

**Explanation to the agenda items of
Extraordinary General Meeting of Shareholders of
NAC Kazatomprom JSC**

The extraordinary General Meeting of Shareholders of the National Atomic Company “Kazatomprom” Joint Stock Company (“Kazatomprom” or “the Company”) is convened by the Board of Directors of the Company (Minutes No. 14/24 dated August 26, 2024,) on October 16, 2024 in person, with the following agenda:

1. Election of the Chairman and the Secretary of the extraordinary General Meeting of Shareholders of Kazatomprom.
2. Determining the form of voting of the extraordinary General Meeting of Shareholders of Kazatomprom.
3. Approval of the agenda of the extraordinary General Meeting of Shareholders of Kazatomprom.
4. Concluding a major interested party transaction – the Deed of Guarantee between Kazatomprom, KAP Logistics LLP and Taiqonyr qyshqyl zaulyty LLP.

1. Election of the Chairman and the Secretary of the extraordinary General Meeting of Shareholders of NAC Kazatomprom JSC

The basis for submitting this issue to the extraordinary General Meeting of Shareholders (hereinafter – the EGMS) of Kazatomprom is clause 4 of Article 48 of the Law of the Republic of Kazakhstan “On Joint Stock Companies” and clause 87 of the Company’s Charter, according to which the Chairman and the Secretary of the Company’s general meeting of shareholders must be elected to hold the Company’s general meeting of shareholders.

Voting on the election of the Chairman of the EGMS is carried out according to the principle “one (1) share - one (1) vote”, and the decision is made by a simple majority of votes from the total number of voting shares present and eligible to vote.

When voting on the election of the Secretary of the EGMS each shareholder entitled to vote on the EGMS has one vote, and the decision is made by a simple majority of the votes of those present.

Proposed decision:

1. To elect Arman Argingazin as the Chairman of the extraordinary General Meeting of Shareholders of Kazatomprom;
2. To elect Aigerim Dossanova as the Secretary of the extraordinary General Meeting of Shareholders of Kazatomprom.

2. Determination of the form of voting of the extraordinary General Meeting of Kazatomprom Shareholders

The basis for submitting this issue to the Company's EGMS is clause 4 of Article 48 of the Law of the Republic of Kazakhstan "On Joint Stock Companies" and clause 87 of the Company's Charter according to which the form of voting must be determined for holding the general meeting of shareholders of the Company.

When voting on this issue the decision is made by a simple majority of votes from the total number of voting shares of the Company that participate in the voting.

It is proposed to determine the open form of voting at the EGMS of the Company.

Proposed decision:

The form of voting at the extraordinary General Meeting of Shareholders of Kazatomprom shall be determined as open voting.

3. Approval of the agenda of the extraordinary General Meeting of Shareholders of NAC Kazatomprom JSC

The basis for submitting this issue to the EGMS of the Company is article 43 of the Law of the Republic of Kazakhstan “On Joint Stock Companies”, clause 68 of the Company’s Charter according to which the agenda of the General Meeting of Shareholders is formed by the Board of Directors and must contain an exhaustive list of specifically formulated issues for discussion.

At the opening of the General Meeting of Shareholders held in-person the Board of Directors shall report on proposals received on changing the agenda.

The agenda of the General Meeting of Shareholders held in-person may be changed provided that:

1) additions to the agenda have been proposed by shareholders who independently or in aggregate with other shareholders own five or more percent of the Company's voting shares, or by the Board of Directors, provided that the shareholders of the Company have been informed of such additions no later than fifteen days before the date of the general meeting;

2) the majority of the shareholders (or their representatives) who participate in the General Meeting of Shareholders and hold in aggregate not less than ninety-five per cent of the Company’s voting shares have voted for changing or supplementing the agenda.

The agenda of the EGMS is approved by a simple majority of votes from the total number of voting shares of the Company presented at the Meeting of Shareholders.

Proposed decision:

To approve the following agenda of the extraordinary General Meeting of Shareholders of Kazatomprom:

1. Election of the Chairman and the Secretary of the extraordinary General Meeting of Shareholders of Kazatomprom.

2. Determining the form of voting of the extraordinary General Meeting of Shareholders of Kazatomprom.

3. Approval of the agenda of the extraordinary General Meeting of Shareholders of Kazatomprom.

4. Concluding a major interested party transaction – the Deed of Guarantee between Kazatomprom, KAP Logistics LLP and Taiqonyr qyshqyl zauly LLP.

4. Concluding a major interested party transaction – the Guarantee Agreement between Kazatomprom, KAP Logistics LLP and Taiqonyr qyshqyl зауыты LLP.

In accordance with the decision of the Company's Board of Directors (Minutes № 14/24 dated August 26, 2024), Taiqonyr qyshqyl зауыты LLP (hereinafter – TQZ) and KAP Logistics LLP (hereinafter – KAP Logistics) are planning to conclude an offtake contract for the purchase of goods under the project¹ "Construction of a sulfuric acid plant with a capacity of 800 thousand tons per year in the village of Taikonyr, Suzak district, Turkestan region" (hereinafter – the Project) for a period till 2043 on a take-or-pay basis (hereinafter – the Offtake Contract).

