SUMMARY OF THE CONSTITUTION OF THE COMPANY

General Provisions

The Charter of the Company is the document that defines the legal status of the Company and serves as a principal governance document. In accordance with the JSC Law, the Charter contains provisions relating to the rights of shareholders and establishes the procedure for the formation of, and the powers vested in, the Company's bodies. It also sets out the procedures governing the activities of the Company's bodies, including the procedures for convening, preparing and conducting GMS and meetings of the Company's collegial bodies, the decision-making procedures of the Company's bodies, and the procedures for providing shareholders with information regarding the Company's activities. Any action taken by the Company or its bodies and shareholders must be consistent with the provisions of the Company's Charter, and any breach may give rise to legal consequences under the Kazakhstan civil legislation. As the main purpose of this summary is to provide an overview of the Charter, it may not necessarily contain all information that is important for **[REDACTED]**.

Objectives and purpose of the Company

The principal objective of the Company is to generate net income. For this purpose, the Company engages in the following main types of activities:

(i) the construction, maintenance and modernisation of the mainline railway network in accordance with programmes approved by the Government;

(ii) the management of railway transportation operations;

(iii) the provision of mainline railway network services;

(iv) the repair and maintenance of railway rolling stock, including specialised containers used for the transportation of dangerous goods; and

(v) the provision of freight transportation-related services, including meeting the transportation needs of consignors and consignees and ensuring the safe and timely delivery of cargo.

In addition, the Company may engage in activities related to the development, operation and maintenance of railway infrastructure, the provision of railway, logistics, telecommunications, energy, educational, technical and support services, the leasing of assets and intellectual property, project management services, the management of subsidiaries and affiliates, and other activities permitted under the legislation of the Republic of Kazakhstan.

The Company has in possession and operates the mainline railway network.

In accordance with the procedure established by applicable law, the Company represents the railway administration of the Republic of Kazakhstan in international organisations within the scope of its authority.

In accordance with the procedure established by applicable law, the Company is a participant in the Tariff Agreement of the railway administrations (railways) of the member states of the CIS and is responsible for developing tariff policy in respect of international freight transportation.

Share Capital and Shares

The Company may issue ordinary shares and preferred shares in uncertificated form, as well as other securities, including securities convertible into ordinary shares, in accordance with applicable law. See "Share Capital" in this Document for further details.

Subject to the JSC Law, the rights attached to any class of shares may be amended, varied or abrogated with the written consent of the holders of less than three-quarters of the issued shares of the relevant class or by a special resolution adopted at an extraordinary GMS convened for holders of that class of shares. The quorum for such meeting is shareholders (or their representatives) holding not less than 50% of the issued shares of the relevant class.

Ordinary shares entitle their holders to participate in the management of the Company through attendance and voting at GMS (except where voting restrictions apply under applicable law), to receive dividends upon a decision of the GMS and subject to the availability of distributable profits, and to participate in distributions upon the liquidation of the Company.

Pre-emptive Rights

Where the Company proposes to place authorised shares or securities convertible into ordinary shares, or to sell previously repurchased securities of such type, existing shareholders have pre-emptive rights to acquire such securities at the placement or sale price determined by the relevant corporate body. The Company must offer such securities to shareholders within ten days of the relevant placement or sale decision. The procedure for the exercise of pre-emptive rights is governed by the JSC Law and relevant legislation.

Convertible Securities

The Company may issue securities convertible into shares within the difference between the number of authorised shares and the number of issued shares. The terms and conditions of conversion must be set out in the document relating to the relevant convertible securities. The terms of issuance of bonds and derivative securities are determined by the Board of Directors.

Share Repurchases

The Company may repurchase its issued shares with the approval of the GMS in accordance with the methodology for determining the repurchase price adopted pursuant to the JSC Law. Repurchased shares may be acquired for subsequent resale or for other purposes permitted by applicable law and the Charter.

Shareholders are also entitled to require the Company to repurchase their shares in the cases provided for by the JSC Law.

Dividends

Dividends constitute income payable by the Company to shareholders in respect of their shares.

Dividends may be paid in cash or securities, provided that a resolution approving the payment of dividends has been adopted by the GMS.

Dividends on ordinary shares may be paid based on the results of a quarter, half-year or financial year pursuant to a resolution of the GMS. Dividends are paid out of the Company's net income for the relevant period.

The GMS may resolve not to pay dividends in respect of any relevant period.

A resolution approving the payment of dividends on ordinary shares must contain the information required by the JSC Law.

Dividends are not accrued or paid in respect of shares that have not been placed or that have been repurchased by the Company. Dividends are also not accrued or paid if a court or the GMS has adopted a resolution on the liquidation of the Company.

Dividends may not be declared in the cases provided for by the JSC Law: (i) if the Company's own capital is negative, or would become negative as a result of the declaration of dividends on its shares; or (ii) if the Company meets the criteria of inability to pay its debts or bankruptcy under the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, or would meet such criteria as a result of the declaration of dividends on its shares.

Shareholders are entitled to claim unpaid dividends irrespective of the period for which such amounts have remained outstanding, except in the cases provided for by the JSC Law.

General Meetings of Shareholders (GMS)

The GMS is the Company's supreme corporate body.

The exclusive competence of the GMS includes, among other matters, amendments to the Charter, approval of the corporate governance code, voluntary reorganisation or liquidation of the Company, increases in the number of authorised shares, decisions relating to convertible securities, share exchanges and share splits, voluntary delisting of shares, election and removal of members of the Board of Directors and the Chairman of the Management Board, appointment of the Company's external auditor, approval of audited annual financial statements, approval of dividend distributions and dividend policy, approval of certain significant acquisitions and disposals, approval of the methodology for determining the repurchase price of shares, approval of the procedure for providing information to shareholders and the introduction or cancellation of a golden share.

Matters falling within the exclusive competence of the GMS may not be delegated to other corporate bodies, officers or employees of the Company. The GMS may revoke any decision of other corporate bodies relating to the internal activities of the Company.

Annual General Meeting of Shareholders

The annual GMS must be held within five months following the end of each financial year, subject to a possible extension of one month where the audit of the annual financial statements has not been completed. The annual GMS considers, among other matters, the audited annual financial statements, the distribution of net income, dividends and shareholder complaints.

Extraordinary General Meetings of Shareholders

Extraordinary GMS may be convened by the Board of Directors or by a major shareholder (or shareholders acting pursuant to an agreement) holding 10% or more of the Company's voting shares.

Convocation and Quorum

Shareholders must be notified of a GMS not less than 30 clear days prior to the meeting date, or 45 clear days prior to the meeting where absentee or mixed voting procedures are used and postal notification is required. Notice must contain, among other information, the date, time and place of the meeting, the record date, the agenda and the procedure for reviewing meeting materials.

The GMS may validly deliberate and adopt resolutions if shareholders or their representatives holding in aggregate at least 50% of the Company's voting shares are registered and participating. A reconvened meeting held in place of an adjourned meeting may validly deliberate if shareholders holding at least 40% of the Company's voting shares are registered and participating.

Appointment of a Proxy and Voting Rights

Shareholders may participate and vote either personally or through representatives. Ordinary shares carry voting rights at GMS, except where voting restrictions apply under applicable law. Voting is generally conducted on the basis of one share, one vote, except for cumulative voting in the election of members of the Board of Directors.

Resolutions may be adopted at in-person meetings, by absentee voting or through mixed voting procedures, as determined by the Board of Directors. Shareholders and their representatives may participate in in-person meetings remotely through information and communication technologies unless the Board of Directors determines otherwise.

