

Approved by
The JSC «Samruk-Energy»
Management Board decision
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**The regulation on the investment and innovation council of the JSC
“Samruk-Energy”**

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1. General provisions

1. This Regulation on the Investment and Innovation Council of the JSC “Samruk-Energy” (hereinafter referred to as the Regulation) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of the JSC “Samruk-Energy” (hereinafter referred to as the Company) and the internal documents of the Company.

2. The Regulation is an internal document that defines status, the order of establishment, the main tasks and functions, the composition, procedure of convening and holding of meetings of the Investment and Innovation Council of the Company (hereinafter referred to as the Council), the making and execution of its decisions.

3. The Council is a permanent collegial and advisory body to the Management Board of the Company. The Council is established on the basis of a decision of the Management Board and reports directly to the Management Board of the Company.

4. The Council operates within the limits, given to him by the Management Board of the Company in accordance with this Regulation.

5. The Council conforms in its activity to legislation of the Republic of Kazakhstan, the Charter, this Regulation and the internal documents of the Company, as well as the decisions of the Council.

6. The following definitions are applied in this Regulation:

The investment stage is the stage of the life cycle of the investment project, with which the purchase (including the purchase/sale of shares or interests), construction, installation and commissioning of main funds, the creation of intangible assets, appropriate for the external or internal users. The investment stage of the Project starts with the making of a final investment decision on the implementation of the investment project by the competent authority of the Company/Fund, taking into consideration the decisions and recommendations of the Investment and innovation council of the Company/Investment and innovation committee of the Fund, and ends at the moment of transfer of property right for the site (asset), or commissioning of the object (asset) with the signing of the Act of commissioning (Act of Acceptance) by the members of the panel, adopting the site.

Subsidiaries and affiliates (SA) are the legal entities, fifty percent or more of voting shares (interests) of which belong to the JSC “Samruk-Energy” as a property or confidential management.

The pre-investment stage is the stage of the life cycle of the investment project, in which the preparation, planning, assessment and evaluation of the expected effectiveness of the planned investment project is carried out, including the preparation of a feasibility study of investments, as well as the expenses related to the specialized research conducting and/or the obtaining of the rights to carry out the field infrastructure development. The pre-investment stage of the investment project ends at the moment of making of a final investment

decision on the implementation of the investment project by the competent authority of the Company/Fund, taking into consideration the decisions and recommendations of the Investment and innovation council of the Company/Investment and innovation committee of the Fund.

Investment project is a set of measures, providing with the investments in establishment of the new productions, expansion and renewal of existing ones in order to obtain economic benefits as well as to acquire or alienate the shares (interests) of other legal entities.

Strategic project is the investment project of the Company and/or the SA, which meets at least one of the following criteria (except for an investment project, related to the social sphere, and/or the project within the limits of managerial and administrative activities of the Company):

- The estimated value of the Investment project is at least 10% of the equity capital of the Company as of the beginning of the reporting year;
- Financing of the Investment project is expected out of funds or guarantees of the Fund and/or the Company;
- Financing of the Investment project is expected out of funds of the state budget and targeted state loans with involvement of the state guarantees;
- The investment project is carried out at the instruction of the President of the Republic of Kazakhstan or the Government of the Republic of Kazakhstan;
- The investment project is carried out on the basis of the decision of the Fund or approval of the Investment and innovation committee of the Fund;
- The investment project is included in the Industrialization map of Kazakhstan (hereinafter referred to as the Industrialization map) within the State program for the crash industrial and innovative development of the Republic of Kazakhstan, the implementation of which the Fund is responsible for.

The Fund is the joint-stock company “Samruk-Kazyna” National Welfare Fund”.

1. Definitions, which are applied but not explained in this Regulation, correspond to the definitions, applied in the legislation of the Republic of Kazakhstan, the Charter of the Company and internal documents of the Company.

2. The purpose of the Council

2. The main purpose of the Council is the improvement of effectiveness of investment and innovation activity, as well as the increase in the content of Kazakhstan in the Company and its Subsidiaries and affiliates (hereinafter referred to as the SA).

