



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

**APPROVED  
by the Decision of KEGOC Board of Directors  
Minutes No. 1 dated 17 February 2012**

**REPORT ON ACTIVITY OF THE BOARD OF DIRECTORS OF  
KAZAKHSTAN ELECTRICITY GRID OPERATING COMPANY FOR 2011**

**Astana 2012**

## INTRODUCTION

This Report of the Board of Directors of “Kazakhstan Electricity Grid Operating Company – KEGOC” JSC (hereinafter referred to as KEGOC JSC or the Company) for 2011 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 2011, decisions made by the Board of Directors and information on the work plan implementation by the Board of Directors in 2011.

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

In general, the Report content and structure ensure the Board of Directors members the reliable, complete and clear information on the activity of the Board of Directors, the Committees of the Board of Directors and Corporate Secretary in 2011.

### **Membership of KEGOC Board of Directors as of 1 January 2011:**

Timur Kulibayev	- Deputy Chairman of Management Board of 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 Director
Daniyar Abulgazin	- Managing Director of Samruk-Kazyna JSC
Almassadam Satkaliyev	- President of Kazakhstan Electricity Grid Operating Company JSC

By decision of the Sole Shareholder No. 24/11 dated 31 May 2011 the powers of A. Satkaliyev, Chairman of the Management Board and member of the Board of Directors of KEGOC JSC has been early terminated and B. Kazhiyev has been elected as a Chairman of the Management Board and member of the Board of Directors.

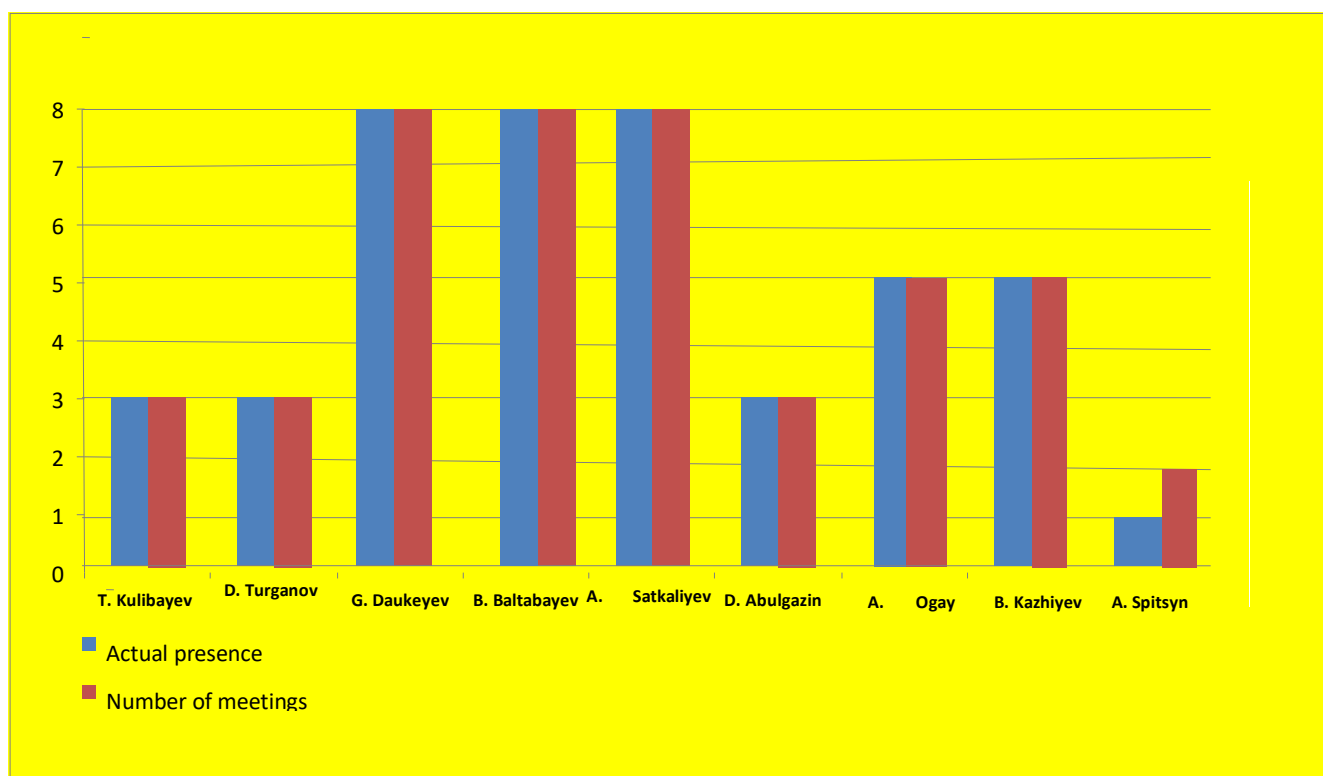
By decision of the Management Board of Samruk-Kazyna JSC No. 26/11 dated 15 June 2011 the powers of T. Kulibayev, Chairman of the Board of Directors of KEGOC JSC has been early terminated as well as earlier elected members of the Board of Directors D. Abulgazin and D. Turganov. A. Satkaliyev has been elected as a Chairman of the Board of Directors and Alexei Ogay, Director on Managing the Energy Assets of Samruk-Kazyna JSC has been elected as a member of the Board of Directors to represent the Sole Shareholder.

By decision No. 44/11 dated 24 October 2011 A. Spitsyn has been elected as an Independent Director, a member of KEGOC Board of Directors.

## Membership of KEGOC Board of Directors as of 31 December 2011:

Almassadam Satkaliyev	- Managing Director of Samruk-Kazyna JSC, Chairman of the Board of Directors
Gumarbek Daukeyev	- Rector of Almaty Power Engineering and Communications Institute, Independent Director
Bazarbai Baltabayev	- Deputy Chairman of the Board of the “Chamber of Auditors of the Republic of Kazakhstan” Professional Auditors Organization (PAO), Independent Director
Anatoliy Spitsyn	- Director of the Institute for Strategic Studies of Integration Problems of the Eurasian Economic Community, Independent Director
Alexey Ogay	- Director on Managing the Energy Assets of Samruk-Kazyna JSC
Bakytzhan Kazhiyev	- Chairman of the Management Board of KEGOC JSC

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



Note: the attendance of KEGOC Board of Directors meetings by each director in 2011 in percentage is as follows:

T. Kulibayev – 3 out of 3 – 100%; D. Turganov – 3 out of 3 – 100%; G. Daukeyev – 8 out of 8 – 100%; B. Baltabayev – 8 out of 8 – 100%; A. Satkaliyev – 8 out of 8 – 100%; D.

Abulgazin – 3 out of 3 – 100%; A. Ogay 5 out of 5 – 100 %; B. Kazhiyev 5 out of 5 – 100%; A. Spitsyn – 1 out of 2 – 50%.

### **Report on Activity of KEGOC Board of Directors**

The Report on Activity of KEGOC Board of Directors for 2011 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.

The Board of Directors exerts control over the activity of the Management Board and efficiency of the Company through reporting to be provided by the Management Board of the Company. The Board of Directors also supervises the internal control system and risk management of the Company through reporting to be provided by the Internal Audit Service (IAS) based on the results of these issues analysis. List of the reviewed reports from the Management Board and IAS is given below as general information on the issues reviewed by the Board of Directors.

In 2011 the Board of Directors held 8 meetings of the Board of Directors including 5 meetings in presentia and 3 in absentia. During 2011 the Board of Directors reviewed 76 issues at the meetings.

Pursuant to the Laws of the Republic of Kazakhstan, Charter of the Company the exclusive competence of the Board of Directors shall comprise the issues as follows:

- 1) determination of the top-priority areas of Company activity and approval of the corporate strategy of the Company;
- 2) decision-making on purchase by the Company of placed shares and other securities and purchase price;
- 3) preliminary approval of the Company annual financial statements;
- 4) determination of conditions for issuing the Company bonds and derivatives;
- 5) submission of the proposals to the Sole Shareholder on the procedure of allocating the net profit of the Company for the financial year to date and the amount of the yearly dividend at the rate of one ordinary share of the Company;
- 6) determination of the quantitative representation, term of powers for the Management Board, election of the members of the Management Board as well as early termination of their powers (except for the Chairman of the Management Board);
- 7) determination of the official salaries, labor payment conditions and bonus payments for the Chairman and members of the Management Board;
- 8) determination of quantitative representation, term of powers for the Internal Audit Service, appointment of its head and members as well as early termination of their powers, determination of working order for the Internal Audit Service, official salaries, labor payment conditions and bonus payments for the employees of the Internal Audit Service and approval of qualification criteria for the employees of the Internal Audit Service;
- 9) appointment, determination of the term of powers for the Corporate Secretary, early termination of its powers and determination of the official salary, labor payment conditions and bonus payments of the Corporate Secretary;
- 10) approval of the documents regulating the internal activity of the Company (except for the documents adopted by the Management Board for coordination of the

Company activity) including the internal document establishing the conditions and procedure of auctions and subscription of Company securities;

