

LAW No. 415 of 13th MAY 2003 OF THE REPUBLIC OF KAZAKHSTAN
ON JOINT-STOCK COMPANIES
(with changes and amendments as of August 7, 2007)

Chapter 1. General Provisions	(Articles 1-4)
Chapter 2 Establishment of a Company	(Articles 5-9)
Chapter 3 A Company's Charter Fund	(Articles 10 -11)
Chapter 4 Shares and Other Company's Securities	(Articles 12 -32)
Chapter 5 Managing a Company	(Articles 33 – 63)
Chapter 6 A Company's Affiliated Parties	(Articles 64 – 67)
Chapter 7 Corporate Transactions which are Subject to Special Requirements	(Articles 68 – 74)
Chapter 8 A Company's Financial Statements and Audit	(Articles 75 – 78)
Chapter 9 Disclosure of Information by a Company. A Company's Documents	(Articles 79 – 80)
Chapter 10 Reorganization and Liquidation of a Company	(Articles 81 – 89)
Chapter 11 Conclusive and Interim Provisions	(Articles 90 – 91)

The original wording of the Law did not include the Table of Contents

This Law shall define the legal status, the procedure of establishment, operation, reorganization and liquidation of a joint-stock company; rights and obligations of shareholders, as well as protection measures of their rights and interests; the competence, procedure of establishment and operations of a joint-stock company governing bodies; the authority, election procedure and obligations of its officials.

Chapter 1. General Provisions

Article 1. Fundamental Definitions Used in This Law

The following basic definitions are used in this Law:

1) **Shareholder** means a person who owns shares;

Modifications are incorporated into subparagraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2) **Share** means a security issued by a joint-stock company, which certifies the right to participate in the management of a joint-stock company, receive dividends on it and a portion of a company's assets in the event of its liquidation, as well as other rights provided herein and other legislative acts of the Republic of Kazakhstan;

Subparagraph 3 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

3) **Affiliated parties** mean individuals or legal entities (except for the governmental authorities that exercise controlling and supervisory functions within the powers vested in them), which may directly and/or indirectly impact decisions and/or exert influence upon decisions made under each others influence (by one individual) including those by virtue of the closed deal. A list of a company's affiliated parties is established in **Article 64** herein;

Subparagraph 4 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

4) **Voting shares** mean outstanding common and preferred shares which provide for the right to vote in cases specified herein. Voting shares shall not include shares repurchased

by the company and shares in nominal holding or belonging to the owner about whom there is no data available in the registration system of the central depository;

5) **Dividend** means income of a shareholder on shares held by him, which is paid by the company;

6) **Official** means a Board's member of a joint-stock company, a member of its Executive Body or a person who solely exercises the functions of the company's Executive Body;

Subparagraph 6-1 is incorporated into the Article in accordance with the RK Law of July 8, 2005 N 72-III

6-1) **Company's Corporate Governance Code** means a document to be approved by the company's general meeting of shareholders which regulates the relations arising in the process of managing the company, including relations between shareholders and the joint stock company's bodies, the joint stock company and the stakeholders;

Subparagraph 6-2 is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III

6-2) **Corporate web-site** means an official Internet web-site, which belongs to a joint-stock company and is in accord with the requirements of the Authorizing Agency. The availability of a corporate web-side is a mandatory requirement to public companies.

6-3) **Corporate secretary** means an employee of a joint-stock company who is not a member either of the Board or the joint-stock company's Executive Body appointed by and accountable to the joint-stock company's Board and who: maintains control within his/her duties on the preparation and holding shareholders' and the Board's meetings and assures the formation of both materials associated with the agenda of the general meeting of shareholders and materials for the Board's meeting, as well as maintains controls over the access to these materials. A corporate secretary's competence and activities shall be defined in internal documents of a joint-stock company.

7) **Qualified majority** means a majority of no less than three quarters of the total number of a joint-stock company's voting shares;

8) **Convertible security** means a security of a joint-stock company which may be exchanged by its securities of another type on the terms and under the procedure determined in the issue prospectus;

Modifications are incorporated into subparagraph 9 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

9) **Controlling block of shares** means a block of shares which provides for the right to have a decisive vote on decisions made by the joint-stock company;

Modifications are incorporated into subparagraph 10 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

10) **Major shareholder** means a shareholder or several shareholders acting on the basis of an agreement, who (in aggregate) own ten and more percent of voting shares in a joint-stock company;

Modifications are incorporated into subparagraph 11 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

11) **Cumulative voting** means a method of voting whereby each share participating in the vote has the number of votes equal to the number of members of the joint stock company's body being elected;

Subparagraph 11-1 is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III

11-1) **Minority shareholder** means a shareholder who owns less than 10 percent of a joint-stock company's voting shares;

Modifications are incorporated into subparagraph 12 in accordance with the RK Law of February 19, 2007 N230-III

12) **Independent director** means the Board's member who is not an affiliated party of a given joint-stock company and has not been during three years preceding his election to the Board (except for the case of him being in office as the independent director of a given joint-stock company); is not an affiliated party to affiliated parties of a given joint-stock company; is not subordinated to official persons of a given joint-stock company or organisations, which are affiliated parties to this joint-stock company; is not a civil servant; is not an auditor of this joint-stock company and has not been so during three years preceding his election to the Board; does not participate in the audit of this joint-stock company as an auditor employed by an audit firm, and has not participated in such audit during three years prior to his election to the Board;

*Note: **Letter** of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations, dated September 14, 2006 N 09-15/3520/10077.*

Subparagraph 13 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

13) **Par value of shares** means the price, at which shares are distributed among the founders (paid by a sole founder), which shall be the same for all common and preferred shares and is determined in the foundation agreement (sole founder's decision) of a joint-stock company;

14) **Authorised shares** mean shares, of which the issue was registered by the Authorising Body in accordance with the Republic of Kazakhstan securities market law;

15) Is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

16) Is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

17) **Paying agent** means a bank or an organisation carrying out certain types of banking operations;

Modifications are incorporated into subparagraph 18 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

18) **Outstanding shares** mean shares of a joint-stock company paid out by founders and investors in the primary securities market;

Modifications are incorporated into subparagraph 19 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

19) **Company's registrar** means an organisation carrying out professional activities associated with maintenance of the register system of a company's securities holders;

20) **Authorizing Agency** means a governmental authority regulating and supervising the securities market;

21) **Placing price** means the price of shares as determined in the course of placement of shares in the primary securities market.

Article 2. The Republic of Kazakhstan Joint-Stock Company Law

1. The Republic of Kazakhstan joint stock company legislation shall be based on the **Constitution** of the Republic of Kazakhstan and consist of the **Civil Code**, this Law and other normative legal acts of the Republic of Kazakhstan.

2. The provisions of this Law shall apply on the basis of special considerations set forth in the Republic of Kazakhstan legislative acts.

3. Where an International Treaty ratified by the Republic of Kazakhstan establishes other rules than those contained herein, the rules of the International Treaty shall apply.

Article 3. A Joint-Stock Company

1. A joint-stock company (hereinafter ‘company’) shall be a legal entity, which issues shares for the purpose of raising funds in order to carry out its operations.

A company shall possess assets separated from assets of its shareholders and it shall not be held liable for their obligations.

A company shall be held liable for its obligations within the size of its assets.

2. A company's shareholders shall not be held liable for the company's obligations and shall not bear the risk of losses associated with the company's operations within the value of the shares he holds, except for cases specified in the Republic of Kazakhstan **legislative acts**.

3. In cases provided for in the Republic of Kazakhstan **legislation** non-for-profit organisations may be established in the organisational legal form of a joint-stock company.

4. A company (except for a non-for-profit organisation established in the organisational legal form of a joint-stock company) shall have the right to issue bonds and other types of securities.

5. The Republic of Kazakhstan **legislative acts** may establish mandatory organisational legal forms of joint-stock companies for organisations which engage in certain types of activities.

6. A company shall have its brand name which must include reference to the organisational legal form of a “joint-stock company” and its name. It shall be allowed to use the acronym “JSC” before the company's name.

Article 4 is taken out in accordance with the with the RK **Law** of July 8, 2005 N 72-III (**see the old version**)

*Article 4-1 is incorporated into the Law in accordance with the RK **Law** of February 19, 2007 N230-III*

Article 4-1. A Public Company

1. A public company shall be a joint stock company which complies with the following criteria:

- 1) a company should place its common shares at OTC and/or organized capital markets making this shares available for sale to an unlimited number of investors;
- 2) no less than 30 percent of the total company's common shares outstanding should be owned by the shareholders each owning no more than 5 percent of the company's common shares out of the total company's common shares outstanding;
- 3) the volume of common shares trades should comply with the requirements determined in the normative legal act of the Authorizing Agency;
- 4) a company's shares should be listed in the Stock Exchange operating in the Republic of Kazakhstan for the inclusion into which special (listing) requirements to securities and their issuers are established or they are included into the listing of a special trading floor of Almaty Regional financial centre.

2. The Charter of a public company should include the following:

- 1) The Corporate Governance Code;

- 2) A position of a Corporate Secretary;
 - 3) A Corporate web-site
 - 4) A 'Golden Share' Prohibition.
3. A Joint-stock company shall be recognized as public or its public status shall be called back by an Authorizing Agency under the established procedure on the basis of the company's application letter.
 4. A company shall lose its public status in the instances, as follows:
 - 1) Failure to comply during three consecutive months with the requirements of subparagraphs 2) and/or 3) of paragraph 1 herein;
 - 2) Failure to comply with subparagraphs 4), paragraph 1 herein.

Chapter 2. Establishment of a Company

Article 5. A Company's Founders

1. Individuals and/or legal entities, which have made a decision to establish the company, shall be recognised as its founders.