3. Functions of the Council

3. The council implements the following functions in order to provide the achievement of its main purpose:

9.1. Consideration and making recommendations for the competent bodies of the Company and SA on the following issues:

- 1) Approval of the internal documents of the Company and SA on the issues of investment and innovation activities, as well as on the issues of a local content development (including the strategy, policy, program and norms);
- 2) Implementation of the pre-investment and investment stages of the Strategic projects;
- 3) The acquisition or carve-out of shares (interests) of the other legal entities by the Company, including within the limits of implementation by the Fund of a priority right for subsurface use (its part) and (or) the site, related to the right for subsurface use;
- 4) The acquisition or carve-out of shares (interests) of the other legal entities by SA, amalgamation of SA with the third-party legal entities (if these transactions meet the criteria for the Strategic project);
- 5) The establishment of legal entities within the limits of implementation of the Strategic projects;
- 6) Monitoring of the progress of the Strategic projects implementation;
- 7) The use of scientific and technological achievements and advanced experience of the international leading companies in innovation task solution;
- 8) Consideration of reports of SA on the progress of the implementation of activities on realization of the program documents in the field of innovation for the purpose of assessment of the effectiveness of their innovation activities;
- 9) Consideration of proposals for cooperation of the Company and SA with the leading scientific and educational institutions;
- 10) Consideration of proposals on the improvement of the level of innovation development of the Company and SA;
- 11) Identification of the promising new business directions of development of the Company and SA;
- 12) Implementation and monitoring of the programs aimed at increasing in the content of Kazakhstan in the Company and SA, as well as support for the domestic producers;
- 13) Coordination of the activities of the Company and SA on the implementation of the measures of the state programs, as well as instructions of the public authorities on the issues of development of a local content.

9.2. Decision-making on the following issues:

- 1) Generation of proposals on the inclusion (exclusion) of the Investment projects in the Industrialization map, as well as the correcting of its basic parameters;
- 2) Generation of proposals on the composition of the working groups

on the Investment projects, included to the Industrialization map;

3) Identification of the essential elements of the innovation management system.

10. The structural units of the Company implement the following functions within their competence:

1) Analysis and assessment of the presented proposals and the accompanying materials to the agenda of the meeting of the Council with regard to the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company, which regulate the issues of investment/innovation activity, as well as the efforts in order to increase a local content in the Company and SA;

2) Preparation of the materials on investment/innovation issues, as well as the issues on the development of a local content for the consideration by the Council;

3) Presentation of the investment/innovation issues, as well as the issues on the development of a local content for consideration of the Council;

4) Monitoring of implementation of the Council's decisions through making a statement on the results of execution of the decisions of the Council.

4. Composition of the Council

11. The Council consists of no less than 5 (five) people.

12. The Management Board of the Company defines composition of the Council.

13. The Chairman of the Council manages the activities of the Council. During the absence of the Chairman one of his Deputy Chairmen of the Council, identified by the Chairman of the Council, acts for him.

14. The working body of the Investment and innovation council of the Company is the following:

- The working body on the issues of investment activities of the Company – a structural unit of the Company responsible for investment activities;
- The working body on the issues of innovative activities – a structural unit, responsible for innovations;
- The working body on the issues of the purchase and carve-out of shares (interests) – a structural unit of the Company, responsible for the activities in the purchase and carve-out of shares (interests);
- The working body on the issues of a local content – a structural unit of the Company, responsible for a local content.

5. The terms and procedure for convening meetings of the Council

15. Materials that must be considered at the meeting of the Council (hereinafter referred to as the materials) are formed by the structural unit of the Company or the SA, initiating a meeting of the Council, and shall be submitted as the service note or an official letter to the relevant working body of the Council.

16. The working body of the Council submits materials to the Secretary of the Council within the period not exceeding 7 (seven) working days prior to the meeting of the Council.

Materials, submitted to the Secretary of the Council after exceeding of a reasonable period must not be included on the agenda, they shall be postponed until the next meeting or shall be considered in absentia.

17. Materials must contain the following:
 - 1) relevant information on the proposed issue;
 - 2) a draft of the required decision of the Council
 - 3) the necessary calculations and rationale for the proposed draft of the decision;
 - 4) the wording of the question submitted for consideration by the Council, and also position, surname, name and middle name of the reporter;
 - 5) a list of persons, who shall be among those invited for consideration of the issue, specifying the name, organization and occupied position (if necessary);
 - 6) other required materials

18. The draft of the decision shall be agreed with the relevant structural divisions in the prescribed manner, and if necessary with members of the Council.

The approval of documents submitted for consideration of the Council can be made through the electronic document circulation system.

19. The Secretary of the Council examines the completeness of the prepared material in accordance with the paragraph 17 of this Regulation. The Secretary of the Council shall be entitled to require the revision of the existing material or request the provision of additional materials

20. The Secretary of the Council must form a draft of the agenda of the Council meeting and submit it for approval of the Chairman of the Council, indicating the issues for consideration by the Council, the relevant reporters, estimated time and place of the meeting, the number of persons invited to participate in the meeting.

21. The decision to convene the meeting of the Council, the date, time and place of the meeting and the agenda issues and decision on the list of persons invited to participate in the meeting is made by the Chairman of the Council.

22. After the approval, the Secretary of the Council must send the agenda, as well as all necessary materials, to all members of the Council, within the period no less than four (4) working days for consideration. When prompt consideration of the issue is necessary, the Chairman of the Council may establish a shorter period in order to review the materials.