The main terms of the Offtake Contract are as follows:

1. KAP Logistics will purchase sulfuric acid from TQZ on a take-or-pay basis;
2. Starting from 2027 TQZ plans to supply KAP Logistics with its own sulfuric acid from the plant;
3. The total amount of KAP Logistics' financial commitments to TQZ that results from the total volume of sulfuric acid supply during the term of the Offtake Contract (till 2043) is 887,165,461,298 (eight hundred eighty seven billion one hundred sixty five million four hundred sixty one thousand two hundred and ninety eight) Tenge, including VAT;
4. KAP Logistics is to engage a guarantor to ensure that its financial obligations under the Offtake Contract are fulfilled properly. Provided that it is agreed with TQZ, any third party including NAC Kazatomprom JSC can be the guarantor.

TQZ, KAP Logistics, NAC Kazatomprom JSC have agreed that Kazatomprom will act as the guarantor and will assume the guarantee obligations by concluding a Deed of Guarantee between Kazatomprom as the "Guarantor", KAP Logistics LLP as the "Debtor" and Taiqonyr Qyshqyl Zauyty LLP as the "Beneficiary" (hereinafter – the Deed of Guarantee) on the following main terms:

- the total amount of guarantee obligations of Kazatomprom is 887,165,461,298 (eight hundred eighty-seven billion one hundred sixty-five million four hundred sixty-one thousand two hundred and ninety-eight) Tenge which equals to the total amount of KAP Logistics' obligations to TQZ under the Offtake Contract;
- the period of guarantee obligations of Kazatomprom is 20 (twenty) years from the date when the Offtake Contract is signed;
- the total amount of guarantee obligations of Kazatomprom will be reduced annually by an amount proportional to the volume of sulfuric acid supplied to TQZ under the Offtake Contract in each calendar year;
- the maximum annual guarantee obligations imposed on Kazatomprom may not exceed the annual amount of KAP Logistics' financial obligations to TQZ under the Offtake Contract;

¹ The construction of a sulfuric acid plant is designed to ensure independent domestic production of sulfuric acid in Kazakhstan and therefore reliable supply of a strategically important reagent for the needs of uranium mining enterprises of NAC Kazatomprom JSC. Thus, the project will provide an opportunity for long-term production planning. The supply of sulfuric acid is planned to be started in 2027.

- in case the amount of the Offtake Contract increases, the total amount of guarantee obligations under the Deed of Guarantee will remain unchanged;
- a guarantee claim may be made against Kazatomprom in case KAP Logistics violates its financial obligations under the Offtake Contract and it results in debt under the Offtake Contract being unpaid for more than 3 (three) months continuously, but the respective claim cannot be made earlier than the first delivery date of sulfuric acid under the Offtake Contract (total delivery period: from 2027 to 2043).

The Offtake Contract is planned to be provided to financial institutions as security for the loan TQZ will raise to finance the Project.

The terms and conditions of the Offtake Contract provide for the right of TQZ to unilaterally terminate it if KAP Logistics fails to provide the guarantee to secure its financial obligations after 3 (three) months from the date when the Offtake Contract is signed.

Thus, if Kazatomprom does not sign the Deed of Guarantee on time, the Offtake Contract may be terminated.

In such a situation there is a potential risk of disrupting the Project deadlines due to lack of funding and it may lead to the shortage of sulfuric acid needed for producing uranium products by Kazatomprom enterprises.

Given that KAP Logistics is an operator for the supply of sulfuric acid to Kazatomprom uranium enterprises through consolidated purchase of sulfuric acid and Kazatomprom is a participant in KAP Logistics LLP with a share in the authorized capital of 94.2337% the credit risk under the Guarantee Agreement is intra-group and controlled.

According to the statement of the Accounting Department of Kazatomprom №09-37/1687 (dated August 16, 2024), the ratio of the amount of the Deed of Guarantee to the total book value of assets of Kazatomprom as of 31 July 2024 is 70.5% whereas to the equity capital – 205.6%.

According to subparagraph 17-1) of paragraph 1 of Article 36 of the Law on Joint Stock Companies, subparagraph 23) of paragraph 106 of the Charter of Kazatomprom, making decisions on concluding a major transaction as a result of which the Company acquires or alienates (may acquire or alienate) property, the value of which is 50% (fifty percent) or more of the total book value of the Company's assets on the date of the decision-making on the transaction as a result of which 50% (fifty percent) or more of the total book value of its assets is acquired or alienated (may be acquired or alienated), falls within the competence of the General Meeting of Shareholders of Kazatomprom.

In accordance with paragraph 3-1 of Article 73 of the Law on Joint Stock Companies, a decision on concluding a major related-party transaction is to be made by the General Meeting of Shareholders by a simple majority of votes of the total number of voting shares in the Company.

According to paragraph 2 of the Rules of concluding transactions between organizations included in the Samruk-Kazyna JSC group, for which the Law on Joint Stock Companies establishes special conditions, approved by the decision of the Board

of Directors of Samruk-Kazyna JSC dated April 27, 2009 No. 18, the decision on concluding major transactions between organizations included in the Samruk-Kazyna JSC group, recognized in accordance with subparagraph 17-1) of paragraph 1 of Article 36 of the Law on Joint Stock Companies as major interested party transactions (paragraph 3-1 of Article 73 of the Law on Joint Stock Companies), is adopted by the General Meeting of Shareholders of Kazatomprom.

When voting on this issue, the decision is taken by a simple majority of votes of the total number of voting shares of the Company that participate in the voting.

Proposed decision:

To conclude a major interested party transaction namely the Deed of Guarantee between NAC Kazatomprom JSC as the "Guarantor", KAP Logistics LLP as the "Debtor" and Taiqonyr Qyshqyl Zauyty LLP as the "Beneficiary" according to annex No. 1 to this decision.