Resolutions concerning the voluntary reorganisation or liquidation of the Company, the issuance of securities convertible into ordinary shares, share exchanges and the grant of share options to members of the Board of Directors require a qualified majority. Unless otherwise provided by the Charter, all other resolutions are adopted by a simple majority of votes.

Where the Listing Rules require any shareholder to abstain from voting or be restricted to voting only for or only against any particular agenda but the laws of Kazakhstan do not have such requirements, the matter may be submitted to an advisory vote of shareholders. The Company (its Board of Directors, Management Board or the Chairman of the Management Board) may not act contrary to the outcome of such advisory vote where doing so would result in non-compliance with the applicable listing rules. See "Core Shareholder Protection Standards – Restriction in Shareholder Voting" in this Appendix for details.

Board of Directors

The Board of Directors is responsible for the overall management of the Company's activities, except for matters reserved to the exclusive competence of the GMS.

The Board of Directors' powers include, among other matters, approval and oversight of the Company's development strategy; convening GMS and determining the form in which such meetings are held; approving placements of shares and other securities and share repurchases; determining the composition of the Management Board (other than the Chairman of the Management Board), appointing and removing members of the Management Board and determining their remuneration and performance evaluation; and approving significant transactions, interested-party transactions and certain acquisitions and disposals of assets. The Board of Directors is also responsible for the appointment, removal, remuneration and evaluation of the head and members of the Internal Audit Service, the Corporate Secretary, the Corporate Ombudsman and the head of the Compliance Service, and for approving the regulations governing those functions and their staffing structures.

In addition, the Board of Directors approves internal corporate documents, determines procedures for the provision of information to members of the Board of Directors, approves the Company's personnel policy and reviews reports on its implementation, reviews reports of the Management Board, and oversees compliance with the listing rules of the stock exchange on which the Company's securities are traded.

Matters reserved to the exclusive competence of the Board of Directors may not be delegated to the Management Board. The Board of Directors may not make decisions on matters reserved to the competence of the GMS or decisions that are inconsistent with resolutions of the GMS.

The Board of Directors is required to monitor and, where possible, address conflicts of interest involving the Company's officers and shareholders, including improper use of Company assets and abuses in interested-party transactions, and to oversee the effectiveness of the Company's corporate governance practices.

The Company must establish committees of the Board of Directors to consider important matters and make recommendations to the Board. Such committees include committees responsible for strategic planning, appointments and remuneration, internal audit, social matters, safety and environmental protection, as well as other matters determined by the Company's internal documents.

Only individuals may serve as members of the Board of Directors. Members may not delegate their duties to other persons, may not serve as directors or executive officers of competing organisations and, except for the Chairman of the Management Board, members of the Management Board may not be elected to the Board of Directors.

Members of the Board of Directors are elected for terms of up to three years. Subject to satisfactory performance, they may be re-elected for a further term of up to three years. Any service on the Board of Directors exceeding six consecutive years is subject to special consideration in light of the need for periodic renewal of the composition of the Board of Directors.

CORE SHAREHOLDER PROTECTION STANDARDS

Rule 8.14A of the Listing Rules requires that a listed issuer's memorandum and articles of association (or equivalent document) shall (i) conform with the relevant parts of Appendix A1 to the Listing Rules and the related guidance materials in Chapter 2.1 of the Guide for New Listing Applicants, and (ii) on the whole, not be inconsistent with the Listing Rules and the laws of the place where the listed issuer is incorporated or otherwise established.

The Company is incorporated in Kazakhstan and is therefore subject to, among other things, the JSC Law. Set out below is a discussion on the core shareholder protection standards offered under the Company's Charter and the Kazakhstan laws and regulations (the "**Domestic Standards**"), which includes any proposed measures to address any differences between the Domestic Standards and Listing Rules (the "**Proposed Measures**") that the Company considers material to the **[REDACTED]** and **[REDACTED]** and as required under Appendix A1 to the Listing Rules.

Under the JSC Law, for any GMS, a quorum is present when shareholders holding more than 50% of the total voting shares are present or represented. If a quorum is not present for an in-person or mixed meeting (which allows voting in person and absentee voting), a second meeting may be scheduled no earlier than the day following the established date of the initial (failed) GMS with the same agenda, and such second meeting shall be quorate if shareholders holding 40% or more of the voting shares are present or represented.

Given Samruk-Kazyna will hold approximately **[REDACTED]**% of the **[REDACTED]** upon **[REDACTED]**, under Kazakhstan laws, its attendance is required for all GMS of the Company for such GMS to be quorate. As such, Samruk-Kazyna undertakes to the Stock Exchange that, upon the **[REDACTED]**, for so long as it is the majority shareholder of the Company and the **[REDACTED]** are **[REDACTED]** on the Stock Exchange, Samruk-Kazyna will attend all GMS that are convened or held by the Company (including all GMS where Advisory Vote (see "Restriction on Shareholder Voting" in this Appendix for further details) will be held, and all GMS where Samruk-Kazyna is required to abstain from voting under the JSC Law and/or under the Listing Rules).

Appointment and Removal of Directors

Paragraph 4(2) of Appendix A1 to the Listing Rules requires that any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment and shall then be eligible for re-election. Paragraph 4(3) of Appendix A1 to the Listing Rules further requires that where not otherwise provided by law, the members in general meeting shall have the power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his term of office.

Pursuant to clause 62(10) of the Charter (as amended), election of members of the Board of Directors by cumulative vote, early termination their powers, and removal of a member of the Board of Directors fall within the exclusive competence of GMS. The Board is not entitled to appoint any person to the Board without a GMS.

The Company believes that the Domestic Standards comply with the core shareholder protection standards under Paragraphs 4(2) and 4(3) of Appendix A1 to the Listing Rules.

Annual General Meetings

Paragraph 14(1) of Appendix A1 to the Listing Rules requires that an issuer must hold a general meeting for each financial year as its annual general meeting. Generally, an issuer must hold its annual general meeting within six months after the end of its financial year.

Article 35.1 of the JSC Law provides that a company is obliged to hold an annual GMS once a year, and Article 35.3 of the JSC Law stipulates that such annual GMS must be held within five months following the end of the company's financial year, but the said five months period shall be deemed to be extended for up to three months in the exceptional event where the audit of a company for the relevant reporting period cannot be completed.

Pursuant to clause 65 of the Charter (as amended), if the audit of the Company has not been completed within the five months period after the end of the financial year, the deadline for holding the annual GMS may be extended by one month only.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 14(1) of Appendix A1 to the Listing Rules.

Notice of General Meetings

Paragraph 14(2) of Appendix A1 to the Listing Rules requires that an issuer must give its members reasonable written notice of its general meetings. "Reasonable written notice" normally means at least 21 days for an annual general meeting and at least 14 days for other general meetings.

Under Article 41.1 of the JSC Law, shareholders of a company must be notified of an upcoming GMS (i) no later than 30 calendar days in advance for in-person meetings; or (ii) no later than 45 calendar days in advance where absentee voting (see "Proxy and Corporate Representatives and Absentee Voting" in this Appendix for further details) is allowed and where postal communications for giving notice is used.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 14(2) of Appendix A1 to the Listing Rules.

Right to Speak and Vote at General Meetings

Paragraph 14(3) of Appendix A1 to the Listing Rules requires that members must have the right to (1) speak at a general meeting; and (2) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

Pursuant to clause 37 of the Charter (as amended), Shareholders have the right to participate in decision-making at the GMS, including the right to vote (except where the Shareholder is required by the Kazakhstan laws and regulations or the Listing Rules to abstain from voting) and the right to speak at the GMS.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 14(3) of Appendix A1 to the Listing Rules.

