

**JOINT – STOCK COMPANY
"CENTRAL – ASIAN ELECTRIC POWER CORPORATION"**

«COORDINATED»

By the decision of the Board
Of Directors of "CAEPCO" JSC
December 03, 2014
(minutes # 7)

«APPROVED»

by the Decision of General
Meeting of shareholders
of "CAEPCO", JSC
April 17, 2015
(Minutes #1)

**REGULATION
ON THE BOARD OF DIRECTORS**

Almaty, 2015



«Central – Asian Electric Power Corporation» JSC

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1. PREAMBLE

- 1.1. This Regulation on the Board of Directors (hereinafter referred to “the Regulation”) was developed in accordance with the Republic of Kazakhstan “On Joint-Stock Companies”, Articles of Association of Joint –Stock Company “Central-Asian Electric Power Corporation” (the “Company”) and Corporate Governance Code shall detail procedure for organization of activity of the Board of Directors as a governing body of the Company.
- 1.2. This Regulation shall determine goals and functions, procedure of forming, status and members of the Board of Directors, rights, obligations and responsibility of the Board of Directors members, procedure for organization of activity of the Board of Directors and its coordination with other bodies of the Company.
- 1.3. The Board of Directors is governed by legislation of the Republic of Kazakhstan, Charter, Corporate Governance Code, and other internal normative documents of the Company.

2. GOALS AND MAIN PRINCIPLES OF THE BOARD OF DIRECTORS ACTIVITY.

- 2.1. Goals of the Board of Directors activity shall be: ensuring the existence of circumspect and oriented for a long perspective strategy, increase of the Company assets and providing that the Company runs the effective business, representation of legal interests of the shareholders and performing the monitoring over activity of the Executive body.
- 2.2. In order to realize its goals the Board of Directors shall be governed by the following principles:
 - 2.2.1. Making decisions on the basis of collective discussion of issues using the full and true information on the Company operation in accordance with the highest business standards;
 - 2.2.2. preventing any limitation of legal interests and rights of shareholders to participate in the Company governance, receiving by shareholder of dividends, reports and information on the Company;
 - 2.2.3. ensuring to reach the balance of interests of the Company’s shareholders and taking by the Board of Directors of maximally objective decisions in the best interests of all shareholders of the Company;
 - 2.2.4. providing the reliable and timely information to the Company shareholders;
 - 2.2.5. individual responsibility of members of the Board of Directors, established by the law of the Republic of Kazakhstan in favor of the Company and shareholders for any harm caused by their actions (omissions to act), losses incurred by the Company, including but not limited by the losses, incurred as the result of the following:
 - 1) submitting of misleading or deceptive information;
 - 2) violation of information giving order established by the legislation of the Republic of Kazakhstan;
 - 3) proposal for conclusion and (or) making decision on conclusion of sufficient transaction and (or) interested party transactions, leading to incurrence of losses of the Company as the result of unscrupulous practice and (or) omission to act, including with a purpose of reception revenues (income) by them or their affiliated parties as the consequence of conclusion of such transactions.
 - 2.2.6. Other principles set forth in the Corporate Governance Code.

3. FUNCTIONS AND COMPETENCE OF THE BOARD OF DIRECTORS

- 3.1. The main functions of the Board of Directors shall be the following:
 - 3.1.1. determination of directions of the Company’s development and establishing the basic directions of the Company business over the longer term;
 - 3.1.2. appraisal objectively of meeting the approved priority directions to the financial and operation activities of the Company taking into account the market situation, financial state of the Company and other factors influencing;
 - 3.1.3. approval of internal procedures of the Company regulating the internal activity of the Company as well as risk management system and internal control, monitoring of efficiency and necessity of such procedures.

