

Materials for consideration by Shareholders for absentee voting of the annual meeting of shareholders of Rakhat Joint Stock Company (hereinafter - Rakhat JSC) without holding a meeting of the general meeting of shareholders scheduled for May 28, 2020

Question 1 of the agenda: “On the approval of the meeting agenda”

The agenda of the Rakhat JSC proposed for approval was published on the official website of Kazakhstan Stock Exchange JSC, on the Internet resource of financial reporting depository, on the corporate website of Rakhat JSC www.rakhat.kz on April 10, 2020, and in newspapers "EGEMEN QAZAQSTAN" and "Kazakhstanskaya Pravda" No.70 dated April 13, 2020.

AGENDA:

- 1. Adoption of the meeting agenda.**
- 2. On the composition of the Counting commission of the annual general meeting of the Company.**
- 3. On approval of the audited consolidated financial statements of Rakhat JSC for 2019.**
- 4. On approval of the distribution order of Rakhat JSC net income for 2019, on decision about paying out dividends on ordinary shares and approval of the amount of dividend as per one ordinary share of Rakhat JSC.**
- 5. On the early termination of member of the Board of Directors of the Rakhat JSC Noh Mang Ko.**
- 6. On the election of a new member of the Board of Directors of Rakhat JSC.**
- 7. On the appeals of shareholders to the actions of Rakhat JSC and its officials and the results of their consideration in 2019.**

Question 2 of the agenda: “On the composition of the Counting commission of the annual general meeting of the Company”

The current composition of the Counting Commission was formed on April 12, 2017 by the decision of the annual general meeting of shareholders of Rakhat JSC (Minutes No. 33) and personally consisted of:

Chairman of the Counting Commission: - Sadykova Dana Tuzelbaevna
Members of the Counting Commission: - Omarova Altynay Halykovna
- Kissikova Daliman Serikbaevna
- Palganova Zarina Shiryazdanovna
- Otanova Aigerim Zhumakhangyzy

It is proposed to stop the powers of the current Counting commission in due to the dismissal of Sadykova Dana Tuzelbaevna and on maternity leave of Otanova Aigerim Zhumakhangyzy, as well as the inability to take part of Palganova Zarina Shiryazdanovna in connection with the current quarantine regime in the city of Almaty (Palganova Z.Sh. lives outside the city), and elect a new Counting Commission as follows:

Chairman of the Counting Commission: - Ryabchenko Svetlana Gennadiyevna
Members of the Counting Commission: - Omarova Altynay Halykovna
- Kissikova Daliman Serikbaevna
- Bulegenov Zhanat Ultanuly
- Kulturumidi Anastasiya Konstantinovna

Question 3 of the agenda: “On approval of the audited consolidated financial statements of Rakhat JSC for 2019”

According to the articles 35 and 36 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" the annual financial statements of the company are approved at the annual general meeting of shareholders.

The annual financial statements for 2019 were preliminary approved by Ernst & Young LLP, an independent audit company by the decision of the Board of Directors of Rakhat JSC in accordance with Minutes No.2 dated March 13, 2020.

The annual financial statements of Rakhat JSC with the report of independent auditors for 2019 are available for review on the corporate website of Rakhat JSC at <http://www.rakhat.kz/novosti> and at the location of the Management Board of Rakhat JSC (at: 2a Zenkov St., Almaty city).

Based on the foregoing, we ask the shareholders of Rakhat JSC to approve the annual financial statements of Rakhat JSC for 2019, taking into account the report of the independent auditor.

Question 4 of the agenda: “On approval of the distribution order of Rakhat JSC net income for 2019, on decision about paying out dividends on ordinary shares and approval of the amount of dividend as per one ordinary share of Rakhat JSC”

According to the articles 35 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies” the annual general meeting of shareholders determines the procedure for distributing the company's net income for the reporting year and the amount of dividend per one ordinary share of the company.

According to the audited consolidated financial statements of Rakhat JSC, according to the results of 2019, net income in the amount of 7.9 billion tenge was received, which is 9% higher than the level of the previous year (profit was 7.3 billion tenge following the results of 2018). Key financial ratios indicate the stable financial condition of the company and the availability of financial resources for the business.

Rakhat JSC continues adhering to the strategy of expanding and modernizing production to increase sales volumes and expand sales markets by increasing sales both domestically and abroad, which will strengthen the position of Rakhat JSC in the confectionery market.