Restriction on Shareholder Voting

Paragraph 14(4) of Appendix A1 to the Listing Rules requires that where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

While the relevant requirements under the Listing Rules requiring shareholders to abstain to vote lie primarily in Rule 2.15 of the Listing Rules (which requires that any shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the GMS), there are other circumstances where a shareholder is required to abstain from voting on or restricted to voting only against a particular resolution under the Listing Rules.

Under Kazakhstan law, however, a shareholder can only be required to abstain from voting in the circumstances prescribed by the JSC Law, i.e. where a transaction is an "interested party transaction" under the JSC Law.

Since the requirements or restrictions envisaged under the Listing Rules where a shareholder is required to abstain from voting on or restricted to voting only for or only against any particular resolution are different from those envisaged by the JSC Law, and the Domestic Standards do not allow the Company to disregard votes made by Shareholders in contravention of the Listing Rules only but in compliance with the JSC Law, the Company introduces to clause 76 of the Charter (as amended) a separate mechanism of advisory vote ("**Advisory Vote**"):

- an Advisory Vote should be organised among Shareholders in situations where the Listing Rules requires any Shareholder to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, but such requirements or restrictions are not envisaged, or different from those envisaged, by the Kazakhstan laws;

- for the purpose of the Advisory Vote, all Shareholders may vote but any votes cast by or on behalf of such Shareholders in contravention of the Listing Rules requirements or restrictions will not be counted; and

- the Company (i.e. the Board of Directors, the Management Board and the Chairman of the Management Board) shall not act in any way inconsistent with the result of the Advisory Votes.

Reed Smith LLP is of the view that the introduction of the advisory vote mechanism as an additional procedure in the decision making process in the Charter is not inconsistent with the JSC Law.

Based on the above and together with Samruk-Kazyna's undertaking to the Stock Exchange to attend all GMS including those where Advisory Vote will be held, the Company believes that, with the implementation of the proposed measures above, the shortfalls will not affect the Company's compliance with Paragraph 14(4) of Appendix A1 to the Listing Rules.

Right to Convene an Extraordinary General Meeting

Paragraph 14(5) of Appendix A1 to the Listing Rules requires that members holding a minority stake in the total number of issued shares (excluding treasury shares) must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital (excluding treasury shares) of the issuer.

Pursuant to Article 14.2(1) of the JSC Law, a shareholder or shareholders holding, in aggregate, 10% or more of voting shares have the right to demand convening of an extraordinary GMS; and under Article 43.4(1) of the JSC Law, a shareholder or shareholders holding at least 5% of voting shares have the right to submit proposals for inclusion of items in the agenda of a GMS held in person, provided shareholders are notified at least 15 days before the meeting.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 14(5) of Appendix A1 to the Listing Rules.

Use of Information and Communication Technologies

Paragraphs 14(6) of Appendix A1 to the Listing Rules requires that an issuer must ensure that its constitutional documents enable the holding of general meetings which members can attend virtually with the use of technology; and where members can cast votes by electronic means.

Article 40(3) of the JSC Law provides that shareholders of a company are entitled to participate in the GMS held in person, including remotely through the use of information and communication technologies. Clause 79 of the Charter further provides that Shareholders have the right to participate in an in-person GMS remotely using information and communication technologies, unless the Board of Directors determines the GMS is to be held in person with no option of remote participation only, and that Shareholders participating in the GMS remotely shall be able to exercise their right to vote and right to speak by means of information and communication technologies.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 14(6) of Appendix A1 to the Listing Rules.

Variation of Class Rights

Paragraph 15 of Appendix A1 to the Listing Rules requires that a super-majority vote of the issuer's members of the class to which the rights are attached shall be required to approve a change to those rights. A "super-majority vote" means at least three-fourths of the voting rights of the members holding shares in that class present and voting in person or by proxy at a separate general meeting of members of the class where the quorum for such meeting shall be holders of at least one third of the issued shares of the class.

Under the JSC Law, a joint stock company may issue only two classes of shares, ordinary shares and preferred shares. Rights attached to each class are established by law and may be supplemented by the charter of the company. Under Articles 36.2 and 43.5 of the JSC Law, not less than two thirds of the total number of preferred shares is required for specified matters which may restrict the rights of holders of preferred shares, but this is limited to specific matters rather than any variation of class rights. However, under the JSC Law, a company may set a higher threshold (e.g. three-quarters) for variation of class rights.

Clause 35 of the Charter provides that all or any of the rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate GMS of that class where the quorum shall be at least 50% of the issued shares of that class.

Based on the above and taking into account the provisions in the Charter, the Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 15 of Appendix A1 to the Listing Rules.

Amendment of Constitutional Documents

Paragraph 16 of Appendix A1 to the Listing Rules requires that a super-majority vote of the issuer's members in a general meeting shall be required to approve changes to an issuer's constitutional documents, however framed. A "super-majority vote" means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting.

Under Article 36.2 of the JSC Law, amendments and additions to the company's constitutional document or approval of a new version thereof are made by decisions of the GMS of the company, which generally are made by simple majority of votes cast at the GMS. However, under the JSC Law, a company may set a higher threshold (e.g., three-quarters) for amendment of the Charter.

Clause 156 of the Charter provides that no clauses of the Charter shall be rescinded, altered or amended and no new Charter shall be adopted until the same has been approved at the GMS by a super-majority vote of at least three-fourths of the total voting rights of the shareholders present and voting in person or by proxy at the GMS (including those voting by submission of ballot where absentee voting or mixed voting is allowed).

Based on the above and taking into account the provisions in the Charter, the Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 16 of Appendix A1 to the Listing Rules.

Appointment, Removal and Remuneration of Auditor

Paragraph 17 of Appendix A1 to the Listing Rules requires that the appointment, removal and remuneration of auditors must be approved by a majority of the issuer's members or other body that is independent of the board of directors.

Under Article 36.1(6) of the JSC Law, the determination (appointment and removal) of the audit organisation performing the audit of a company falls under the exclusive competence of GMS. Pursuant to clause 62(12) of the Charter, the determination (appointment and removal) of the audit organisation performing the audit of the Company, determination of amount of payments for its audit services, and early termination of the contract with such audit organisation would all fall under the exclusive competence of the GMS of the Company.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 17 of Appendix A1 to the Listing Rules.

Proxy and Corporate Representatives and Absentee Voting

Paragraph 18 of Appendix A1 to the Listing Rules requires that every member shall be entitled to appoint a proxy who needs not necessarily be a member of the issuer and that every shareholder being a corporation shall be entitled to appoint a representative to attend and vote at any general meeting of the issuer and, where a corporation is so represented, it shall be treated as being present at any meeting in person. A corporation may execute a form of proxy under the hand of a duly authorised officer.

Article 47.1 of the JSC Law provides that every shareholder has the right to participate in the GMS and vote on matters under consideration personally or through his or her representative (proxy). Article 48.2 further stipulates that the proxy must present a valid power of attorney confirming authority to participate and vote at the GMS. There is no requirement for a power of attorney if the person entitled to act on behalf of the shareholder or represent him by operation of law. Under Kazakhstan law, the proxy needs not be a shareholder of the company.

Under the JSC Law, a company may allow absentee voting (i.e. a way for shareholders to exercise its right to vote without attending the GMS by submitting an absentee ballot to the company) for any GMS it holds. Under Article 49.6 of the JSC Law, the absentee voting ballot must be signed as follows:

- in case of a shareholder who is an individual, it shall be signed by such individual (or its representative under a relevant power of attorney), with the reference to the ID document of such individual and, if applicable, its representative; and

- in case of a shareholder which is a legal entity, it shall be signed by the head of a relevant legal entity, or a representative of such legal entity, and relevant power of attorney or other document evidencing the authority of such representative has to be attached to the signed ballot.