- 3.2. Following items pertain to the exclusive competency of the Board of Directors:
- 3.2.1. determination of priority directions of the Company's operation and development Strategy of the Company or approval of development plan of the Company in circumstances stipulated by the legislative acts of the Republic of Kazakhstan;
 - 3.2.2. approval of annual consolidated business plan and its amendment;
 - 3.2.3. making decisions on calling for annual and extraordinary General Meetings of Shareholders;
 - 3.2.4. forming of the agenda for the General Meeting of Shareholders and confirmation of following issues, subject to approval by the General Meeting of Shareholders:
 - decisions on dividends;
 - repurchase of shares;
 - splitting of shares;
 - dividends in the form of shares or any other types of the Company's profits distribution;
 - increase in the quantity of the authorized shares of the Company and change of their type;
 - rights and forms of the Company's shares;
 - altering and amending Charter of the Company or Dividend Policy;
 - 3.2.5. making decision on placement (sale) of shares, including the quantity of shares to be placed (sold) within the limits of authorized shares, procedure and price of their placement (sale);
 - 3.2.6. making decision on purchase of placed shares or other securities by the Company, and their price;
 - 3.2.7. preliminary approval of annual financial statement of the Company;
 - 3.2.8. approval of regulations on Board of Directors;
 - 3.2.9. annual submitting of the report on the Company's activity for the reporting period to the Board of Directors;
 - 3.2.10. stipulation of conditions for the issue of bonds and derivative securities of the Company, as well as making decision on their issue;
 - 3.2.11. appointment of the President of the Company, term of his powers, and early termination of his powers;
 - 3.2.12. stipulation on volume of official salary, wage conditions, and conditions for giving bonuses to the President of the Company;
 - 3.2.13. approval by the Company of the agreements on use of intellectual property except held for sale;
 - 3.2.14. establishment of size, term of powers of Internal Audit Department, appointment of its head and members, as well as early termination of their powers, establishment of working order for the Internal Audit Department, volume, wage conditions, and conditions for giving bonuses to the employees of the Internal Audit Department;
 - 3.2.15. appointment and establishment of the term of powers of the Corporate Secretary, early termination of his/her powers, as well as establishment of the volume of official salary and conditions for giving bonuses to the Corporate Secretary;
 - 3.2.16. establishment of the amount of payment for audit company for audit of financial statements, and appraiser of the market value of property transferred for payment of shares or being a subject of material transaction;
 - 3.2.17. approval of documents regulating the Company's internal activities (except for the documents adopted by the President for the purposes of organization of the Company's activities), including internal document establishing conditions and procedure for holding of an auction and signing of the company's securities;
 - 3.2.18. making decisions on establishment and closing of the Company's affiliates and representative offices and approval of regulations on them;
 - 3.2.19. making decisions on acquisition (carve-out) by the Company of ten or more per cent of shares (participatory interest in the registered capital) of other legal entities taking into account provisions of clauses 3.2.20. and 3.2.22;
 - 3.2.20. making decisions on issues concerning activity within the competence of the General Meeting of Shareholders (participants) of legal entity, ten or more per cent of shares

- (participatory interest in the registered capital) of which belong to the Company, but not more than fifty per cent of shares (participatory interest in the registered capital);
- 3.2.21. increase of the Company's obligations by the amount being the equivalent of more than EUR 10 000 000 (ten million), (as a result of one or several interrelated transactions), irrespective of whether was such increase provided for by the annual Business Plan or not, in this case no additional approval of particular obligations or expenditures stipulated by the annual Business Plan is necessary;
 - 3.2.22. approval of decisions on issuing loans or guaranteeing the third parties' obligations or acquisition of the third parties' obligations, including consent to compensation of losses;
 - 3.2.23. specification of information concerning the Company or its activities, being an official, commercial or any other secret protected by the law;
 - 3.2.24. making decisions on concluding material transactions or transactions in which the Company has an interest with account of the provisions of clause 3.2.20;
 - 3.2.25. approval of decisions on merger, amalgamation, alienation of the Company's assets (through sale, lease or by any other means) with balance-sheet value exceeding the equivalent of EUR 10 000 000 (ten million) separately or in the aggregate taking into account the provisions of clause 3.2.20;
 - 3.2.26. other issues provided for by the Articles of Association, which are not within the exclusive competence of the General Meeting of the Shareholders.
- 3.3. Decisions made by the Board of Directors on the list of issues, mentioned in sub-clauses 3.2.1, 3.2.3, 3.2.4, 3.2.5, 3.2.6, 3.2.10, 3.2.11, 3.2.18-3.2.21, 3.2.24, 3.2.25 are brought to the notice of shareholders and investors in accordance with the requirements of legislative acts of the Republic of Kazakhstan.

