines and responsible persons.

50. The following conditions may have negative impact on the quality of the decisions of the Board of Directors:

- domination of one or several directors at the meeting, which may limit the full participation of other directors in the discussions;
- perfunctory appreciation of risks;
- pursue of personal interest and use of low ethical standards;
- perfunctory attitude to decision making at the meetings of the Board of Directors, without real and involved discussions;
- uncompromising stand (lack of flexibility) or development reluctance (being content with the current position);
- poor organisational culture;
- lack of information and/or analysis.

51. The members of the Board of Directors shall have the right to request for additional information on the agenda items as may be required for decision making.

52. If required, the Board of Directors may consider the agenda item, that were not included in the work plan.

53. The Corporate Secretary, and in the event of his or her absence, the employees of the Corporate Secretary Service, shall be in charge of informing the members of the Board of Directors and the meeting participants and presenting them with the necessary papers.

54. In case the total number of the members of the Board of Directors does not allow reaching a quorum, the Board of Directors must convene an extraordinary General Meeting of Shareholders to elect (appoint) new members to the Board of Directors. The remaining members of the Board of Directors shall have a right to take decisions only about convening of such extraordinary General Meeting of Shareholders.

## **9. Convening of the meeting of the Board of Directors**

55. The meeting of the Board of Directors can be convened on the initiative of its Chairman, Management Board or as requested by:

- 1) any member of the Board of Directors;
- 2) Internal Audit Service;
- 3) audit company auditing the Company;
- 4) major shareholder.

56. The request for convening a meeting of the Board of Directors shall be addressed to the Chairman of the Board of Directors using the corresponding written request that shall specify the proposed agenda of the meeting of the Board of Directors.

The agenda of the Board of Directors meeting shall be prepared so that the allocation of total time of the meeting so that the Board of Directors would enable the discussion of all agenda items and focus on detailed and deep consideration thereof.

57. In case the Chairman of the Board of Directors refuses to convene a meeting, the initiator has the right to address the request to the Management Board that, in turn, must convene the meeting of the Board of Directors.

58. The meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors or the Management Board no later than ten (10) calendar days after receipt of the request for convening a meeting. The meeting of the Board of Directors shall be held with mandatory invitation of the person, who requested to convene it.

59. Notices of the meeting and materials for the meeting of the Board of Directors must be sent to members of the Board of Directors in accordance with the legislation of the Republic of Kazakhstan and clause 3 of Article 33 of the Charter.

**60. Cancelled**

## **10 Procedure for holding a meeting of the Board of Directors**

61. The meeting of the Board of Directors shall begin at time specified in the notice, subject to presence of quorum, and be opened by the Chairman of the Board of Directors.

62. The Secretary of the Board of Directors, the Corporate Secretary, determines the presence of a quorum for holding a meeting of the Board of Directors.

63. The Chairman shall inform the attendees about the presence of a quorum to hold the meeting of the Board of Directors and announce the agenda of the meeting of the Board of Directors.

64. The review of the agenda issues at the meeting of the Board of Directors shall include the following stages:

- 1) hearing the reports of the CEO, CFO and Corporate Secretary, approval of the agenda of the meeting;

- 2) presentation of the agenda item by a member of the Board of Directors or an invitee within 5-10 minutes depending on complexity of the item;
- 3) discussion of the agenda items depending on the complexity of the issue;
- 4) proposals on the decisions to the agenda item;
- 5) voting on the agenda item;
- 6) vote counting and summing-up;
- 7) announcing of the voting results and the decision made on the agenda item.

65. Each member of the Board of Directors shall have one vote. The decisions of the Board of Directors shall be made based on the simple majority of votes of the Board of Directors members present at the meeting except for the cases as provided by the laws of the Republic of Kazakhstan, the Charter and the Regulations. Assignment of a vote by one member of the Board of Directors to another member of the Board of Directors or any other person shall not be allowed. In case of a tie, the vote of the Chairman of the Board of Directors, or a person taking the chair during the meeting of the Board of Directors, shall be decisive.

66. The representatives of the major shareholder, auditors of the Company, employees of the Company and other parties can also be invited to the meeting of the Board of Directors.

## **11. Meeting of the Board of Directors in praesentia**

67. Meetings of the Board of Directors can be held in praesentia or absentia, however the number of meetings in absentia shall be minimized.

Consideration and decision-making on particularly important and strategic agenda items shall only be done at the meetings of the Board of Directors with praesentia voting.

68. The quorum to hold the meetings in praesentia of the Board of Directors shall be at least a half of elected members of the Board of Directors. The quorum of the meeting in praesentia of the Board of Directors shall be established with account of the absent members of the Board of Directors, who participate in discussion and voting of the agenda items using technical communications (video-conference, conference-call and others).

69. It is not allowed to hold a meeting of the Board of Directors with absentee voting when considering the matters provided for by the legislation of the Republic of Kazakhstan and clause 10 of Article 34 of the Company's Charter.

Sub-clauses 1) - 30), clause 69 of the Regulations are cancelled.

70. Cancelled.

71. The Chairman of the Board of Directors in accordance with the established procedure prepares the agenda to be approved by the Board of Directors.

72. When opening the meeting of the Board of Directors in praesentia, the Chairman of the Board of Directors must report if there are any received proposals

to amend the agenda. The agenda can be amended, if the majority of members of the Board of Directors has voted in favour of it.

