

MINUTES
of the Annual General Meeting of Shareholders
of “KazTransOil” JSC No.1/2015

Full name	“KazTransOil” Joint-Stock Company
Location	19, Kabanbay Batyr ave., Astana, Republic of Kazakhstan
Venue	3 rd floor, conference-hall, block B, 19, Kabanbay Batyr ave., Astana, Republic of Kazakhstan
Date	May 20, 2015
Beginning of registration	10:00 a.m.
Finishing of registration	01:00 p.m.
Beginning of the General Meeting of Shareholders	03:00 p.m.
Finishing of the General Meeting of Shareholders	05:05 p.m.

The Annual General Meeting of Shareholders of “KazTransOil” JSC (hereinafter - the Company) was convened by the resolution of the Board of Directors of the Company as of April 15, 2015 (Minutes No.4/2015) with the following agenda:

1. On confirmation of annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2014.

2. On confirmation of the procedure on distribution of net income of “KazTransOil” JSC for 2014, adoption of the decision on payment of dividends on common stock and confirmation of the size of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of “KazTransOil” JSC for 2014.

4. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2014.

5. On consideration of addresses of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2014 and results of their consideration.

6. On determination of the quantitative composition, terms of office of the Counting Commission of “KazTransOil” JSC and election of its members.

The information on holding the Annual General Meeting of Shareholders (hereinafter – the AGM) was published in the national print media on April 17, 2015 and on the Company's website.

In accordance with paragraph 39 of Article 9 of the Company Charter, the Secretary of the AGM is Corporate Secretary of the Company A. Maikenov.

The Counting Commission performing the functions referred to in Article 46 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" was elected by the resolution of the extraordinary General Meeting of Shareholders on March 13, 2013 (Minutes No.1/2013).

General Director (Chair of the Management Board) of the Company K. Kabyldin gave the floor to A. Sartmanov for briefing on fire safety measures.

A. Sartmanov informed the shareholders and attendees on the basic safety measures that must be followed during the AGM, primary actions in case of fire and evacuation.

The floor was then given to Chair of the Counting Commission G. Rysbekova.

G. Rysbekova reported that, in accordance with the Company list of shareholders presented by "United Registrar of Securities" JSC, the Company's registrar, the total number of voting shares of the Company is 384,635,599 as of May 4, 2015.

According to the data provided by the Counting Commission at the end of the registration of shareholders to participate in the AGM, 45 shareholders and their representatives were registered holding in aggregate 346,408,356 (three hundred forty six million four hundred and eight thousand three hundred fifty six) voting shares, or 90.06 % of the total voting shares.

Pursuant to paragraph 1 of Article 45 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies", the General Meeting of Shareholders shall be entitled to consider and decide on the agenda issues, if at the end of the participants registration the shareholders or their representatives included in the list of shareholders and entitled to participate in the meeting and vote holding in aggregate fifty percent or more of the voting shares of the Company were registered.

The quorum to hold the meeting and vote on the agenda items is available.

All the attending shareholders were registered, and the powers of their representatives were duly checked. All the shareholders and their representatives present at the meeting received the materials on the agenda items and voting papers.

Further on, G. Rysbekova clarified the issues of exercising the rights of shareholders at the AGM and the voting procedure.

K. Kabyldin informed the shareholders about the absence of proposals for amending and supplementing the AGM agenda.

A. Maikenov proposed an open voting at the AGM.

The proposal was put to vote on the principle of “one shareholder - one vote”.

Voted:

“Pro” – 37 shareholders

“Contra” – no

“Abstained” – 6 shareholders

The majority decision was taken:

To define an open voting on the agenda items at the Annual General Meeting of Shareholders of “KazTransOil” JSC.

K. Kabyldin proposed to elect Yerzhan Zhangaurov as the AGM Chair.

The issue was put to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

To elect Yerzhan Zhangaurov as the Chair of the Annual General Meeting of Shareholders of the Company.