Taking into account the achieved performance targets for the reporting year, the Board of Directors of Rakhat JSC suggests:

1. To distribute the net income of Rakhat JSC for 2019 in the following order:

- to distribute a part of the net income in the amount of 2.368.800.000 (two billion three hundred sixty eight million eight hundred) tenge 00 tiyin for dividends on ordinary shares of Rakhat JSC;

- to establish a value of dividend per 1 (one) ordinary share in the amount of 658 (six hundred and fifty-eight) tenge;

- not to charge and leave the remaining part of the net income of Rakhat JSC after dividend payment in the Company's Retained Profit account.

2. To establish the following procedure and form of payment of dividends:

- date of starting the payment of dividends - June 15, 2020;

- dividends payment period shall not be established;

- date of drawing up the list of shareholders entitled to receive dividends - on May 28, 2020;

- payment of dividends to be made in cash at the location of the Company or in non-cash order;

- make a payment without involving of paying agent.

Question 5 of the agenda: “On the early termination of member of the Board of Directors of the Rakhat JSC Noh Mang Ko”

As of this date the current Board of Directors of Rakhat JSC is represented as follows:

1. Noh Mang Ko
2. Fedorets Konstantin Viktorovich
3. Baek Kwang Hyeon
4. Tereshchenko Sergey Alexandrovich (independent director)
5. Bae Junghan independent director

Rakhat JSC received a written notice from a member of the Board of Directors, Mr. Noh Mang Ko, on the early termination of his powers. In accordance with paragraph 3 of Article 55 and subparagraph 5) of paragraph 1 of Article 36 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”, the Board of Directors raises the question **“On the early termination of member of the Board of Directors of the Rakhat JSC Noh Mang Ko”** for consideration of shareholders in accordance with the agenda of the annual general meeting of shareholders and shareholders are invited to terminate his authority early from the date of this decision.

Question 6 of the agenda: “On the election of a new member of the Board of directors of the Rakhat JSC”

Based on the requirements for candidates specified in the Law of the Republic of Kazakhstan “On Joint-Stock Companies” No.415-II dated May 13, 2003, the Charter of the Company (approved by the decision of the general meeting of shareholders dated March 29, 2016, Minutes No.32) and in the Regulation on the Board of Directors of Rakhat JSC (approved by the decision of the general meeting of shareholders of December 14, 2006, Minutes No.20), the following information about the candidates is provided:

Information about the candidate for the Board of Directors of Rakhat JSC

- 1. The surname, first name and patronymic:** CHOI MYEONGRIM
- 2. Date of birth:** September 19, 1964.
- 3. Education Information:**
 - High School: Dongmyeong;
 - Higher: University of Kyungnam, industrial management specialty
- 4. Who nominates the candidate:** LOTTE CONFECTIONERY CO., LTD.
- 5. The number of shares of the Company owned by the candidate:** does not have
- 6. Information on affiliation to the Company:** does not
- 7. Information on workplaces and positions held in recent years:**
 - From August 1992 to February 2012 he worked at LOTTE CONFECTIONERY CO., LTD in the following positions (manager of regions (snacks), head of the modern trading enterprise department (snacks), sales manager (snacks), head of sales department (snacks);
 - From February 2012 to January 2020 - General Director of Lotte KF Rus LLC;
 - From January 2020 to the present - Head of Global Business Management at LOTTE CONFECTIONERY CO., LTD.
- 8. Certificate from a medical institution about the mental state of the candidate:** not registered.
- 9. Certificate of no criminal record from the authorized body:** has no criminal record.
- 10. A statement from the candidate that he does not work in any enterprise that competes with the Company and is engaged in similar activities:** not employed by enterprises competing in similar activities with the Company.
- 11. Other information confirming the qualifications, work experience of the candidate:** has a high level of qualification, excellent knowledge in industry, sales, organization of production and management.

Question 7 of the agenda: “On the appeals of shareholders on actions of the Rakhat JSC and its officials and the results of their consideration in 2019”

110 requests were received from the shareholders of Rakhat JSC in 2019.

Shareholders requests related to:

- obtaining information on the activities of the Company;
- obtaining information on accrued and paid dividends;
- confirmation of the initial data for updating the information in the register of the Central Securities Depository JSC.

All appeals of shareholders were considered and all appeals were answered in the time and manner prescribed by law.

In this connection, it is proposed to take into account information about the appeals of shareholders of Rakhat JSC on actions of Rakhat JSC and its officials and the results of their consideration in 2019.