

EXPLANATORY NOTE

on the agenda issue of the annual General Meeting of shareholders relating to Membership, terms of office of KEGOC's Board of Directors, election of its members and the chairman, and determination of the salary and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties.

1. In accordance with paragraph 1.5 of Article 36 of the Law of the Republic of Kazakhstan 'On Joint-Stock Companies' (hereinafter referred to as 'the Law'), and paragraph 1.7 of Article 18 of KEGOC's Charter, determination of the number and term of office of the members and the chair of the Board of Directors, election of its members and early termination of their office and determination of the salary rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties shall refer to the exclusive jurisdiction of the General meeting of shareholders.

In accordance with Article 55.2 of the Law, the term of office of KEGOC's Board of Directors shall expire at the time the General Meeting of Shareholders is held where new members of the Board of Directors are elected.

On 27 April 2018 the General Meeting of Shareholders (Minutes No.8) elected the members of KEGOC's Board of Directors, elected the Chairman of KEGOC's Board of Directors, determined terms of office, rates and terms of remuneration.

As of 1 March 2021, the Board of Directors consists of 7 members:

- 1) Almassadam Satkaliyev, the chairman of the Board of Directors, the chairman of the Management Board of Samruk-Kazyna JSC.
- 2) Suinshlik Tiyessov, representative of Samruk-Kazyna;
- 3) Zhanna Yegimbayeva, representative of Samruk-Kazyna;
- 4) Dominique Fache, Independent Director;
- 5) Nurlan Akhanzaripov, independent director;
- 6) Zhanbota Bekenov, independent director;
- 7) Bakytzhan Kazhiyev, the chairman of Management Board, KEGOC.

In general, the performance of the Board of Directors is at the proper level, the qualifications of the members of the Board of Directors are consistent with the goals and objectives of KEGOC.

The decisions made by the Board of Directors contributed to the more efficient development of the Company, the achievement of strategic goals and objectives determined by the Company for short-term, medium-term and long-term periods. The Board of Directors plays an active role in the improvement of the corporate governance

in KEGOC, analyses the efficiency of the internal control mechanisms and the risks management in respect of wide range of business-processes. To further incentivise and motivate the Company's employees, the Board of Directors determines and improves KEGOC's HR policy.

Considering the above and the fact that, in accordance with the decision of the General Meeting of Shareholders dated 27 April 2018, the term of office of the Board of Directors expires on 27 April 2021, KEGOC suggests that the General Meeting of Shareholders determine the number of members, term of office of KEGOC's Board of Directors, elect its members and the Chairman and determine the rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties to ensure continuous execution of the functional responsibilities by KEGOC's Board of Directors, secure the interests of the Company and protect the shareholders' rights, establish policies and rules of the Company's operations, and also ensure understanding of and compliance with the obligations of the Company to the General Meeting of Shareholders and others.

Considering the above, the annual General Meeting of Shareholders is suggested to:

- 1) determine the number of members of KEGOC's Board of Directors;
- 2) elect the members and the chair of KEGOC's Board of Directors;
- 3) determine the term of office of KEGOC's Board of Directors;
- 4) determine the amount of the annual fixed remuneration;
- 5) determine the procedure and terms of remuneration and compensation of expenses of members of KEGOC's Board of Directors associated with their travel to the place of meetings of the Board of Directors held outside the place of their permanent residence.