73. The agenda of the Board of Directors meeting shall be approved by the majority of votes of the Board of Directors members.

74. The recommended number of items included on the agenda of one meeting in praesentia of the Board of Directors shall not exceed ten. In exceptional cases the Chairman of the Board of Directors may approve inclusion of additional issues.

75. If a meeting of the Board of Directors shall be convened on the initiative of the Management Board, the materials for the meeting of the Board of Directors shall contain information in accordance with Appendix 1 to the Regulation.

Sub-clauses 1) - 8), clause 75 of the Regulations are cancelled.

76. Cancelled.

77. Cancelled.

78. Cancelled.

79. Cancelled.

80. Cancelled.

81. Cancelled.

82. The decision to conclude a non-arm's length transaction by the Company shall be taken by a simple majority of votes of the members of the Board of Directors, who has no interest in its conclusion, except when the standard terms of such a transaction are approved by the Board of Directors.

83. The decision to conclude a non-arm's length transaction by the Company shall be taken by the General Meeting of Shareholders by a majority of votes of shareholders not interested in its conclusion in the following cases:

- 1) if all members of the Board of Directors are the interested parties;
- 2) if the Board of Directors cannot make a decision on the conclusion of such a transaction due to the lack of the number of votes necessary to make a decision.

84. The decision to conclude a non-arm's length transaction by the Company shall be taken by the General Meeting of Shareholders by a simple majority of votes of the total number of voting shares of the Company in cases, when all members of the Board of Directors and all shareholders holding ordinary shares are interested parties and / or the Board of Directors cannot make a decision to conclude such a transaction due to the lack of the number of votes necessary to make a decision.

85. If a member of the Board of Directors does not agree fully or in part with the decision made by the Board of Directors, then such member has the right to state his/her disagreement as a special opinion on the agenda item proposed for voting and this opinion shall be recorded by the Corporate Secretary in the minutes of meeting of the Board of Directors in praesentia.

86. When considering important issues, provided for by the Charter of the Company, a verbatim shall be recorded.

87. The Board of Directors has the right to make a decision to hold the closed-door meeting with participation of members of the Board of Directors only.

88. The decisions of the Board of Directors made at the meeting in praesentia shall be recorded in a form of minutes.

89. The member of the Board of Directors, who did not participate the meeting of the Board of Directors or who voted against the decision that was made by the Board of Directors with violation of the procedure set in the Law, the Charter, and Regulations, shall have the right to challenge the decision in court.

## **12. Meeting of the Board of Directors in absentia**

90. Meetings in absentia cannot be held more often than once a quarter.

91. When a decision is made by absent voting, the agenda of the Board of Directors meeting cannot be amended.

92. Meeting with absentia voting could initiated by any member of the Board of Directors. The request to hold an absentia voting meeting shall be submitted to the Chairman of the Board of Directors (and in case he refuses to hold it, to the Management Board) in writing and contain a clearly and unambiguously defined agenda item (items) proposed for voting.

93. In case of objection of at least one member of the Board of Directors to consider an agenda item at the meeting in absentia, the item shall be included in the agenda of a next meeting of the Board of Directors in praesentia.

94. A decision made through absentia voting shall be considered adopted subject to presence of quorum in voting ballots received within the established deadline.

95. The absentia voting ballot must include:

- 1) full name of the Company and place of operations of the Management Board;
- 2) information on convening of a meeting of the Board of Directors;
- 3) the date of submission of ballots to a member of the Board of Directors and the deadline for receiving ballots;
- 4) postal address, at which the completed voting ballots shall be sent;
- 5) agenda of the meeting of the Board of Directors;
- 6) wording of the voted agenda items and the decisions on each of them;
- 7) voting options on each agenda item: “pro”, “con”, “abstain” and reasons, why the member of the Board of Directors votes “con”, “abstain” or has some specific comments.

Written opinions of the members of the Board of Directors shall be attached to the minutes.

96. A member of the Board of Directors who has an interest in the matter under consideration by the Board of Directors is not permitted to speak or vote on



it, and a note to that effect must be recorded in the minutes of the Board of Directors meeting.

97. The decision of the meeting of the Board of Directors in absentia shall be forwarded to the members of the Board of Directors with the enclosed copies of voting ballots based on which this decision was made, within not later than twenty (20) days from the date of the decision formalisation.

98. The decision of absentia voting shall be formalised in writing with ballots of the members of the Board of Directors enclosed thereto.

99. In case the Board of Directors makes a decision by absent voting, a special opinion of a member of the Board of Directors shall be expressed in writing and attached to the completed voting ballot.

### **13. Minutes of meetings of the Board of Directors**

100. Meetings of the Board of Directors shall be duly recorded by the Corporate Secretary including all discussions results and taken decisions in the form of the minutes of meeting in praesentia of the Board of Directors or in form of a decision of the Board of Directors in case of absentee voting.