2. The state agencies and state organizations of the Republic of Kazakhstan may not act as founders or shareholders of a company, except for the Government of the Republic of Kazakhstan, local executive bodies as well as the National Bank of the Republic of Kazakhstan in accordance with the Republic of Kazakhstan legislative acts.

A state-owned enterprise shall have the right to act as a company's founder and buy its shares only upon consent of the state agency, which exercises the function of the owner with regard to that enterprise and the regulatory function.

3. A company may be founded by a sole person.

4. The founders of a company shall bear **joint responsibility** with regard to payment of costs associated with the company's establishment and those incurred prior to its state registration. A company shall compensate to its founders the said costs only in case of subsequent approval of such expenses by the general meeting of the company's shareholders.

Article 6. The Foundation Meeting. A Sole Founder

1. A company shall be established pursuant to the decision of the meeting of its founders (foundation meeting). Where a company is established by one founder the decision to establish a company shall be made by such person at his/her sole discretion.

A company may be established by way of reorganising the existing legal entity in accordance with the procedure established herein and other legislative acts of the Republic of Kazakhstan.

2. At their first foundation meeting the founders shall:

1) make a decision on a company's establishment and define the procedure of joint activities with regard to the company's establishment;

2) close the foundation agreement;

*Subparagraph 3 is spelt out commensurate to the wording of the RK **Law** of July 8, 2005 N 72-III (**see the old version**)*

3) determine the size of advances for shares to be paid by the founders;

4) determine the number of authorised shares, including shares to be paid out by the foundation parties;

*Subparagraph 4-1 is added in the Article in accordance with the RK **Law** of February 19, 2007 N230-III*

4-1) establish the terms and procedures of the company's securities conversion which shall be swapped for the company's shares;

Subparagraph 4-2 is added in the Article in accordance with the RK Law of February 19, 2007 N230-III

4-2) approve pricing methodology for the shares being repurchased by the company in accordance with the this Law

5) make a decision on the governmental registration of authorized shares;

6) select the company's registrar;

7) appoint persons authorised to sign on behalf of the company documents for the governmental registration;

8) identify persons who in accordance with the Republic of Kazakhstan **legislation** will assess the assets contributed as payment for the Charter Fund by the company's founders;

9) select persons authorised to carry out the company's business activities and represent its interests before the third parties prior to the company's governing bodies' establishment;

10) approve the company's Charter.

3. Prior to shares placement it is allowed to hold several subsequent meetings of the founders. With that the introduction of amendments and additions into the decisions made at the first foundation meeting shall be allowed provided that all parties to the foundation agreement are present.

4. At the company's first foundation meeting each founder shall have one vote. At subsequent foundation meetings each founder shall have one vote, unless otherwise is specified in the foundation agreement.

5. Resolutions of the foundation meeting (a sole founder) shall be documented in the form of minutes to be signed by all foundation parties (sole founder) of the company.

Article 7. A Foundation Agreement. A Sole Founder's Decision

1. A foundation agreement (a sole founder's decision) shall include the following:

1) the information on the company's founders (a sole founder), including:

with regard to a physical person: name, nationality, place of residence and details of the identification document;

with regard to a legal entity: its business name, address, details of state registration;

2) a record of the company's establishment, a full and abbreviated company's name, as well as the procedure of its establishment;

Subparagraph 3 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

3) the size of advances for shares to be paid by founders, as well as the payment terms and procedures;

4) the number, types and par values of the company's authorised shares, which will be placed among its founders (acquired by the sole founder) after the state registration of the shares issue;

5) rights and obligations of its founders and distribution of costs associated with the company's establishment, as well as other provisions on the founders' activities associated with the company's establishment;

6) a description of the authority of persons to whom it is entrusted to represent the company's interests in the course of its establishment and state registration;

7) the procedure of convening and conducting subsequent meetings of the company's founders, as well as the number of votes of each foundation party of the company at subsequent foundation meetings;

8) a record on approval of the company's Charter;
9) other provisions to be incorporated into the foundation agreement (decision of a sole founder);

on the founders' decision;

in accordance with the Republic of Kazakhstan legislative acts.

2. During the effective period of the foundation agreement (decision of the sole founder) its signatories (the sole founder) shall have the right to incorporate amendments and additions into it, provided that the requirements established in **paragraph 3, Article 6** of this Law are observed.

3. The information presented in the foundation agreement (decision of the sole founder) shall be commercial secret, unless otherwise is specified in the agreement (decision of the sole founder). The foundation agreement (decision of the sole founder) shall be submitted to the governmental agencies as well as to the third parties only pursuant to a company's decision or in cases specified in the Republic of Kazakhstan legislative acts.

4. The foundation agreement (the decision of the sole founder) shall be terminated following the date of the governmental registration of authorised shares.

Article 8. Procedure of Concluding the Foundation Agreement (Documenting the Sole Founder's Decision)

1. The foundation agreement shall be closed in the written form by way of signing the agreement by each foundation party or its representative.

The sole founder's decision shall be documented in writing and signed by the founder or his/her representative.

The foundation agreement (the sole founder's decision) is subject to notarisation.

2. The founders (the sole founder's) representatives should have appropriate authority registered in accordance with the legislation of the Republic of Kazakhstan providing for the right to establish the company, including the right to participate in the foundation meeting and sign the foundation agreement.

Article 9. The Company's Charter

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. A company's Charter shall be the document which defines the company's legal status as a legal entity. The company's Charter ought to be signed by the founders (a sole founder) or their representatives (representative), except for the new version of the Charter (incorporation of amendments and additions to it) of an existing joint stock company, which shall be signed by a person authorised by the general meeting of shareholders. The company Charter, as well as all amendments and additions therein shall be subject to notarization.

2. A company's Charter shall include the following provisions:

1) a company full and abbreviated names;

2) a company's Executive Body address;

Subparagraph 3 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

3) information on the shareholders' rights, including preferred shares rights of the company;

4) is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

5) the establishment procedure and jurisdiction of company's governing bodies;
6) the procedure of the organisation of company's activities, including:
the procedure of convening, preparation and conducting the general meeting of shareholders and the meetings of the company' the collegial bodies;
the procedure for decisions making by the company's governing bodies, including the list of issues on which decisions must be made by a qualified majority of votes;
the procedure for decision making by the company's bodies including the list of issues the decisions on which should be made by the qualified majority of votes;
Modifications are incorporated into paragraph 7 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

7) the procedure for disclosure of information on the company's business to its shareholders, specifying mass media used to publish information on the company' operations;
Subparagraph 7-1 is added in the paragraph in accordance with the RK Law of July 8, 2005 N 72-III

7-1) the procedure for disclosure by the company's shareholders and officials of information on their affiliated parties;

8) where a company is a non-for-profit organisation: the mention that the company is a non-for-profit organisation, by-laws on the voting procedure, non-payment of dividends and other requirements established by this Law and other legislative acts of the Republic of Kazakhstan;

9) provisions on the company's termination;

10) other provisions in accordance with this Law and other legislative acts of the Republic of Kazakhstan.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3. Any interested person shall have the right to familiarise himself with the company's Charter. Pursuant to the request of a related party the company shall provide him/her with an opportunity to familiarize himself with the company's Charter, including subsequent amendments and additions to it. Within three working days the company shall execute the request of a shareholder to provide him with the copy of a company's Charter. The company shall have the right to charge a fee for providing a copy Charter to a shareholder, which must not exceed the cost of making a copy as well as the delivery costs, if necessary.

4. A company shall have the right to carry out its activities on the basis of the company's **Model Charter** approved by the Government of the Republic of Kazakhstan.
Subparagraph 5 is incorporated into the Article in accordance with the RK Law of July 8, 2005 N 72-III

5. Mass media which may be involved for publication of information on the company's operations and the requirements applied thereto shall be established by **the normative legal act of the Authorising Body**.

Chapter 3. A Company's Charter Fund

Article 10. The Minimal Size of a Company's Charter Fund

The minimal size of a company's Charter Fund shall be 50 000 times the size of a **monthly calculation index** as established by the law of the Republic of Kazakhstan on he Republic's Budget for the relevant fiscal year.

Requirements with regard to the minimum size of the company's Charter Fund as established by the first part of this Article shall not apply to the company operating as **investment privation fund**.

*Article 11 is spelt out commensurate to the wording of RK **Law** of July 8, 2005 N 72-III (see the old version)*

Article 11. The Charter Fund of a Company

1. The Charter Fund of a company shall be formed by way of payment for shares by founders (a sole founder) at their par value and by investors at placement prices as established in accordance with the requirements herein and shall be denominated in the national currency of the Republic of Kazakhstan.

The Charter Fund of a company established as a result of reorganisation shall be formed in accordance with the requirements herein.

2. The size of the advance payment for shares made by the founders shall be no less than the minimal size of the Charter Fund of a company and be fully paid out by the founders within thirty days following the date of the state registration of the company as a legal entity.

3. The increase in the Charter Fund of a company shall be made by way of placement a company's authorised shares.

Chapter 4. Shares and Other Company's Securities

Article 12. General Provisions on Corporate Securities

1. A company shall have the right to issue either common shares or both - common and preferred shares. Shares shall be issued in **a non-documentary form**.

2. Non-for-profit organisations established in an organisational legal form of a joint-stock company shall not have the right to issue preferred shares.

3. Shares shall be indivisible. Where a share is held by several persons on the right of joint ownership they all shall be recognised as a sole shareholder and they shall enjoy the rights certified by the share via their common representative.

4. Shares of a certain class shall provide each holder with the rights equal to the rights of other holders of that class, unless otherwise is specified in this Law.