11) decision-making on establishing and liquidation of branches and representative offices of the Company and approval of regulations for them;

12) decision-making on establishing the other organizations by the Company or on participation of the Company in their establishing;

13) decision-making on purchase by the Company of ten and more per cent of shares (participation shares in the authorized capital) of other legal entities;

14) decision-making on concluding large transactions and transactions in which the Company is interested other than transactions which are decided by the Management Board of the Company based on the procedure to be determined by the Board of Directors of the Fund in compliance with the Law of the Republic of Kazakhstan “On the National Welfare Fund”;

15) establishment and determination of the quantitative representation of the Committees of the Board of Directors, determination of the term of powers for the Committees of the Board of Directors, election of the Chairman and the members of the Committees, approval of the regulations for them;

16) approval of the total employees number and the structure of the central office of the Company, as well as staff schedule of the Corporate Secretary Service;

17) approval of accounting policy of the Company;

18) approval of the Company Development Plan in the procedure established by the Sole Shareholder;

19) determination of the List of duty positions for the top management officers of the Company as well as subsidiaries and affiliates to be approved and agreed by the Board of Directors;

20) approval of Company’s risk management internal procedures (except for the issues assigned by the internal documents of the Company to the competence of other bodies of the Company);

21) approval of the annual auditor’s plan for the Internal Audit Service;

22) determination of the procedure and period for obtaining the information on Company activity including financial one, by the members of the Board of Directors;

23) approval of the assessment system and assessment of the activity of the Company, the Board of Directors, Committees of the Board of Directors, certain members of the Company Management Board, the Internal Audit Service;

24) approval of the labor payment rules, bonus payments and scheme of official salary of the Management Board members, Internal Audit Service, Corporate Secretary of the Company;

25) procedure of notifying the Board of Directors members about the Board of Directors meeting;

26) settlement of corporate conflicts in the established procedure;

27) determination of the limitation period for nondisclosure of the internal (proprietary) information of the Company by the former Directors upon termination of their activity as a member of the Board of Directors;

- 28) control over the activity of the Management Board;
- 29) conducting the analysis of the Company internal control system efficiency and reporting on the work done to the Sole Shareholder;
- 30) decision-making on permission for the members of the Company Management Board to work for other organizations;
- 31) preparation and submission of the Company annual report in the manner and at the times established by the Sole Shareholder as well as its preliminary approval;
- 32) submission to the Sole Shareholder of the information on the results of conducted audits of financial and economic activity of the Company;
- 33) preliminary review of the Corporate Governance Code, amendments and addenda to it and introduction to the Sole Shareholder's consideration;
- 34) introduction of the issues to the Sole Shareholder's consideration;
- 35) review of quarterly and annual reports of the Internal Audit Service and making decisions on them (upon the recommendation of the Audit Committee under the Board of Directors);
- 36) approval of key performance indicators for the members of the Company Management Board and their target values (upon the recommendation of the Appointment and Remuneration Committee under the Board of Directors);
- 37) selection of the Company registrar in case of terminating the agreement with previous Company registrar;
- 38) approval of Risk Management Policy;
- 39) other issues stipulated by the legislation of the Republic of Kazakhstan and this Charter not pertaining the exclusive competence of the Sole Shareholder.

The Board of Directors shall obtain timely and comprehensively the required information, clarifications and explanations from the Management Board and the Internal Audit Service.

The Chairman of the Board of Directors shall, in the manner established by the legislative acts, the Company Charter, organize the work of the Board of Directors, convoke the meetings of the Board of Directors, presides over them, organize keeping the minutes of meeting in the manner established by this Charter.

In the absence of the Chairman of the Board of Directors its functions shall be performed by one of the members of the Board of Directors upon the decision of the Board of Directors.

The Chairman of the Board of Directors shall:

- 1) bear responsibility for management of the Board of Directors, ensure its efficient activity pertaining to all aspects of its responsibility, ensure efficient connection with the Sole Shareholder;
- 2) conclude on behalf of the Company the labor contract with the Chairman of the Company Management Board, envisaging direct dependence of the material reward and responsibility of the Chairman of the Company Management Board on the operating results and performance of the Company Development Plan, Company Budget;
- 3) introduce to the Chairman of the Management Board the candidates for employment on the positions in the Company in the established manner by the decision of the Company Board of Directors;

- 4) inform the Sole Shareholder on the amount and composition of remuneration for the members of the Board of Directors and Management Board of the Company;
- 5) annually inform the Sole Shareholder on the activity of the Company Board of Directors;
- 6) bear responsibility for ensuring the corresponding correlation with the Sole Shareholder;
- 7) prepare in the established manner the agenda of the meeting which is to be approved by the Board of Directors;
- 8) together with the Corporate Secretary ensure the timely obtaining by the directors the reliable and clear information;
- 9) ensure efficient contribution of the Directors to the activity of the Board of Directors, as well as good relations between Directors and the Management Board;
- 10) ensure the submission to the newly elected Directors the induction programme;
- 11) make decisions on other issues envisaged by the Laws of the Republic of Kazakhstan and this Charter.

The members of the Board of Directors under the competence of the Board of Directors shall be entitled to:

- 1) require the induction programme and improvement of knowledge and skills;
- 2) require the meeting of the Board of Directors;
- 3) require the inclusion to the Minutes of the Meeting of the Board of Directors of its special opinion on the issues of the agenda and decisions to be made;
- 4) participate in the meetings of the Board of Directors and its Committees, discussing of the issues to be reviewed under the approved agenda of the Board of Directors and its Committees;
- 5) inscribe in the established manner the issues on the agenda of the Board of Directors meeting;
- 6) obtain the information on the Company activity including the one being the commercial secret of the Company, get acquainted with all Company documents in accordance with the Laws of the Republic of Kazakhstan and the internal Company documents;
- 7) introduce written proposals with regard to making the Board of Directors Work Plan;
- 8) early terminate its powers through written notification of the Board of Directors;
- 9) obtain remuneration and compensation of the expenses (expenditures) connected with the performance of its responsibilities as the member of the Company Board of Directors;
- 10) perform other activities provided in the Laws of the Republic of Kazakhstan, Charter, Corporate Governance Code and other internal Company documents.

The Members of the Board of Directors undertake to:

- 1) act bona fide, rationally and fairly following the requirements, ethical principles and rules of business ethics contained in the Laws of the Republic of Kazakhstan, Charter,

Corporate Governance Code and Regulations on the Board of Directors, to the interests of the Sole Shareholder and the Company at large;

2) keep confidentiality of Company information which has become known to them as a result of performing the responsibilities of the member of the Company Board of Directors, including within three years following the moment of terminating the employment for the Company unless otherwise stated in the internal Company documents;

3) monitor the environment of the Company and keep in constant touch with other bodies and officials of the Company;

4) attend the meetings and participate in the work of the Committees of the Board of Directors as their members;

5) notify in advance on impossibility to attend the meeting of the Board of Directors specifying the reasons of its absence;

6) coordinate with the Board of Directors its potential election to the bodies of other joint stock company or employment in the other organization;

7) participate in compilation of the plan for improving knowledge and skills;

8) inform the Board of Directors within two (2) days on the change of circumstances resulting in termination of its powers as an Independent Director.

The meeting of the Board of Directors can be convoked upon the initiative of its Chairman, Executive Body or upon the request of:

- 1) any member of the Board of Directors;
- 2) Company Internal Audit Service;
- 3) Audit Organization, auditing the Company;
- 4) Sole Shareholder.

The quorum for holding the meeting of the Board of Directors is reached when at least half of the elected members of the Board of Directors are present and can be defined subject to the absent members of the Board of Directors upon availability of their written votes (mixed voting).

In case the total number of the members of the Board of Directors is insufficient to reach the quorum, the Board of Directors undertakes to submit for Sole Shareholder's consideration the issue of electing (appointing) the new members of the Board of Directors. The remained members of the Board of Directors shall be entitled to make decisions only on the submission of such issue for Sole Shareholder's consideration.

Each member of the Board of Directors shall have one vote. The decisions of the Board of Directors shall be taken by simple majority of votes from the members of the Board of Directors attending the meeting.

When there is a tied vote, the vote of the Chairman of the Board of Directors or the person who chaired the meeting of the Board of Directors is the decisive.

Decision on transactions which the Company is interested in shall be taken by the simple majority of votes from the members of the Board of Directors who are not interested in such transaction.



In case all members of the Board of Directors, except for the Independent Directors, are interested in such transaction, the decision shall be taken by the simple majority of votes from the Independent Directors.

If there is a tied vote the decision on transaction, which the Company is interested in, shall be taken by the Sole Shareholder.

Decision on transactions which the Company is interested in with organizations being the part of the Fund shall be taken in the manner determined by the Board of Directors of the Fund in accordance with the Law of the Republic of Kazakhstan “On the National Welfare Fund”.

The Board of Directors shall be entitled to decide on the close meeting with participation of the members of the Board of Directors only.

Issues of the Board of Directors introduced for review of the Board of Directors can be made through absentee vote.