*Clause 101 was amended in accordance with the decision of the extraordinary General Meeting of Shareholders (Minutes No. 26 dated 10 March 2022)*

101. The formal record of the decisions taken will be the minutes of the Board of Directors meeting held in praesentia, which will include all of the findings of the discussions and the choices reached. The minutes of the meeting shall be signed by the chairman of the meeting and the corporate secretary within seven (7) business days from the date of the meeting and shall contain the following:

- 1) full name and place of operation of the Management Board;
- 2) the meeting form (in praesentia, in absentia or mixed, open or closed);
- 3) date, time and venue of the meeting;
- 4) names of the members of the Board of Directors and invited persons, non-members of the Board of Directors (including the Corporate Secretary);
- 5) agenda of the meeting;
- 6) records of the meeting including the escalation of problem issues and disputes;
- 7) agenda items put for voting, discussion and voting results, including reflecting vote options selected by each member of the Board of Directors for each agenda item of the meeting of the Board of Directors;
- 8) decisions made;
- 9) other information as decided by the Board of Directors.

102. The Corporate Secretary shall be responsible for accuracy of drawing up the minutes (decision) and send the approved minutes (decisions) in electronic form to all members of the Board of Directors within three (3) working days upon meeting (absentee voting) of the Board of Directors.

103. Minutes of meetings of the Board of Directors in presentia and absentia, absentia voting ballots shall be made in accordance with the respective forms.

104. The minutes of meetings of the Board of Directors, including materials of meetings of the Board of Directors, decisions of absentia meetings, ballots for absentia voting, and verbatim transcripts shall be kept by the Corporate Secretary and, after 2 (two) years from the date of thereof, shall be, in the prescribed manner, transferred to the archive of the Company. The Corporate Secretary shall bear responsibility for the safety of these documentation until it is transferred the archive of the Company.

105. At the request of a member of the Board of Directors, the Corporate Secretary is obliged to provide the requesting member for review the original minutes (decision) of the meeting of the Board of Directors and, if required, to send a copy of the minutes (decision) and the approved or reviewed materials, authenticated sheet-by-sheet with signature of the Corporate Secretary and Company's seal.

#### **14 Follow-up of the Board of Directors' decisions**

106. The Board of Directors shall monitor the implementation of its earlier decisions, and, in doing so, the Board shall analyse both the decisions and the process of making them by reviewing the reports of the Management Board, committees of the Board of Directors, Internal Audit Service, Corporate Secretary, Ombudsman, Compliance Officer on execution and (or) the implementation of decisions of the Board of Directors that are presented at each meeting of the Board of Directors. Also, the Board of Directors shall audit earlier decisions when it assesses its own performance.

107. The Corporate Secretary shall communicate the decisions and the relevant instructions to the Management Board, Internal Audit Service, Ombudsman, Compliance Officer and inform the Board of Directors about the deadlines for implementation of the decisions of the Board of Directors.

108. Subject to the results of submitted reports review, the Board of Directors has the right to give the relevant instructions within the scope of the Board's authorities.

#### **15. Committees of the Board of Directors**

109. To assure profound and quality consideration of the agenda items and preparation of recommendations to the Board of Directors, the Board of Directors may establish committees concerning the following matters:

- 1) audit;
- 2) nomination and remuneration;
- 3) strategic planning and corporate governance;

**4) cancelled.**

Other committees that could be established at the discretion of the Board of Directors of the Company.

110. The Board of Directors shall decide on establishing the committees, on the number of its members and personnel composition, chairmen, term of office, as well as functions and work procedure.

111. Members of the Board of Directors and non-voting specialists with the specialized knowledge, abilities, and skills needed for committee work must be included on the committees. The chairmen of the committees shall be elected out of Independent Directors. Potential conflicts of interest shall be taken into consideration while selecting the committee members.

The chairmen of the committees shall have managerial and leadership qualities, good communicational skills together with professional competencies for efficient organization of the committees' operation.

112. The functions, powers, composition and process of organizing operation of the committees shall be regulated by the relevant regulations approved by the Board of Directors.

113. None but the chairman of a committee and its members have right to attend the committee meetings. Other persons are allowed to attend only if invited by the corresponding committee.

114. The committees shall annually elaborate their work plan, which shall be approved by the beginning of the next calendar year, be consistent with the work plan of the Board of Directors and specify the list of the reviewed agenda items and dates. The committees shall hold at least four (4) meetings each year. The meetings of the committees shall be held in presentia and formalized with the minutes of meeting.

115. The chairmen of the committees shall prepare the reports on reviewed issues and decisions at each meeting of the Board of Directors.

The chairmen of the committees shall report to the Board of Directors on the performance results annually. Chairman of the Board of Directors shall have a right to request the committees to submit information on current activities. The timeline for preparation and submission of such report shall be defined by the Board of Directors.

## **16 Relations of the Board of Directors with the General Meeting of Shareholders and the Management Board**

116. The decisions of the General Meeting of Shareholders made within the scope of its competence are mandatory for the Board of Directors. The Board of Directors annually reports on its activities to the General Meeting of Shareholders, by submitting a performance report for the previous year.

117. In the performance report to be submitted to the General meeting of shareholders as a part of annual report of the Company, the Board of Directors shall specify but not be limited to the following information:

1) membership of the Board of Directors, including the Chairman of the Board of Directors and Independent Directors, and election criteria for Independent Directors, the Chairman of the Management Board and Committees' members;

2) on each director, who the Board of Directors considers Independent, as well as whether the director was Independent in the decision-making process;

3) a number of meeting of the Board of Directors and its committees as well as attendance by each member of the Board of Directors of the meetings of the Board of Directors and committees, of which he/she is a member;

4) performance report of the committees, including the reasons of rejection by the Board of Directors of individual proposals and/or recommendations of the committees;

5) report of the Board of Directors, including full information on the agenda items, which shall be decided by the Board of Directors as well as on the agenda items, which shall be delegated to the Chairman of Management Board;

6) evaluation of the Company's standing and prospects for its development;

7) the process of assessing of activities of the Board of Directors and its committees, the Chairman and members of the Board of Directors and the Corporate Secretary of the Company;

8) measures taken by the Board of Directors to take account of the opinions of the General Meeting of Shareholders regarding the Company (through direct communication and briefings);

118. The Board of Directors and Management Board shall work in a spirit of cooperation, act in the interests of the Company and make decisions based on the principles of sustainable development and fair treatment of all shareholders.

