

MINUTES
of the Annual General Meeting of Shareholders
of “KazTransOil” JSC No.1/2017

Full name	“KazTransOil” Joint-Stock Company
Location	Block B, 19, Kabanbay Batyr Ave., Yessil District, 010000 Astana, Republic of Kazakhstan
Venue	3 rd floor, conference-hall, Block B, 19, Kabanbay Batyr Ave., Yessil District, 010000 Astana, Republic of Kazakhstan
Date	May 25, 2017
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	03:55 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 14, 2017 (Minutes No.4/2017) with the following agenda:

1. On confirmation of annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2016.
2. On confirmation of the procedure on distribution of “KazTransOil” JSC net income for 2016, retained earnings for past years, adoption of the decision on payment of dividends on common stock and confirmation of the amount of a dividend per one common share of “KazTransOil” JSC.
3. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2016.
4. On claims of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2016 and results of their consideration.
5. On early termination of powers of particular members of the Vote Counting Commission of “KazTransOil” JSC and election of its new members.

The information on holding the Annual General Meeting of Shareholders (hereinafter – the AGM) was published in the republican print media on April 18, 2017 and on the Company’s website.

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

The Vote 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 Annual General Meeting of Shareholders on May 20, 2015 (Minutes No.1/2015).

General Director (Chair of the Management Board) of the Company D. Dossanov gave the floor to T. Otkulbayev for briefing on fire safety measures.

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

The floor was then given to S. Kozhakhmetov, the Vote Counting Commission member.

S. Kozhakhmetov reported that, in accordance with the Company's list of shareholders presented by "United Registrar of Securities" JSC, the Company's registrar, the total number of voting shares of the Company is 383,906,764 (three hundred eighty three million nine hundred six thousand seven hundred sixty four) as of May 10, 2016.

According to the data provided by the Vote Counting Commission at the end of the registration of shareholders to participate in the AGM, six shareholders and their representatives were registered holding in aggregate 346,356,795 (three hundred forty six million three hundred fifty six thousand seven hundred ninety five) voting shares, or 90,22% 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, and also got clarifications on the procedure of exercising their rights at the AGM and the order of voting.

D. Dossanov informed the shareholders about the absence of proposals for amending the AGM agenda.

D. Dossanov proposed an open voting at the AGM.

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

Voted:**“Pro”** – 4 shareholders**“Contra”** – no**“Abstained”** – no

The simple majority decision was taken under the principle of “one shareholder – one vote”:

To define an open voting on the agenda items at the Annual General Meeting of Shareholders of the Company.

D. Dossanov proposed to elect Nurtas Shmanov as the AGM Chair.

The issue was put to vote.

Voted:**“Pro”** – 346,356,795 votes**“Contra”** – no**“Abstained”** – no

The simple majority decision was taken given the total number of the Company’s voting participating shares:

To elect Nurtas Shmanov as the Chair of the Annual General Meeting of Shareholders of the Company.

Further on, N. Shmanov 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 2016.

2. On confirmation of the procedure on distribution of “KazTransOil” JSC net income for 2016, retained earnings for past years, adoption of the decision on payment of dividends on common stock and confirmation of the amount of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2016.

4. On claims of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2016 and results of their consideration.

5. On early termination of powers of particular members of the Vote Counting Commission of “KazTransOil” JSC and election of its new members.

Voted:**“Pro”** – 346,356,795 votes**“Contra”** – no**“Abstained”** – no

The simple majority decision was taken given the total number of the Company’s voting participating shares:

To confirm the following agenda of the Annual General Meeting of Shareholders of the Company:

1. On confirmation of annual financial statements and annual consolidated financial statements of “KazTransOil” JSC for 2016.

2. On confirmation of the procedure on distribution of “KazTransOil” JSC net income for 2016, retained earnings for past years, adoption of the decision on payment of dividends on common stock and confirmation of the amount of a dividend per one common share of “KazTransOil” JSC.

3. On confirmation of the Annual Report of the Board of Directors of “KazTransOil” JSC on its performance in 2016.

4. On claims of shareholders of “KazTransOil” JSC against actions of “KazTransOil” JSC and its officials for 2016 and results of their consideration.

5. On early termination of powers of particular members of the Vote Counting Commission of “KazTransOil” JSC and election of its new members.

On the **first agenda item** N. Shmanov gave the floor to Deputy General Director of the Company for Economics and Finance M. Berlibayev.

M. Berlibayev presented the key indicators of the annual financial statements and annual consolidated financial statements of the Company for 2016 with the analysis of the main items.

The presented statements were audited by “Ernst & Young” LLP determined as an audit organization of the Company in 2016-2018 following the resolution of the Extraordinary General Meeting of Shareholders of the Company as of January 14, 2016 (Minutes No.1/2016).