The Company believes that voting by absentee voting under Kazakhstan laws is in substance equivalent to voting by proxy:

- the former allows Shareholders to exercise its right to vote without attending the GMS by submitting the ballot to the Company; and

- the latter allows Shareholders to exercise its right to vote without attending the GMS by appointing a proxy (typically the chairman of the meeting) to attend the GMS and vote on the Shareholders' behalf.

Pursuant to Article 45.4 of the JSC Law, votes represented by absentee ballots received by the company within the time prescribed under the law shall be taken into account in ascertaining whether a quorum is present and in determining the voting results.

Based on the above, the Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 18 of Appendix A1 to the Listing Rules.

HKSCC's Right to Appoint Proxies or Corporate Representatives

Paragraph 19 of Appendix A1 to the Listing Rules requires that HKSCC must be entitled to appoint proxies or corporate representatives to attend the issuer's general meetings and creditors meetings and those proxies or corporate representatives must enjoy rights equivalent to the rights of other shareholders, including the right to speak and vote. Where the laws of an overseas jurisdiction prohibit HKSCC from appointing proxies/ corporate representatives enjoying the rights described by this paragraph, the issuer must make the necessary arrangements with HKSCC to ensure that Hong Kong investors holding shares through HKSCC enjoy the rights to vote, attend (personally or by proxy) and speak at general meetings.

[REDACTED]

Based on the above, the Company believes that, with the implementation of the proposed measures above, the shortfalls will not affect the Company's compliance with Paragraph 19 of Appendix A1 of the Listing Rules.

Inspection of Branch Register

Paragraph 20 of Appendix 3 to the Listing Rules requires that the branch register of members in Hong Kong shall be open for inspection by members but the issuer may be permitted to close the register on terms equivalent to section 632 of the Companies Ordinance. **[REDACTED]**

[REDACTED]

Voluntary Winding Up

Paragraph 21 of Appendix 3 to the Listing Rules requires that a super-majority vote of the issuer's members in a general meeting shall be required to approve a voluntary winding up of an issuer. A "super-majority vote" means at least three-fourths of the total voting rights of the members present and voting in person or by proxy at the general meeting. This is unless it can be demonstrated that shareholder protection will not be compromised by a lower voting threshold (e.g. simple majority votes in favour of the relevant resolutions with a higher quorum requirement) and in such case a "super-majority vote" is deemed to be achieved.

Pursuant to Articles 1, 36.2 and 88 of the JSC Law, the decision of voluntary liquidation of a company shall be made by the GMS with a qualified majority vote of at least three-fourths of the total voting shares of the company.

The Company believes that the Domestic Standards comply with the core shareholder protection standard under Paragraph 21 of Appendix A1 to the Listing Rules.

SUMMARY OF THE KAZAKHSTAN LAW APPLICABLE TO JOINT STOCK COMPANIES

1. Introduction

Whilst a large volume of legislation was enacted during the past several decades, the legal framework in Kazakhstan is still evolving in comparison to countries with more established market economies. The legal and regulatory framework governing the corporate and securities activities of joint stock companies in Kazakhstan comprises the following principal legislative acts:

(a) **Civil Code of Kazakhstan:** The Civil Code of Kazakhstan establishes the fundamental legal framework for legal entities, including joint stock companies, and contains general provisions on securities as objects of civil rights, obligations arising from securities, and property rights. It provides the basis for corporate law principles such as formation, reorganisation, and liquidation of legal entities, and defines the general rules applicable to shares and other securities. Furthermore, it establishes framework regulation related to the strategic assets, such as certain types of railways and companies included in the list of the strategic companies (such as the Company).

(b) **Law of the Republic of Kazakhstan "On the Securities Market" dated 2 July 2003, No. 461-II (as amended) (the "Securities Market Law"):** This is the primary legislation governing the securities market in Kazakhstan. The law regulates the issuance, placement, circulation and redemption of securities, establishes the framework for professional securities market participants, and protects the rights and interests of investors. Key provisions include: (i) state registration of issues of non-governmental securities with the authorised state regulator (currently the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (the "**ARDFM**")) as a prerequisite for issuance and placement of securities (Article 8); (ii) mandatory disclosure (such as obligation of the nominee to disclose, upon the request of KACD and the issuer, information on the clients whose securities are held under its nominee holding (Article 62)) and reporting obligations for issuers whose securities are admitted to trading on stock exchanges, including requirements to maintain a corporate governance code (Article 89); (iii) regulation of professional participants in the securities market, including licensing requirements for brokers, dealers, investment portfolio managers, custodians, and other market participants (Articles 45-54); (iv) requirements for the KACD as the sole organisation maintaining the system of registers of securities holders in Kazakhstan (Article 78); (v) stock exchange listing requirements and categories of official listings (Article 89); and (vi) requirements for simultaneous domestic placement for Kazakhstan issuers seeking overseas listings pursuant to Article 22-1 of the Securities Market Law, as described further below.

(c) **JSC Law:** This is the principal law governing the establishment, operation, reorganisation and liquidation of joint stock companies in Kazakhstan. It regulates corporate governance structures, the rights and obligations of shareholders, the powers and duties of management bodies, and the procedures for corporate actions. Key provisions include: (i) corporate governance structure comprising the GMS as the supreme body, the board of directors as the management body, and the executive body (collegial or sole) responsible for day-to-day management (Article 33); (ii) shareholders' rights, including the right to participate in the management of the company through voting at GMS, the right to receive dividends, the right to receive information about the company's activities, the right to demand redemption of shares in specified circumstances, and the limited liability principle whereby shareholders bear risk only to the extent of their shareholding (Articles 14, 23, 27); (iii) mandatory disclosure and offer requirements for significant shareholding: a person acquiring 30% or more of voting shares must notify the company and make an offer to remaining shareholders to purchase their shares (Article 25), and a person acquiring 95% or more may require remaining shareholders to sell their shares (Article 25-1); (iv) share buy-back provisions: the company may repurchase its own shares (treasury shares) under certain conditions, and shareholders have the right to demand buy-back of their shares in specified circumstances, including reorganisation, major transactions, delisting, or amendments restricting shareholder rights (Articles 26-28); (v) board of directors composition: at least 30% of the board must be independent directors, and board members are elected by cumulative voting[1] (unless the number of candidates proposed does not exceed the number of vacancies on the board, in which case shareholders are invited to vote in the usual way of "yes" or "no" or "abstain" with respect to all the candidates) at the GMS (Articles 54-55); (vi) interested party transactions: transactions in which affiliates have an interest are subject to approval by the board of directors (comprising non-interested members) or, in certain cases, the GMS (Articles 71-73); and (vii) major transactions: transactions involving 25% or more of the company's assets require board approval, and transactions involving 50% or more require approval by the GMS by qualified majority (Article 70).

(d) **Law of the Republic of Kazakhstan "On State Property" dated 1 March 2011, No. 413-IV (as amended) (the "State Property Law"):** If the company is a company with the state as its sole/majority shareholder more than 50% (directly or indirectly), additional governance and regulatory norms apply under this law, including: (i) specific requirements for corporate governance of national companies and their subsidiaries, including board composition rules and the role of state representatives;

[1] Cumulative voting is a method whereby each share participating in the vote carries a number of votes equal to the total number of board seats to be filled (Article 1(13) of the JSC Law). A shareholder may cast all of his accumulated votes in favour of a single candidate or distribute them among several candidates in any proportion (Article 50(2) and 54.3 of the JSC Law). The candidates receiving the highest number of votes are elected. The ballot for cumulative voting may not include "against" or "abstain" options. If two or more candidates receive an equal number of votes, a further cumulative vote is held among those tied candidates.