5. Legislative acts of the Republic of Kazakhstan may establish restrictions with regard to the following:

- 1) carrying out transactions with a company's shares;
- 2) a maximal number of a company shares to be held by one shareholder;
- 3) a maximal number of votes on a company's shares given to one shareholder;

6. A company shall have the right to issue other securities for which the terms and procedure of issuance, placement, circulation and redemption shall be established by **the Republic of Kazakhstan stock market law**.

Article 13. Types of Shares

1. An common share shall provide its holder with the right to participate in the general meeting of shareholders with the right to vote in making decisions on any issues that are put to a vote, the right to receive dividends when the company has net income, as well as a part of company's assets in case of its liquidation in accordance with the procedure established in the Republic of Kazakhstan legislation.

2. Shareholders - owners of preferred shares shall have the priority right before shareholders – owners of common shares to receive dividends in a previously guaranteed

guaranteeing amount as established in the company's Charter and to a portion of assets in case of the company's liquidation in accordance with the procedure established therein.

The number of a company's preferred shares should not exceed twenty-five percent of its total authorised shares.

3. A preferred share does not provide its holder with the right to participate in the company's management, except for cases set forth in paragraph 4 herein.

4. A preferred share shall provide its holder the right to participate in the company's management, when:

Modifications are incorporated into subparagraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1) the general meeting of a company's shareholders is considering the issue a decision on which may restrict the rights of the shareholder holding preferred shares. A decision on such issues shall be deemed to be made only on the condition that no less than two-thirds of the total number of outstanding preferred shares (less repurchased shares) voted for such restriction;

2) the general meeting of a company's shareholders shall consider the issue of the company's reorganisation or liquidation;

Modifications are incorporated into subparagraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3) dividends on preferred shares have not been paid out in full during three months following the expiration date established for its payment.

5. The foundation meeting (decision of the sole founder) or a general meeting of shareholders may introduce one 'golden share' which does not participate in the formation of the Charter Fund and paying out the dividends. The holder of a 'golden share' shall have the right of veto with regard to the decisions of the general meeting of shareholders, the Board and the Executive Body on issues defined in the company's Charter. The right of imposition of veto certified by the 'golden share' shall not be transferred.

Article 14. Rights of a Company's Shareholders

1. A company's shareholder shall have right to:

1) participate in the company's management in accordance with the procedure established herein and the company's Charter;

2) receive dividends;

3) obtain information on a company's business, as well as familiarizing himself/herself with the company's financial statements in accordance with the procedure determined by the general meeting of shareholders or a company's Charter;

4) receive extracts from the registrar or nominee holder confirming his ownership right for securities;

5) nominate candidate Board members to be elected at the company's general meeting of shareholders

6) challenge through the judicial procedure the decisions made by the company;

7) write inquiries to the company with regard to its activity and receive motivated responses within thirty days following the receipt of such request by the company;

8) a portion of the company's assets in case of its liquidation;

Modifications are incorporated into subparagraph 8 in accordance with the RK Law of 8 August, 2007 N 321-III (see the old version)

9) pre-emptive purchase of shares and other company's securities, which are convertible into its shares, in accordance with the procedure established herein, except for cases envisaged in **the legislative acts**;

2. A major shareholder shall also have the right to:
 - 1) require the convocation of an extraordinary general meeting of shareholders or apply to court with a lawsuit in the event that the Board deny convening the general meeting of shareholders;
 - 2) propose to the Board to include additional issues into the agenda of the general meeting of shareholders in accordance with this Law;
 - 3) require the convocation of the Board's meeting;
 - 4) at his/her own expense require audit to be implemented by an audit firm.
3. It shall not be allowed to restrict shareholders' rights established by **paragraphs 1 and 2** of this Article.

The company's Charter may specify other rights of shareholders.

Article 15. Obligations of a Company's Shareholders

1. A company's shareholder shall:
 - 1) pay for shares;

Modifications are incorporated into subparagraph 2 in accordance with the RK Law of July 8, 2005, N 72-III (see the old version), February 19, 2007 N 230-III (see the old version)

 - 2) within ten days notify the company's registrar and the nominee holder of shares owned by a given shareholder, of changes in the information required for maintaining the registers of the company's shareholders;
 - 3) not divulge the company's and its operations information, which constitutes official, commercial or other secret protected by law;
 - 4) perform other duties in accordance with this Law and other legislative acts of the Republic of Kazakhstan.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of February 19, 2007 N 230-III (see the old version)
2. The company and its registrar shall not be held responsible for the consequences of a shareholder's failure to comply with requirements established in subparagraph 2) of paragraph 1 herein.

Article 16. The Pre-emptive Right for Purchasing a Company's Securities

Paragraph 1 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

1. A company intending to place authorised shares or other securities convertible into the company's common shares, as well as sell such previously purchased securities, shall within ten days following the decision make an offer to its shareholders by written notice or publication in mass media to purchase securities on equal conditions on a pro rata basis to the shares they hold at a price of placement (selling price) established by the company's unit which made the decision to place (sell) the securities. Within thirty days following the date of the advertisement on the placement (sale) of the shares by the company, a shareholder shall have the right to make available the application for the acquisition of shares or other securities convertible into the company's shares in accordance with the pre-emptive right.

In that respect, a shareholder who owns the company's common shares shall have the pre-emptive right for the acquisition of the company's common shares or other securities convertible into the company's common shares and a shareholder who holds the company's preferred shares shall have the pre-emptive right for the acquisition of the company's preferred shares.

2. **The procedure for the company's shareholders pre-emptive right to purchase the securities shall be established** by the Authorising body.

Article 17 is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

Article 18. Placement of a Company's Shares

Article 18 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

1. A company shall have the right to place its shares after the state registration of their issue by way of one or more placements within the authorised number of shares.

A decision to place a company's shares within the number of its authorised shares shall be made by the company's Board, unless the company's Charter refers this issue to the competence of the general meeting of shareholders.

The shares shall be placed by way of subscription or auction held on an unorganised stock market or subscription or auction held on an organised stock market.

Subparagraph 1-1 is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

1-1. In the alienation by a shareholder of a share or another security convertible into the company's common shares within thirty days provided to him/her for the submission of application to purchase the shares or another security convertible into the company's common shares in accordance with the pre-emptive right this right shall be assigned to a new owner of shares or other security convertible into the company's common shares if the former owner has not submitted such application.

Paragraph 2 is spelt out commensurate to the wording of the RK Law of February 19, 2007 N230-III (see the old version)

2). Shares placed by a company by means of subscription shall be subject to sale at the placement price, which shall be same for all persons who purchase shares within the limits of the given placement except for shareholders, who acquire shares in accordance with the pre-emptive right.

Shareholders shall acquire shares in accordance with the pre-emptive right at a single placement price determined by the company's unit which has made the placement decision.

Paragraph 3 is spelt out commensurate to the wording of the RK Law of February 19, 2007 N230-III (see the old version)

3. The placement price of shares determined for this placement by a company's unit which made the placement decision shall be the lowest price for which the shares may be sold.

Modifications are incorporated into paragraph 4 in accordance with the RK Law of June 5, 2006 N 146 -III (see the old version)

4. In the event that the company's unit authorised to make a decision to place authorised shares, the decisions to increase the number of outstanding shares and (or) decrease the placement price, such authorised shares shall be placed subject to the provisions of paragraph 1, Article 16 herein.

Modifications are incorporated into Article 19 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

Article 19. The System of Registers of a Company's Holders of Shares

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. Maintenance of the system of registers of a company's holders of shares may be carried out exclusively by the company's registrar, who should not be an affiliated party of the company or of its affiliated parties.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2. The procedure for the maintenance of the system of registers of the company's holders of shares as well as disclosure of information relating to it to the Authorising Agency shall be governed by the Republic of Kazakhstan securities market legislation.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3. A company shall close a service agreement with the company's registrar on the maintenance of the system of registers of the company's holders of shares prior to the submission to the Authorising Agency the documents for the governmental registration of the company's securities issue.

Modifications are incorporated into paragraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

4. A company shall have no right to order the inclusion of a given share into the personal account of its buyer in the system of registers of the company's holders of shares (a registration system of par holders), until the share to be placed is fully paid out.

Article 20. Report on the Results of a Company's Shares Placement

1. A company shall file with the Authorising Agency the reports on the results of placement of its shares based on the results for each six months period (within one month following the end of a reporting half year), until all authorised shares are placed or after the completion of their full placement.

2. **The content and share placement report presentation procedure** as well as the procedure for consideration and approval of the report shall be determined by the Authorising Agency.

Article 21. Payment for a Company's Outstanding Shares

1. Cash, **property rights** (including rights to intellectual property) and other assets, except for cases specified herein and other legislative acts of the Republic of Kazakhstan may be paid for shares anticipated for placement.

Considerations other than cash shall be at a price to be determined by an appraiser acting on the basis of a licence issued in accordance with the Republic of Kazakhstan legislation.

2. Where shares to be placed are paid with the right to use property, such right shall be assessed on the basis of payments for the use of that property during the entire period of its use by the company. Withdrawal of such property prior to the expiration of the said period without the general meeting of shareholders' consent shall be prohibited.

3. It shall not be allowed for a company to purchase its authorised shares if they are placed in the primary securities market.

Article 22. Dividends on a Company's Shares

Modifications are incorporated into paragraph 2 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

Dividends on a company's shares shall be paid in cash or the company's securities provided that the dividend payment decision has been approved by the general meeting of shareholders by a simple majority of the company's voting shares, except for dividends on preferred shares.

Payment of dividends in the form of securities on the company's preferred shares shall be allowed.

Payment of dividends on the company's shares in the form of its securities shall be allowed only if such payment is carried out with the company's authorised shares and its bonds issued, provided that the shareholder has expressed his consent in writing.