119. The Board of Directors and Management Board shall ensure the growth of the long-term value and sustainable development of the Company.

## **17. Liabilities of the members of the Board of Directors**

120. The members of the Board of Directors shall be personally responsible to the Company and the General Meeting of Shareholders for the damage caused by his/her actions (inaction) in accordance with the laws of the Republic of Kazakhstan, and for losses caused by:

1) provision of deceitful or deliberately misleading information;

2) violation of the procedure for submission of information prescribed by law.

121. However, the members of the Board of Directors, who voted against the decision that caused losses to the Company or who did not participate in voting, shall not be held liable.

122. To determine the grounds and extent of liability of the members of the Board of Director, it is necessary to take into account the ordinary course of business and other circumstances, relevant for the case.

## **18 Assessment of performance of the Board of Directors**

123. The Board of Directors shall annually assess its work, work of its committees, each of the directors, whereas no less than once every three years the assessment shall be carried out with the assistance of independent professional organization.

If in the reporting period the Company have conducted the corporate governance diagnostics, in order to avoid duplication of processes, a separate Assessment for a similar reporting period is not needed.

124. The assessment shall determine the contribution of the Board of Directors and each of its members to the growth of long-term value and sustainable development of the Company, as well as identify directions and recommend measures for improvement. The results of the assessment shall be taken into account in the re-election or the early termination of powers of members of the Board of Directors.

125. The assessment of the Board of Directors, its committees and the members of the Board of Directors, the provision of feedback to the members of the Board of Directors and the development of follow-up improvement measures shall be managed by the Chairman of the Board of Directors. The results of the assessment shall be discussed at a separate meeting of the Board of Directors. The assessment is mandatory for both independent directors and major shareholder representatives. The assessment shall be regular, comprehensive, continuous, realistic, and confidential.

126. The Chairman of the Board of Directors shall be responsible for the entire process of assessment and shall take measures in accordance with its results.

127. The Chairman of the Board of Directors, the chairmen of the committees of the Board of Directors shall study the results of the performance assessment of the Board of Directors and act accordingly.

128. The Board of Directors shall reflect in the annual report, how the assessment of the Board of Directors was carried out and what actions were taken based on the results of the assessment. In the event of engagement of an independent consultant, it shall be indicated whether the consultant rendered other consulting services for the Company over the past three years.

## **19 Remuneration of the Members of the Board of Directors**

129. The Company shall disclose the information on the amount of remuneration of the members of the Board of Directors to all stakeholders in accordance with the laws of the Republic of Kazakhstan. Information on the amount

of remuneration of the members of the Board of Directors for the reporting period shall be subject to mandatory disclosure in the annual report prepared for the General Meeting of Shareholders.

130. The Rules of remuneration of the members of the Board of Directors shall be approved by the General Meeting of Shareholders.

131. Based on the decisions of the General Meeting of Shareholders of the Company, the members of the Board of Directors during the period of performing their duties, shall be paid a fixed annual remuneration and additional remuneration, for participation in each meeting in praesentia of the committee of the Board of Directors of the Company.

132. The amount of remuneration shall be taken into account the expected contribution of the members of the Board of Directors into improvement of the efficiency of the entire Board of Directors and the Company's activities, obligations of Members of the Board of Directors, range of operation of the Company, long-term targets and goals as defined by the development strategy, the complexity of the issues of the Board of Directors, the level of remuneration in peer companies (benchmarking, review of remuneration).

133. The members of the Board of Directors shall be reimbursed for expenses related to the performance of their functions as members of the Board of Directors. The amount of such remuneration and compensation shall also be decided by the General Meeting of Shareholders. The members of the Board of Directors shall be paid, among others, transport expenses to the venue of the meeting of the Board of Directors and business trip expenses.

134. The terms of remuneration of the independent directors are specified in their engagement contracts, and, if required, in the internal documents of the Company.

135. The Chairman of the Management Board, if elected to the Board of Directors, shall not receive remuneration for work on the Board of Directors.

136. Nobody shall participate in the decision making on his/her own remuneration.

## **20. Final Provisions**

137. The Regulations shall be approved or amended only by the General Meeting of Shareholders Company.

138. If due to changes to the laws of the Republic of Kazakhstan, the Charter or the Code, some provisions of the Regulations contradict with them, these provisions of the Regulations shall become invalid and, while they are not amended, the officials and employees of the Company shall be governed by the laws of the Republic of Kazakhstan, the Charter and the Code.