(ii) requirements for development strategies, business plans and key performance indicators to be approved by the sole shareholder; and (iii) reporting obligations to the state shareholder and delineation of responsibilities between the state shareholder and corporate governance bodies.

(e) **Law on Railway Transport:** The Law on Railway Transport applies to companies operating in the railway transportation: It generally regulates the operation of railway infrastructure, carriage of passengers and cargo, access to the mainline railway network, and the powers of the state and market participants in the railway sector. It establishes a framework in which the mainline railway network is treated as a strategic and socially significant infrastructure asset subject to state oversight, tariff regulation, and natural monopoly rules. Furthermore, it sets outs certain limitations on the disposal of the shares in the Company (as the National Railway Company and the National Infrastructure Operator).

(f) **Entrepreneurial Code (Chapter 18):** The Entrepreneurial Code establishes competition law requirements, including merger control provisions and approval thresholds for economic concentrations that may be relevant in the context of M&A transactions affecting the company.

(g) **Charter of the Joint Stock Companies:** The constitutional document of the company, which sets out the company's governance structure, the powers of its bodies, rights of shareholders, and specific provisions applicable to the company as a national company. The charter must comply with the JSC Law and may contain additional provisions on corporate governance that are not inconsistent with the law.

2. Independent Personality and Limited Liability

A joint stock company is a legal entity that issues shares for the purpose of raising funds to carry out its activities (Article 85 of the Civil Code of Kazakhstan and Article 3 of the JSC Law). A joint stock company has property that is separate from the property of its shareholders. A joint stock company is not liable for the obligations of its shareholders, and shareholders are not liable for the obligations of the company and bear the risk of loss within the value of the shares they hold.

3. Incorporation

A joint stock company is founded by decision of the founders' meeting or, where the company has a sole founder, by decision of that sole founder (Article 6 of the JSC Law). The founders of a joint stock company may be individuals and/or legal entities (Article 5 of the JSC Law). The foundation agreement between founders must be notarised (Article 8 of the JSC Law). The charter is the constitutional document of a joint stock company and must set out the name, location, types and classes of shares, rights of shareholders, management bodies, and other matters as required by law (Article 9 of the JSC Law). The charter and any amendments thereto must be notarised.

The minimum authorised capital of a joint stock company is 50,000 times the monthly calculation index[2] established by the law on the republican budget for the relevant financial year (Article 10 of the JSC Law). Founders are required to make an advance payment of not less than the minimum authorised capital within 30 days of the date of state registration (Article 11 of the JSC Law). Shares of a joint stock company are issued in book-entry form and recorded in the relevant registers maintained by the KACD (Article 12 of the JSC Law).

4. Shares and Registered Capital

There are two types of shares that may be issued by a joint stock company: ordinary shares and preferred shares (Articles 12 and 13 of the JSC Law). Ordinary shares confer on the holder the right to participate in the GMS and to vote on all matters within its competence, the right to receive dividends if the company has net income, and the right to receive a portion of the company's property upon its liquidation in accordance with the procedure established by Kazakhstan law.

Preferred shares may not exceed 25% of the total number of outstanding shares (Article 13 of the JSC Law) and generally do not carry voting rights, except in limited statutory cases specified by law, including where no dividends have been declared on preferred shares for three consecutive months. Holders of preferred shares have a preferential right, as compared with holders of ordinary shares, to receive dividends in the pre-determined guaranteed amount and to receive a portion of property upon liquidation of the company.

All shares of a joint stock company are in registered, non-bearer form. Capital increases are effected through the placement of authorised but unissued shares. Capital decreases are not permitted under Kazakhstan law.

5. Power of Company to Repurchase Own Shares

A joint stock company may repurchase its own placed shares (treasury shares) subject to Articles 26 to 28 of the JSC Law. Repurchase at the initiative of the company is made with the consent of the relevant shareholder, for the purpose of subsequent sale or for other purposes not contrary to Kazakhstan law and the company's charter (Article 26.1 of the JSC Law). Such repurchase is carried out upon the decision of the board of directors, unless otherwise provided by the JSC Law and/or the company's charter, and must be made in accordance with the share valuation methodology approved in the manner prescribed by the JSC Law, save where the repurchase is effected on a stock exchange through the open bid method (Article 26.1–26.2 of the JSC Law). If the number of shares repurchased at the company's initiative exceeds 1% of the

[2] The monthly calculation index can be accessed at https://www.gov.kz/article/17157?lang=en.

total number of issued shares, the company must inform its shareholders of such repurchase by publication in Kazakh and Russian on the internet resource of the Depository of Financial Statements (Article 26.4 of the JSC Law). Where the number of shares tendered for repurchase exceeds the number declared for repurchase, shares are bought back from shareholders on a pro rata basis, in proportion to the shares owned by them (Article 26.5 of the JSC Law).

Repurchased (treasury) shares do not carry voting rights and are excluded from the count of voting shares of the company (Articles 1(8) and 28.2 of the JSC Law). Treasury shares are also not taken into account in the quorum of the GMS and treasury shares are not entitled to receive dividends (Article 22.4 of the JSC Law).

Restrictions on holding treasury shares: Under Article 28.1, the total number of repurchased placed shares (as aggregated with any previously repurchased shares) must not exceed 25% of the total number of placed shares, and the cost of such repurchased shares must not exceed 10% of the company's equity capital. In addition, under Article 26.3 of the JSC Law, a company may not repurchase its placed shares in a number of circumstances, including: (i) before the first GMS; (ii) before adoption of the first report on allotment of shares among the founders; (iii) if, following the repurchase, the company's equity capital would fall below the statutory minimum; (iv) if at the time of the repurchase, the company shows signs of insolvency in accordance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, or such signs would appear as a result of the repurchase; or (v) if the court or the GMS has resolved to liquidate the company.

6. Appraisal Rights for Dissenting Shareholders (Share Buy-Back at Shareholder's Request)

Under Article 27 of the JSC Law, shareholders who voted against or, in certain cases, did not participate in voting on certain fundamental corporate decisions, or in certain cases regardless of the voting, in each case as described below, have the right to demand that the company buy back their shares at fair market value in accordance with the share valuation methodology approved in the manner prescribed by the JSC Law (at their repurchase by the company on the unorganised securities market). These triggering decisions include:

(a) the GMS takes a decision on the company's reorganisation (if the shareholder participated in the GMS and voted against it) (Article 27.1(1));

(b) the GMS takes a decision to delist the company's shares (if the shareholder did not participate in the GMS or participated and voted against the decision) (Article 27.1(1-1));

(c) regardless of the voting, the decision to delist the company's shares is taken by the bidding process organiser (i.e. the stock exchange) (Article 27.1(1-2));

(d) disagreement with the decision on conclusion of a major transaction and/or the decision to make an interested party transaction, taken in the manner prescribed by the JSC Law and/or the company's charter (Article 27.1(2));

(e) the GMS takes a decision to amend the company's charter, limiting the rights on the shares owned by the shareholder (if the shareholder did not participate in the GMS or participated and voted against the decision) (Article 27.1(3)); and

(f) a decision of the GMS on amendments to the methodology for determining the value of shares when they are repurchased by the company on the unorganised market (if the shareholder did not participate in the GMS or participated and voted against the decision) (Article 27.1(4)) but this does not apply to changes made to align the share buyback pricing methodology with the laws of the Republic of Kazakhstan.