The Board of Directors controls the activity of the Management Board and efficiency of the Company through reporting which is to be submitted by the Company Management Board, as well as supervises the Internal Control System and Risk Management in the Company through reporting which is to be submitted by the Internal Audit Service upon the analysis of these issues. The list of the reviewed reports from the Management Board and the Internal Audit Service is given below within the general information on the issues reviewed by the Board of Directors.

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

1. Secretary at the meeting of KEGOC Board of Directors.
2. Amendments to the Rules for Social Support to KEGOC staff.
3. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for 2010.
4. Approval of Rules for Sponsorship and/or Charity Support by KEGOC No. 00-329-10.
5. Approval of the Work Plan of KEGOC Board of Directors for 2011.
6. Activity issues pertaining to the competence of the general meeting of the Shareholders of the legal entity with ten and more percent of shares owned by KEGOC.
7. Bonus payments to KEGOC Corporate Secretary based on the work results for 2010.
8. Approval of Annual Audit Plan of KEGOC Internal Audit Service for 2011.
9. Secretary at the meeting of KEGOC Board of Directors.
10. Assignment of KEGOC’s Corporate Secretary responsibility.
11. Termination of powers of KEGOC Management Board member.
12. Coordination of appointment of Askerbek Kuanyshbayev to the position of Managing Director – NPG Development, his election as a member of Management Board and defining salary for the newly elected member of the Management Board.
13. Approval of updated KEGOC Development Plan for 2011-2015.

14. Review of the Report on KEGOC Board of Directors Activities for 2010.
15. Preliminary approval of KEGOC annual financial statements for 2010.
16. Review of the Report on KEGOC Internal Audit Service activities for the 4<sup>th</sup> quarter 2010.
17. Review of the Report on KEGOC Internal Audit Service Activities for 2010.
18. Appointment of N. Yeskarayev, Auditor of Compliance Audit Division, Internal Audit Service, to the position of Senior Auditor of Compliance Audit Division, Internal Audit Service. Determination of the salary for N. Yeskarayev.
19. Appointment of T. Yestibayev as an Auditor of Compliance Audit Division, KEGOC Internal Audit Service. Determination of the salary for T. Yestibayev.
20. Bonus payments to KEGOC Internal Audit Service staff based on the work results for 2010.
21. Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 1<sup>st</sup> quarter 2011.
22. Early termination of powers and election of a member of Energoinform Board of Directors.
23. Review and approval of Report on KEGOC Long-Term Development Strategy Implementation for the period to 2025.
24. Increase in KEGOC liabilities by the amount making ten and more per cent of the company's equity.
25. Activity issues pertaining to the competence of the general meeting of the legal entity shareholders with ten and more per cent of shares owned by KEGOC.
26. Bonus payments to the Acting Corporate Secretary following the work results in the 1<sup>st</sup> quarter 2011.
27. Review of the Report on the KEGOC Internal Audit Service activities for the 1<sup>st</sup> quarter 2011, bonus payments to the Internal Audit Service employees following the work results in the 1<sup>st</sup> quarter 2011 and in connection with the celebration of Nauryz Meiramy national holiday.
28. Amendments to the Rules for remuneration of and bonus payments to KEGOC managerial and administrative Staff.
29. Amendments to KEGOC Rules for limiting balance and off-balance sheet liabilities for counterparty banks.
30. Approval of the Report on Risk Management System for 2010.
31. Approval of KEGOC risk retention capacity in accordance with the Risk Management System Regulations.
32. Key Risk Management Programme for 2011.
33. Review of the Report on Implementation of the 2010 Action Plan for KEGOC Corporate Governance System Improvement.
34. Withdrawal of Clause 3.2 "Introduction of information system for automation of project management (including construction projects), maintenance

- management, and implementation processes” from the Action Plan for KEGOC Management Accounting System Introduction.
35. Approval of the 2011 Action Plan for KEGOC Corporate Governance Improvement.
  36. Review of the 2010 Report on Investment Programme Implementation.
  37. Appraisal of the activity of the KEGOC Board of Directors, members of the Board of Directors, the Management Board, the Chairman of Management Board, members of the Management Board, the Internal Audit Service and its Head.
  38. Include an additional task to the 2011 Annual Audit Plan of the KEGOC Internal Audit Service.
  39. The Chairman of the Company’s Management Board.
  40. KEGOC Corporate Secretary.
  41. Assessment of key performance indicators implementation by KEGOC managerial staff in 2010.
  42. Approval of the appointment of Abat Akmurzin to the position of the Deputy Chairman of Management Board for Operations and determination of his official salary.
  43. Approval of the appointment of Muhktar Bekenov to the position of the Managing Director for Branches and Affiliates, his election as a member of the KEGOC Management Board, and determination of the official salary of the newly elected member of the KEGOC Management Board.
  44. Review of 2010 Report on Implementation of the 2010 KEGOC Development Plan.
  45. Review of the Report on management of subsidiaries, affiliates, and jointly controlled entities, and impact that the results of financial and economic activity of the subsidiaries, affiliates, and jointly controlled entities on the Company performance in 2010.
  46. Amendments and addenda to the Rules for KEGOC Development Plans and Budgets preparation, coordination, approval, updating, execution and execution monitoring.
  47. Amendments and addenda to the Pledge Agreement between KEGOC and the Eurasian Development Bank No. 31 dated 13 March 2009.
  48. Acquisition of ten and more per cent of shares of Energoinform by the Company.
  49. Committee of the KEGOC Board of Directors.
  50. Proposal of an issue for consideration of the Sole Shareholder regarding designation of an auditing company for KEGOC auditing in 2011, and determination of the payment rate.
  51. Review and approval of the Report on Implementation of the 2011 Action Plan for KEGOC Corporate Governance Improvement following the results of the first six months of the year.

52. Amendments and addenda to the 2011 Key Risk Management Programme.
53. Approval of amendments and addenda to the Regulations on KEGOC Management Board P KEGOC 00-313-10.
54. Approval of the updated 2011-2015 KEGOC Development Plan.
55. Review and preliminary approval of the KEGOC 2010 Annual Report.
56. Report on the Key Risks Status and Risk Management Measures for the first six months of 2011.
57. Report on Implementation of the Action Plan for Introduction of the KEGOC Management Accounting System for the first six months of 2011.
58. Early termination of the powers of A. Akmurzin as a member of the Energoinform Board of Directors, and election of a new member of the Energoinform Board of Directors.
59. Review of the Integral Analysis of the Company's Main Spheres of Responsibility.
60. Bonus payments to the KEGOC Acting Corporate Secretary following the results of the 2<sup>nd</sup> and 3<sup>rd</sup> quarters 2011.
61. Review of the Report on the KEGOC Internal Audit Service activities for the 2<sup>nd</sup> quarter 2011, bonus payment to the Internal Audit Service employees following the results of the 2<sup>nd</sup> quarter 2011.
62. Election of the Chairman of the given meeting of the Board of Directors.
63. Appointment of Yertai Ramazanov as the KEGOC Acting Corporate Secretary and determination of his official salary rate.
64. Approval of updated KEGOC Development Plan for 2011-2015.
65. Conclusion of a transaction the Company is interested in.
66. Approval of amendments to CT KEGOC 00-307-08, KEGOC Human Resources Policy.
67. Approval of increase in the Corporate Secretary Service staff.
68. Approval of the Rules for appraisal of activity and remuneration of managerial and administrative staff of KEGOC based on the work results for the year.
69. Approval of individual key performance indicators of KEGOC managerial staff for 2011.
70. Key Risks Management Programme for 2012.
71. Approval of KEGOC Innovative and Technological Development Strategy to 2025.
72. Approval of KEGOC risk retention capacity for 2012.
73. Approval of high priority measures for KEGOC Innovative Development.
74. Committees of KEGOC Board of Directors.
75. Approval of Rules for Remuneration and Bonus Payments to KEGOC Managerial Staff, Internal Audit Service Staff and the Corporate Secretary.

76. Amendments to the labour payment conditions for the Head of Internal Audit Service.

### **Information on Performance of the Work Plan of the Board of Directors for 2011**

The work plan of the Board of Directors for 2011 (hereinafter referred to as the Plan) was approved by KEGOC Board of Directors on 24 March 2011.

The plan provides for review of 52 issues. In 2011 the Board of Directors reviewed 76 issues, including 24 unplanned issues.

The plan of the Board of Directors for 2011 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 March 2011 (Minutes No. 1) 8 agenda issues were reviewed and decisions were made thereon.**

#### **1. Secretary at the meeting of KEGOC Board of Directors.**

According to Subclause 10-1), Clause 2, Article 53 of the Law of the Republic of Kazakhstan dated 13 May 2003 On Joint-Stock Companies (hereinafter referred to as 'the Law') and Subclause 9), Clause 8, Section 3 of Regulations on the Board of Directors of the Company, Yertai Ramazanov, Manager of Corporate Secretary Service, was elected a Secretary of this meeting of the Company's Board of Directors.