Further on, Y. Zhangaurov announced the order of holding the AGM, and put the following agenda to vote:

1. On confirmation of annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2014.

2. On confirmation of the procedure on distribution of net income of “KazTransOil” JSC for 2014, adoption of the decision on payment of dividends on common stock and confirmation of the size of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of “KazTransOil” JSC for 2014;

4. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2014.

5. On consideration of addresses of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2014 and results of their consideration.

6. On determination of the quantitative composition, terms of office of the Counting Commission of “KazTransOil” JSC and election of its members.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

To confirm the following agenda of the Annual General Meeting of Shareholders of “KazTransOil” JSC:

1. On confirmation of annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2014.

2. On confirmation of the procedure on distribution of net income of “KazTransOil” JSC for 2014, adoption of the decision on payment of dividends on common stock and confirmation of the size of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of “KazTransOil” JSC for 2014.

4. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2014.

5. On consideration of addresses of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2014 and results of their consideration.

6. On determination of the quantitative composition, terms of office of the Counting Commission of “KazTransOil” JSC and election of its members.

On the **first agenda item** Y. Zhangaurov gave the floor to Deputy General Director of the Company for Economics and Finance A. Nussupova.

A. Nussupova presented the key indicators of the annual financial statements and annual consolidated financial statements of the Company for 2014 with the analysis of the main items.

The presented statements were audited by “Ernst & Young” LLP and include conclusions that the above statements fairly reflect the financial position of the Company as of December 31, 2014, as well as its financial performance and cash flows for 2014, in accordance with the International Financial Reporting Standards.

Y. Zhangaurov put the issue of confirmation of annual financial statements and annual consolidated financial statements of the Company for 2014 to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

To confirm the annual financial statements and annual consolidated financial statements of KTO for 2014 with the following financial indicators:

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<u>Indicator</u>	<u>2014</u>	<u>2013</u>
Revenue	186 996 455	174 560 034
Cost of sales	(104 111 671)	(94 404 328)
Gross profit	82 884 784	80 155 706
General and administrative expenses	(11 371 158)	(9 190 686)
Other operating income	1 406 706	1 518 056
Other operating expenses	(529 856)	(288 029)
Fixed assets impairment loss	(294 384)	(10 664 313)
Operating profit	72 096 092	61 530 734
Forex gain, net	1 014 930	43 860
Dividend income	717 897	908 906
Financial income	4 395 019	3 971 102
Financial costs	(1 615 566)	(1 374 236)
Income before tax	76 608 372	65 080 366
Income tax expenses	(18 910 200)	(13 063 819)
Net profit for the year	57 698 172	52 016 547

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<u>Indicator</u>	<u>2014</u>	<u>2013</u>
Revenue	206 637 113	196 366 805
Cost of sales	(121 309 073)	(110 968 699)
Gross profit	85 328 040	85 398 106
General and administrative expenses	(13 592 935)	(11 027 504)
Other operating income	1 461 472	1 591 990
Other operating expenses	(650 029)	(681 742)
Fixed assets impairment loss	(8 119 432)	(12 663 453)
Operating profit	64 427 116	62 617 397
Forex gain, net	1 055 964	103 799
Financial income	4 517 047	4 197 234
Financial costs	(1 615 566)	(1 374 236)
Share in (loss)/income of joint ventures	(6 255 050)	11 846 567
Income before tax	62 129 511	77 390 761
Income tax expenses	(15 698 946)	(13 847 161)
Net profit for the year	46 430 565	63 543 600
Earnings per share, tenge	121	165

On the **second agenda item** Y. Zhangaurov gave the floor to Deputy General Director of the Company for Economics and Finance A. Nussupova.

A. Nussupova informed the shareholders that, in accordance with the Dividend Policy of the Company, the size of dividends accrued by the Company for the reporting period shall be calculated at the rate of not less than 40% of consolidated or separate net income for the past year depending on which one is the highest. Based on the financial statements of the Company for 2014, the consolidated net income is equal to 46,430,565,000 tenge, while the separate net income comprised 57,698,172,000 tenge. 40% of the separate net income is 23,079,268,800 tenge.