The list of shareholders who have the right to receive dividends must be prepared as of the date preceding the date of the dividend payment.

The shares with unpaid dividends shall be disposed with the right for their receipt by a new share owner unless otherwise is stipulated in the Share Disposal Agreement.

2. Frequency of a company's shares dividend payments shall be governed by the company's Charter and/or **the Share Issue Prospectus**.

3. The dividends on the company's shares may be paid out via the paying agent. The company shall pay the fee for the paying agent's services.

Paragraph 4 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

4. Dividends shall not be accrued or paid on the shares which were not outstanding, or which were repurchased by the company itself, or where a court or the general meeting of shareholders makes a decision to liquidate the company.

Modifications are incorporated into paragraph 5 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

5. It shall not be allowed to accrue dividends on the company's common and preferred shares in the following instances:

1) where the owner's equity is negative or it will become negative as a result of accrual of dividends on its shares;

2) where the company falls under the definition of insolvency or illiquidity in accordance with the **Bankruptcy Law of the Republic of Kazakhstan** or the said features will be acquired by the company as a result of the accrual of dividends on its shares;

3) is taken out in accordance with the RK Law of July 8, 2005 N 72-III (**see the old version**)

6. A shareholder shall be entitled to require the payment of non-received dividends irrespective of the time when the indebtedness occurred.

In case of failure to pay the dividends within the identified timeframe the dividends and the penalty which is computed on the basis of **the Republic of Kazakhstan National Bank official refinancing rate** shall be paid to the shareholder as of the day of discharge of the financial obligation or the appropriate part thereof.

7. Non-for-profit organisations established in the organisational legal form of a joint-stock company shall not accrue and pay dividends on their shares.

Article 23. Dividends on Common Shares

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version), the RK Law of February 19, 2007 N230-III (see the old version)

1. The dividends on common shares of a company upon quarterly or half-yearly results may be paid out pursuant to the decision of the Board, provided that this is envisaged in the company's Charter.

The size of dividends per one common share shall be specified in the resolution of the general meeting based on the quarterly or half-yearly performance.

The decision to pay dividends on common shares based on annual results shall be made by the annual general meeting of shareholders.

The general meeting of shareholders of a company shall have the right to make a decision no to pay dividends on the company's common shares based on the mandatory publication in mass media of such decision within ten working days following the date when the decision has been made.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version), the RK Law of February 19, 2007 N230-III (see the old version).

2. A decision to pay dividends on a company's common shares must be published in mass media within ten working days following the date when the decision has been made. Besides the public companies are required to publish such decision on their corporate website.

3. A decision to pay dividends on the company's common shares must include the following information:

- 1) a business name, address, bank details and other company's details;
- 2) a period for which the dividends shall be paid;
- 3) the size of dividend per one common share;
- 4) a dividend payment starting date;
- 5) a procedure and form of dividend payment.

Article 24. Dividends on Preferred Shares

1. Payment of the company's dividends on preferred shares shall not require a decision of a company's governing body, except for instances specified in paragraph 5, **Article 22** herein.

The frequency of dividend payments and the size of dividend per one preferred share shall be set forth in a company's Charter. The size of dividends which are accrued on preferred shares may not be less than the size of dividends accrued on common shares for the same period.

Payment of dividends on company's common shares shall not be realized until the dividends on its preferred shares are paid out in full.

2. A guaranteed size of dividends on preferred shares may be established as a fixed amount, or indexed against a certain parameter on the condition of regularity and availability of its values.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version),

3. Within five days prior to the date of payment of dividends on preferred shares the company shall publish in mass media the information on dividend payment and indicate the information listed in subparagraphs 1), 2), 4), 5), paragraph 3, **Article 23** herein, as well as the size of dividend per one company's preferred share.

Article 25. Carrying out Transactions with the Company's Shares

1. A person, independently or in conjunction with its affiliated parties intending to purchase at the secondary securities market thirty and more percent of its voting shares shall send a notice to the company and the Authorising Agency in accordance with the established procedure. A notice must contain the information on the number of shares purchased, estimated purchase price and other information as set forth in the **regulatory legal acts** of the Authorising Agency.

2. The company shall not have the right to impede the sale of shares by its shareholders. The company shall have the right to make an offer to a person who wishes to sell the company's shares to purchase them by the company itself or by the third parties at a price higher than the offered price. A purchase offer must contain the information on the number of shares, the price and the buyers' details in case when shares are purchased by the third parties.

*Modifications are incorporated into paragraph 3 in accordance with the RK **Law** of July 8, 2005 N 72-III (**see the old version**), the RK **Law** of February 19, 2007 N230-III (**see the old version**)*

3. A person who independently or in conjunction with its affiliated parties purchased in the secondary securities market thirty and more per cent of a company's voting shares, within thirty days following the date of the purchase shall publish in mass media the proposal to other shareholders to sell the company's shares they hold. The proposal to the shareholders of a public company should be published on the corporate web-site. A shareholder shall have the right to accept the offer and sell the shares he holds within the period not exceeding thirty days following the date of publication of the offer to sell them.

An offer to shareholders to sell the shares they hold must contain information on the person and his affiliated parties who purchased thirty and more percent of the company's voting shares, including the names (business names), places of residence (addresses), number of shares held and the proposed share acquisition price determined in accordance with paragraph 2, **Article 69** herein.

In case of the receipt of the written consent of the shareholder to sell the shares he holds, the person who published the offer to buy the shares shall realize the payment for the shares within thirty days.

In case of failure to comply with the share acquisition procedure set forth herein the person (persons) who holds (hold) thirty and more percent of the company's voting shares, should sell a number of shares to non-affiliated parties a portion of shares they hold, which in excess of twenty-nine per cent of the company's voting shares.

5. A company's shareholder who filed an application in response to the offer to sell his own shares shall have the right under the judicial procedure to challenge the refusal to purchase the shares of a person who published such proposal.

Article 26. Repurchase of the Outstanding Shares upon the Company's Initiative

*Modifications are incorporated into paragraph 1 in accordance with the RK **Law** of July 8, 2005 N 72-III (**see the old version**), the RK **Law** of February 19, 2007 N230-III (**see the old version**)*

1. The outstanding shares may be repurchased upon the shareholder's consent on the company's initiative in accordance with the shares price determination methodology in case they are repurchased by the company under the procedure established herein for the purpose of their subsequent sale or for other purposes which do not contradict the legislation of the Republic of Kazakhstan and the company's Charter.

2. The company will repurchase its outstanding shares upon its initiative on the basis of the Board's decision unless otherwise is specified herein and/or in the company's Charter.

3. The company shall not have the right to purchase its outstanding shares:
 - 1) prior to conducting its first general meeting of shareholders;
 - 2) prior to approval of the report on the results of the shares' placement;
 - 3) where as a result of the purchase of shares a company's owner's equity will be less than the minimal Charter Fund determined herein;
 - 4) where at the time of the purchase of shares the company satisfies the definition of insolvency or credibility in accordance with the **bankruptcy law of the Republic of Kazakhstan** or it acquires the said features as a result of repurchase of all shares offered for repurchase;
 - 5) where the court or the general meeting of the company's shareholders makes a decision regarding its liquidation.

Modifications are incorporated into paragraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version).

4. Where the number of outstanding shares repurchased upon the company's initiative exceeds one percent of their total number existing prior to closing the shares sale-purchase transaction(s) the company shall make a notification of such repurchase to its shareholders.

The company's advertisement of its repurchase of the outstanding shares should contain the information on the types, number of the shares to be repurchased; the price, terms and conditions of such repurchase and it must be published in mass media.

Modifications are incorporated into paragraph 5 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version).

5. Where the number of a company's outstanding shares, authorised by its shareholders to be repurchased is in excess of the number of shares which is authorised by the company for repurchase, these shares shall be repurchased from the shareholders on a pro rata basis to the number of shares they hold.

Article 27. Repurchase by a Company of Outstanding Shares Pursuant to a Shareholder's Request

Paragraph 1 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version).

1. The outstanding shares must be repurchased by the company pursuant to the request of a company's shareholder which may be made by him in the following instances:

- 1) the general meeting of shareholders makes a decision on the company's reorganisation (provided that the shareholder participated in the general meeting of shareholders at which the issue of reorganisation was dealt with, and voted against it);

- 2) he disagrees with the decision to close a major transaction and/or a related party transaction, which was made in accordance with the procedure established herein and the company's Charter;

- 3) the general meeting of shareholders makes a decision on introduction of amendments and additions into the company's Charter, which restrict the rights conferred by the shares held by a given shareholder (provided that the shareholder did not participate in the general meeting of shareholders at which such decision was made or if he participated in such meeting and voted against such decision).

Paragraph 1-1 is added onto the Article in accordance with the RK Law of July 8, 2005 N 72-III (see the old version), the RK Law of February 19, 2007 N230-III (see the old version).

1-1. The repurchase of outstanding shares by a company pursuant to the request of a shareholder shall be made in accordance with the methodology of determining the shares' price in case they are repurchased by the company which is approved by the general meeting of shareholders.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2. By means of a written application, a shareholder shall have the right to make available a request to the company to repurchase his shares within thirty days following the day of making the decision by the general meeting of shareholders or the Board.

Within thirty days following the date of receipt of such application the company shall repurchase shares from the shareholder.

3. Where the number of the company's outstanding shares requested for repurchase by its shareholders exceeds the number of shares which may be repurchased by the company those shares shall be repurchased from the shareholders on a pro rata basis to the number of shares they hold.