#### **2. Amendments to the Rules for Social Support to KEGOC Staff.**

According to Subclause 10), Clause 4, Article 10 of KEGOC Charter the Board of Directors made amendments to the Rules for Social Support to KEGOC Staff approved by the Company's Board of Directors with Minutes No. 1 dated 24 February 2010 in terms of assisting the employees in housing problems through partial compensation of the employees' apartment rate costs for the period not more than 3 years using KEGOC funds.

#### **3. Review of the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for 2010.**

According to Subclause 20), Clause 2, Article 53 of the Law and Subclause 43), Clause 4, Article 10 of the Charter, the Board of Directors took into consideration the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for 2010.

#### **4. Approval of Rules for Sponsorship and/or Charity Support by KEGOC No. 00-329-10.**

According to Subclause 10), Clause 4, Article 10 of the Charter, the Board of Directors approved Rules for Sponsorship and/or Charity Support by KEGOC No. 00-329-10.

#### **5. Approval of the Work Plan of KEGOC Board of Directors for 2011.**

According to Clause 119 of the Company's Corporate Governance Code and Clause 37 of the Regulations on the Board of Directors, the Board of Directors of the Company approved the Work Plan of KEGOC Board of Directors for 2011.

#### **6. Activity issues pertaining to the competence of the general meeting of the legal entity shareholders with ten and more per cent of shares owned by KEGOC.**

According to Subclause 15-1), Clause 2, Article 53 of Kazakhstan Law On Joint-Stock Companies and Subclause 14), Clause 4, Article 10 of the Charter, the Board of Directors determined KEGOC's position with regard to the agenda issue of the general meeting of Batys Transit shareholders 'Termination of powers of the members of Batys Transit Board of Directors and election of new members of the Board of Directors. Determination of the term of powers of the Board of Directors members – 'vote for' early termination of powers of Vladimir Ossochenko, member of Batys Transit Board of Directors, and elect Abat Akmurzin, KEGOC Managing Director – Branches and Affiliates as a member of Batys Transit Board of Directors and give for him 30,000 votes for Batys Transit shares owned by KEGOC, and determine the term of powers of Batys Transit Board of Directors as three (3) years.

#### **7. Bonus payments to KEGOC Corporate Secretary based on the work results for 2010.**

According to Subclause 10-1), Clause 2, Article 53 of Kazakhstan Law On Joint-Stock Companies and Subclause 9), Clause 4, Article 10 of the Charter, the Board of Directors paid bonuses to the Company's Corporate Secretary (A. Dzhanayeva) based on the work results for 2010 to the amount of two average monthly salaries.

#### **8. Approval of Annual Audit Plan of KEGOC Internal Audit Service for 2011.**

According to Subclause 24), Clause 4, Article 10 of the Charter, the Board of Directors approved Annual Audit Plan KEGOC Internal Audit Service for 2010.

**On 16 April 2010 (Minutes No. 2) 12 agenda issues were reviewed and decisions were made thereon at the meeting of the Board of Directors:**

##### **1. Secretary at the meeting of KEGOC Board of Directors.**

According to Clause 5, Article 58 of the Law and Clause 73, Section 9 of the Regulations on the Company's Board of Directors approved by Samruk Kazyna Decision No. 62-p dated 10 September 2010, the decisions of the Board of Directors which were made at the meeting in presentia shall be executed as minutes to be prepared and signed by the person chairing at the meeting and the secretary of the Board of Directors within three days from the meeting.

Due to the fact that Aizhan Dzhanayeva, Corporate Secretary of the Company have been on her maternity leave since 10 January 2011, the Board of Directors elected Yertai Ramazanov a Manager of the Company's Corporate Secretary Service for the purpose of assigning functional responsibilities of the Corporate Secretary at this meeting of the Board of Directors .

##### **2. Assignment of KEGOC's Corporate Secretary responsibility.**

According to Subclause 10-1), Clause 2, Article 53 of Kazakhstan Law On Joint-Stock Companies and Subclause 9), Clause 8, Section 3 of the Regulations on the Company's

Board of Directors, the Board of Directors made a decision to appoint Yertai Ramazanov to the position of Acting Corporate Secretary of the Company for the period of A. Dzhanayeva's maternity leave starting from 10 January 2011 and determine Ye. Ramazanov's salary for the period of Acting Corporate Secretary of the Company.

### **3. Termination of powers of KEGOC Management Board member.**

According to Clause 1, Article 57 of the Labor Code of the Republic of Kazakhstan and Subclause 6), Clause 4, Article 10 of the Charter of the Company and Subclause 8), Clause 2, Article 53 of Kazakhstan Law On Joint-Stock Companies, and Subclause 6), Clause 8, Section 3 of the Regulations of the Company's Board of Directors, the Board of Directors made a decision to terminate the powers of Vladimir Osochenko, member of the Company Management Board from 15 December 2010.

### **4. Coordination of appointment of Askerbek Kuanyshbayev to the position of Managing Director – NPG Development, his election a member of Management Board and defining salary for the newly elected member of the Management Board.**

In accordance with Rules for approval by the Board of Directors of KEGOC Executives and Subclauses 6), 7), Clause 4, Article 10 of the Charter, the Board of Directors made a decision as follows:

1. Approve the appointment of Askerbek Kuanyshbayev Managing Director – NPG Development.
2. Elect A. Kuanyshbayev, Managing Director – NPG Development, as a member of KEGOC Management Board.
3. Determine the salary of the newly elected member of KEGOC Management Board Askerbek Kuanyshbayev.
4. Payment terms and social support of A. Kuanyshbayev, member of the Company's Management Board, shall be determined according to the Company's internal documents.
5. Chairman of Management Board (A. Satkaliyev) shall take appropriate measures arising out of this decision.

### **5. Approval of updated KEGOC Development Plan for 2011-2015.**

According to Subclause 21), Clause 4, Article 10 of the Charter, the Board of Directors approved the updated KEGOC Development Plan for 2011-2015.

### **6. Review of the Report on KEGOC Board of Directors Activities for 2010.**

According to Clause 129 of KEGOC Corporate Governance Code the Board of Directors approved report on the Board of Directors activity for 2010.

### **7. Preliminary approval of KEGOC annual financial statements for 2010.**

According to Subclause 3), Clause 4, Article 10 of the Charter, the Board of Directors made a decision to preliminarily approve the KEGOC annual financial statements for 2010 and send it according to the established procedure for approval of the Sole Shareholder, and propose to KEGOC Sole Shareholder the following procedure for allocation of net income for 2010 to the amount of KZT 5,796,021,678 (five billion seven hundred and ninety six million twenty one thousand six hundred and seventy eight tenge):

- 15 % of consolidated net income to the amount of KZT 869,412,175 (eight hundred and sixty nine million four hundred and twelve thousand one hundred and seventy five tenge) shall be used to pay dividends based on 2010 results, this will make 82.61 (eighty two tenge 61 tiyn) per one ordinary share of KEGOC;
- the remaining part of net income to the amount of KZT 4,926,609,503 (four billion nine hundred and twenty six million six hundred and nine thousand five hundred and three tenge) shall be at KEGOC's disposal.

#### **8. Review of the Report on KEGOC Internal Audit Service activities for the 4<sup>th</sup> quarter 2010.**

According to Subclause 42), Clause 4, Article 10 of the Company's Charter and Subclause 42), Clause 8, Article 3 of the Regulations of the Company's Board of Directors, the Board of Directors took into consideration the Report on activities of KEGOC's Internal Audit Service for 2010.

#### **9. Review of the Report on KEGOC Internal Audit Service activities for 2010.**

According to Subclause 42), Clause 4, Article 10 of the Charter and Subclause 42), Clause 8, Article 3 of the Regulations of the Company's Board of Directors, the Board of Directors took into consideration the Report on activities of KEGOC Internal Audit Service for 2010.

#### **10. Appointment of N. Yeskarayev, Auditor of Compliance Audit Division, Internal Audit Service, to the position of Senior Auditor of Compliance Audit Division, Internal Audit Service. Determination of the salary for N. Yeskarayev.**

According to Subclause 8), Clause 4, Article 10 of the Charter, the Board of Directors made a decision to appoint N. Yeskarayev, Auditor of IAS Compliance Audit Division, to the position of Senior Auditor of IAS Compliance Audit Division and determine his salary.

Procedure and conditions for payment of labor and bonuses to N. Yeskarayev, employee of Internal Audit Service shall be determined according to KEGOC internal documents.

#### **11. Appointment of T. Yestibayev as an Auditor of Compliance Audit Division, KEGOC Internal Audit Service. Determination of the salary for T. Yestibayev.**

According to Subclause 8), Clause 4, Article 10 of the Charter, the Board of Directors made a decision to appoint T. Yestibayev to the position of Auditor of IAS Compliance Audit Division and determine his salary.

Procedure and conditions for payment of labor and bonuses to T. Yestibayev, employee of the Internal Audit Service shall be determined according to KEGOC internal documents.