4. FORMING THE BOARD OF DIRECTORS

- 4.1. Board of Directors shall consist of no less than 6 (six) members. At least one-third of the members of the Board of Directors of the Company shall be independent directors.
- 4.2. Election procedure of Board of Directors shall be determined by the RK Law "On Joint-Stock Companies" and Articles of Association. The President of the Company may also be elected into the Board of Directors but not as a Chairman of the Board of Directors.
- 4.3. Only an individual may become a member of the Board of Directors and shall be elected among:
 - 4.3.1. shareholders - individuals;
 - 4.3.2. persons offered (recommended) to be elected to the Board of Directors as representatives of shareholders' interests.
- 4.4. A person which is not a shareholder of the Company and has not been offered (recommended) for election to the Board of Directors as a representative of any shareholder' interests may be elected as a member of the Board of Directors. Number of such persons may not exceed fifty per cent of the Board of Directors.
- 4.5. Shareholders may offer for nomination of their candidates to the Board of Directors within 15 (fifteen) calendar days of the date of notification of the shareholders on calling the General Meeting of Shareholders and which agenda includes the issue on election of members of the Board of Directors.
- 4.6. Shareholders may offer their candidates for nomination to the Board of Directors by means of:
 - 4.6.1. regular mail sent to the location of the executive body of the Company;
 - 4.6.2. personal handing in to the President of Corporate Secretary of the Company and receipt of this offer shall be verified by a personal signature of one of the above mentioned persons.
- 4.7. Date of making an offer for nomination shall be determined by the date of receipt of it by the Company (if it was sent by regular mail) and the date of signature on receipt in case of personal handing in.
- 4.8. Offer on nomination to the Board of Directors (including the case of self-nomination) shall contain surname, name, patronymic name or name of a shareholder offering the nominee, quantity of owned shares and the following information on the candidate:

- 4.8.1. surname, name, and patronymic name if so desired;
- 4.8.2. academic qualifications (name of educational institution, date of graduation, specialty) including trainings;
- 4.8.3. information on affiliation of the Company;
- 4.8.4. professional background of the candidate within the last 3 (three) years and on positions hold by the candidate in governance boards of other legal entities for the last 5 (five) years;
- 4.8.5. list of legal entities where the candidate is a shareholder of more than 10 (ten) percent of shares and /or participant and number of owned shares, interests and/or equities in the authorized capital of those legal entities;
- 4.8.6. relations of the candidate with affiliates and counteragents of the company, if any;
- 4.8.7. information on any outstanding or expunged in accordance with the legislation convictions of the Republic of Kazakhstan;
- 4.8.8. consent of the candidate for nomination to the Board of Directors of the Company.
- 4.9. The offer shall be signed by the shareholder or his representative and enclosed by duly made Power of Attorney, if necessary.
- 4.10. Corporate Secretary of the Company shall consider the offers on nomination of candidates to the Board of Directors and represent to the General Meeting of shareholders the comments about candidates, if:
 - 4.10.1. the order of offers submission on nomination of candidates stipulated by items 4.7, 4.8 of article 4 of the Regulation were met;
 - 4.10.2. a candidate meets the requirements of the Republic of Kazakhstan Law, Charter, Corporate Governance Code and Regulation on Members of the Board of Directors of the Company;
 - 4.10.3. offers of a shareholder (shareholders) meet the requirements of Articles of Association (Charter) and this Regulation;
 - 4.10.4. if the candidate indicated in the offer as an independent director meets the criteria of independence in accordance with the requirements of the Republic of Kazakhstan law “On Joint-Stock Companies”.as it has been.