At the same time, the Board of Directors decided on April 15, 2015 to recommend paying dividends in the amount of 46,429,363,155 tenge and approving the size of a dividend as 120 tenge 71 tiyn per share.

This level provides a dividend yield of 10.82% to the average share price for 2014.

The list of shareholders entitled to receive dividends on common shares of the Company for 2014 will be recorded as at 12:00 a.m., May 27, 2015. It is therefore proposed to start paying dividends on common shares of the Company for 2014 from June 10, 2015.

Y. Zhangaulyov put the issue of confirmation of the procedure on distribution of net income of the Company for 2014, adoption of the decision on payment of dividends on common stock and confirmation of the size of a dividend per one common share of the Company to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

1. To confirm:

1) the following procedure of distribution of net income earned upon the results of 2014 by the Company located at the following address: 19, Kabanbay Batyr ave., “Yessil” district, 010000, Astana, Republic of Kazakhstan, BIN 970 540 000 107, Certificate of VAT registration dated August 29, 2012, series 62001 No.0015217, Beneficiary code 16, “Halyk Bank of Kazakhstan” JSC, SWIFT BIC: HSBKKZKX, KZ 536010111000012185 (tenge), in the amount of 46,430,565,000 (forty six billion four hundred thirty million five hundred sixty five thousand) tenge:

- to pay dividends in the amount of 46,429,363,155 (forty six billion four hundred twenty nine million three hundred sixty three thousand one hundred fifty five) tenge 29 tiyn;

- to leave the remaining part of net income in the amount of 1,201,844 (one million two hundred and one thousand eight hundred forty four) tenge 71 tiyn at the disposal of the Company;

2) the size of one dividend for 2014 per one common share of the Company in the amount of 120 (one hundred twenty) tenge 71 tiyn.

2. To fix the list of shareholders entitled to receive dividends on common shares of the Company for 2014 as of 00:00 a.m., May 27, 2015.

3. To determine the date of starting payment of dividends on common shares of the Company for 2014 - June 10, 2015.

4. To pay dividends in cash by transferring to the accounts of the Company's shareholders:

1) on common shares of the Company being in nominal holding of “Central Securities Depository” JSC through a paying agent represented by “Central Securities Depository” JSC;

2) on common shares of the Company not being in nominal holding of “Central Securities Depository” JSC by the Company itself.

5. General Director (Chair of the Management Board) of the Company K. Kabyldin to duly take necessary measures to bring this decision into effect.

On the **third agenda item** Y. Zhangaurov gave the floor to Deputy General Director of the Company for Development B. Zakirov.

B. Zakirov presented for the shareholders the Annual Report of the Company for 2014 prepared in accordance with the recommendations of the International Integrated Reporting Standard and the requirements of the Sustainability Reporting Guidelines of GRI, the Global Reporting Initiative.

B. Zakirov also informed the shareholders about the goals of the Company, results of its financial and operating performance, the Company’s ownership structure, corporate governance, the Management Board performance in 2014 and further activities of the Company, its strategic objectives, HR and social policy.

Y. Zhangaurov put the issue of confirmation of the Annual Report of the Company for 2014 to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

To confirm the enclosed Annual Report of “KazTransOil” JSC for 2014.

On the **fourth agenda item** Y. Zhangaurov gave the floor to Independent Director of the Company S. Primbetov.

S. Primbetov informed the shareholders about the work done by the Board of Directors in 2014, the composition and structure of the Board of Directors, the most important decisions taken by the governing body within the reporting period and the work of its committees.

Y. Zhangaurov put the issue of confirmation of the Annual Report of the Board of Directors of the Company on its performance in 2014 to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

To confirm the enclosed Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2014.