**Developed by:**

**Corporate Secretary**

**Yertai Ramazanov**

**Manager of the Corporate Secretary Service**

**Aliya Iskakova**



**~~Appendix 1 to the Regulations on the  
Board of Directors of KEGOC~~**

Requirements to the materials submitted for the meetings of the Board of  
Directors of KEGOC of the Board of Directors

Ф.П КЕГОС ИД-202-04

**1.** The materials on agenda includes:

1) explanatory notes and draft decision of the Board of Directors for each of the considered agenda items and rationale for the draft decision, signed by the Chairman of the Management Board or the acting Chairman of the Management Board;

2) description of the need to bring the issue to the meeting of the Board of Directors (references to the regulatory legal acts of the Republic of Kazakhstan, the Charter, strategy and other internal regulatory documents, decisions of the organization's management bodies);

3) a detailed statement of the content of the issue including relevant information that is reasonably necessary to indicate with respect to the considered issue;

4) brief information on earlier decisions of the Board of Directors on this issue, including the details and content of the decisions taken;

5) information on the key risks associated with the Board of Directors' approval or rejection of the proposed decision, the effects of those risks materializing, and information on the anticipated socio-economic and/or legal repercussions should the Board of Directors take a decision on this issue;

6) information on the estimated financial costs associated with the implementation of the decision of the Board of Directors on the issue, based on the approved budget;

7) information on corporate events subject to disclosure in accordance with internal regulatory documents in connection with the adoption of a decision on the issue;

8) presentations (slides) including brief summary of the concerned agenda item and the documents submitted for consideration;

9) materials supporting the information given in explanatory notes;

10) copies of the decision of the Management Board, its committees and/or other collective bodies of the Company (if available and required);

11) voting ballot for the meeting of the Board of Directors in absentia in case of meeting in absentia;

12) other informational materials required for making decisions.

~~Attn: members of the Board of  
Directors of KEGOC~~

**~~EXPLANATORY NOTE  
on agenda item of the meeting of the Board of Directors~~**

~~name of the agenda item~~

~~Content of the agenda item of the meeting of the Board of Directors~~

~~Explanatory note shall contain:~~

- ~~1. Reference to the laws of the Republic of Kazakhstan, the Charter or internal documents of the Company according to which the proposed issue is introduced and shall refer to the exclusive competence of the Board of Directors;~~
- ~~The substance of the agenda item, grounds for putting the item for consideration by the Board of Directors and proposed decision on it;~~
- ~~3. The expected risks of taking or not taking the proposed decision by the Board of Directors, and consequences of the said risk occurrence; the risk mitigation measures;~~
- ~~4. Expected social and economical and/or legal impact in case of taking the decision on the item by the Board of Directors;~~
- ~~5. Specific goals, time frames of the expected results and anticipated efficiency;~~
- ~~6. Expected financial expenses associated with implementation of the decision of the Board of Directors (additional costs, revenue increase, cost reduction) on the item based on the Company's budget;~~
- ~~7. Information on legislative acts, acts of the Company's higher bodies, acts of the Board of Directors, and Company's committees, instructions taken earlier on the reviewed item and results of their implementation;~~
- ~~8. The necessity to further bring internal documents of the Company and branches and affiliates in compliance with the decision of the Board of Directors on the subject agenda item;~~
- ~~9. Other information.~~

~~Chairman of the Management Board, KEGOC,  
or his/her substitute/~~

~~Member of the Board of Directors, KEGOC/~~

~~Head of Internal Audit Service \_\_\_\_\_~~

(full name)

**1-2 Presentations (slides)**

Presentations (slides) shall make understanding of the essence of the agenda item by the members of the Board of Directors during preparation for the meetings easier and shall be used to structure the discussion at the meetings.

The presentations may be (preferably) free from references to the regulatory documents, may use common abbreviations, short sentences and simple wordings.

The slides can be used by speakers when during discussion of the agenda item at the meeting of the Board of Directors.

The presentations shall contain at least the following information:

- Summary on the agenda item and situation assessment (1 - 2 slides);
- Content-related part: data, analysis, arguments (not more than 5 slides).
  - including summary report (in case of submitting a report for consideration) with key conclusions, assumptions, and reasons for deviation (not more than 5 slides);
  - including (in case of submitting a draft internal regulatory document for consideration) the list of changes as compared to the current document (in case of amended document) or brief summaries of the document (in case of the new document).
- A summary of the analysis of the risks and consequences of the decision or an indication of the absence thereof (1-2 slides).

The presentations are the primary sources of information for the Board of Director members, thus they shall be prepared very carefully.

### **1-3 Draft documents, reports, information supporting the decision-making process**

These documents shall be drawn up in accordance with the internal rules and procedures of KEGOC as appendices to the Explanatory Note.

**Cancelled.**

**~~Appendix 2 to the Regulations on the  
Board of Directors of KEGOC~~**

~~The form of a draft decision of the Board of Directors on the agenda item of the  
meeting~~

~~Ф.П. KEGOC ИД-202-05~~

**Draft**

**~~decision of the Board of Directors of KEGOC on the agenda item of the  
meeting~~**

~~\_\_\_\_\_~~  
~~name of the agenda item~~

~~Having considered the agenda item and the supporting documents in  
accordance with (indicate the provisions of the Law of the Republic of Kazakhstan  
“On Joint Stock Companies”, the Charter of the Company, the Regulations on the  
Board of Directors, on the basis of which this matter falls within the competence of  
the Board of Directors of the Company), the Board of Directors DECIDED:~~