5. STATUS OF THE BOARD OF DIRECTORS MEMBERS

- 5.1. No person may be a member of the Board of Directors , if he:
 - 5.1.1. has no the higher education;
 - 5.1.2. has any outstanding or expunged in accordance with the legislation convictions;
 - 5.1.3. has been an official of the legal entity which was declared a bankrupt or temporarily closed, rehabilitated, compulsory liquidated during his servicing at this entity. This requirement shall be valid within 5 (five) years after the date when the decision on bankruptcy, temporary close, rehabilitation, compulsory liquidation was taken;
- 5.2. A person which earlier has been a public official and had powers to control and supervise the Company activity on behalf of the state may not be elected to Board of Directors of the Company within one year after termination of such powers.
- 5.3. Persons elected as members of the Board of Directors may be reelected unlimited number of times unless otherwise stipulated by the Republic of Kazakhstan Law or Articles of the Company.
- 5.4. In the event General Meeting of Shareholders intends to terminate the powers of certain, but not all, members of the Board of Directors no director can be dismissed without any cause if the number of votes voted against dismissal of this director would be enough for electing such director in case of election of the whole membership of the Board of Directors.
- 5.5. Early termination of powers of a member of the Board of Directors on his (her) own initiative shall be carried out on the basis of a written notification to the Board of Directors. Powers of such member of the Board of Directors shall be terminated at the moment of receipt of such notification by the Board of Directors.
- 5.6. In case of early termination of powers of a member of the Board of Directors, new member shall be elected through cumulative voting by the shareholders attended the General Meeting of Shareholders, taking into account provisions of p. 3 of Art. 54 of the Law of the Republic of Kazakhstan “On joint stock companies” and by that the powers of newly elected

member of the Board of Directors shall be terminated simultaneously with termination of the powers of the Board of Directors as a whole.

6. RIGHTS AND OBLIGATIONS OF MEMBERS OF BOARD OF DIRECTORS

- 6.1. Members of Board of Directors shall have the right to:
 - 6.1.1. call for the meeting of the Board of Directors;
 - 6.1.2. require to insert into protocol of the meeting of the Board of Directors an individual opinion on agenda and decisions being taken;
 - 6.1.3. familiarize with normative, accounting, reporting, financial and other documents of the Company, including complete auditor's opinions necessary to decide on issues which are in the competence of the Board of Directors as well as to ask from the President and heads of structural subdivisions, including subsidiaries and related organizations other information regarding the Company operation, and fully rely on the information provided to the member of the Board of Directors while considering, discussing and taking decisions; (in order to prevent unreasoned requests and possible abuse, members of the Board of Directors should send all requests for information through the Chairman of the Board of Directors or notifying him/her and in the event of confidential information, with additional explanation or indicating the reasons for such request (that information is needed for taking such decision or executing such action));
 - 6.1.4. receive for exercising their duties remuneration and (or) compensation in cases and in the volume established by the decision of the General Meeting of Shareholders;
 - 6.1.5. review minutes of meetings of the Board of Directors and other collegial bodies of the Company and take copies or extracts of them;
 - 6.1.6. exercise other powers stipulated by the Republic of Kazakhstan Law, Articles of Association, the Regulation and by-laws of the Company.
- 6.2. Members of the Board of Directors shall have to:
 - 6.2.1. act in good faith, reasonably and fairly, in compliance with the requirements and moral principles, rules of business ethics stipulated by the Republic of Kazakhstan Law, Articles of Association, the Corporate Governance Code and this Regulation in the best interests of the shareholders of the Company;
 - 6.2.2. Behave fairly toward all shareholders, give objective independent reasoning on corporate issues;
 - 6.2.3. Review and eliminate, if possible, potential conflicts of interest at the level of officers and shareholders, including unauthorized usage of the Company's property and abusive practice during execution of transactions, which are related to the non-arm's length transactions;
 - 6.2.4. execute control of the effectiveness of Corporate management practice within the Company;
 - 6.2.5. keep confidentiality of the information on the Company which has become known them during discharging their duties of a member of the Board of Directors and within after termination of working for the Company;
 - 6.2.6. participate in meetings and in work of committees of the Board of Directors which they belong to;
 - 6.2.7. notify in advance the Corporate Secretary of the Company on impossibility to attend the meetings of the Board of Directors;
 - 6.2.8. in case of circumstances which make impossible to execute functions of members of the Board of Directors within 3 (three) working days members of the Board of Directors shall send a notification (application) on impossibility to continue executing of functions of members of the Board of Directors to the Chairman of the Board of Directors or the President of the Company;
 - 6.2.9. Independent directors shall have to refrain from doing any actions which may result in quit of being independent anymore. If in case of circumstances change an independent director quits to as is within 3 (three) working days he shall inform in writing the Chairman of the Board of Directors and the President of the Company;