#### **12. Bonus payments to KEGOC Internal Audit Service staff based on the work results for 2010.**

According to Subclause 8), Clause 4, Article 10 of the Charter, the Board of Directors made a decision to pay bonuses to the IAS employees based on 2010 results and determined ratios for paying bonuses to KEGOC Internal Audit Service employees.

**On 16 May 2011 (Minutes No. 3) 7 agenda issues were reviewed and decisions were made thereon at the meeting of the Board of Directors:**



**1. Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 1<sup>st</sup> quarter 2011.**

According to Subclause 20), Clause 2, Article 53 of the Law and Subclause 43), Clause 4, Article 10 of the Charter, the Board of Directors took into consideration the Report on Implementation of Action Plan for KEGOC Management Accounting System Introduction for the 1<sup>st</sup> quarter 2011.

**2. Early termination of powers and election a member of Energoinform Board of Directors.**

Pursuant to the Law and Subclause 14), Clause 4, Article 10 of the Charter, the Board of Directors early terminated the powers of Gauhar Upusheva, member of Energoinform Board of Directors and elected Zhomart Mominbayev as a member of Energoinform Board of Directors for the term up to expiration of the powers of Energoinform Board of Directors as a whole.

**3. Review and approval of Report on KEGOC Long-Term Development Strategy implementation for the period to 2025.**

According to Subclause 20), Clause 2, Article 53 of Kazakhstan Law On Joint-Stock Companies, the Board of Directors took into consideration the 2010 Report on implementation of KEGOC Long-Term Development Strategy for the period to 2025.

**4. Increase in KEGOC liabilities by the amount making ten and more per cent of the company's equity.**

Pursuant to Subclause 16), Clause 4, Article 10 of the Charter and Subclause 16), Clause 8 of the Regulations on the Board of Directors, the Board of Directors made a decision to increase KEGOC liabilities by the amount making ten and more per cent of the company's equity through Loan Agreement with the European Bank for Reconstruction and Development.

**5. Activity issues pertaining to the competence of the general meeting of the Shareholders of the legal entity with ten and more per cent of shares owned by KEGOC.**

In accordance with Clause 5 Article 22 of the Law On Joint-Stock Companies of the Republic of Kazakhstan and Subclause 14) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors preliminarily approved the annual financial statements of Batys Transit JSC for 2010 and made a decision not to accrue and not to pay dividends to ordinary shares for 2010 due to unprofitable activity of Batys Transit.

**6. Bonus payments to the Acting Corporate Secretary following the work results in the 1<sup>st</sup> quarter 2011.**

Pursuant to 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 the KEGOC Charter, the Board of Directors approved the bonus rate for the KEGOC Acting Corporate Secretary for the 1<sup>st</sup> quarter 2011.

**7. Review of the Report on the KEGOC Internal Audit Service activities for the 1<sup>st</sup> quarter 2011, bonus payments to the KEGOC Internal Audit Service employees**

**following the work results in the 1<sup>st</sup> quarter 2011 and in connection with the celebration of Nauryz Meiramy national holiday.**

In accordance with Subclauses 8), 42) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors reviewed the Report on the KEGOC Internal Audit Service activities in the 1<sup>st</sup> quarter 2011, approved the evaluation of the Internal Audit Service employees performance following the results of the 1<sup>st</sup> quarter 2011, determined the bonus rates for the KEGOC Internal Audit Service employees and bonus payments to the Internal Audit Service employees in connection with the celebration of Nauryz Meiramy national holiday in the amount of five thousand tenge per person (KZT 5,000).

**At the meeting of the Board of Directors on 1 July 2011 (Minutes No. 4) 11 agenda issues were reviewed and decisions were made thereon.**

**1. Amendments to the Rules for remuneration of and bonus payments to KEGOC managerial and administrative staff.**

In accordance with Subclause 27) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors made amendments to the Rules for remuneration of labour and bonus payments to the KEGOC managerial and administrative staff approved by the decision of the Board of Directors (Minutes No. 1 dated 24 February 2010) regarding additional payment for additional duty (extended responsibility) or fulfillment of the duties of a temporarily absent employee without releasing from own main duties, not exceeding 30 per cent of the salary attached to the main position of an administrative employee. The rates of the additional payments to the administrative employees are set within the planned salary fund.

**2. Amendments to the KEGOC Rules for limiting balance and off-balance sheet liabilities for counterparty banks.**

In accordance with Subclause 23) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved amendments to the KEGOC Rules for limiting balance and off-balance sheet liabilities of counterparty banks.

**3. Approval of the Report on Risk Management System for 2010.**

In accordance with Subclause 23) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the Report on the Risk Management System.

**4. Approval of KEGOC risk retention capacity in accordance with the Risk Management System Regulations.**

In accordance with Subclause 23) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the risk retention capacity limits in accordance with the Risk Management System Regulations as follows:

- for every one risk – sixty one million sixty thousand two hundred and fifty tenge (KZT 61,060,250);
- total for all risks – four hundred and eighty-eight million four hundred and eighty-two thousand tenge (KZT 488,482,000).

**5. Key Risk Management Policy for 2011.**

In accordance with Subclause 10.4.2 of the Risk Management System Regulations, the Board of Directors took into consideration the Key Risk Management Programme for 2011.

#### **6. Review of the Report on Implementation of the 2010 Action Plan for KEGOC Corporate Governance System Improvement.**

In accordance with Subclause 2) Clause 6 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 the 2010 Action Plan for KEGOC Corporate Governance System Improvement.

#### **7. Withdrawal of Clause 3.2 “Introduction of information system for automation of project management (including construction projects), maintenance management, and implementation processes” from the Action Plan for KEGOC Management Accounting System Introduction.**

In accordance with Subclause 20) Clause 2 Article 53 of the Law of the Republic of Kazakhstan On Joint-Stock Companies and Subclause 43) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors withdrew Clause 3.2 Introduction of information system for automation of project management (including construction projects), maintenance management, and implementation processes from the Action Plan for KEGOC Management Accounting System Introduction.

#### **8. Approval of the 2011 Action Plan for KEGOC Corporate Governance Improvement.**

In accordance with Subclause 2) Clause 6 Article 53 of the Law of the Republic of Kazakhstan On Joint-Stock Companies and Subclause 10) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the 2011 Action Plan for KEGOC Corporate Governance Improvement.

#### **9. Review of the 2010 Report on Investment Programme Implementation.**

In accordance with Clause 8.6.4 of the KEGOC Investment Policy, the Board of Directors took into consideration the 2010 Report on Investment Programme Implementation.

#### **10. Appraisal of the activity of the KEGOC Board of Directors, members of the Board of Directors, the Management Board, the Chairman of the Management Board, members of the Management Board, the Internal Audit Service and its Head.**

In accordance with Clause 8 Article 2 of the Regulations on appraisal of the performance of the KEGOC Board of Directors, members of the Board of Directors, the Management Board, the Chairman of Management Board, members of the Management Board, the Internal Audit Service and its Head, the Board of Directors gave the following assignments:

- 1) Conduct the appraisal of the performance of KEGOC members of the Board of Directors, the Management Board, the Chairman of the Management Board, members of the Management Board, the Internal Audit Service and the Head of the Service through a questionnaire study.
- 2) Ye. Ramazanov, an Acting Corporate Secretary, to take appropriate measures within a month following the decision of the Board, in accordance with the Regulations on appraisal

of the performance of the KEGOC Board of Directors, members of the Board of Directors, the Management Board, the Chairman of the Management Board, members of the Management Board, the Internal Audit Service and its Head.

### **11. Include an additional task to the 2011 Annual Audit Plan of the KEGOC Internal Audit Service.**

In accordance with Subclause 24) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors included an additional item to the 2011 Annual Audit Plan of the Internal Audit Service regarding “KEGOC Corporate Governance System Diagnostics”.

**At the meeting of the Board of Directors on 8 July 2011 (Minutes No. 5) 11 agenda issues were reviewed and decisions were made thereon.**

#### **1. The Chairman of the Management Board.**

In accordance with Subclauses 4), 5) Clause 2 Article 11 of the Kazakhstan Law On the National Welfare Fund (hereafter – Law On the Fund), Subclauses 4), 5) Clause 73 of the Samruk-Kazyna Charter, Subclause 14 Clause 1.1 of the List of the issues relating to the Company activity and pertaining to the competency of general meeting of Shareholders in accordance with Kazakhstan laws and companies’ Charters, that are subject to the decision of the Samruk-Kazyna Management Board or its Chairman, approved by the Decision of the Samruk-Kazyna Management Board on 1 June 2009 (Minutes No. 59/09) and Subclauses 5) and 6) Clause 1 Article 9 of the KEGOC Charter, the Samruk-Kazyna Management Board made a decision to appoint Bakytzhan Kazhiyev to the position of the Chairman of the Management Board, and further to propose the Decision for consideration by the KEGOC Board of Directors.

Additionally, B. Kazhiyev was elected as a member of the Board of Directors, and his term of powers was determined until termination of the power of the Board of Directors as a whole.