~~content of the proposed decision~~

**Cancelled.**

**Appendix 3 to the Regulations on the  
Board of Directors of KEGOC**

~~The form of the minutes of the meeting in praesentia or mixed voting meeting of  
the Board of Directors~~

~~Ф.П. KEGOC ИД-202-01~~

**MINUTES**

**~~of the meeting in praesentia (mixed vote meeting) of the Board of Directors of  
Kazakhstan Electricity Grid Operating Company  
Grid Operating Company (KEGOC)  
NO.~~**

~~(specify the reference number)  
(specify the venue and the date of the meeting)~~

~~Location of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC  
(hereinafter referred to as “KEGOC” or “the Company”): (specify the registered  
address of the Company).~~

~~Venue of the meeting of the Board of Directors of the Company: (specify the  
address of the meeting).~~

~~As of the date of signing this protocol, the following members of the Board  
of Directors of the Company were elected:~~

**~~The Chairman of the Board of Directors:~~**

~~(full name) \_\_\_\_\_ (position)~~

**~~The members of the Board of Directors:—~~**

~~(full name) \_\_\_\_\_ (position)~~

~~(full name) \_\_\_\_\_ (position)~~

~~(full name) \_\_\_\_\_ (position)~~

~~(full name) \_\_\_\_\_ (position)~~

~~(full name) \_\_\_\_\_ (position)~~

~~A meeting of the Board of Directors was convened by the Chairman of the  
Management Board~~

~~In accordance with the Law of the Republic of Kazakhstan “On Joint Stock  
Companies” and the Charter of the Company and the Regulations on the Board of  
Directors, the Board of Directors shall have the right to make decisions, if its  
meeting attended by at least half of its members of the Board of Directors.~~

~~As on the date of this meeting, (number of the members) members have been  
elected, and (number of the members) members participate in discussion and voting  
of the agenda items in person or using technical communications video-conference.~~

~~The quorum to hold the meetings of the Board of Directors (specify the information on the presence or absence of a quorum, and, if required, specify the information about written statements of the absent members of the Board of Directors (in case of mixed voting)).~~

~~The reference number and date of the previous minutes of the Board of Directors~~

~~The minutes of this meeting of the Board of Directors were recorded by (full name).~~

~~The meeting of the Board of Directors was opened at (time)~~

~~**Invited persons from KEGOC:** (specify full names of invited employees of the Company).~~

~~**Invited persons from Samruk-Kazyna):** (specify full names of invited employees of Samruk-Kazyna).~~

~~The reports to be delivered at the meeting: CEO's and CFO's report on the results of the activities of the Company; the reports of the chairmen of the committees; and the progress report on the Action Plan of the Board of Directors and on the instructions given by the Board of Directors for the reporting period.~~

~~The Chairman of the Board of Directors of the Company proposed the following agenda of the meeting of the Board of Directors for review:~~

~~1. (specify the agenda item).~~

~~2. (specify the agenda item).~~

~~3. (specify the agenda item).~~

~~....~~

~~The Chairman of the Board of Directors put the proposed agenda for voting.~~

~~The meeting voted:~~

~~PRO: (full name of a member of the Board of Directors).~~

~~CON: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes "con" or has some specific comments).~~

~~ABSTAIN: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes "abstain" or has some specific comments).~~

#### **Decision of the Board of Directors:**

~~Approve the following agenda:~~

~~1. (specify the agenda item).~~

~~2. (specify the agenda item).~~

~~3. (specify the agenda item).~~

~~(specify full name of speaker, who presented the details of the information contained in the explanatory note and in the presented materials) presented the agenda item (specify the index number and the name of the item).~~

~~(Specify full names of those participating in discussion of issue and their remarks in brief) participated in the discussion of the item.~~

~~The Corporate Secretary shall submit the materials to the agenda issue put for voting to all members of the Board of Directors.~~

~~Having considered the agenda item (specify the name of the item), the Chairman of the Board of Directors or his/her substitute, with account of the recommendations of the committee(s), put to vote the agenda item (name of the agenda item).~~

~~The members of the **Board of Directors** voted:~~

~~PRO: (full name of a member of the Board of Directors).~~

~~CON: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes "con" or has some specific comments).~~

~~ABSTAIN: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes "abstain" in voting or Specify has some specific comments).~~

~~Having considered the agenda item and the supporting documents in accordance with (indicate the provisions of the Law of the Republic of Kazakhstan "On Joint Stock Companies"/the Charter of the Company/the Regulations on the Board of Directors on the basis of which the agenda item falls within the competence of the Board of Directors), the **Board of Directors DECIDED:**~~

~~1. (specify clause of the decision of the Board of Directors of the Company).~~

~~2. (specify clause of the decision of the Board of Directors of the Company).~~

~~3. (specify clause of the decision of the Board of Directors of the Company).~~

~~After a decision to accept the agenda item (specify the name of the agenda item), the Board of Directors proceeded with the review the agenda item (specify the name of the agenda item).~~

~~**The Chairman of the Board of Directors/**  
or his/her substitute (full name)~~

~~**Corporate Secretary** (full name)~~

~~\* The minutes of the meetings of the Board of Directors provided in this form are subject to modification.~~



**Cancelled.**

**Appendix 4 to the Regulations on the  
Board of Directors of KEGOC**

~~The form of the minutes of the meeting in absentia of the Board of Directors~~

~~Ф.П KEGOC ИД-202-02~~

**Minutes  
of the meeting in absentia of the Board of Directors of Kazakhstan  
Electricity Grid Operating Company joint-stock company (KEGOC) JSC  
NO.  
(specify the reference number)**