- 6.2.10. Not to use his position and received information about the Company operation in his personal interests and not to let using it by other persons;
- 6.2.11. In due time inform the Company about being an affiliate or any changes on that;
- 6.2.12. Inform the Board of Directors on any assumed transactions in making of which he might be interested in;
- 6.2.13. Be not a member of Boards of Directors in over than five commercial organizations at the same time
- 6.2.14. Execute other obligations, specified by the internal documents of the Company and decisions of the General meeting of shareholders.

7. CHAIRMAN OF THE BOARD OF DIRECTORS

- 7.1. Chairman of the Board of Directors shall be elected from among its members by the majority of votes of all members of the Board of Directors by open voting.
- 7.2. In the order stipulated by the Republic of Kazakhstan legislation, Articles of Association and the Code the Chairman of the Board of Directors shall have to:
 - 7.2.1. organize the work of the Board of Directors;
 - 7.2.2. conduct the meetings the Board of Directors;
 - 7.2.3. call for meetings of the Board of Directors and preside on such meetings;
 - 7.2.4. conclude on behalf of the Company a labor contract with the President of the Company.
- 7.3. in case of absence of the Chairman of the Board of Directors his functions shall be exercised by one of members of the Board of Directors in accordance with the decision taken by majority of votes of members attending the meeting.

8. MEETINGS OF THE BOARD OF DIRECTORS

- 8.1. Meetings the Board of Directors may be hold in presentia and absentia.
- 8.2. The meetings of the Board of Directors in presentia at which the decisions on key issues of the Company activity are made shall be held at least once every quarter. In specific cases the Board of Directors could decide to held less number of meetings in presentia, but at any case the total quantity of the Meetings of the Board of Directors in presentia should be not less then three times per year. The meetings in presentia shall be realized through joint presence at meetings and also through a videoconference, a phone conference or other means of communication. Any members of the Board of Directors may attend the meeting of Board of Directors which is held in presentia, phone or other means of communication which allows all participants of the meeting to hear and speak with each other. The person participating in this way is considered as he/she personally presents at the meeting and, according to the Articles of Association (Charter) shall have a right to vote and be counted for quorum.

9. ORDER FOR CALLING THE MEETING OF BOARD OF DIRECTORS

- 9.1. Meeting of the Board of Directors shall be called on the initiative of its Chairman, the Company's President or upon the request: of any member of the Board of Directors. The Internal Audit Department of the Company, audit organization, which audits the Company, and a principal shareholder ;
- 9.2. Request for calling of the meeting of the Board of Directors shall be presented to the Chairman of the Board of Directors by sending a proper written notice.
- 9.3. Request for calling of the meeting of the Board of Directors shall contain:
 - 9.3.1. a surname, a name, a patronymic name of the initiator or the name of board of the Company or the legal entity which requested for calling of the meeting of the Board of Directors;
 - 9.3.2. agenda of the meeting;
 - 9.3.3. materials concerning the agenda;
 - 9.3.4. power of attorney, protocol or other documents confirming powers of the person, signed the request.

- 9.4. Request for calling may also contain other information at the discretion of the initiator, including draft decisions concerning the agenda.
- 9.5. The Chairman of the Board of Directors shall have no right to refuse for calling of the meeting of the Board of Directors except for cases, when:
 - 9.5.1. a person who has made the request does not possess the right to request for calling of the meeting of the Board of Directors;
 - 9.5.2. if the issues offered for consideration by the Board of Directors are not within the competence the Board of Directors.
- 9.6. The Chairman of the Board of Directors shall have to consider the request for calling of the meeting within 3 (three) days and direct to the initiator of calling the meeting the notice on the decision taken within 2 (two) working days from the date of taking the decision.
- 9.7. In case the Chairman of the Board of Directors has satisfied the request for calling the meeting of the Board of Directors he shall have the right to determine the form of meeting and to add items to the offered agenda of the meeting.
- 9.8. Meeting of the Board of Directors shall be called by the Chairman of the Board of Directors or by the Company's President within 10 (ten) calendar days from the moment of receipt of the request for calling of the meeting. The meeting of the Board of Directors shall be carried out with compulsory invitation of the person presented the request.