In accordance with Subclauses 4), 5) Clause 2 Article 11 of the Kazakhstan Law On the Fund, Subclauses 5) and 6) Clause 1 Article 9, Subclause 7) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors agreed on the Decision of the Samruk-Kazyna Management Board (Minutes No. 24/11 dated 31 May 2011) on early termination of the powers of A. Satkaliyev as a Chairman of KEGOC Management Board and on appointment of B. Kazhiyev to the position of the Chairman of KEGOC Management Board; determined the official salary in accordance with the Salary System of the KEGOC Executive Administration Staff approved by the Board of Directors (Minutes No. 7 dated 8 December 2010).

#### **2. KEGOC Corporate Secretary.**

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 8 Section 3 of the Regulations on KEGOC Board of Directors, the Board of Directors appointed Yertai Ramazanov to the position of KEGOC Acting Corporate Secretary for the period of A. Dzhanayeva maternity leave, and determined the official salary rate for the Acting Corporate Secretary of the Company.

#### **3. Assessment of key performance indicators implementation by KEGOC managerial staff in 2010.**

In accordance with Subclause 26) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors reviewed the implementation of the key performance indicators of the KEGOC managerial staff in 2010.

**4. Approval of the appointment of Abat Akmurzin to the position of the Deputy Chairman of Management Board for Operations and determination of his official salary.**

In accordance with the Rules for Approval by KEGOC Board of Directors of KEGOC Managerial Staff Appointment (Minutes No. 7 dated 22 December 2006) and Subclause 7) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the appointment of Abat Akmurzin to the position of the Deputy Chairman of Management Board for Operations and determined his official salary in accordance with Salary System for KEGOC Executive Administration Staff approved by the Board of Directors (Minutes No. 7 dated 8 December 2010).

**5. Approval of the appointment of Muktar Bekenov to the position of the Managing Director for Branches and Affiliates, his election as a member of the KEGOC Management Board, and determination of the official salary of the newly elected member of the KEGOC Management Board.**

In accordance with the Rules for Approval by the KEGOC Board of Directors of KEGOC Managerial Staff Appointment (Minutes No. 7 dated 22 December 2006) and Subclauses 6), 7) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the appointment of Muktar Bekenov to the position of the Managing Director for Branches and Affiliates, elected him as a member of the KEGOC Management Board, and determined his official salary in accordance with the Salary System for KEGOC Executive Administration Staff approved by the Board of Directors (Minutes No. 7 dated 8 December 2010).

**6. Review of 2010 Report on Implementation of the 2010 KEGOC Development Plan.**

Pursuant to Subclause 16) Clause 1 Article 18 and Subclause 43) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors took into consideration the 2010 Report on Implementation of the 2010 KEGOC Development Plan.

**7. Review of the Report on management of subsidiaries, affiliates, and jointly controlled entities, and impact that the results of financial and economic activity of the subsidiaries, affiliates, and jointly controlled entities on the Company performance in 2010.**

In accordance with Subclause 16) Clause 1 Article 18, Subclause 43) Clause 4 Article 10 of the 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 management of subsidiaries, affiliates and jointly controlled entities, and on the impact that the results of economic activity of the subsidiaries, affiliates and jointly controlled entities had on the Company performance in 2010.

**8. Amendments and addenda to the Rules for KEGOC Development Plans and Budgets preparation, coordination, approval, updating, execution and execution monitoring.**

In accordance with Subclause 10) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the amendments and addenda to the Rules for KEGOC Development Plans and Budgets preparation, coordination, approval, updating, execution and execution monitoring (Statement PR KEGOC 00-315-10/141).

#### **9. Amendments and addenda to the Pledge Agreement between KEGOC and the Eurasian Development Bank No. 31 dated 13 March 2009.**

In accordance with Subclause 7) Clause 1 Article 64, Subclause 1) Clause 1 Article 71, and Clause 1 Article 73 of the Law of the Republic of Kazakhstan On Joint-Stock Companies, the Board of Directors approved the amendments and addenda to the Pledge Agreement between KEGOC and the Eurasian Development Bank No. 31 dated 13 March 2009 in a form of a Draft Amendment Agreement. The Chairman of KEGOC Management Board was assigned to execute an Amendment Agreement with the Eurasian Development Bank on amendments and addenda to the Pledge Agreement No. 31 dated 13 March 2009.

#### **10. Acquisition of ten and more per cent of shares of Energoinform by the Company.**

Pursuant to Subclause 13) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors made a decision:

1. In accordance with the preemption right, KEGOC to buy one hundred and fifteen thousand two hundred and three (115,203) ordinary shares of Energoinform within the number of authorized shares at the price of ten thousand tenge (KZT 10,000) per ordinary share, through transfer of the KEGOC Training Center assets with the estimate value one billion one hundred and fifty-two million twenty-one thousand tenge (KZT 1,152,021,000) and additional payment of nine thousand tenge (KZT 9,000).
2. Chairman of Management Board to take appropriate measures following the Decision of the Board.

#### **11. Committee of the KEGOC Board of Directors.**

In accordance with Subclause 18) Clause 4 Article 10 of the KEGOC Charter and Subclause 18) Clause 8 of the Regulation on the Board of Directors, the Board of Directors made the decision to:

1. Early terminate powers of D. Abulgazin as a member of the Audit Committee and the Strategic Planning and Corporate Governance Committee of the Board of Directors.
2. Early terminate powers of D. Turganov as a member of Appointments and Remuneration Committee and Strategic Planning and Corporate Governance Committee of the Board of Directors.
3. Elect Aleksey Ogai as a member of the Strategic Planning and Corporate Governance Committee of the Board of Directors.
4. Term of powers of A. Ogai, the newly elected member of the Strategic Planning and Corporate Governance Committee of the KEGOC Board of Directors, to be determined as until termination of the term of powers of the Board of Directors as a whole.

**At the meeting of the Board of Directors on 3 October 2011 (Minutes No. 6) four agenda issues were reviewed and decisions were made thereon.**

**1. Proposal of an issue for consideration of the Sole Shareholder regarding designation of an auditing company for KEGOC auditing in 2011, and determination of the payment rate.**

In accordance with Subclause 38) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors proposed an issue for consideration of the Sole Shareholder regarding designation of the Deloitte LLP auditing company to conduct the audit of the 2011 annual financial statements of the Company, and determination of the cost of auditing services.

**2. Review and approval of the Report on Implementation of the 2011 Action Plan for KEGOC Corporate Governance Improvement following the results of the first six months of the year.**

In accordance with Subclause 2) Clause 6 Article 53 of the Law of the Republic of Kazakhstan On Joint-Stock Companies, the Board of Directors approved the Report on Implementation of the 2011 Action Plan for KEGOC Corporate Governance Improvement following the results of the first six months of the year.

**3. Amendments and addenda to the 2011 Key Risk Management Programme.**

In accordance with Subclause 10.4.2 of the Regulations on Risk Management System, the Board of Directors took into consideration the updated and amended 2011 Key Risk Management Programme.

**4. Approval of amendments and addenda to the Regulations on KEGOC Management Board P KEGOC 00-313-10.**

In accordance with Subclause 13) Clause 2 Article 53 of the Law of the Republic of Kazakhstan On Joint-Stock Companies, Subclause 10) Clause 4 Article 10 of the KEGOC Charter and Subclause 10) Clause 8 Section 3 of the Regulations on the KEGOC Board of Directors, the Board of Directors approved the amendments and addenda to the Regulations on the KEGOC Management Board P KEGOC 00-313-10. Pursuant to this decision, the Chairman of the Management Board was assigned to take appropriate measures.

**At the meeting of the Board of Directors on 27 October 2011 (Minutes No. 7) eight agenda issues were reviewed and decisions were made thereon.**

**1. Approval of the updated 2011-2015 KEGOC Development Plan.**

Pursuant to Subclause 21) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors approved the updated 2011-2015 KEGOC Development Plan relating to increase of 2011 expenses for acquisition of emergency stock, provision of sponsor support and charity, and payroll expenses for remuneration of managerial staff following the performance results for the year.

**2. Review and preliminary approval of the KEGOC 2010 Annual Report.**

In accordance with Subclause 38) Clause 4 Article 10 of the 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 approved the KEGOC 2010 Annual Report and submitted it for approval of the KEGOC Sole Shareholder.

To accelerate the publication of the future KEGOC Annual Reports, B. Kazhiyev, the Chairman of KEGOC Management Board, was assigned to make amendments and addenda to the internal documents of the Company regulating preparation and disclosure of information.

### **3. Report on the Key Risks Status and Risk Management Measures for the first six months of 2011.**

In accordance with Clause 11.7 of the Risk Management System Regulations, Subclause 43) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors took into consideration the Report on the key risks status and risk management measures for the first six months of 2011.

B. Kazhiyev, the Chairman of Management Board, at the meeting of the KEGOC Risk Committee, was assigned to review the risks associated with the IPO of KEGOC, in particular associated with amendments and addenda to the Kazakhstan laws, restriction of the functions of the System Operator, decrease in the value of shares, implementation of the Investment Programme, etc., and whether necessary to introduce amendments to the risk management documents (Risk Register, Risk Map, Key Risk Management Programme for 2012).