A dissenting shareholder must submit a written request for repurchase to the company within 30 calendar days from the date of the relevant decision or, in the case of exchange-initiated delisting, from the date of the delisting decision. The company is then obliged to complete the repurchase within 30 calendar days of receiving that request (Article 27.2 of the JSC Law). Where the total number of shares requested for repurchase exceeds the number the company is permitted to repurchase (having regard to the limits in Article 28 of the JSC Law), the shares are bought back from shareholders on a pro rata basis, in proportion to their respective holdings (Article 27.3 of the JSC Law).

In the case of trigger (f) above (amendments to the valuation methodology), a shareholder has the right to demand repurchase in accordance with the wording of the methodology that was in effect before the GMS made its decision to amend the methodology (Article 27.1-1 of the JSC Law).

7. Transfer of Shares

Shares of a joint stock company are freely transferable, except in the case where specific limitations are imposed by Kazakhstan law (for example, by the Law on Railway Transport). In order to transfer its shares, the shareholder (or its representative) must sign a written order and submit it to the KACD or a relevant nominee holder for execution or give relevant electronic instructions as permitted by law.

The KACD or a nominee holder can refuse to register a transaction with shares if the documents submitted do not conform to the legislative requirements. Additionally, the ARDFM has the right (by notifying the relevant issuer and the KACD) to suspend trading in securities by blocking all or certain personal accounts in the registry or nominee holding systems if the legal requirements establishing the following have been violated: (i) the rights and interests of investors when acquiring securities; or (ii) the terms and procedures for trading securities.

There are no general statutory restrictions on the identity of shareholders simply by nationality under the JSC Law; both local and foreign individuals and legal entities can hold shares in a Kazakhstan joint stock company. No general statutory cap exists for foreign shareholding in a typical joint stock company; a foreign shareholder can, in principle, hold 100% of shares in most sectors. Sector-specific restrictions apply in certain areas, such as (a) telecommunications and aviation, (b) mass media, (c) banks and financial institutions, and (d) strategic assets as determined by the Government such as mainline railway networks, gas, hydrocarbons, and broader energy sectors.

The applicable procedures and timelines for obtaining any required governmental consents vary depending on the type of entity involved and the sector in which it operates.

Persons intending to acquire 30% or more of the voting shares or other amount of shares that will result in acquiring 30% or more of the voting shares (either individually or together with its affiliated parties) on the secondary market must notify the company and the relevant authority 30 business days in advance of date of acquisition, stating the number of shares to be acquired and the price to be paid. Within 15 business days after the acquisition, such person must make a mandatory offer to purchase the shares owned by the other shareholders (Article 25 of the JSC Law).

A person who acquires 10% or more of the voting shares (or acquired 10% or more of the voting shares together with other shareholders, acting jointly under an agreement entered into between them) is classified as a "major shareholder" under the JSC Law (Article 1(23)) and becomes an affiliated person of the company (Article 64(1) of the JSC Law). The company is obligated to maintain records of its affiliated persons (Article 67.2 of the JSC Law). Disclosure obligations in respect of changes in major shareholdings are prescribed by the Securities Market Law.

8. Shareholders' Rights

The rights of shareholders of a joint stock company vary according to the number and percentage of ordinary shares held, as follows:

(A) **One share.** A shareholder holding at least one share has the right to: (a) attend and vote at general shareholders' meetings; (b) receive dividends; (c) access information about the company and its activities, including financial statements; (d) obtain confirmation of share ownership from the KACD or a nominee holder; (e) nominate candidates to the board of directors at shareholders' meetings; (f) challenge decisions of the shareholders' meeting, the board of directors or the executive body if such decisions violate legal or procedural requirements; (g) submit questions to the company and receive a response within 30 days; (h) receive a proportional share of company assets upon liquidation; (i) exercise pre-emptive rights to subscribe for newly issued shares or securities convertible into shares; and (j) vote on changes to the number or classes of shares (Article 14 of the JSC Law).

(B) **Five percent (5%).** A shareholder independently or jointly with other shareholders holding 5% of shares may in addition to the rights described in paragraph (A) above: (a) propose additional items for the agenda of a general shareholders' meeting; (b) bring claims against directors for breaches related to major or related party transactions; (c) seek court invalidation of a related party transaction with a value of 10% or more of company assets where fraud or unfair valuation is proven; and (d) request disclosure of annual remuneration of individual directors or managers if a court confirms intentional misconduct causing losses to the company (Articles 14 and 74 of the JSC Law).

(C) **Ten percent (10%).** A shareholder independently or jointly with other shareholders holding 10% of voting shares have the right to: (a) require the board of directors to convene an extraordinary general shareholders' meeting or apply to court if the board refuses; (b) require the board of directors to convene a board meeting; and (c) initiate an audit of the company at their own cost (Articles 14, 53 and 78 of the JSC Law).

(D) **More than 25 percent (>25%).** A shareholder independently or jointly with other shareholders holding more than 25% of shares may block the following decisions at a shareholders' meeting: (a) approval or amendment of the corporate governance code; (b) voluntary reorganisation or liquidation of the company; (c) increase of share capital or change in share classes; (d) changes to share valuation methodology used for off-market buybacks; and (e) issuance of shares or convertible securities without applying pre-emptive rights (Article 36 of the JSC Law).

(E) **More than 50% (>50%).** A shareholder independently or jointly with other shareholders holding more than 50% of shares may decide, among others, to: (a) amend the company's charter; (b) approve terms of securities conversion; (c) approve issuance of securities convertible into shares; (d) approve exchange of shares into another class; (e) appoint and remove counting commission members; (f) appoint and remove directors and approve their remuneration; (g) appoint external auditors; (h) approve annual financial statements; (i) approve dividend payments and their amounts; (j) approve voluntary delisting; (k) approve acquisitions or disposals valued at 25% or more of company assets; (l) approve notice procedures and agendas for shareholders' meetings; (m) approve disclosure procedures; (n) approve issuance or cancellation of a golden share; (o) approve major transactions involving 50% or more of company assets; and (p) decide on other matters assigned by law or the charter (Article 36 of the JSC Law).

In addition to the shareholders' rights described above, the charter of the company may envisage additional rights for shareholders.

9. Shareholders' Meeting

The annual GMS must be held within five months of the end of the financial year (Article 35 of the JSC Law). An extraordinary GMS may be convened by the board of directors on its own initiative, at the request of the largest shareholder, or by the liquidation committee. Notice of a GMS must be given not less than 30 calendar days prior to the date of an in-person meeting and not less than 45 calendar days prior to the date of an absentee or mixed (in-person and absentee) vote (Article 41 of the JSC Law).

A quorum is present when shareholders holding more than 50% of the total voting shares are present or represented. If a quorum is not present for an in-person or mixed meeting, a second meeting may be scheduled no earlier than the day following the established date of the initial (failed) GMS with the same agenda, and such second meeting shall be quorate if shareholders holding 40% or more of the voting shares are present (Article 45 of the JSC Law). This rule for a second meeting is not applicable for the absentia meeting (i.e. a meeting where voting will be by absentee ballot only, without shareholders or representatives convening at any physical meeting place to vote). A company with more than 10,000 shareholders may introduce a lower quorum for the second meeting.