10. PREPARATION OF MATERIALS FOR MEETINGS OF THE BOARD OF DIRECTORS

- 10.1. Materials for meetings of the Board of Directors on issues initiated by the President shall be prepared by appropriate structural divisions of the Company in the following order:
 - 10.1.1. draft resolution of the Board of Directors, explanation note to it and other materials for issues put for consideration by the Board of Directors shall be prepared by the structural division which initiated this issue by the President's order;
 - 10.1.2. the Company President shall preliminarily agree with the Chairman of the Board of Directors the agenda of forthcoming meeting and then prepare a necessary set of materials to be considered by the Board of Directors;
 - 10.1.3. each sheet of materials put for consideration by the Board of Directors shall be sign by an executive of the structural division of the Company;
 - 10.1.4. draft resolution of the Board of Directors, explanation note to it shall be signed by a head of structural division which initiated this issue, a head of Legal Department and other structural divisions the competence of which the issue is related to;
 - 10.1.5. Corporate Secretary shall check the completeness of all materials put for consideration by the Board of Directors, prepare draft request for calling the meeting of Board of Directors,;
 - 10.1.6. On the basis of resolution of the Chairman of the Board of Directors on calling the meeting of the Board of Directors the Corporate Secretary shall send written notification to all members of the Board of Directors on calling the meeting of the Board of Directors with enclosed materials on agenda within no less than 7 (seven) days before date of the meeting holding. Notification on holding the meeting of the Board of Directors shall contain information on date, time and place of the meeting as well as its agenda.
- 10.2. Materials on agenda issues of the meeting of Board of Directors may be send by-email. Corporate Secretary shall be responsible for ensuring that members of Board of Directors receive materials on agenda items in due time.
- 10.3. Corporate Secretary together with structural divisions which are responsible for organizational and technical providing of the Company activity shall arrange for meeting of the Board of Director, determine its quorum for authorized holding of the meeting of the Board of Directors.
- 10.4. In order to carry out meeting of the Board of Directors there shall be quorum equal to at least a half of the total number of the members of the Board of Directors. Decisions on issues specified in Article 3 of the Regulation, sub-clauses 3.2.1, 3.2.2, 3.2.4, 3.2.5, 3.2.11, 3.2.13, 3.2.21, 3.2.22, 3.2.24, 3.2.25 shall be taken unanimously in the presence of all the members of the Board of Directors.

- 10.5. Each member of the Board of Directors shall have one vote. Decision of the Board of Directors shall be taken by simple majority of votes of the members attended the meeting until otherwise is stipulated by the Republic of Kazakhstan Law and Articles of Association of the Company. Any member of the Board of Directors of the Company may not transfer the right to vote to any other person or other member of the Board of Directors of the Company. Members of Board of Directors may not assign representative to attend any meetings of the Board of Directors in case of his absence. In case of equality votes the vote of the Chairman of the Board of Directors shall be decisive.
- 10.6. In case a member of the Board of Directors does not agree in full or partially with the decision taken by the Board of Directors he shall have to make such disagreement in the form of a dissenting opinion on the issue put for voting which is fixed by Corporate Secretary in the minutes of meeting of the Board of Directors held in presentia. If the decision of the Board of Directors is made by absent voting the dissenting opinion of the member of the Board of Directors shall be made in writing and enclosed to the ballot.