Article 28. Restrictions on the Company's Repurchase of Its Outstanding Shares

1. The number of outstanding shares to be repurchased by the company shall not exceed twenty-five percent of the total number of its outstanding shares and the costs associated with the repurchase of a company's outstanding shares shall not exceed ten percent of the size of its owner's equity:

1) when repurchasing outstanding shares pursuant to a shareholder's request as of the date of making one of the decisions by the general meeting of shareholders as indicated in paragraph 1, **Article 27** herein;

2) when repurchasing outstanding shares upon the company's initiative as of the date of making the decision to repurchase a company's outstanding shares.

2. The shares which have been repurchased by the company shall not be taken into account when determining the quorum of the general meeting of its shareholders and shall not participate in voting.

Article 29 is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

Article 30. Convertible Securities of a Company

1. A company shall have the right to issue **convertible securities** only in case where the possibility of such issue is set forth in its Charter.

Non-for-profit organisations established in the organisational legal form of a joint-stock company shall not have the right to issue convertible securities.

2. Issue of a company's securities to be convertible into shares shall be allowed within the difference between the company's authorised and outstanding shares.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

3. The terms and procedure for the conversion of a company's securities shall be spelt out in the convertible securities' issue prospectus.

Article 31. Pledging a Company's Securities

1. The right to pledge a company's securities may not be restricted or cancelled by the provisions of a company's Charter.

A shareholder shall have the right of vote and receive dividends on his pledged shares, unless otherwise is envisaged in the terms and conditions of the pledge agreement.

2. A company may take in pledge its outstanding securities only where:

1) so pledged securities are fully paid out;

Modifications are incorporated into subparagraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2) a total number of shares to be pledged to the company and are held in pledge by the company does not exceed twenty-five percent of the company's outstanding shares, except for shares repurchased by the company;

3) a pledge agreement is approved by the Board, unless otherwise is specified in the company's Charter.

3. The right to vote on the shares placed by the company and held in pledge shall rest with the shareholder, unless otherwise is established by the terms of the pledge agreement. The company shall not have the right to vote with the shares pledged to it.

4. The registration procedure of the company's pledged securities shall be determined in accordance with the Republic of Kazakhstan securities market legislation.

Modifications are incorporated into the heading in accordance with the RK Law of November 29, 2003, N500-II. It is spelt out commensurate to the wording of RK Law of December 13, 2004, N 11-ii (modifications were effected starting from January 1 2005) (see the old version)

Article 32. Repayment of Tax Indebtedness of a Company with the government's stake in the Charter Fund by means of the Company's Authorised Shares

1. Where tax indebtedness of a company with the governmental stake in the Charter Fund is three month overdue (hereinafter 'overdue accounts payable'), the state body of the Republic of Kazakhstan which exercises the tax supervision over compliance with tax liabilities to the state (hereinafter 'the state body') in order to recover the company's overdue accounts payable shall have the right to:

1) make a decision on restriction on the right to manage the company's authorised shares in accordance with the Republic of Kazakhstan tax legislation

2) in case where there are no authorised shares in the company or their number is insufficient for the repayment of the company's overdue accounts payable take a legal action with regard to the repayment of the company's overdue accounts payable by way of forced issue of the company's authorised shares with their subsequent placement.

2. The company's authorised shares the disposal of which has been restricted and authorised shares of the forced issue shall be placed in accordance with the procedure established by the Republic of Kazakhstan tax legislation on the sale of assets of restricted disposal.

If the company carries out its operations in industries which are of strategic significance to the republic's economy the governmental agency pursuant to the decision of the Government of the Republic of Kazakhstan shall have the right to place the company's authorised shares of which the disposal is restricted and authorised shares of the forced issue by way of their forced disposal into the state ownership toward the repayment of the company's overdue accounts payable.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3. Withholding into the ownership of the state of a company's authorised shares restricted in disposal and authorised shares of forced issue shall be carried out by way of registration of the right of their state ownership in the system of registers of the company's shareholders. The right of state ownership shall be registered with the state body authorised

by the Government of the Republic of Kazakhstan to manage the Republic's state-owned assets.

4. The state registration of a forced issue of authorised shares pursuant to the court's decision shall be carried out in accordance with the procedure and on the terms and conditions specified in the Republic of Kazakhstan legislation.

5. It shall be prohibited to use funds received from the placement of the company's authorised shares with restricted disposal and authorised shares of forced issue for the purposes other than the repayment of the company's overdue accounts receivable.

Where the amount of proceeds from the placement of a company's authorised shares with restricted disposal and authorised shares of forced issue exceeds the amount of the overdue accounts receivable the difference shall be posted to the company's profit account.

6. The price of placement and the number of shares required for the repayment of company's overdue accounts receivable shall be determined by the state authority upon the company's consent. Upon the initiative of the state agency the shares placement price may also be determined by an appraiser in accordance with the **legislation of the Republic of Kazakhstan**.

Where the shares placement price is determined by an appraiser the costs associated with such appraisal shall be born by the company.

Modifications are incorporated into paragraph 7 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

7. The company's overdue accounts receivable shall be considered as repaid in accordance with Republic of Kazakhstan **the tax legislation** where the overdue accounts receivable are repaid from funds received as a result of placement of the company's authorised shares with restricted disposal and authorised shares of forced issue, or from the time of registration of the state's right of ownership for the company's authorised shares restricted in disposal and authorised shares of forced issue in the registers of the company's shareholders.

Chapter 5. Managing a Company

Article 33. A Company's Bodies

1. A company's governing bodies shall be as follows:

1) the superior body — the general meeting of shareholders (in a company where all voting shares are held by one shareholder, - this shareholder);

2) the managing body — the Board;

Modifications are incorporated into subparagraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3) the Executive Body — a collegial body or a person who solely exercises the functions of an Executive Body of which the name is defined by the company's Charter.

4) other bodies in accordance with this Law, other regulatory legal acts of the Republic of Kazakhstan and the company's Charter.

2. Is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version),

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3. An individual who previously was a civil servant and due to his duties had the authority with regard to a company supervision and monitoring over the company's operations on behalf of the state may not be elected to the company's governing bodies during one year following the date of termination of such powers, except for the company's governing bodies of which all voting shares are owned by the state.

4. Is taken out in accordance with the RK Law of February 19, 2007 N 230-III (see the old version).

Article 34. Peculiarities in Managing a Company with the Governmental Stake in the Charter Fund

1. The rights of ownership and use of the state-owned block of shares which is in the Republic's ownership may be transferred by **the governmental body authorised to manage the state-owned assets**, other state body pursuant to the decision of the Government or the National Bank of the Republic of Kazakhstan.

2. The rights of ownership and use of the state-owned block of shares which is in communal ownership may be transferred to another state agency pursuant to the decision of a local Executive Body.

3. The state agency which exercises the right of ownership and use of the state-owned block of shares shall represent the interests of the state as a shareholder with regard to the issues included into the scope of the general meeting of shareholders in accordance with the Republic of Kazakhstan legislation.

The Government of the Republic of Kazakhstan shall establish the **list of issues** on which the state bodies which own and use the state-owned blocks of shares shall provide a preliminary written agreement on draft decisions proposed for approval at the general meetings of shareholders with the participation of the state, the Government of the Republic of Kazakhstan and/or the state body authorised to manage the governmental assets.

4. The company's Board of which the controlling block of shares is owned by the state or a national managing company except for the national companies pursuant to the presentation of the Executive Body shall approve middle-term plans of the company's business activities.

The plans of financial-business activities of companies with the governmental stake in the Charter Fund shall be filed with the state authority under the procedure and within the timeframe established by **the Republic of Kazakhstan legislation**. Development plans of the national companies shall be approved by the Government of the Republic of Kazakhstan.

Paragraph 4-1 is incorporated into to the Article in accordance with the RK Law of July 7, 2006 N 178-III

4-1. The national managing company shall be a joint-stock company the founder and the sole shareholder of which is the Government of the Republic of Kazakhstan of which is the main goal is the management of the block of shares which it holds on the basis of the right of ownership (a stake) of the national development institutes and other legal persons.

Paragraph 4-2 is incorporated into to the Article in accordance with the RK Law of July 7, 2006 N 178-III

4-2. The national development institutes shall be financing, consulting, innovative, servicing organizations established by the resolution of the Government of the Republic of Kazakhstan in the organizational-legal form of a joint-stock company the main goal of which is the implementation of the projects in the area of the industrial-innovative development and business support.

Paragraph 4-3 is incorporated into to the Article in accordance with the RK Law of July 7, 2006 N 178-III

4-3. The national holding shall be a joint stock company the founder and the sole shareholder of which is the Government of the Republic of Kazakhstan which is established for the efficient management of the block of shares of the national companies and other joint stock companies it holds on the basis of the right of ownership.

Modifications are incorporated into paragraph 5 in accordance with the RK Law of July 7, 2006 N 178-III (see the old version)

5. A national company shall be a joint-stock company of which the controlling block of shares is owned by the state or a national holding, which carries out its operations in strategically important industries constituting the basis of the national economy, except for cases specified by **other legislative acts** of the Republic of Kazakhstan. **The terms and procedures** for the transfer to the national companies of **assets which are not subject to privatisation** shall be established by the Government of the Republic of Kazakhstan.

The list of the national companies shall be approved by the Government of the Republic of Kazakhstan.

6. The company's Executive Body with the governmental stake in the Charter Fund shall provide the information regarding the estimated dividends on the state-owned block of shares to the Governmental Agency exercising the right of ownership and use for the said shares prior to the first of April of the year preceding the year on which the forecast was made.

Article 35. General Meeting of Shareholders

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. The general meetings of shareholders are classified into annual and extraordinary.

A company shall hold annual general meetings of shareholders. Other general meetings of shareholders are called extraordinary.