Resolutions of the GMS shall be adopted by a simple majority of votes of the total number of voting shares of the company participating in the voting, except that a qualified majority of not less than three-fourths (75%) of the total number of the company's voting shares is required for the following matters (Article 36.2 of the JSC Law):

- approval of the corporate governance code, as well as changes and amendments thereto (Article 36.1(1-1));
- determination of the procedure, deadlines and total number of the company's shares to be placed (sold) or other securities convertible into ordinary shares of the Company, without the right of pre-emptive purchase (Article 36.1(1-2));
- voluntary reorganization or liquidation of the company (of Article 36.1(2));
- a decision to increase the number of authorised shares of the company or to change the type of unplaced authorised shares (Article 36.1(3)); and
- approval of changes to the methodology (or approval of the methodology, if not previously approved by a foundation meeting) of assessing the value of shares at their redemption by the Company in the unorganised market (Article 36.1(14)).

In addition, the decision on the issue of non-government bonds without maturity (Article 36.1(3-5)) is adopted by a simple majority of votes from the total number of voting shares of the Company (i.e. not merely those participating in the voting).

Furthermore, where a resolution of the GMS on the exchange of placed shares of one type for shares of another type (Article 36.1(3-3)) may restrict the rights of a holder of preferred shares, such resolution shall be deemed adopted only if not less than two-thirds (2/3) of the total number of placed (less repurchased) preferred shares have voted in favour of such resolution (Article 36.2 of the JSC Law).

Under Article 50 of the JSC Law, voting at the GMS is conducted on the basis of "one share – one vote", subject to the following statutory exceptions: (i) limitations on the maximum number of votes per shareholder as may be provided by the laws of the Republic of Kazakhstan; (ii) cumulative voting in the election of members of the board of directors; and (iii) one vote per person entitled to vote on procedural matters of the GMS.

10. Management Bodies of the Company

The management bodies of a joint stock company are structured in three tiers pursuant to Article 33 of the JSC Law: (i) the GMS, which is the supreme governing body of the company; (ii) the board of directors, which is the management body responsible for the general direction of the company's activities, except for matters falling within the exclusive competence of the GMS; and (iii) the executive body, which may be either collegial (a management board) or sole (a chief executive officer), and which is responsible for the day-to-day management of the company's operations (Article 92 of the Civil Code of Kazakhstan).

11. Board of Directors

The board of directors of a joint stock company must comprise not less than 30% independent directors (Articles 54 of the JSC Law). Members of the board of directors are elected by the GMS through cumulative voting. The term of office of directors is determined by the GMS.

The powers of the board of directors, among others, include: determining the strategic direction of the company's activities; approving the annual budget; appointing and removing members of the executive body; approving interested party transactions and major transactions within the thresholds specified by law; and convening GMS. The board of directors may establish committees to assist in the discharge of its functions, including audit committees, remuneration committees, and other committees as the board considers necessary.

Major transactions involving the acquisition or disposal of property with a value of between 25% and 50% of the total book value of the company's assets require the approval of the board of directors, and transactions involving property with a value exceeding 50% of the total book value of the company's assets require the approval of the GMS (Articles 36 and 68 of the JSC Law).

12. Meeting of the Board of Directors

Meetings of the board of directors are convened by the chairman of the board or its management board or at the request of any member of the board, internal audit service, audit organisation conducting audit of the company or a shareholder independently or jointly with other shareholders holding 10% of voting shares. The quorum for meetings of the board of directors and the procedures for decision-making are determined by the charter of the company and the regulations adopted by the board. The board of directors may adopt resolutions by absentee voting where permitted by the charter.

13. Qualification to be Member of Management Bodies

Members of the board of directors and the executive body of a joint stock company must meet the requirements established by the JSC Law and the charter of the company. Persons who have been convicted of offences in the sphere of economic activity or offences against the interests of service in commercial or other organisations may not serve as members of the board of directors or the executive body.

Similarly, persons who were members of the management body of a legal entity at the time such entity was declared bankrupt may not serve as directors of a joint stock company for a period specified by law. The GMS may establish additional qualification requirements for members of the board of directors.

14. Obligations of Directors

Members of the board of directors and the executive body owe duties of loyalty and care to the company and its shareholders as a whole. They must, among other things, act in good faith, in the best interests of the company and shareholders, and exercise the care and diligence that a reasonably prudent person would exercise in comparable circumstances. Interested party transactions are subject to approval by non-interested members of the board of directors or, where a majority of the board is interested, by the GMS (Articles 71 to 73 of the JSC Law).

Members of the board of directors and the executive body are jointly and severally liable for losses caused to the company as a result of their breach of the duties imposed upon them by the JSC Law and the charter of the company, except for those members who voted against the relevant decision or did not participate in the vote.

15. Accounting and Auditing Requirements

The annual financial statements of a joint stock company must be audited by an independent auditor (Articles 76 and 78 of the JSC Law). The executive body is required to provide the annual financial statements together with the independent auditor's report to the GMS for discussion and approval.

Accounting and financial reporting by joint stock companies must be conducted in accordance with international financial reporting standards as adopted in the Republic of Kazakhstan. The company is required to publish its audited annual financial statements within the time period prescribed by law.

16. Appointment and Removal of Auditors

The auditor of a joint stock company is appointed by the GMS by a simple majority of votes (Article 36 of the JSC Law). An audit may also be initiated by the board of directors or the executive body at the company's expense. A major shareholder holding 10% or more of the voting shares may initiate an audit at the shareholder's own expense. If the executive body refuses to permit an audit initiated by a shareholder, the shareholder may apply to the court for an order requiring the company to submit to the audit (Article 78 of the JSC Law).

17. Profit and Dividend Distribution

Dividends on ordinary shares may only be paid after the audit of the financial statements for the relevant period has been completed (Article 23 of the JSC Law). The decision to pay dividends is made by the GMS and must specify the amount of dividend per share. Dividends on preferred shares are paid in the pre-determined guaranteed amount specified in the company's charter. A joint stock company may not declare or pay dividends if the company has negative equity or if the payment of dividends would result in the company showing signs of insolvency (Article 91 of the Civil Code of Kazakhstan).

18. Amendment to Constitutional Documents

Amendments to the charter of a joint stock company require the approval of a simple majority of the total voting shares present at a GMS (Article 36.2 of the JSC Law). The charter and all amendments thereto must be notarised (Article 9 of the JSC Law).

19. Dissolution and Winding Up

A joint stock company may be liquidated voluntarily by a decision of the GMS (Article 88 of the JSC Law). Such decision requires a qualified majority of three-fourths of the total voting shares (Article 36.2 of the JSC Law). A joint stock company may also be liquidated by order of the court in circumstances provided for by law. Upon the adoption of a resolution to liquidate, a liquidation committee is created to manage the liquidation process. Upon completion of the liquidation, remaining assets are distributed first to holders of preferred shares (accrued but unpaid dividends and the redemption value of such shares), and thereafter to holders of ordinary shares on a pro rata basis (Article 89 of the JSC Law).

20. Merger and Division

The JSC Law provides for the following forms of reorganisation of a joint stock company: merger, accession, division, separation, and transformation. A merger involves the creation of a new company by the transfer of all property, rights, and obligations of two or more companies, which are thereby terminated (Article 82 of the JSC Law). An accession involves the termination of one company and the transfer of all of its property, rights, and obligations to a surviving company (Article 83 of the JSC Law). A division involves the termination of a company and the transfer of all of its property, rights, and obligations to two or more newly created companies (Article 84 of the JSC Law). A separation involves the creation of one or more new entities by a company without the termination of the transferring company (Article 85 of the JSC Law). A transformation involves the conversion of a joint stock company into a business partnership or production cooperative (Article 86 of the JSC Law). All forms of reorganisation require the approval of the GMS by a qualified majority.