### **4. Report on Implementation of the Action Plan for Introduction of the KEGOC Management Accounting System for the first six months of 2011.**

In accordance with Subclause 43) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors took into consideration the Report on Implementation of the Action Plan for Introduction of the KEGOC Management Accounting System for the first six months of 2011.

### **5. Early termination of the powers of A. Akmurzin as a member of the Energoinform Board of Directors, and election of a new member of the Energoinform Board of Directors.**

Pursuant to the Law and Subclause 14) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors made the decision to:

1. Early terminate the powers of Abat Akmurzin as a member of Energoinform Board of Directors.
2. Elect Mukhtar Bekenov as a new member of the Energoinform Board of Directors until termination of the powers of the Energoinform Board of Directors as a whole.
3. The decision to be regarded as the decision of the Sole Shareholder of Energoinform in accordance with Article 35 of the Law of the Republic of Kazakhstan On Joint-Stock Companies.

### **6. Review of the Integral Analysis of the Company's Main Spheres of Responsibility.**

In accordance with Clause 5 Article 10 of the KEGOC Charter, the Board of Directors took into consideration the Integral Analysis of the Company's main spheres of responsibility.

The Chairman of the Company's Management Board was assigned to:



- budget for five million tenge (5,000,000) for advanced professional training of the members of the Board of Directors, Head of the Internal Audit Service, and Corporate Secretary in 2012;
- jointly with Ye. Ramazanov, KEGOC Acting Corporate Secretary, insure the liabilities of the members of the Board of Directors for 2012 on the Company's account against incurrence of liabilities of the members of the Board of Directors in 2012 in accordance with the Kazakhstan Laws.

#### **7. Bonus payments to the KEGOC Acting Corporate Secretary following the results of the 2<sup>nd</sup> and 3<sup>rd</sup> quarters 2011.**

Pursuant to 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 the KEGOC Charter, the Board of Directors determined the bonus rate to Ye. Ramazanov, the KEGOC Acting Corporate Secretary, for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters 2011 at the level of 1.

#### **8. Review of the Report on the KEGOC Internal Audit Service activities for the 2<sup>nd</sup> quarter 2011, bonus payment to the Internal Audit Service employees following the results of the 2<sup>nd</sup> quarter 2011.**

In accordance with Subclauses 8) and 42) Clause 4 Article 10 of the KEGOC Charter, the Board of Directors took into consideration the Report on the KEGOC Internal Audit Service activities for the 2<sup>nd</sup> quarter 2011, approved the performance of the Internal Audit Service employees following the results of the 2<sup>nd</sup> quarter 2011, and determined the bonus rates for the Internal Audit Service employees.

**At the meeting of the Board of Directors on 13 December 2011 (Minutes No. 8) fifteen agenda issues were reviewed and decisions were made thereon.**

#### **1. Election of the Chairman of the given meeting of the Board of Directors.**

Pursuant to Clause 3 Article 13 of the KEGOC Charter, and Clause 18 of the Regulations on the Board of Directors, the Board of Directors elected Gumarbek Daukeyev a Chairman of the given meeting of the Board of Directors.

#### **2. Appointment of Yertai Ramazanov as the KEGOC Acting Corporate Secretary and determination of his official salary rate.**

Pursuant to Subclause 10-1) Clause 2 Article 53 of the Law, and Subclause 9) Clause 8 of the Regulations on the Board of Directors, the Board of Directors appointed Yertai Ramazanov as the KEGOC Acting Corporate Secretary from 1 November 2011 for the duration of the maternity leave of A. Dzhanayeva, and determined his salary rate in accordance with the Salary System of KEGOC Executive Administration Staff, approved by the Board of Directors (Minutes No. 7 dated 8 December 2010).

#### **1. Approval of updated KEGOC Development Plan for 2011-2015.**

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

#### **2. Conclusion of a transaction 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 decided to conclude the transactions the Company is interested in, namely:

- 1) agreement with Batys Transit JSC for services on electricity generation-consumption balancing in Kazakhstan UPS;
- 2) agreement with Batys Transit JSC for electricity transmission services via KEGOC networks;
- 3) agreement with KEGOC for electricity transmission services via Batys Transit JSC networks.

### **3. Approval of amendments to CT KEGOC 00-307-08, KEGOC Human Resources Policy.**

In accordance with Subclause 10), Clause 4, Article 10 of KEGOC Charter, the Board of Directors approved amendments in CT KEGOC 00-307-08 KEGOC Human Resources Policy.

### **4. Approval of increase in the Corporate Secretary Service staff.**

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 increased the staff number of Corporate Secretary Service by one position (Manager) within a total number of Executive Administration of KEGOC.

### **5. Approval of the Rules for appraisal of activity and remuneration of managerial and administrative staff of KEGOC based on the work results for the year.**

In accordance with Subclauses 7) and 26), Clause 4, Article 10 of KEGOC Charter, the Board of Directors considered as invalidated the Rules for Remuneration to KEGOC Managerial Staff based on the work result for the year as approved by the decision of the Board of Directors (Minutes No.4 dated 13 June 2007) and approved the Rules for appraisal of activity and remuneration of managerial and administrative staff of KEGOC based on the work results for the year.

### **6. Approval of individual key performance indicators of KEGOC managerial staff for 2011.**

In accordance with Subclause 7), Clause 4, Article 10 of KEGOC Charter, the Board of Directors approved the list of key performance indicators of KEGOC managerial staff for 2011 and approved the Motivation Map of KEGOC managerial staff performance for 2011.

### **7. Key Risks Management Programme for 2012.**

In accordance with Subclause 10.4.2 of the Risk Management System Regulations the Board of Directors took into consideration Key Risks Management Programme for 2012.

### **8. Approval of KEGOC Innovative and Technological Development Strategy to 2025.**

In accordance with Subclause 1), Clause 4, Article 10 of KEGOC Charter, the Board of Directors approved the KEGOC Innovative and Technological Development Strategy to 2025.

#### **9. Approval of KEGOC risk retention capacity for 2012.**

In accordance with Subclause 6.3.1 of the Risk Management System Regulations the Board of Directors approved the KEGOC risk retention capacity for 2012 in the following size:

- KZT 66,221,680 for one risk;
- KZT 529,773,410 for all risks.

#### **10. Approval of high priority measures for KEGOC Innovative Development.**

In accordance with Subclause 20), Clause 2, Article 53 of the Law of the Republic of Kazakhstan On Joint-Stock Companies and Subclause 43), Clause 4, Article 10 of the Charter, the Board of Directors took into consideration information on high priority measures for KEGOC Innovative Development.

#### **11. Committees of KEGOC Board of Directors**

In accordance with Subclause 18), Clause 4, Article 10 of KEGOC Charter and Subclause 18), Clause 8 of the Regulations on KEGOC Board of Directors, the Board of Directors early terminated powers of all members of the Committees of the Board of Directors elected earlier, set up committees of the Board of Directors of the Company with new members and determined their terms of powers until termination of the terms of powers of the Board of Directors as a whole.

#### **12. Approval of Rules for Remuneration and Bonus Payments to KEGOC Managerial Staff, Internal Audit Service Staff and the Corporate Secretary.**

In accordance with Subclause 27), Clause 4, Article 10 of KEGOC Charter the Board of Directors considered as invalidated the Rules for Remuneration and Bonus Payment to KEGOC Managerial and Administrative Staff approved by the Board of Directors (Minutes No.1 dated 24 February 2010) and approved Rules for Remuneration and Bonus Payments to KEGOC Managerial Staff, Internal Audit Service Staff and the Corporate Secretary.

#### **13. Amendments to the labour payment conditions for the Head of Internal Audit Service.**

After consideration of the Agenda in accordance with Subclause 8), Clause 4, Article 10 of KEGOC Charter the Board of Directors defined the position of the Head of the Internal Audit Service as Managerial Staff since 1 January 2011.

The Board of Directors approved the key performance indicators of KEGOC managerial employee (the Head of Internal Audit Service) for 2011.

### **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;**  
**Appointments and Remuneration Committee;**  
**Strategic Planning and Corporate Governance Committee.**

In accordance with the decision of KEGOC Board of Directors dated 13 December 2011 (Minutes No.8) the powers of all members of the Committees of the Board of Directors selected earlier were early terminated, committees of the Board of Directors of the Company with new members were set up and their terms of powers were determined until termination of the terms of powers of the Board of Directors as a whole.

The Committees of the Company's Board of Directors:

**Audit Committee** including:

Bazarbai Baltabayev – Independent Director, Chairman of the Committee;  
Gumarbek Daukeyev – Independent Director;  
Aleksy Ogai – member of the Board of Directors;

**Appointments and Remuneration Committee** including:

Gumarbek Daukeyev – Independent Director, Chairman of the Committee;  
Bazarbai Baltabayev – Independent Director;  
Anatoliy Spitsyn – Independent Director;  
Aigul Ordabayeva – Senior Manager of Human Resources Department of Samruk-Kazyna National Welfare Fund JSC, Expert /without vote/.