The first general meeting of shareholders may be convened and held after the state registration of the issue of authorised shares and formation of the system of registers of shareholders.

Paragraph 2 is spelt out commensurate to the wording of RK Law of February 19, 2007 N 230 -III (see the old version)

2. The annual general meeting of shareholders shall:

- 1) approve the company's annual financial statements,
- 2) determine the procedure of distribution of the company's net income for the preceding fiscal year and the size of dividends per one common share of the company.
- 3) consider the claims of shareholders on the company's and its officials' actions and the decisions made as a result.

The Chairperson of the Board shall inform the company's shareholders of the size and nature of the remuneration of the company's Board members and the Executive Body.

The annual general meeting of shareholders shall have the right to consider other issues the decisions on which shall be the competence of the general meeting of shareholders.

3. The annual general meeting of shareholders must be held within five months at the end of a fiscal year.

The said period shall be extended up to three months where it is impossible to complete the company's audit for the reporting period.

4. A company of which all voting shares are held by one shareholder shall not hold general meetings of shareholders. Decisions on the issues which according to this Law are within the scope of the general meeting of shareholders shall be made by such shareholder at his sole discretion and shall be documented in writing provided that such decisions do not infringe or restrict the rights provided by preferred shares.

5. Where in instances envisaged in paragraph 4 herein the sole shareholder or the person who holds all voting shares in a company is a legal entity the decisions on the issues, which according to this Law and the company's Charter are within the scope of the general

meeting of shareholders shall be made by the governing body, officials or employees of the legal entity, who are entitled to make such decisions in accordance with the Republic of Kazakhstan legislation and the legal entity's Charter.

Article 36. The Competence of the General Meeting of Shareholders

1. The following issues shall be within the exclusive competence of the general meeting of shareholders:

1) introduction of amendments and additions into the company's Charter or approval of its new edition;

1-1) approval of corporate governance code as well as amendments thereto if the adoption of such code is provided by the company's Charter;

2) a company's voluntary reorganisation or liquidation;

Subparagraph 3 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

3) making a decision on the increase of the number of the company's authorised shares or change of the type of the company's non-placed authorised shares;

Subparagraph 3-1 is incorporated into the paragraph in accordance with the RK Law of February 19, 2007 N 230 -III (see the old version)

3-1) determining the terms and procedures of converting the companies' securities and their amendments;

4) determining the number and the term of office of the members of the Counting Commission, election of its members and premature termination of their powers;

5) determining the number, term of office of the members of the Board, election of its members and premature termination of their powers as well as determining the size and terms of remuneration payment to the Board members;

6) appointment of an audit firm to carry out the company's audits;

7) approval of annual financial statements;

Modifications are incorporated into subparagraph 8 in accordance with the RK Law of February 19, 2007 N 230-III (see the old version).

8) approval of the procedure for distribution of the company's net income for the reporting fiscal year, making a decision on the payment of dividends on common shares and the approval of size of dividends per one common share of the company;

9) making a decision on non-payment of dividends on the company's common and preferred shares where the events specified by paragraph 5, **Article 22** herein take place;

Modifications are incorporated into subparagraph 10 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

10) making a decision on the company's participation in the establishment or operations of other legal entities by way of a transfer of a part or several parts of assets constituting in aggregate twenty-five and more per cent of all assets owned by the company;

11) Is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version);

12) Is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version);

Modifications are incorporated into subparagraph 13 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

13) defining the form of the company's notification of its shareholders of convening a general meeting of shareholders and making a decision on publishing such information in mass media;

Modifications are incorporated into subparagraph 14 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version), the RK Law of February 19, 2007 N230-III (see the old version)

14) approval of modifications into shares valuation methodology (approval of methodology in case it has not been approved by the foundation meeting) in instances of their repurchase by the company in accordance with this Law;

15) approval of the agenda for the general meeting of shareholders;

Modifications are incorporated into subparagraph 16 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

16) determining the procedure for the disclosure to shareholders of information on the company's activities, as well as for the selection of mass media, unless such procedure is spelt out in the company's Charter;

17) issuance and cancellation of the 'golden share';

18) other issues the decisions on which are made according to this Law and the company's Charter shall be referred to the exclusive competence of the general meeting of shareholders.

2. Decisions of the general meeting shareholders on the issues indicated in subparagraphs 1)-3) of **paragraph 1** herein shall be made by a qualified majority of a company's total number of voting shares and inside a company created as a result of reorganization by a privatisation investment fund by a qualified majority of the company's voting shares present at the meeting.

The decisions of the general meeting of shareholders on other issues shall be made by a simple majority of votes of the total number of the company's voting shares participating in the vote, unless this Law and the company's Charter specify otherwise.

The company's Charter may not establish a greater number of votes which are needed for making the decisions on premature termination of Board's authority, than it is indicated in the second part of this paragraph.

3. Unless otherwise is specified in this Law and other legislative acts of the Republic of Kazakhstan it shall not be allowed to delegate issues within the exclusive authority of the general meeting of shareholders to other governing bodies, officials and company's employees.

4. The general meeting of shareholders shall have the right to cancel any decision of other company's bodies on the issues which are recognised as the company's internal operations, unless otherwise is specified in the Charter.

Article 37. The Procedure of Convening the General Meeting of Shareholders

1. The annual general meeting of shareholders shall be convened by the Board.

2. An extraordinary general meeting of shareholders shall be convened upon the initiative of:

- 1) the Board;
- 2) the major shareholder.

An extraordinary general meeting of shareholders of a company which is in the process of voluntary liquidation may be convened, prepared and held by the company's liquidation commission.

The legislative acts of the Republic of Kazakhstan may envisage the situations where convening of an extraordinary general meeting of shareholders is mandatory.

3. Preparation and conducting of a general meeting of shareholders shall be carried out by:

- 1) the Executive Body;

- 2) the company's registrar in accordance with the agreement closed with the registrar;
- 3) the Board;
- 4) the company's liquidation commission.

4. Costs associated with convening, preparing and holding a general meeting of shareholders shall be borne by the company, except for cases, set forth herein.

5. An annual general meeting of shareholders may be convened and held on the basis of a court's decision made pursuant to the lawsuit of any stakeholder where the company's governing bodies violate the convening procedure of the general meeting of shareholders established herein.

An extraordinary general meeting of the company's shareholders may be convened and held on the basis of a court's decision, made pursuant to a lawsuit of a company's major shareholder if the company's governing bodies failed to implement his/her request to convene an extraordinary general meeting of shareholders.

Article 38. Peculiarities of Convening and Holding an Extraordinary General Meeting of Shareholders upon the Major Shareholder's Initiative

1. The request to convene an extraordinary general meeting of shareholders shall be presented to the Board by way of forwarding an appropriate written message containing the agenda for such meeting to the address of the company's Executive Body.

2. The Board shall make a decision within ten days following the receipt of such request and forward to a person who presented that request a notice to convene an extraordinary general meeting of shareholders. When convening an extraordinary general meeting of shareholders pursuant to such request the Board, at their discretion, shall have the right to add any issues to the agenda of the general meeting.

Article 39. The List of Shareholders Having the Right to Participate in a Company's General Meeting of Shareholders

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. The list of shareholders having the right to take part in and vote at a general meeting of shareholders shall be drawn up by the company's registrar on the basis of data contained in the company's register systems of holders of shares. The date of drawing up the said list may not be established prior to the date when the decision has been made to hold the general meeting.

The information that is to be included in the list of shareholders shall be specified by the Authorising Agency.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2. In the event that after the completion of the preparation of the list of shareholders having the right to participate in and vote at a general meeting of shareholders, a person included into such list sells the company's voting shares which that person holds, the right to participate in the general meeting of shareholders shall be transferred to a new shareholder. In that case the documents corroborating the right of ownership for shares must be submitted.

Article 40. The Date, Time and Place of Holding a General Meeting

1. The date and time of holding a general meeting of shareholders must be determined in such a manner that the largest number of persons, who are entitled to participate in it, can take part in it.

A general meeting of shareholders must be held in a populated area where the Executive Body of the company is located.

2. The beginning of the meeting participants' registration and the time of holding a meeting must provide the sufficient time to the Counting Commission for registering and counting the number of the meeting participants, as well as determining whether the quorum is present.

Article 41. Information on Holding a General Meeting of Shareholders

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. Shareholders (owner of 'the golden share') should be notified of the forthcoming general meeting no later than thirty calendar days and in case of an absentee or a mixed voting no later than forty-five calendar days prior to the date of the meeting.

Paragraph 2 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version); RK Law of February 2, 2007 N 230 –III (see the old version).

2. A notice of holding a general meeting of shareholders must be published in mass media or forwarded to them. If the number of a company's shareholders does not exceed fifty shareholders they have to be notified by means of a written notice.

3. A notice of a general meeting of shareholders must contain the following:

1) a full business name and address of the company's Executive Body;

2) the information on the initiator of the meeting;

3) the date, time and place of holding the general meeting of a company's shareholders, as well as the time when the registration of the meeting participants begins, as well as the date and time of holding a repeat general meeting of the company's shareholders, which has to be held in case the first meeting has not been held;

4) the date of drawing up the list of shareholders who have the right to participate in the general meeting of shareholders;

5) the agenda of the general meeting of shareholders;

6) the procedure of familiarization of shareholders with the materials associated with agenda of the general meeting of shareholders;

7) where such company is a privatisation investment fund or has been established as a result of restructuring the privatisation investment fund - a full business name of the fund and the licence number issued to it.

Paragraph 4 is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III

4. A Minority shareholder shall have the right to apply to the company's registrar for the purpose of joining other shareholders in making decision on issues set out in the agenda of the general meeting of shareholders.

