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| <b>JSC NAC Kazatomprom</b> | <b>Department of<br/>Economics and<br/>Planning</b> | <b>Planning</b> |
| <b>Status: applicable</b>  | <b>ИЛІ 08 12 АА</b>                                 | <b>Page 1/5</b> |

**Dividend Policy  
of JSC NAC Kazatomprom  
in relation to subsidiary companies  
for 2016 – 2020**

**1. Aim**

This Dividend Policy of JSC NAC Kazatomprom in relation to subsidiary companies for 2016 – 2020 (hereinafter – the Dividend Policy) shall set the basis for relations between JSC NAC Kazatomprom (hereinafter – the Company) and legal entities where 100% of voting shares (participatory interests in the charter capital) belong to the Company on the right of ownership or under trust management (hereinafter – the Subsidiaries), on the issues of dividends payment per stocks of shares or participatory interests belonging to the Company.

**2. Scope**

This Dividend Policy shall apply to Subsidiaries.

| <b>Rev.No.</b> | <b>Pages changed</b> | <b>Developed by</b>   | <b>Approved by</b>   |
|----------------|----------------------|---|--|
| <b>0.</b>      |                      | <b>Director of the Department<br/>of Economics and Planning<br/>G.A.Sapakova</b><br>_____<br><b>December 25, 2014</b> | <b>Decision of the<br/>Management Board<br/>No.873<br/>December 26, 2014</b> |
| <b>1.</b>      | Pages 5-8            | <b>Managing Director on<br/>Economics and Risk<br/>Management<br/>G.A.Sapakova</b><br>_____<br><b>April 27, 2016</b>  | <b>Decision of the<br/>Management Board<br/>No._____<br/>_____, 2016</b>     |
|                |                      |   |  |

### 3. Terms and definitions, abbreviations

The following terms with respective definitions and abbreviations shall be used herein:

|                      |   |
|----------------------|---|
| Company              | JSC NAC Kazatomprom   |
| Dividends            | A part of net income (revenue) of a Subsidiary according to the consolidated financial statement / results of the Subsidiary's activity for the reporting period, paid to the Company per shares / participatory interests it has in the Subsidiary's charter |
| Key dividends        | Dividends paid by the Subsidiary for the reporting period under a minimum rate of dividend distribution   |
| Additional dividends | Dividends paid by the Subsidiary for the reporting period in addition to key dividends  |
| Minimum rate         | A coefficient used in calculation of key dividends the size of which corresponds to Annex to the Dividend Policy  |
| IFRS                 | International Financial Reporting Standards   |
| Fund                 | JSC Samruk Kazyna   |

### 4. General provisions

4.1. This Dividend Policy has been worked out subject to the applicable laws of the Republic of Kazakhstan, the Company's Articles of Association, Strategy for 2015 – 2025, and the internal documents.

4.2. Basic principles of relations shall be set taking into account distribution and re-investing of the net income (revenue) of the Subsidiary based on the mid-term plans of development of Subsidiaries for 2016 – 2020 approved by the Fund, as well as proposals of the authorized Bodies of the Subsidiaries as part of the work on summarizing their financial and economic activities.

4.3. Terms and order of payment of dividends to the Company is regulated by the laws of the Republic of Kazakhstan, Subsidiaries' charters, as well as relevant decisions of the sole shareholder (general meeting of shareholders) or the person holding all voting shares of the Subsidiary in case of a joint stock company, sole shareholder (general meeting of shareholders) of the Subsidiary in case of a limited liability partnership.

### 5. Aim and key principles

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5.1. The aim of the Dividend Policy is to ensure balance of the interests of the Company and Subsidiaries, predictability and transparent approach in defining the amount of dividends, terms and order of their payment.

5.2. Key principles of the Dividend Policy are:

5.2.1. ensuring a guaranteed payment by the Company of dividends per the stock of shares of the Company, as well as making payments and expenses under the instruction of the Sole Shareholder of the Company – the Fund.

5.2.2. ensuring the Company's financial activity, including financing new types of activity and investment projects implemented at the expense of the Company's funds.

5.2.3. Subsidiaries shall finance expenses for development, including their own investment projects, agreed upon with the Company in a set order.