**(specify the venue and the date of the meeting)**

~~Location of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC  
(hereinafter referred to as “KEGOC” or “the Company”): (specify the registered  
address of the Company).~~

~~As of the date of signing this protocol, the following members of the Board of  
Directors of the Company were elected:~~

**~~The Chairman of the Board of Directors:~~**  
~~(full name) \_\_\_\_\_ (position)~~

**~~The members of the Board of Directors:—~~**  
~~(full name) \_\_\_\_\_ (position)~~  
~~(full name) \_\_\_\_\_ (position)~~  
~~(full name) \_\_\_\_\_ (position)~~  
~~(full name) \_\_\_\_\_ (position)~~  
~~(full name) \_\_\_\_\_ (position)~~  
~~(full name) \_\_\_\_\_ (position)~~

~~The meeting of the Board of Directors of the Company is convened by the  
Chairman of the Management Board (specify full name of the Chairman of the  
Board of Directors).~~

~~In accordance with the Law of the Republic of Kazakhstan “On Joint-Stock  
Companies” and the Charter of the Company, at the discretion of the Chairman of  
the Board of Directors of the Company, the Board of Directors of the Company~~

~~may opt for making decisions in absentia based of vote on duly signed ballots (attached).~~

~~The notice of voting in absentia No. \_\_\_ dated \_\_\_\_\_ was handed to the members of the Board of Directors.~~

~~Voting in absentia was conducted through ballots handed to the members of the Board of Directors. The completed voting ballots should have been submitted on \_\_\_\_\_ (date) at the registered address of KEGOC: (specify the registered address of the Company).~~

~~The vote ballots (attached hereto) were duly signed by the members of the Board of Directors and received from them in the established deadline.~~

**Participants of the meeting in absentia:**

**The Chairman of the Board of Directors shall:**  
~~(full name) \_\_\_\_\_~~

**The members of the Board of Directors:**  
~~(full name) \_\_\_\_\_~~  
~~(full name) \_\_\_\_\_~~  
~~(full name) \_\_\_\_\_~~  
~~(full name) \_\_\_\_\_~~  
~~(full name) \_\_\_\_\_~~  
~~(full name) \_\_\_\_\_~~

~~The quorum for making a decision is present.~~

~~The Chairman of the Board of Directors were proposed the following agenda of the meeting of the Board of Directors for review:~~

- ~~1. (specify the agenda item).~~
  - ~~2. (specify the agenda item).~~
  - ~~3. (specify the agenda item).~~
- ~~.....~~

~~The members of the Board of Directors voted on the agenda of the meeting in absentia of the Board of Directors as follows:~~

~~PRO: (full name of a member of the Board of Directors).~~

~~CON: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes "con" or has some specific comments).~~

~~ABSTAIN: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes "abstain" or has some specific comments).~~

~~Having considered the agenda item (specify the name of the agenda item) and the supporting documents in accordance with (indicate the sub-clauses/clauses/articles of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Charter of the Company, the Regulations on the Board of Directors) on the basis of which this matter falls within the competence of the Board of Directors, the Board of Directors VOTED:~~

~~PRO: (full name of a member of the Board of Directors).~~

~~CON: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes “con” or has some specific comments).~~

~~ABSTAIN: (full name of a member of the Board of Directors and reasons why the member of the Board of Directors votes “abstain” or has some specific comments).~~

~~The Board of Directors DECIDED:~~

- ~~1. (specify clause of the decision of the Board of Directors of the Company).~~
- ~~2. (specify clause of the decision of the Board of Directors of the Company).~~
- ~~3. (specify clause of the decision of the Board of Directors of the Company).~~

~~The Chairman of the Board of Directors/  
or his/her substitute (full name)~~

~~\_\_\_\_\_~~  
~~Corporate Secretary (full name)~~

**Appendix 2 5 to the Regulations on the  
Board of Directors of KEGOC**

The form of the ballot of the meeting in absentia of the Board of Directors

Ф.П KEGOC ИД-202-03

**Voting ballot for absent voting of member of the Board of Directors  
of Kazakhstan Electricity Grid Operating Company  
(KEGOC) JSC**

Location of Kazakhstan Electricity Grid Operating Company (KEGOC) JSC  
(hereinafter - KEGOC or the Company): specify the registered address of the  
Company).

Meeting of the Board of Directors of the Company is convened by (*specify  
the position, full name*).

The date of submission of the ballots to a member of the Board of Directors  
(*full name of the member of the Board of Directors*) is \_\_\_\_\_ (date).

The signed voting paper shall be submitted to the Corporate Secretary of  
KEGOC not later than \_\_\_\_\_ by 6.00 p.m. at the physical address of  
KEGOC JSC.

Please vote on the decision by signing in the relevant column on the agenda  
issue.

If you vote for the decision, sign please in “PRO” column.

If you vote against, please sign in the column “CON”.

If you abstained, please sign in the column “ABSTAIN”.

**Agenda:**

1. (*specify the agenda item*).
2. (*specify the agenda item*).
3. (*specify the agenda item*).

**The member of the Board of Directors decided:**

Approve the agenda of the meeting in absentia of the Board of Directors of  
KEGOC.