The Procedure of the application of a minority shareholder and dissemination of information by the company's registrar shall be established in the Contract on Register Maintenance of Securities' Holders.

Article 42. A Repeat General Meeting of Shareholders

1. A repeat general meeting of shareholders may be appointed no earlier than the day following the date determined for holding the first (failed) general meeting of shareholders.
2. A repeat general meeting of shareholders should be held in the same location where the failed general meeting of shareholders was to take place.
3. The agenda of a repeat general meeting of shareholders should not differ from the agenda of the failed general meeting of shareholders.

Article 43. The Agenda of the General Meeting of Shareholders

Modifications are incorporated into paragraph 1 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

1. The agenda of the general meeting of shareholders shall be formulated by the Board and it shall contain an exhaustive list of specifically formulated issues proposed for discussion.

The major shareholder or the Board may incorporate additions into the agenda of the general meeting of shareholders provided that the company's shareholders have been notified of such additions no later than fifteen days prior to the date of the general meeting or under the procedure established in paragraph 4 herein.

2. When opening the general meeting of shareholders, which is held in person the Board shall advise of the proposals received by him with regard to the agenda alteration.

3. The general meeting of shareholders agenda shall be approved by the majority of votes of the aggregate number the company's voting shares present at the meeting.

4. Amendments and/or additions may be introduced into the agenda where a majority of shareholders (or their representatives) participating in the general meeting of shareholders and holding in aggregate no less than ninety-five percent of the company's voting shares, voted for such introduction.

Where a general meeting of shareholders is making a decision by means of absentee vote, no amendments and/or additions may be incorporated into the agenda of the general meeting of shareholders.

5. The general meeting of shareholders shall not have the right to consider issues which are not included into its agenda, nor make decisions on them.

6. It is prohibited to employ the wordings in the agenda which have a general meaning including such words as 'miscellaneous', 'other' 'others' and similar wordings.

Article 44. Materials Associated with the Issues of the Agenda of the General Meeting of Shareholders

1. The materials associated with the issues of the agenda of the general meeting of shareholders must contain the information in a volume which is sufficient for making motivated decisions on these issues.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

2. The materials on the issues of electing a company's governing bodies should contain the following information on the candidate members:

- 1) the surname, first name and patronymic name, where appropriate;
- 2) the information on education;

Subparagraph 2-1 is incorporated into the paragraph in accordance with the RK Law of February 19, 2007 N230-III

- 2-1) information on affiliation to the company;
- 3) information on employment and positions held over the past three years;

- 4) other information confirming qualifications and experience of a candidate member.

If case of including into the agenda of the issue of electing the company's Board (a new member to the Board) the materials should specify the representative of which shareholder is the proposed candidate into the Board and/or if he/she is the candidate for the position of an independent director of the company.

3. The materials concerning the agenda of the general meeting of shareholders should include the following:

- 1) a company's annual financial statements;
- 2) an auditors' report on the annual financial statements;
- 3) the proposals of the Board on the procedure for the distribution of the company's net income for the previous fiscal year and the size of dividends for the year per one common share of the company;
- 4) other documents at the discretion of the initiator of the general meeting of shareholders.

4. The materials on issues on the agenda of the general meeting of shareholders ought to be finalized and made available at the location of the company's Executive Body for the shareholder's consideration no later than ten days prior to the date of the meeting, and in case of a shareholder's request they shall be forwarded to him/her within three working days following the day of the request receipt; expenses associated with making copies of the documents and the delivery of such documents shall be borne by the shareholder unless otherwise is envisaged in the Charter.

Article 45. The Quorum of the General Meeting of Shareholders

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. The general meeting of shareholders shall have the right to consider and make decisions on the items of the agenda, if at the time of finalization of meeting participants registration the shareholders and their representatives included into the list of shareholders having the right to participate and vote in it and holding in aggregate fifty and more percent of the company's voting shares, have been registered.

2. A repeat general meeting of shareholders which is held instead of the failed one shall have the right to consider the agenda items and make decisions on them, provided that:

1) the procedure for convening the general meeting of shareholders has been complied with, but the meeting failed due to the absence of a quorum;

2) at the time of the registration completion the shareholders (or their representatives) holding in aggregate forty and more percent of the company's voting shares, including shareholders, who vote on the basis of absentee ballot, have been registered.

The Charter of a company with ten thousand and more shareholders may establish a smaller (not less than fifteen per cent of the company's voting shares) quorum for holding a repeat general meeting of shareholders.

3. A repeat general meeting of shareholders of a company established as a result of reorganisation and reregistration of a privatisation investment fund shall have the right to consider issues and make decisions on the agenda items, provided that at the time when the meeting participants have become registered for the participation in it, no less than five hundred shareholders (or their representatives) having the company's voting shares have been registered.

4. Where absentee voting ballots are forwarded to shareholders, the votes presented in said ballots and received by the company by the time when the participants of the general

meeting became registered shall be taken into account in the determination of the quorum and drawing up the results of the vote.

In case of non-availability of a quorum when conducting a general meeting of shareholders by way of absentee voting no repeat general meeting of shareholders shall be held.

Article 46. The Counting Commission

1. The Counting Commission shall be elected at the company's general meeting of shareholders which has one hundred and more shareholders.

The Counting Commission's function in a company with less than one hundred shareholders shall be carried out by the secretary of the general meeting of shareholders. At the first general meeting of shareholders the function of the Counting Commission shall be fulfilled by the company's registrar.

Pursuant to the general meeting of shareholders' decision the functions of the Counting Commission may be vested in the company's registrar.

2. The Counting Commission shall consist of no less than three persons. Members of the company's collegial bodies solely fulfilling the functions of the company's Executive Body may not be enrolled into the Counting Commission.

Where a Counting Commission member is absent from the general meeting of shareholders it shall be allowed to elect additionally a Counting Commission member for the time of the meeting.

3. The Counting Commission shall:

1) verify the powers of the persons arriving for the participation in the general meeting of shareholders;

2) register the participants of the general meeting of shareholders and issue to them the materials on the agenda items of the general meeting of shareholders;

3) verify the validity of ballots received through the absentee voting and count the number of valid ballots and votes on each agenda item;

4) establish whether a quorum of the general meeting of shareholders is present during the entire time of the meeting and states if the quorum is present or absent;

5) explain the issues to the shareholders regarding their rights at the general meeting of shareholders;

6) count votes on the issues that have been discussed at the general meeting of shareholders and sum up the results of voting;

7) prepare the minutes on the results of votes at the general meeting of shareholders;

8) pass over the voting ballots and the minutes on the voting results to the company's archives.

4. The Counting Commission shall ensure the confidentiality of information contained in the voting ballots filled out at the general meeting of shareholders.

Article 47. Representation at a General Meeting of Shareholders

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. A shareholder shall have the right to participate in the general meeting of shareholders and vote on issues which are considered in person or through his/her representative.

The members of the Executive Body (a person solely performing the functions of the Executive Body) of the company shall not have the right to act as shareholders' representatives at the general meeting of shareholders.

A shareholder's representative shall act on the basis of a power of attorney issued in accordance with the **legislation of the Republic of Kazakhstan**.

2. No power of attorney shall be required for the participation and voting at a general meeting of shareholders from a person who in accordance with the legislation of the Republic of Kazakhstan or an agreement has the right to act on behalf of a shareholder or represent his/her interests without a power of attorney.

Article 48. The Procedure of Holding a General Meeting of Shareholders

1. The procedure of holding a general meeting of shareholders shall be determined either in accordance with this Law, the Charter and other company's documents regulating the company's internal operations or directly by the decision of the general meeting of shareholders.

2. The incoming shareholders (their representatives) shall be registered prior to the opening of the general meeting of shareholders. A shareholder's representative shall present the power of attorney to confirm his authority to participate and vote at the general meeting of shareholders.

A shareholder (a shareholder's representative) who failed to register shall not be taken into account when determining a quorum and shall not have the right to participate in voting.

A company's shareholder who holds preferred shares shall have the right to be present at the general meeting of shareholders held 'in presentio' and participate in the discussion of the issues considered.

Unless otherwise is established by a company's Charter or the decision of the general meeting of shareholders held 'in presentio' other persons than those invited may be present at it. The right of such persons to speak at a general meeting of shareholders shall be established by the company's Charter or by the decision of the general meeting of shareholders.

3. A general meeting of shareholders shall be opened at the announced time, provided that the quorum is present.

A general meeting of shareholders may not be opened prior to the announced time, except for the instance where all shareholders (their representatives) have already been registered, notified and do not object to changes of the time of the meeting opening.

4. The general meeting of shareholders shall elect the Chairperson (the Presidium) and the secretary of the general meeting.

The general meeting of shareholders shall determine the form of voting: by open or secret ballot. Each shareholder shall have one vote and the decision shall be made by a simple majority of votes of those present unless the company's Charter specifies otherwise for voting on electing the Chairperson (presidium) and a secretary of the general meeting of shareholders.

The members of the Executive Body may not preside at the general meeting of shareholders except for cases where all shareholders present at the meeting are the members of the Executive Body.

5. During the general meeting of shareholders the Chairperson shall have the right to put on the vote the proposal to close the debates on the issue under discussion as well as on the alteration of the voting procedure.

The Chairperson shall not have the right to impede with the presentations of individuals who have the right to participate in the agenda discussions, except for instances

when such speeches lead to the breach of order of the general meeting of shareholders or when such debates on this issue have been discontinued.

6. The general meeting of shareholders shall have the right to make a decision to have a break and to prolong the time of the meeting, as well as to postpone the consideration of certain agenda items for the next day.

7. The general meeting of shareholders may be announced as closed only when all agenda items have been considered and decisions have been made on them.