21. Takeovers/Mandatory Tender Offer

Any person who acquired 30% or more of the voting shares or other amount of shares that resulted in acquiring 30% or more of the voting shares (either individually or together with its affiliated parties) of a joint stock company on the secondary market is required to make a mandatory tender offer to all remaining shareholders within 15 business days of such acquisition (Article 25.2 of the JSC Law). In such case: (a) the offer must be unconditional; (b) the offer price must not be below the market price of the shares; and (c) payment must be made within 30 business days after the date of acceptance of the offer by the selling shareholder. Failure to make the mandatory offer requires the acquirer to reduce its shareholding to below 30%. The rule applies to both local and foreign investors.

Under Article 25-1 of the JSC Law, a person who, independently or in combination with its affiliates, acquires 95% or more of the voting shares of a company on the secondary market (or a different number of voting shares which in total constitute at least 10% of the voting shares, as a result of which that person owns 95% or more) has the right, within 60 business days after the date of such acquisition, to demand that remaining shareholders sell their voting shares. The company must, within three business days after receipt of the demand, ensure its publication on the internet resource of the Depository of Financial Statements and inform the KACD and the stock exchange (if the company's shares are on the official list). The remaining shareholders are obliged to sell their voting shares within 60 calendar days from the date of publication of the demand. During that period, shareholders are prohibited from making any other civil transactions with their voting shares, except for termination of pledge or trust management and removal of seizures (Article 25-1.3 of the JSC Law).

The price at which remaining shareholders must sell their shares is determined as the highest of the following (Article 25-1.4 of the JSC Law): (a) with respect to shares included in the representative list of a stock exchange operating in Kazakhstan: the weighted average price prevailing on the organised securities market over the last six months preceding the date of the transaction which resulted in the 95% threshold being crossed, or the price of shares under that transaction (whichever is higher); (b) with respect to other shares: the market price determined by an appraiser in accordance with Kazakhstan legislation on appraisal activities, or the price of shares under the transaction (whichever is higher).

For the transfer of shares to become effective, it must be recorded in the registers of the KACD (or a nominee holder). The law provides that such registration may be completed on the basis of a purchase order submitted by the majority shareholder, without the need for a corresponding sell order from the minority shareholder.

The right to receive unpaid dividends on the voting shares as at the date of registration of the transfer is reserved for the selling shareholders (Article 25-1.7 of the JSC Law). The squeeze-out mechanism applies equally to foreign investors.

Minority shareholders are protected by the following additional rights: (a) shareholders holding 5% (individually or jointly) may sue directors and managers for mismanagement; (b) shareholders opposing delisting may require share buyback (subject to statutory limits); (c) shareholders opposing major or related party transactions may require share buyback; and (d) members of the board of directors are elected using cumulative voting (Articles 14, 27 and 55 of the JSC Law).

22. Securities Laws

The Securities Market Law governs the issuance, placement, and circulation of securities in the Republic of Kazakhstan. The ARDFM is the principal regulatory authority responsible for the supervision and regulation of the securities market. Listed companies are subject to disclosure requirements in respect of material events, including changes in management, major litigation, the assumption of material financial obligations, new securities issuances, major transactions, and foreign listings.

Kazakhstan law prohibits trading in listed securities while possessing inside information. Inside information means information that: (a) is not publicly available; and (b) could affect the price of securities if disclosed. The following is not considered inside information: (a) information based on public data, including research and forecasts; (b) information published in the mass media; (c) unreliable information from unknown sources; and (d) assumptions regarding company activities. Companies must disclose inside information without delay, usually within three business days to 15 calendar days, depending on the type of information.

Market manipulation is prohibited and includes: (a) influencing prices to create artificial levels; and (b) creating a misleading appearance of trading activity. Providing false or misleading information or pressuring market participants is also prohibited. Violations may result in administrative or criminal liability and may lead to court invalidation of transactions.

23. Disclosure of Information

A joint stock company whose shares are listed is obligated to disclose information on its internet resources in accordance with the Securities Market Law and the regulatory legal acts of the authorised body (Article 79 of the JSC Law). Detailed disclosure requirements, the content of information to be disclosed, and disclosure timelines are established by the Rules for Disclosure of Information by Issuers, approved by Resolution of the Board of the NBK dated 27 August 2018 No. 189. In addition, the company must disclose information on the website of the Depository of Financial Statements (www.dfo.kz), including: (a) corporate events and resolutions; (b) remuneration of management; (c) affiliated entities; (d) changes in shareholders holding 10% or more; (e) annual financial statements and audit reports; (f) share valuation methodologies; (g) changes in significant shareholdings; and (h) amendments to the securities prospectus.

Material events affecting the company or its securities must be disclosed, including: (a) management changes; (b) major litigation; (c) major financial obligations; (d) securities issuances; (e) major share sales or buybacks; (f) major or related party transactions; (g) foreign listings; and (h) ratings assignments or withdrawals.

24. Regulatory Approvals for Overseas Listing

Kazakhstan law does not generally prohibit a Kazakhstan joint stock company from offering or listing its securities on foreign stock exchanges. However, state registration of the securities issuance is required under the Securities Market Law before any placement abroad. In addition, pursuant to Article 22-1 of the Securities Market Law, an organisation resident in Kazakhstan, simultaneously with the commencement of the placement of equity securities and/or derivative securities (where the underlying assets are such securities) in the territory of a foreign state, must offer them for purchase through KASE or AIX on the same terms as in the foreign jurisdiction, in the following volumes: (i) until 1 January 2026 – not less than 20% of the total number of securities planned for placement; (ii) from 1 January 2026 – not less than 30% of the total number of securities planned for placement; and (iii) from 1 January 2028 – not less than 50% of the total number of securities planned for placement. At least 20% of the total number of securities planned for placement must be placed on KASE and/or AIX.

In respect of the Company, the Law on Railway Transport originally restricted the disposal of shares of the Company, effectively limiting the disposal of shares of the Company including through issuance of new shares and **[REDACTED]** in connection with the **[REDACTED]** and/or disposal by Samruk-Kazyna to below the current 90% plus one share threshold. This restriction was addressed at the legislative level by an amendment to Article 5-2 of the Railway Law which allows for a broader placement of up to [25]%.

A resident organisation of Kazakhstan that has placed securities and/or derivative securities on the territory of a foreign state shall notify the ARDFM of the results of the placement in the form and within the time limits established by the regulatory legal act of the ARDFM (Article 22-1 (2) of the Securities Market Law). A person planning to sell securities of resident organisations of Kazakhstan on the secondary securities market by issuing and **[REDACTED]** securities, the underlying asset of which is equity securities of such organisations, shall also notify the ARDFM of the results of the placement (Article 22-1 (3) of the Securities Market Law). **[REDACTED]**

THE TAKEOVERS CODE AND THE KAZAKHSTAN LAWS

As set out in "Summary of the Kazakhstan Law Applicable to Joint Stock Companies – 21. Takeovers/Mandatory Tender Offer" in this Appendix, the JSC Law stipulated when and how a mandatory tender offer must be made where a person acquired 30% or more of the voting shares or other amount of shares that resulted in acquiring 30% or more of the voting shares (either individually or together with its affiliated parties) of a joint stock company on the secondary market.

Since the Company will be a **[REDACTED]** for the purpose of the Takeovers Code upon **[REDACTED]**, the Takeovers Code shall apply to the Company. To the extent that the requirements under the Takeovers Code and Kazakhstan laws differ, the Company and the offeror is required to observe and comply with both sets of requirements and for the avoidance of doubt, the more onerous set of requirements shall prevail.