5.3. The amount of the dividends distributed by the Subsidiaries to the Company shall cover funds requirements of the Company to finance:

5.3.1. payments of dividends per the Company's stock of shares;

5.3.2. payments and expenses under the Fund's instruction;

5.3.3. current activity of the Company;

5.3.4. new types of activity and investment projects implemented at the expense of the Company.

## **6. Order of dividend amount determination**

6.1. Dividend amount due in relation to Subsidiaries shall be determined on a case-by case basis depending on their financial and economic state.

6.2. Key dividends amount distributed by Subsidiaries for the reporting period shall be calculated taking into account net income (revenue) of Subsidiaries and a minimum rate of dividend distribution set in Annex hereto. Net income (revenue) of Subsidiaries shall be defined under the consolidated financial statement, or, in case of absence of the own subsidiaries, under the separate financial statement prepared under the IFRS. Annual consolidated /separate financial statement of Subsidiaries shall be evidenced by the opinion of the audit organization which corresponds to qualification requirements set by the laws of the Republic of Kazakhstan.

6.3. Minimum rates for dividends distribution for each Subsidiary are set with account of the Fund's Dividend Policy in relation to subsidiary organizations, Development Plans of Subsidiaries for 2016 – 2020, laws of the Republic of Kazakhstan, other documents of Subsidiaries on the issues of payment of dividends (Foundation Agreements, minutes of Subsidiary's General Meeting of Participants).

6.4. According to the laws of the Republic of Kazakhstan, this Dividend Policy and charters of Subsidiaries, the authorized bodies of Subsidiaries shall

prepare a proposal on the order of net income distribution (revenue) for the expired financial year and the amount of dividends for the year.

6.5. In case of favorable market conditions, the amount of dividends may be increased by accruing additional dividends. Financial state and development plans of Subsidiaries shall be taken into account in dividends distribution.

6.6. Final decision on the amount of dividend shall be taken by the top management of Subsidiaries.

## 7. Responsibility for the timely payment of dividends

Responsibility for full and timely payment of dividends (within at least 60 days from the date the Subsidiary takes a decision on dividend payment) shall be born by the executive bodies of Subsidiaries according to the laws of the Republic of Kazakhstan and Subsidiaries' charters.

## 8. Annex

Annex «Recommended minimum rates for dividend distribution from the net income of JSC NAC Kazatomprom's Subsidiaries for 2016 – 2020».

**Annex**

### **Recommended minimum rates for dividend distribution from the net income of JSC NAC Kazatomprom's Subsidiaries for 2016 – 2020**

| No  | Subsidiary             | Share of Kazatomprom | Recommended minimum | Note |
|---|------------------------|----------------------|---------------------|------|
| <b>Uranium mining companies</b>                         |                        |                      |                     |      |
| 1.  | Kazatomprom-SaUran LLP | 100%                 | 30%                 |      |
| 2.  | RU-6 LLP               | 100%                 | 30%                 |      |
| 3.  | PE Ortalyk LLP         | 100%                 | 30%                 |      |
| <b>Production and auxiliary and service enterprises</b> |                        |                      |                     |      |

|  |                              |          |   |  |
|--|------------------------------|----------|---|--|
| 4.   | Volkolgeology JSC            | 65.1%    | 30% <sup>1</sup>                                | Share of UMP is 24.9%, joint share of voting shares of Kazatomprom and UMP is 100% |
| 5.   | Geotechnoservice LLP         | 100%     | 30%   |  |
| 6.   | Remmontazhservice LLP        | 100%     | 30%   |  |
| 7.   | Korgan-Kazatomprom LLP       | 100%     | 30%   |  |
| 8.   | Bailanys-NAC LLP             | 100%     | 30%   |  |
| 9.   | IHT LLP                      | 100%     | 30%   |  |
| <b>Energy enterprises, REM and NFC enterprises</b> |                              |          |   |  |
| 10.  | MAEC-Kazatomprom LLP         | 100%     | Subject to the decision of the Sole Participant |  |
| 11.  | Astana Solar LLP             | 100%     | 30%   |  |
| 12.  | MC Kaz Silicon LLP           | 100%     | 30%   |  |
| 13.  | Kazakhstan Solar Silicon LLP | 100%     | 30%   |  |
| 14.  | UMP JSC                      | 90.1859% | 30% <sup>1</sup>                                | 100% of voting shares  |

<sup>1</sup> 30% of net income – a minimum total amount of dividends due under all types of shares – ordinary (voting) and privileged.