The major Shareholder of KEGOC (Samruk-Kazyna), in accordance with paragraph 1.5 of Article 14 of the Law of the Republic of Kazakhstan 'On Joint-Stock Companies', proposed the following to the annual General meeting of shareholders:

- 1) Determine the number of members of KEGOC's Board of Directors as seven (7) members.
- 2) Elect the members of KEGOC's Board of Directors as follows:
 - 2.1) Kanysh Moldabayev, representative of Samruk-Kazyna;
 - 2.2) Suinshlik Tiyyessov, representative of Samruk-Kazyna;
 - 2.3) Zhanna Yegimbayeva, representative of Samruk-Kazyna;
 - 2.4) Nurlan Akhanzaripov, independent director;
 - 2.5) Zhanbota Bekenov, independent director;
 - 2.6) Bakytzhan Kazhiyev, chairman of Management Board, KEGOC.
- 3) Elect Kanysh Moldabayev the chairman of KEGOC's Board of Directors.
- 4) Determine the term of office of KEGOC's Board of Directors as three (3) years.
- 5) Determine remuneration and compensation of expenses for the representatives of Samruk-Kazyna: Suinshlik Tiyyessov and Zhanna Yegimbayeva and for the

independent directors: Nurlan Akhanzaripov and Zhanbota Bekenov at the expense of KEGOC in accordance with the attachment to the explanatory note.

6) The chairman of the Board of Directors, Kanysh Moldabayev, in the prescribed manner, shall ensure the conclusion of contracts with the persons specified in clause 5 of this decision and take other necessary measures arising from this decision.

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

Bakytzhan Kazhiyev

Decision of the annual General Meeting of Shareholders relating to Membership, terms of office of KEGOC's Board of Directors, election of its members and the chairman, and determination of the salary rates and terms of remuneration and compensation of expenses for the members of KEGOC's Board of Directors in fulfilment of their duties.

In accordance with paragraph 1.5 of Article 36 and paragraph 2 of Article 55 of the Law and paragraph 1.7 of Article 18 of KEGOC Charter, **the annual General Meeting of KEGOC's Shareholders DECIDED to:**

1. Determine the number of members of KEGOC's Board of Directors as seven (7) members.
2. Elect the members of KEGOC's Board of Directors as follows:
 - 1) Kanysh Moldabayev, representative of Samruk-Kazyna;
 - 2) Suinshlik Tiyessov, representative of Samruk-Kazyna;
 - 3) Zhanna Yegimbayeva, representative of Samruk-Kazyna;
 - 4) Nurlan Akhanzaripov, independent director;
 - 5) Zhanbota Bekenov, independent director;
 - 6) Bakytzhan Kazhiyev, chairman of Management Board, KEGOC.
3. Elect Kanysh Moldabayev the chairman of KEGOC's Board of Directors.
4. Determine the term of office of KEGOC's Board of Directors as three (3) years.
5. Determine remuneration and compensation of expenses for the representatives of Samruk-Kazyna: Suinshlik Tiyessov and Zhanna Yegimbayeva and for the independent directors: Nurlan Akhanzaripov and Zhanbota Bekenov at the expense of KEGOC in accordance with the attachment to the explanatory note.
6. The chairman of the Board of Directors, Kanysh Moldabayev, in the prescribed manner, ensure the conclusion of contracts with the persons specified in clause 5 of this decision and take other necessary measures arising from this decision.

Appendix
to the Decision of the annual General
Meeting of KEGOC Shareholders
dated " __ " _____ 2021__
(Minutes No.__)

Remuneration and Reimbursable Expenses
for the members of the Board of Directors of KEGOC

1. Determine for the representatives of Samruk-Kazyna: Suinshlik Tiyyessov and Zhanna Yegimbayeva and for the independent directors: Nurlan Akhanzaripov and Zhanbota Bekenov the annual fixed remuneration at the expense of KEGOC in the amount of six million five hundred thousand tenge (KZT 6,500,000) after taxes and other mandatory payments in accordance with the legislation of the Republic of Kazakhstan;
2. Additional remuneration to the persons specified in clause 1 of this annex is not paid.
3. The procedure and terms of remuneration and compensation of expenses for the independent directors of KEGOC and representatives of Samruk-Kazyna shall be determined in accordance with new revision of PR KEGOC ID-311-16-OSA Rules for Payment of remuneration and compensation of expenses of members of KEGOC's Board of Directors approved by the decision of the General Meeting of Shareholders of KEGOC dated 12 May 2017 (Minutes No. 6).