Name	PRO	CON	ABSTAIN
<i>Specify full name of a member of the Board of Directors</i>			

Having considered the agenda item (*specify the name of the agenda item*) and the supporting documents in accordance with (*indicate the sub-clauses/clauses/articles of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, the Charter of the Company, the Regulations on the Board of Directors*) on the basis of which this matter falls within the competence of the Board of Directors, **the Board of Directors DECIDED:**

1. (*specify clause of the decision of the Board of Directors of the Company*).
2. (*specify clause of the decision of the Board of Directors of the Company*).
3. (*specify clause of the decision of the Board of Directors of the Company*).

**voting options \***

Full name	PRO	CON	ABSTAIN
<i>Specify full name of a member of the Board of Directors</i>			

---

\* Voting options shall be specified by the signature of the voted member of the Board of Directors.

The ballot vote shall be considered valid only if a voting member of the Board of Directors noted only one of the possible voting options.

A member of the Board of Directors shall not participate in voting if he/she is interested in a transaction of the Company in accordance with the Law of the Republic of Kazakhstan “On Joint-Stock Companies”. This fact shall be properly noted by such member of the Board of Directors in the ballot.

**Cancelled.**

Appendix 6 to the Regulations on the  
Board of Directors of KEGOC

Form of written statement (opinion) in praesentia  
of the Board of Directors

Ф.И.КЕГОС ИД-202-03

**Written statement (opinion)**  
*(Position, full name)*  
**for the meeting of the Board of Directors of Kazakhstan Electricity Grid  
Operating Company (KEGOC) JSC dated \_\_\_\_\_**

~~Place of operations of Kazakhstan Electricity Grid Operating Company  
(KEGOC) JSC (hereinafter referred to as “KEGOC” or “the Company”): *(specify  
the registered address of the Company)*.~~

~~Venue of the meeting of the Board of Directors of the Company: *(specify the  
legal address of the Company)*~~

~~(full name), member of the Board of Directors, cannot attend the meeting of  
the Board of Directors dated \_\_\_\_\_, and thus, in accordance with the Regulations  
of the Board of Directors, submits written statement (opinion) and voting results on  
the agenda item of the meeting of the Board of Directors, which shall be attached to  
the minutes of the meeting of the Board of Directors dated \_\_\_\_\_.~~

~~Notice No. \_\_\_\_\_ dated \_\_\_\_\_ sent by the Chairman of the Board of  
Directors *(full name)* presented the agenda and materials on the agenda items of the  
meeting of the Board of Directors, planned on \_\_\_\_\_ (date) as follows:~~

**Agenda:**

- ~~1. *(specify the agenda item)*.~~
- ~~2. *(specify the agenda item)*.~~
- ~~3. *(specify the agenda item)*.~~
- ~~...~~

~~Having considered the agenda item *(specify the name of the agenda item)* and  
the supporting documents in accordance with *(a reference to the article of the Law  
of the Republic of Kazakhstan On Joint Stock Companies, the Charter of the  
Company)*, a member of the Board of Directors (full name) VOTED:~~

- ~~1. (specify clause of the Company's decision).~~
- ~~2. (specify the item of the Committee's decision).~~
- ~~3. (specify the item of the Committee's decision).~~

---

<b>Full name</b>	<b>PRO</b>	<b>CON</b>	<b>ABSTAIN</b>
<del>Specify full name of a member of the Board of Directors</del>			

~~The vote on the written statement (opinion) shall be valid only, if a voting member of the Board of Directors checked only one of the possible voting options.~~

**Appendix 3 7 to the Regulations on the  
Board of Directors of KEGOC**

**Approval Sheet**

Ф.П KEGOC ИД-202-06

<b>Title</b>	<b>Name</b>	<b>Date</b>	<b>Signature</b>
Chairman of Management Board	Bakytzhan Kazhiyev,		
Managing Director for Operations	Bakytkhan Zhazykbayev		
Managing Director for Strategy and Development	Askerbek Kuanyshbayev		
Managing Director for Finance and Accounting	Aibek Botabekov		
Managing Director for Legal Support and Risks	Tolegen Safuani		
Chief of Staff	Zhanabay Beksary		
Head of Internal Audit Service	Omirezhan Yessetov		
Head of Legal Department	Kabdulla Omarov		
Head of Human Resources Department	Bolatbek Omarov		
Head of Corporate Development Department	Zhanar Arpabekova		
Head of Risk Management and Internal Control Department	Zhuldyz Zhumabayeva		
Corporate Secretary	Yertai Ramazanov		



**Appendix 4 8 to the Regulations on the  
Board of Directors of КЕГОС**

Ф.П КЕГОС ИД-202-06

**Familiarisation List**

Title	Name	Date	Signature

**Appendix 5 9 to the Regulations on the  
Board of Directors of КЕГОС**

Ф.П КЕГОС ИД-202-07

**Amendments registration sheet**

No. of notificatio n being used as a basis for amendme nt	Sheet No.				Name of person introduc ing the amendme nts	Signatur e of the person who made the amendm ents	Date of the amendme nts
	amend ed	replac ed	new	cancelle d			
1	2	3	4	5	6	7	8

**Appendix 6 to the Regulations on  
the Board of Directors of КЕГОС**

Ф.П КЕГОС ИД-202-07

Routine review record sheet

Date of review	Name of the person, who performed the check	Signature of the reviewer	Comments
1	2	3	4