N. Shmanov put the issue of confirmation of annual financial statements and annual consolidated financial statements of the Company for 2016 to vote.

Voted:

“Pro” – 346,356,795 votes

“Contra” – no

“Abstained” – no

The simple majority decision was taken given the total number of the Company’s voting participating shares:

To confirm:

the annual financial statements of the Company for 2016 with the following main financial indicators:

Indicator	thous.tenge	
	2016	2015
Revenue	191 869 628	193 617 592
Cost of sales (goods, services)	(118 701 922)	(109 130 474)
Gross profit	73 167 706	84 487 118
Administrative expenses	(11 075 450)	(10 031 684)
Other income	2 883 115	1 242 068
Other expenses	(9 322 063)	(2 595 671)
Total operating profit	55 653 308	73 101 831
Other non-operating income/expenses	(1 438 984)	24 930 255
Financing income	7 603 565	5 716 616

Financing expenses	(2 448 901)	(2 171 000)
Profit before tax	59 368 988	101 577 702
Income tax expenses	(12 525 227)	(21 934 973)
Profit for the year	46 843 761	79 642 729
<i>Earnings per share (tenge)</i>	<i>122</i>	<i>207</i>
Total assets	691 872 944	570 861 412
Total liabilities	141 300 479	127 490 985
Total equity	550 572 465	443 370 427
<i>Book value of a share (tenge)</i>	<i>1 428</i>	<i>1 149</i>

the annual consolidated financial statements of the Company for 2016 with the following main financial indicators:

Indicator	thous.tenge	
	2016	2015
Revenue	207 107 815	213 161 762
Cost of sales (goods, services)	(129 861 783)	(124 063 989)
Gross profit	77 246 032	89 097 773
Administrative expenses	(15 653 399)	(12 092 220)
Other income	3 939 775	1 659 141
Other expenses	(15 080 724)	(3 064 851)
Total operating profit	50 451 684	75 599 843
Other non-operating income/expenses	(1 611 563)	25 544 225
Financing income	6 190 905	3 026 897
Financing expenses	(2 459 837)	(2 177 430)
Share in income/(loss) of joint ventures	2 336 465	(34 674 141)
Profit before tax	54 907 654	67 319 394
Income tax expenses	(10 379 736)	(22 606 458)
Profit for the year	44 527 918	44 712 936
<i>Earnings per share (tenge)</i>	<i>116</i>	<i>116</i>
Total assets	744 975 997	619 262 524
Total liabilities	157 000 715	146 331 014
Total equity	587 975 282	472 931 510
<i>Book value of a share (tenge)</i>	<i>1 512</i>	<i>1 210</i>

On the **second agenda item** N. Shmanov gave the floor to Deputy General Director of the Company for Economics and Finance M. Berlibayev.

M. Berlibayev informed the shareholders that, in accordance with the Dividend Policy and the Procedure on distribution of net income of the Company, the amount 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 a past year depending on which one is the highest.

Based on the financial statements of the Company for 2016, the consolidated net income is equal to 44,527,918,000 (forty four billion five hundred twenty seven million nine hundred eighteen thousand) tenge, while the separate net income comprised 46,843,761,000 (forty six billion eight hundred forty three million seven hundred sixty one thousand) tenge. 40% of the separate net income

is 18,737,504,400 (eighteen billion seven hundred thirty seven million five hundred four thousand four hundred) tenge.

At the same time, the Company's Board of Directors decided on April 14, 2017 to recommend:

paying dividends in the amount of 44,527,918,000 (forty four billion five hundred twenty seven million nine hundred eighteen thousand) tenge that is 100% of the Company's net income received for 2016, and 15,089,437,345 (fifteen billion eighty nine million four hundred thirty seven thousand three hundred forty five) tenge from retained earnings for past years;

confirming the amount of one dividend for 2016 - 155 (one hundred fifty five) tenge.

The amount of dividends proposed by the Board of Directors for 2016 totals 59,617,355,345 (fifty nine billion six hundred seventeen million three hundred fifty five thousand three hundred forty five) tenge.

The list of shareholders entitled to receive dividends on common shares of the Company for 2016 will be recorded as at 12:00 a.m., June 14, 2017. It is therefore proposed to start paying dividends on common shares of the Company for 2016 from June 27, 2017.

The dividends will be paid by due cash transfer to the accounts of the Company's shareholders.

N. Shmanov put the issue of confirmation of the procedure on distribution of the Company's net income for 2016, retained earnings for past years, adoption of the decision on payment of dividends on common stock and confirmation of the amount of dividends per one common share of the Company to vote.