6. Procedure for meeting of the Council

23. The Council meets as and when necessary.

24. The quorum for a meeting of the Council is not less than a half of the total number of members of the Council.

25. The existence of quorum is determined by the Chairman of the Council at the opening meeting.

26. At the suggestion of the member(s), the Council has the right for further consideration at its meetings of matters that are not included to the agenda, subject to the consent of the majority of those participated at the meeting of the Council and with all necessary materials on the relevant issues.

27. Meetings of the Council, held face-to-face, must be recorded and also the audio recording is allowed.

In the case of the absentee meeting of the Council, the written response must be submitted by each of the members of the Council on the issues of agenda of the meeting of the Council.

28. If there is a disagreement on a decision on the issue(s) of agenda of the meeting of the Council or in case of “abstained” voting, the member of the Council, participated at the meeting, can submit, within the period of 24 hours from the end of the meeting, a written explanation on the reasons for this vote that shall be attached to the protocol or the Secretary of the Council shall reflect the position of the member of the Council directly in the text of the protocol.

29. In case of impossibility for a member of the Council to participate in the meeting, the expression of his will on the issue, as well as the draft of the decision, which he has previously examined, is allowed to be submitted in a written form. This written decision shall be taken into account when determining the quorum of the meeting and the results of the voting on the agenda, in the case if such written decision has been submitted to the Secretary of the Council prior to the beginning of the meeting.

7. The order of decision-making by the Council

30. The Council makes the decisions by a simple majority, presented at the meeting. In case of equality of votes, the decision shall be approved if voted for by the Chairman of the Council.

31. The transfer of votes by a member of the Council to the other parties, including other Council members is not allowed.

8. Protocol of the meeting of the Council

32. The protocol of the meeting of the Council shall include:

- 1) date, time and place of the meeting;
- 2) a list of the members of the Council, who participated in consideration of the Council's agenda, as well as a list of other persons, presented at the meeting of the Council;
- 3) agenda;
- 4) proposals of the members of the Council on the agenda;
- 5) the approved decisions.

33. The results of consideration of issues of the agenda of the meeting of the Council with an indication of the outcome for each issue shall be formed by the Secretary of the Council with the relevant protocol within 3 (three) working days from the date of the meeting.

34. The protocol of the meeting is initialed by all presented members of the Council and signed by the Chairman and the Secretary of the Council.

35. The Secretary of the Council shall bring the decisions taken at the meeting of the Council to the notice of all members of the Council, concerned structural units of the Company and the SA within the period not exceeding two (2) working days from the date of signing of the protocol.

36. The Secretary of the Council shall keep the original copy of the signed protocol and materials submitted for the meeting of the Council on the issues discussed at the meeting of the Council. Copies of the protocol may be sent at the request to the Chairman and all members of the Council, the relevant units of the Company and the SA.

9. The Secretary of the Council

37. The Secretary of the Council performs the following functions:

- 1) prepares and conducts the meetings of the Council;
- 2) conducts the collection and arrangement of the materials for the meeting of the Council, maintains the current control for the appropriate registration of the materials in accordance with the requirements of this Regulation, and other internal documents of the Company;
- 3) sends the notice of the meeting, agenda and materials on the agenda in a timely manner to the members of the Council and invited persons
- 4) records the meetings;
- 5) informs the structural units of the Company and its subsidiaries and affiliates, in a timely manner, about the decisions of the Council that affect their activities and provides an extract from the protocol;
- 6) performs other functions provided by this Regulation and the decisions of the Council.
- 7) records the decisions of the Council and extracts from the protocols of meetings of the Council.

10. The powers and duties of the members of the Council and other individuals

38. The members of the Council have the right to request and receive the information and documents, required for the work of the Council from all units of the Company, the employees of the Company, the executives of its subsidiaries and affiliates within the jurisdiction of the Council.

39. The members of the Council are responsible for their decisions in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Company.

40. The members of the Council, the Secretary of the Council and the employees of the Company and its SA, invited to participate at the meeting, are responsible for disclosure of confidential information, obtained during the meeting of the Council.

41. The Secretary of the Council is responsible for the formation on the project of agenda, collection and distribution of materials concerning the issues of the adopted agenda to the members of the Council, preparing the draft of the protocol of the meeting of the Council, its approval, signing, and providing of extracts from protocol.

42. The heads of the relevant structural units of the Company and its subsidiaries and affiliates have responsibility for untimely and improper materials, provided to the Secretary of the Council.

11. Insider information

43. Insider information is a material information about the Company, which is not made for public and the disclosure of which can have a material impact on the Company's operations.

44. The members of the Council, the Secretary of the Council, as well as third parties, who participate in the meetings of the Council do not have right to use the insider information for personal purposes or disclose such information and other confidential information.

12. Final provisions

45. The Management Board of the Company approves this Regulation, as well as all additions and changes to it.

46. The issues, which have not been provided by this Regulation, are provided by the legislation of the Republic of Kazakhstan, the Charter of the Company and other documents of the Company.