11. MINUTES OF MEETING OF BOARD OF DIRECTORS

- 11.1. Decisions of the Board of Directors taken at its meetings, hold in presentia, shall be executed in the form of minutes, which shall be drawn up and signed by a person acting as the chairman of the meeting and Corporate secretary within 3 (three) days after the meeting.
- 11.2. Minutes of the meeting of the Board of Directors shall contain the following information:
- 1) Full name and location of the Executive board of the Company;
 - 2) date, place and venue of the meeting;
 - 3) information on persons attended the meeting;
 - 4) agenda of the meeting;
 - 5) issues put for voting and results of that voting;
 - 6) decisions taken;
 - 7) other information according to the decision of the Board of Directors.
- 11.3. On the discretion of the Chairman of the Board of Directors taking decisions on issues put for consideration by the Board of Directors may be made by absent voting. In this case absentee ballots shall be used for voting on the agenda issues. In case of absentee voting the decisions shall be recognized as taken in case of quorum available in ballots received in due time.
- 11.4. Ballot shall contain:
- 1) full name and location of the Company;
 - 2) issues put for voting and results of voting for each issue;
 - 3) options for voting for each issue: «for», «against», «abstain»;
 - 4) dissenting opinion;
 - 5) postal address for mailing the filled up ballots;
 - 6) final date for accepting the ballots.
- 11.5. Decisions on absent voting shall be executed in the written form no later than 3 (three) working days after final date of ballots accepting and shall be signed by the Chairman of the Board of Directors and Corporate Secretary of the Company. Within 20 (twenty) days after formalizing the decision it shall be sent to all members of the Board of Directors with the enclosed copies of ballots on basis of which the decision (resolution) was made. Decision (resolution) of the absent meeting of the Board of Directors shall contain:
- 1) Issues put for absent voting;
 - 2) Wording of decisions on each issue;
 - 3) dissenting opinions of members of the Board of Directors;
 - 4) results of voting for each issue and results of roll-call voting.
- 11.6. Chairman of the Board of Directors shall be responsible for correct drawing-up of the minutes and decisions of meetings of the Board of Directors both in presentia and absentia.
- 11.7. Minutes and decisions of meetings of the Board of Directors both in presentia and absentia shall be kept by Corporate Secretary within one calendar year and then transferred to the Company's archives. Records of minutes and decisions of meetings of the Board of

Directors both in presentia and absentia shall be assigned by order numbers for one calendar year. Corporate Secretary shall on the request of a member of the Board of Directors submit original records of protocols and decisions made at the meetings for the purposes of familiarization and (or) give the extracts from the Records of minutes and decisions verified by the signature of Corporate Secretary and Company's seal.

12. COMMITTEES OF THE BOARD OF DIRECTORS

- 12.1. In order to consider the most important issues and to prepare recommendations for the Board of Directors the Company creates committees of the Board of Directors on the following issues:
- 1) Strategic planning;
 - 2) Personnel and remuneration;
 - 3) Internal audit;
 - 4) Social aspects; and
 - 5) Other issues stipulated by the Company's internal and regulatory documentation.
- 12.2. The Board of Directors may create any other committees stipulated by the Republic of Kazakhstan Law and Company's internal and regulatory documentation.
- 12.3. Procedure for formation and work, size of the committees of the Board of Directors and procedure of coordination with the Board of Directors shall be established by Company's internal and regulatory documentation approved by the Board of Directors.

13. CORPORATE SECRETARY OF THE COMPANY

- 13.1. Corporate Secretary assigned by the Board of Directors shall provide the Board of Directors activity. Status, rights and obligations of Corporate Secretary shall be defined by Articles of Association, Corporate Governance Code and Regulation on Corporate Secretary of the Company.
- 13.2. Corporate Secretary shall explain to newly elected members of the Board of Directors the Company regulations on activity of the Board of Directors and other bodies of the Company, as well as an organizational structure of the Company, inform on officials of the Company, familiarize with by-laws of the Company, decisions of General Meeting of shareholders and meetings of the Board of Directors, provide other information important for duly execution of their obligations.
- 13.3. Members of the Board of Directors shall inform in writing the Corporate Secretary their postal addresses, phone number (including e-mail addresses) and if they were changed within 3 (three) working days from the date of such changes.
- 13.4. Corporate Secretary annually initiates actions on actualization of this Regulation on the Board of Directors, taking into account the requirements of acting legislation of the Republic of Kazakhstan and by-laws of the Company.