Voted:

"Pro" – 346,356,795 votes

"Contra" – no

"Abstained" – no

The simple majority decision was taken given the total number of the Company's voting participating shares:

1. To confirm:

1) the following procedure of distribution of net income earned upon the results of 2016 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, KZ536010111000012185 (KZT), in the amount of 44,527,918,000 (forty four billion five hundred twenty seven million nine hundred eighteen thousand) tenge – to pay dividends in the amount of 44,527,918,000 (forty four billion five hundred twenty seven million nine hundred eighteen thousand) tenge, or 100% of the Company's net income;

2) the following procedure of distribution of retained earnings for past years - to pay dividends in the amount of 15,089,437,345 (fifteen billion eighty nine million four hundred thirty seven thousand three hundred forty five) tenge;

3) the amount of one dividend for 2016 per one common share of the Company in the amount of 155 (one hundred fifty five) tenge.

2. To fix the list of shareholders entitled to receive dividends on common shares of the Company for 2016 as of 12:00 a.m., June 14, 2017.

3. To determine the date of starting payment of dividends on common shares of the Company for 2016 - June 27, 2017.

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.

2. General Director (Chair of the Management Board) of the Company D. Dossanov to duly take necessary measures to bring this resolution into effect.

On the **third agenda item** N. Shmanov 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 2016, 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.

N. Shmanov put the issue of confirmation of the Annual Report of the Board of Directors of the Company on its performance in 2016 to vote.

Voted:

"Pro" – 346,356,795 votes

"Contra" – no

"Abstained" – no

The simple majority decision was taken given the total number of the Company's voting participating shares:

To confirm the enclosed Annual Report of the Board of Directors of the Company on its performance in 2016.

IR Service Head A. Massalin delivered his speech on the **fourth agenda item**. He noted that, in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and the Company's Charter, the AGM shall consider the issue of claims 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' claims against actions of the Company and its officials and the results of their consideration.

As part of the issue, it was noted that there were no any claims of shareholders against actions of the Company and its officials in 2016.

N. Shmanov put the issue of claims of shareholders of the Company against actions of the Company and its officials for 2016 and results of their consideration to vote.

Voted:

"Pro" – 346,356,795 votes

"Contra" – no

"Abstained" – no

The simple majority decision was taken given the total number of the Company's voting participating shares:

To take into account the information on absence of claims of shareholders of the Company against actions of the Company and its officials for 2016.

On the **fifth agenda item** N. Shmanov gave the floor to Corporate Secretary A. Shmanov.

A. Shmanov informed that, the AGM in its resolution dated May 20, 2015 (Minutes No.1/2015) determined the quantitative composition of the Company's Vote Counting Commission - fourteen (14) members with the term of powers – three (3) years starting from March 13, 2016.

Given the staff changes in the Company, the need is to early terminate the powers of particular members of the Company's Vote Counting Commission, who are no more the Company's employees, in order to further arrange and hold general meetings of shareholders in a proper way. Also, the need is to elect the new members of the Company's Vote Counting Commission out of the Company's employees.

The proposal is to elect R. Bigzayev as the Chair of the Vote Counting Commission.

N. Shmanov put the issue of early termination of powers of particular members of the Company's Vote Counting Commission and election of its new members to vote.

Voted:

"Pro" – 346,356,795 votes

"Contra" – no

"Abstained" – no

The majority decision was taken:

1. To early terminate the powers of the following members of the Company's Vote Counting Commission:

Aliya Zhakutova, Chair of the Vote Counting Commission;
Svetlana Abdibayeva;
Samat Abilbekov;
Aisamal Abilkhan;
Dana Bekzhanova;
Gulsara Yermagambetova;
Perizat Mukhanova;
Aizhan Ormantayeva.

2. To elect the following employees of the Company as the members of the Company's Vote Counting Commission for the term of powers duly set for the Company's Vote Counting Commission:

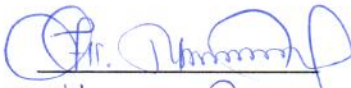
Renat Bigzayev, Chair of the Vote Counting Commission;
Ayan Baimakhanov;
Asset Kulisbayev;
Balzhan Lesbayeva;
Gulzhazira Nakisheva;
Dina Nussipzhanova;
Zhanna Tapayeva;
Maral Temirbayeva.

Chair

Secretary




N. Shmanov
A. Shmanov

Vote Counting Commission members:


A. Kabakayeva



S. Kozhakhmetov

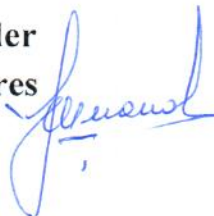


R. Makhambetova



M. Turkmenova

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



N. Shmanov