Corporate Secretary A. Maikenov delivered his speech on the **fifth agenda item**. He noted that in accordance with the Law of the Republic of Kazakhstan “On Joint-Stock Companies” and the Charter, the AGM shall consider the issue of addresses of shareholders against actions of the Company and its officials for the reporting period and results of their review.

Moreover, the materials on the agenda of the Annual General Meeting of Shareholders shall include information about the shareholders addresses against actions of the Company and its officials and the results of their consideration.

As part of the issue, it was noted that any addresses of shareholders against actions of the Company and its officials were not available in 2014.

Y. Zhangaulov put the issue of consideration of addresses of shareholders of the Company against actions of the Company and its officials for 2014 and results of their consideration to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

To take into account the information on absence of addresses of shareholders of the Company against actions of the Company and its officials for 2014.

On the **sixth agenda item** Y. Zhangaulov gave the floor to Corporate Secretary A. Maikenov.

A. Maikenov informed that the three-year term of office of the Counting Commission of the Company determined by the decision of the extraordinary General Meeting of Shareholders dated March 13, 2013 (Minutes No. 1/2013) would expire on March 12, 2016.

Considering that the extraordinary General Meeting of Shareholders is not planned for 2015 and in order to further properly organize and conduct General Meetings of Shareholders, the Board of Directors of the Company proposed to determine the quantitative composition (14 persons) and term of office of the Counting Commission (3 years) from March 13, 2016.

It was proposed to elect A. Zhakutova as the Chair of the Counting Commission.

Y. Zhangaulyov put the issue of determination of the quantitative composition, terms of office of the Counting Commission of the Company and election of its members to vote.

Voted:

“Pro” – 346,407,394 votes

“Contra” – no

“Abstained” – no

The majority decision was taken:

1. To determine from March 13, 2016:
 - 1) the quantitative composition of the Counting Commission of the Company – fourteen (14) persons;
 - 2) the term of office of the Counting Commission of the Company – three (3) years.
2. To elect the following employees of the Company as members of the Counting Commission from March 13, 2016:
 - 1) Aliya Zhakutova, Chair of the Counting Commission;
 - 2) Svetlana Abdibayeva;
 - 3) Samat Abilbekov;
 - 4) Aisamal Abilkhan;
 - 5) Dana Bekzhanova;
 - 6) Saltanat Bidaibekova;
 - 7) Gulsara Yermagambetova;
 - 8) Arailym Kabakayeva;
 - 9) Zharas Kabenov;
 - 10) Serik Kozhakhmetov;
 - 11) Raushan Makhambetova;
 - 12) Perizat Mukhanova;
 - 13) Aizhan Ormantayeva;
 - 14) Maiya Turkmenova.

3. General Director (Chair of the Management Board) of the Company K. Kabyldin to take necessary measures stemming from this resolution.

Chair




Y. Zhangaurov

Secretary



A. Maikenov

Counting Commission Chair



G. Rysbekova

Counting Commission members:

S. Abdibayeva



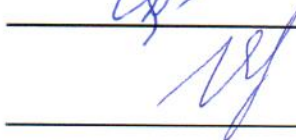
S. Abilbekov



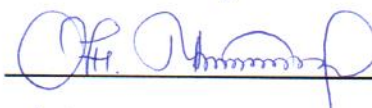
S. Dzhukonova



G. Yelekeyeva



A. Kabakayeva



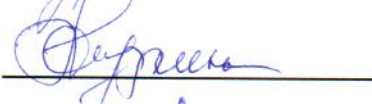
S. Kozhahmetov



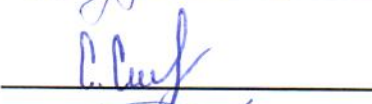
S. Kozyke



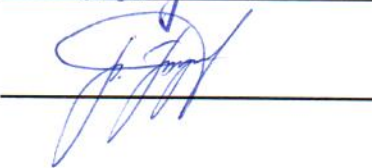
D. Nurkina



S. Sokitbayeva



R. Tulegenova



**Representative of the shareholder
owning over 10% of voting shares**



Y. Zhangaurov