14. APPRAISAL OF BOARD OF DIRECTORS ACTIVITY

- 14.1. Chairman of the Board of Directors may execute a detailed assessment of the work of the Board of Directors, working of its Committees and each member of the Board of Directors by the mean of attracting independent consultants or by execution of self-assessment using questionnaires.
- 14.2. The results of appraisal of the Board of Directors activity shall be presented at the annual General Meeting of Shareholders.
- 14.3. Members of the Board of Directors execute their activity in accordance with the requirements of legislation of the Republic of Kazakhstan, Articles of Association of the Company, Regulation on the Board of Directors. Separate terms of execution of functions and obligations of the member of the Board of Directors (including independent director) can be provided in the agreement between the Company and the member of the Board of Directors.

- 15. TERMS AND PROCEDURES OF PAYMENT REMUNERATION AND COMPENSATION OF EXPENSES TO THE BOARD OF DIRECTORS MEMBERS**
- 15.1. Members of the Board of Directors get monthly remuneration for execution of their duties. Members of the Board of Directors do not have right to get any other remunerations and (or) compensation of the expenses by the Company, for execution of their powers, except those specified by this Regulation.
- 15.2. The Company shall disclose the information on size of remuneration of the Board of Directors members in accordance with the Republic of Kazakhstan legislation. Information on size of remuneration of the Board of Directors members for the reported period shall be subject to disclosure at the annual General Meeting of Shareholders.
- 15.3. Terms, procedures of payment, and size of remuneration:
- 15.3.1. The Company pays remuneration to the members of the Board of Directors from the moment of election to the Board of Directors by the general meeting of shareholders of the Company and during the period of their duties' execution;
- 15.3.2. Remuneration to the members of the Board of Directors is set for execution of functional duties and is a fixed monthly remuneration, which is set by the decision of the general meeting of shareholders of the Company;
- 15.3.3. In exclusive cases, by the decision of the General meeting of shareholders of the Company, a different procedure of payment and size of remuneration may be set to the Members of the Board of Directors, as well as compensation of expenses;
- 15.3.4. Remuneration to the Members of the Board of Directors for execution of their functional duties is paid monthly, not later than 10th (tenth) day of the month, following the billing month. From the sum of remuneration, accrued to the Member of the Board of Directors, the taxes and other obligatory payments in amount and terms, set by the Tax Code of the Republic of Kazakhstan, are to be deducted;
- 15.3.5. Remuneration to the Members of the Board of Directors is paid for the period of actual tenure in the Board of Directors of the Company;
- 15.3.6. Payment of remuneration is executed on a non-cash basis by the mean of transfer to the card (bank) account;
- 15.3.7. On the base of the decision of the General meeting of shareholders (minutes of the meeting) of the Company, remuneration for execution of functional duties is paid by the Company according to the documents, provided by the Corporate Secretary or person, which executes the duties of the Corporate Secretary;
- 15.3.8. Members of the Board of Directors are paid compensation of expenses, related to the execution of duties of the member of the Board of Directors of the Company on the base of documents, confirming such expenses.
- 16. FINAL PROVISIONS**
- 16.1. This Regulation shall come into effect from the date of its approval by the General Meeting of Shareholders of the Company. Approval of the Regulation as well as altering and amending of it shall be in the competence of General Meeting of Shareholders of the Company.
- 16.2. In the event of conflict between the separate provisions of the Regulation and legal norms of legislation of the Republic Kazakhstan, Articles of Association the provisions of legislation of the Republic of Kazakhstan and Articles of Association of the Company shall prevail. In the event of conflict between the Regulation and other by-laws of the Company approved by the Board of Directors and the President of the Company, the Regulation shall prevail. In the event of conflict between the Regulation and other by-laws of the Company approved by General Meeting of Shareholders, the document which was approved later shall prevail.
- 16.3. The Regulation is made in Russian and subject for translation into English. The Regulation is subject to publication on corporate website of the Company www.caepco.kz