

Attn: KEGOC's shareholders

EXPLANATORY NOTE

on agenda item of KEGOC annual general meeting of shareholders: “Approval of the financial statements for the year ended 31 December 2022, distribution of the net income, decision to pay dividends on ordinary shares and approval of the amount of the dividend per one ordinary share of KEGOC for H2 2022”

1. In accordance with Articles 18.1.21 and 18.1.22 of KEGOC’s Charter, the exclusive competence of the General Meeting of Shareholders of KEGOC includes the approval of the annual financial statements of KEGOC, approval of the distribution of the net income of KEGOC for the reporting fiscal year, making a decision on the payment of dividends on ordinary shares and approving the amount of dividend per one ordinary share of KEGOC.

KEGOC's financial statements for the year ended on 31 December 2022 were audited by RSM Qazaqstan LLP, an independent audit firm. According to the auditor’s report, the consolidated and separate financial statements reliably reflect KEGOC's financial health in all material aspects as of 31 December 2022, as well as KEGOC's financial performance and cash flows for the year ended on the mentioned date in compliance with the International Financial Reporting Standards.

The copies of the consolidated and separate financial statements for the year ended on 31 December 2022, are attached.

According to the consolidated financial statements as of 31 December 2022, the Company had KZT 986,612,189 thousand in assets, KZT 333,047,025 thousand in liabilities, and KZT 653,565,164 thousand in equity. The income of KEGOC for the year ended on 31 December 2022 amounted to KZT 226,534,831 thousand; the expenses amounted to KZT 194,535,866 thousand; the profit share in the associate company was KZT 469,123 thousand (20% in Batys Transit JSC), expenses on corporate income tax were KZT 5,720,479 thousand, net profit was KZT 26,747,609 thousand.

In accordance with clauses 6 and 7 of the Regulations on the dividend policy of KEGOC, the dividends shall be paid from the net income for the corresponding financial year or half-year, or the retained earnings, calculated on the basis of the IFRS consolidated financial statements of KEGOC, and the dividend amount on ordinary shares shall be not less than 40% of the net income. According to clauses 5 and 9 of the Regulations on dividend policy of KEGOC allows payment of dividends for 2022, as in 2022 KEGOC had positive equity and equity capital, and they will not become negative as a result accrual of dividends. KEGOC does not show any signs of insolvency in accordance with the legislation of the Republic of Kazakhstan on bankruptcy, and these signs will not appear for KEGOC as a result of the accrual of dividends.

Based on the above, it is proposed to the annual General Meeting of KEGOC Shareholders:

1) Approve the financial statements of KEGOC as of and for the year ended on 31 December 2022;

2) Approve the following procedure for the distribution of net income for H2 2022 by KEGOC located at: 59 Tauyelsizdik ave., Astana, Kazakhstan, BIN 970740000838, Kbe 16, KZ736010111000023853, Halyk Bank of Kazakhstan BIK HSBKKZKX:

- allocate to the payment of dividends 100% of net income for the second half of 2022 in the amount of KZT 12,735,209,000 (twelve billion seven hundred thirty-five million two hundred nine thousand tenge 00 tiyn), as well as a part of retained earnings of previous periods in the amount of KZT 418,120,679.90 (four hundred eighteen million one hundred twenty thousand six hundred seventy-nine tenge 90 tiyn), in the total amount of KZT 13,153,329,679.90 (thirteen billion one hundred fifty-three million three hundred twenty-nine thousand six hundred seventy-nine tenge 90 tiyn) to all holders of ordinary shares of KEGOC;

3) approve the amount of dividend for the second half-year of 2022 per one ordinary share of KEGOC as KZT 50.59 (fifty tenge fifty-nine tiyn).

- snap the list of KEGOC's shareholders entitled to obtain dividends on KEGOC's ordinary shares for H2 2022, as on 12 May 2023, 00.00 am.

- determine 15 May 2023 as the date to commence payment of dividends on ordinary shares of KEGOC for H2 2022;

6) Pay the dividends through Central Security Depositary JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

2. Should the annual General Meeting of Shareholders of KEGOC fail to adopt the proposed decision, there would be a risk of deterioration of the corporate governance in terms of timely and full disclosure of the financial position of KEGOC to the shareholders and other interested parties. There are no risks in case of adoption.

3. No social and economic and/or legal effects are expected, if the annual General Meeting of Shareholders of KEGOC will approve the agenda item.

4. This agenda item was earlier considered by KEGOC's Board of Directors (Minutes No. 3 dated 1 April 2023).

**Chairman of the Management Board, KEGOC,
Member of the Board of Directors, KEGOC**

Kanysh Moldabayev

Decision

on agenda item of KEGOC annual general meeting of shareholders: “Approval of the financial statements for the year ended 31 December 2022, distribution of the net income, decision to pay dividends on ordinary shares and approval of the amount of the dividend per one ordinary share of KEGOC for H2 2022”

Having considered the agenda item and presented materials in accordance with sub-clauses 21) and 22) of clause 1 Article 18 of KEGOC's Charter, **the annual General Meeting of KEGOC Shareholders DECIDED to:**

1. Approve the financial statements of KEGOC for the year ended 31 December 2022 in accordance with the appendix hereto;

2. Approve the following procedure for the distribution of net income for the second half of 2022 of Kazakhstan Electricity Grid Operating Company (KEGOC) joint-stock company, located at: 59 Tauyelsizdik ave., Astana, Kazakhstan, BIN 970740000838, Kbe 16, KZ736010111000023853, Halyk Bank of Kazakhstan BIK HSBKKZKX:

- allocate to the payment of dividends 100% of net income for the second half of 2022 in the amount of KZT 12,735,209,000 (twelve billion seven hundred thirty-five million two hundred nine thousand tenge 00 tiyn), as well as a part of retained earnings of previous periods in the amount of KZT 418,120,679.90 (four hundred eighteen million one hundred twenty thousand six hundred seventy-nine tenge 90 tiyn), in the total amount of KZT 13,153,329,679.90 (thirteen billion one hundred fifty-three million three hundred twenty-nine thousand six hundred seventy-nine tenge 90 tiyn) to all holders of ordinary shares of KEGOC.

3. Approve the amount of dividend for the second half-year of 2022 per one ordinary share of KEGOC as KZT 50.59 (fifty tenge fifty-nine tiyn).

4. Snap the list of KEGOC's shareholders entitled to obtain dividends on KEGOC's ordinary shares for H2 2022, as on 12 May 2023, 00.00 am.

5. Determine 15 May 2023 as the date to commence payment of dividends on ordinary shares of KEGOC for H2 2022.

6. Pay the dividends through Central Security Depository JSC, the payment agent, in the form of cashless transfer to the shareholders' accounts within ninety (90) calendar days from the date of approval of this decision.

7. The Chairman of the Management Board of KEGOC (Kanysh Moldabayev) to take actions as required by this decision.