**Strategic Planning and Corporate Governance Committee** including:

Anatoliy Spitsyn – Independent Director, Chairman of the Committee;  
Bazarbai Baltabayev – Independent Director;  
Gumarbek Daukeyev – Independent Director;  
P. Howes – Managing Director of Samruk-Kazyna JSC - Expert /without vote/.

In 2011 the **Appointments and Remuneration Committee** held 4 meetings in presentia and 2 meetings in absetia where 19 issues were reviewed within its competence. Recommendations for 15 issues were reviewed and given to the Board of Directors at the meetings.

Appointments and Remuneration Committee gave the recommendations to the Board of Directors in terms of appointment of candidates for the members of the Management Board and appointment for the position of the Acting Corporate Secretary.

The Committee preliminarily approved the amendments to the Rules for Remuneration and Bonus Payments to KEGOC managerial and administrative staff and approved amendments to the salary system of KEGOC Executive Administration (central office) employees, salaries for the head and members of the executive body, KEGOC's Corporate Secretary, the head and employees of Internal Audit Service.

The Committee gave recommendations to the Company Board of Directors on evaluation of the activity of the Board of Directors, members of the Board of Directors, Management

Board, Chairman of the Management Board, members of the Management Board, Internal Audit Service and its head through a questionnaire study.

Appointments and Remuneration Committee approved the individual key performance indicators of KEGOC managerial staff and draft Rules for Evaluation of Activity and Bonus Payments to KEGOC managerial and administrative staff based on the work results for the year.

Participation of the members of the Appointments and Remuneration Committee

No.	Members of the Committee	Appointments and Remuneration Committee (6 meetings during 2011)						
		No. 1 19 Feb	No. 2 04 March	No.3 26 May	No.4 27 June	No.5 15 Nov.	No.6 13 Dec.	%
1	G. Daukeyev	+	+	+	+	+	+	100%
2	B. Baltabayev	+	+	+	+	+	+	100%
3	D. Turganov	+	+	+	Powers were terminated (Minutes of the Board of Directors No.5 dated 8 July)			100%
4	A. Spitsyn	Not a member of the Committee					+	100%

**The Strategic Planning and Corporate Governance Committee** held 3 meetings in presentia within its competence and reviewed 8 issues in 2011.

The Committee preliminarily reviewed and approved KEGOC Development Plan for 2011-2015 as amended and Plan of Innovative and Technological Development Strategy of KEGOC to 2025.

Report on Implementation of KEGOC Action Plan on improvement of corporate governance system for 2010 was taken into consideration. Report on Implementation of KEGOC Long-Term Strategy for the period to 2025 and the KEGOC Action Plan on improvement of corporate governance system for 2011 were approved.

Participation of the members of the Strategic Planning and Corporate Governance Committee

No.	Members of the Committee	Strategic Planning and Corporate Governance Committee (3 meetings during 2011)			
		No. 1 17 March 2011	No. 2 06 May	No. 3 06 December 2011	%
1	D. Turganov	+	+	Powers were terminated (Minutes of the Board of Directors No.5 dated 8 July)	100%
2	G. Daukeyev	+	+	+	100%
3	D. Abulgazin	+	+	Powers were terminated (Minutes of the Board of Directors No.5 dated 8 July)	100%
4	A. Ogai	Not a member of the Committee		+	100%

In 2011 the **Audit Committee** held 6 meetings in presentia and 7 meetings in absetia where 38 issues were reviewed within its competence. Recommendations for 25 issues were given to the Board of Directors.

KEGOC Accounting Policy and its financial statements for 2010 were preliminarily approved.

With regard to internal control and risk management the following documents were taken into consideration or preliminarily approved:

- Report on Risk Management System for 2010;
- KEGOC Register and Risk Map for 2011 and 2012;
- KEGOC Risk Retention Capacity for 2011 and 2012;
- KEGOC Risk Management Programme for 2011 and 2012;
- Report on the Status and Measures taken for Key Risk Management for the first half-year 2011.

The Committee preliminarily approved amendments and addenda to the KEGOC Rules for limiting balance and off-balance sheet liabilities for counterparty banks.

With regard to External Audit the results of 2010 financial statements audit were reviewed. Draft Contract for procurement of Financial Statements Audit services for 2011 was preliminarily approved.

Audit Committee approved the Work Programme of the Audit Committee for 2011 and 2012 and Report on activity of the Audit Committee for 2010.

Regarding the Internal Audit the regular quarterly and annual reports for 2010 on Internal Audit Service (hereinafter IAS) activity were approved. Evaluation of the goals execution by the IAS employees for each quarter was preliminarily approved. Annual IAS Audit Plans for 2011 and 2012 were preliminarily approved. Issues regarding bonus payment to IAS employees based on the results of 2010 and in connection with the celebration of Nauryz Meiramy national holiday were preliminarily agreed.

Audit Committee reviewed the issue regarding amendments to labour payments conditions for the Head of Internal Audit Service.

In addition the issues regarding transfer of the position of the Auditor of IAS to the position of the Senior Auditor of IAS and regarding appointment for the positions of Auditor and Senior Auditor of the new employees of the Service and preliminary approval of their salaries.

Under the consideration of Internal control procedures and significant risks in 2011 the Audit Committee held meetings with the representatives of the Corporate Development Department regarding the consideration of the preparation of KEGOC for IPO and also with the representatives of Project Management Department to get the information of the effective implementation of the investment projects which have completion period of the strategic importance. Also a meeting of the members of the Audit Committee with participation of IAS employees with the representatives of PricewaterhouseCoopers LLP regarding update of KEGOC internal audit operation, and update of the activity of KEGOC Audit Committee.

Participation of the members of the Audit Committee

No.	Members of the Committee	Audit Committee (13 meetings during 2011)													%
		No. 1 12 Jan	No. 2 1 Feb	No. 3 18 Mar	No. 4 22 Apr	No. 5 27 Jun	No. 6 22 Jul	No. 7 19 Aug	No. 8 21 Sep	No. 9 06 Oct	No. 10 10 Oct	No. 11 17 Nov	No. 12 13 Dec	No. 13 26 Dec	

1	G. Daukeyev	+	+	+	+	+	+	+	+	+	+	+	+	+	100%
2	B. Baltabayev	+	+	+	+	+	+	+	+	+	+	+	+	+	100%
3	D. Abulgazin					Powers were terminated (Minutes of the Board of Directors No.5 dated 8 July)									
4	A. Ogai	Not a member of the Committee											+	+	100%

## REPORT OF THE CORPORATE SECRETARY ON WORK RESULTS FOR 2011

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, ensure organization of materials for the 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 submitted for review and preparation were timely executed to the Board of Directors 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 fulfilment 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 2011 were particularly given in sub-section "Report on KEGOC Board of Directors activity".

Corporate Secretary Service evaluated the activity of the members of the Board of Directors, Management Board, Chairman of Management Board, members of the Management Board, Internal Audit Service and its Head through a questionnaire study. The results of the evaluation of the members of the Board of Directors, Management Board, Chairman of Management Board, members of the Management Board, Internal Audit Service and its Head as a cooperative body for the strategic management and control, evaluation of the extent they correspond to the development requirements of KEGOC, achievement of the set financial and economical results and its cost increase.

The following documents were developed by the Corporate Secretary Service for the performance of Business Ethic Code and Corporate Governance Code of KEGOC and the Plan of the Board of Directors for 2011:

Policy for KEGOC corporate conflicts settlement which regulates the order and procedures for the settlement of corporate conflicts between the Company and its Sole shareholder.

Policy for settlement of the conflicts of interest of KEGOC officers and employees reflects general principles of the conflict of interest settlement in the Company, establishment of the uniform of real and potential conflicts of interest settlement system, as well as definition of the requirements for the behaviour of employees and officers compliance enabling them to minimize risks of decision-making by the Company under the influence of private interests and relationships of employees.

Policy for professional improvement of the members of KEGOC Board of Directors and attraction of external experts as the members of KEGOC Board of Directors detailing the rights and responsibilities of the members of the Board of Directors in terms of improving their skills and involvement of external experts, sets out the Regulations on the Board of Directors of the Company, and regulates the conditions of the planning and decision making regarding professional improvement and attraction of external experts members of the Board of Directors.

In accordance with the letter of Samruk-Kazyna JSC (No. 02-1-10 dated 29 July 2011) regarding the necessity of mandatory certification of the Corporate Secretaries in order to improve the competency of the Corporate Secretary and employees of their services, Ye. Ramazanov, Acting Corporate Secretary completed the training and got the certificate confirming the successful completion of the Corporate Secretaries Certification Programme of the group of companies of Samruk-Kazyna. The programme included the modules of corporate law, corporate governance, financial management, communication competence of the Corporate Secretary.

### **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 ensure 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 fulfilment for the reported period by the Corporate Secretary in accordance with activity rating scale.