8. The secretary of a general meeting of shareholders shall be held responsible with regard to the completeness and reliability of information recorded in the minutes of the general meeting of shareholders.

Article 49. Decisions Made by the General Meeting of Shareholders by Absentee Voting

1. Decisions of the general meeting of shareholders may be made by absentee voting. The absentee voting may be used in combination with the voting 'in person' of the shareholders (mixed voting) or without holding a general meeting of shareholders.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

2. The company's Charter may, except for public companies, prohibit making decisions on all or certain agenda items of the general meeting of shareholders by absentee voting.

3. While holding an absentee voting ballots of uniform format shall be disseminated (distributed) among the persons who are included in the list of shareholders.

The companies shall not have the right to distribute the voting ballots to selected shareholders for the purpose of exerting influence upon the results of voting at the general meeting of shareholders.

Modifications are incorporated into paragraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version).

4. A voting ballot must be forwarded to the persons who are included in the list of shareholders, no later than forty-five days prior to the date of the general meeting of shareholders. In case of absentee voting without holding the general meeting of shareholders a company with the number of shareholders of five hundred and over shall publish in mass media determined in the Charter the ballot for absentee voting at the general meeting of shareholders together with the notice on the general meeting of shareholders.

5. The absentee ballot must contain the following:

- 1) a full business name and address of the company's Executive Body;
- 2) the information of the meeting initiator;
- 3) the final date for absentee ballots submission;
- 4) the date of the general meeting of shareholders session or the date for counting absentee votes without conducting the general meeting of shareholders;
- 5) the agenda of the general meeting of shareholders;
- 6) the names of nominees where the agenda of the general meeting of shareholders contains items of electing the Board members;
- 7) issues to be voted on;
- 8) voting options on each agenda item of the general meeting of shareholders, expressed by words 'for', 'against', 'abstained';
- 9) explanations on the voting procedure (completion of ballots) on each agenda item.

6. An absentee ballot should be signed by a shareholder who is a physical person with indication of details of the document corroborating the identity of such person.

The absentee ballot of a shareholder which is a legal entity must be signed by its chief executive officer and sealed with that legal entity's stamp

A ballot without the shareholder's signature either a physical person or the chief executive officer of the legal entity as well as without the seal of such legal entity shall be considered as invalid.

When counting votes only votes on items where the shareholder observed the voting procedure as determined in the ballot and where only one vote of the multiple choice is marked.

7. Where the agenda of the general meeting of shareholders contains items of electing the Board members the absentee voting ballot must contain fields for indication of the numbers of votes given for individual candidates.

8. Where a shareholder, who previously forwarded an absentee voting ballot has arrived to take part and vote at the general meeting of shareholders, where a mixed type of voting is used his ballot shall not be counted in determining the quorum of the general meeting of shareholders and counting the votes on the agenda items.

Article 50. Voting at a General Meeting of Shareholders

1. Voting at a general meeting of shareholders shall be carried out according to the principle of 'one share — one vote', except for instances, as follows:

1) where there is a restriction of the maximum number of votes on shares granted to one shareholder in the instances envisaged in the Republic of Kazakhstan legislative acts;

2) cumulative vote in electing the Board;

3) granting to each person having the right to vote at the general meeting of shareholders one vote for voting on the procedural issues of conducting the general meeting of shareholders.

2. In case of a cumulative vote, the votes conferred by shares may be entirely given by the shareholder in favour of one candidate Board member or distributed by him between several candidate Board members. The candidates in favour of whom the largest number of votes has been given shall be elected to the Board.

3. Where the voting at a general meeting of shareholders which is held in person is carried out by secret ballot the ballots for such voting (hereinafter in this Article – 'ballots for secret voting in person') must be prepared for each individual item on which the voting will be carried out by secret ballot. In that case the ballot for secret voting in person shall contain the following:

1) the wording of the issue or its number on the agenda of the meeting;

2) the voting options on the item, expressed in words 'for', 'against', 'abstained' or the voting options with regard to each nominee to a company' governing bodies;

3) the number of votes belonging to one shareholder.

4. A ballot for secret voting in person shall not be signed by a shareholder, except for the instance, where that shareholder himself expressed the intension to sign the ballot, including for the purpose of providing a requirement to the company to purchase his own shares in accordance with this Law.

When calculating the ballots for secret voting in person, the votes on those issues shall be taken into account for such items with regard to which the voting procedure defined in the ballot was observed by the voter, and only one voting option out of multiple choices was marked.

Article 51. The Minutes on the Voting Results

1. On the results of voting the Counting Commission shall prepare and sign the voting results minutes.

2. Where a shareholder has a dissenting opinion on the issue submitted for voting the Counting Commission of the company must make an appropriate record in the minutes.

3. After the preparation and signing the minutes on the voting results the filled out secret ballots for voting in person and absentee voting (including the ballots which were recognised as invalid) on the basis of which the minutes was prepared shall be laced together with the minutes and submitted to the company's archives for safekeeping.

4. The minutes of the voting results shall be attached to the minutes of the general meeting of shareholders.

5. The voting results shall be announced at the general meeting of shareholders in the course of which the voting took place.

Modifications are incorporated into paragraph 6 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

6. The voting results of the general meeting of shareholders or the results of the external voting shall be communicated to the shareholders by way of their publication in mass media or by forwarding a written notice to each shareholder within ten days following the general meeting of shareholders.

The procedure of notifying the shareholders of the voting results shall be spelt out in the company's Charter.

Article 52. Minutes of General Meetings of Shareholders

1. Minutes of a general meeting of shareholders must be prepared and signed within three working days following the meeting.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

2. The following shall be mentioned in the minutes of a general meeting of shareholders:

- 1) the full name and location of the company's Executive Body;
- 2) the date, time and place of the general meeting of shareholders;
- 3) information on the number of the company's voting shares present at the general meeting of shareholders;
- 4) the quorum of the general meeting of shareholders;
- 5) the agenda of the general meeting of shareholders;
- 6) the procedure of voting at the general meeting of shareholders;
- 7) the Chairperson (Presidium) and the secretary of the general meeting of shareholders;
- 8) the speeches of the persons participating in the general meeting of shareholders;
- 9) the total number of shareholders' votes on each agenda item of the general meeting of shareholders put to vote;
- 10) issues put to vote, results of voting on them;
- 11) resolutions made by the general meeting of shareholders.

Once the issue of electing the Board at the general meeting of shareholders (electing a new Board member) is discussed it then will be mentioned in the minutes of the general meeting the representative of which shareholder the elected member of the Board is and/or who out of elected Board members is an independent director.

3. The minutes of the general meeting of shareholders shall be signed by:

1) the Chairperson (presidium members) and the secretary of the general meeting of shareholders;

2) by the members of the Counting Commission;

Modifications are incorporated into subparagraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3) by shareholders (participants of the general meeting of shareholders) holding ten and more percent of the company's voting shares.

Where a person responsible for signing the minutes failed to sign it the minutes shall be signed by his representative on the basis of the power of attorney issued to him.

4. In the event that a person indicated in paragraph 3 herein disagrees with the content of the minutes this person shall have the right not to sign it by submitting a written explanation of the reason for such refusal, which shall be attached to the minutes.

5. The minutes of a general meeting of shareholders shall be laced together with the minutes of the voting results, the powers of attorney for the right to participate, vote at the general meeting and sign the minutes” as well as written explanations of the reasons for the refusal to sign the minutes. The said documents must be safe kept by the Executive Body and made available to shareholders at any time for familiarization. Pursuant to the request of a shareholder a copy of the minutes of the general meeting of shareholders shall be issued to him.

Article 53. The Board

1. The Board shall carry out the general guidance of the company's activities, except for making decisions on the issues which according to **this Law** and the company's Charter are within the exclusive competence of the general meeting of shareholders.

2. Unless otherwise is specified herein and in the company's Charter the following issues shall be within the exclusive competence of the Board:

1) determining the priority areas of the company's business;

2) making decisions on convening the annual and extraordinary general meeting of shareholders;

Subparagraph 3 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

3) making a decision on the placement (sale), including the number of outstanding (sold) shares within the number of authorised shares, the method and price of their placement (sale);

Modifications are incorporated into subparagraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

4) making a decision on a company’s repurchase of the outstanding shares and other securities and price of their repurchase;

5) the preliminary approval of the company’s annual financial statements;

6) is taken out in accordance with the RK Law of February 19, 2007 N 230-III (see the old version);

7) defining the terms and conditions of a company’s bond and derivatives issues;

8) determining the number, term of office of the Executive Body, election of its head and members (a person who solely fulfils the functions of the Executive Body), as well as premature termination of their office;

9) defining the sizes of salaries and terms of remuneration, as well as bonuses for the chief executive and members of the Executive Body (a person who fulfils the functions of an Executive Body at his sole discretion);

10) defining the procedure for the internal audit function, the size and terms of remuneration, as well as bonuses for employees of the internal audit function;

Subparagraph 10-1 is incorporated into the paragraph in accordance with the RK Law of February 19, 2007 N230-III

10-1) appointing, determining the term of office of a corporate secretary, premature termination of his/her duties as well determining the size of payroll and remuneration of the corporate secretary;

Subparagraph 11 is spelt out commensurate to the wording of RK Law of February 19, 2007 N230-III

11) determining the size of fees for the services of an audit firm, as well as the appraiser of the market value of assets, given as the payment for the company's shares or being the subject of a major transaction;

12) is taken out *in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)*

13) approval of documents regulating the company's internal operations (except for documents which are approved by the Executive Body for the purposes of organising the company's business) including the internal document establishing the terms and conditions of holding auctions and subscription for a company's securities;

14) making decisions on establishing and shutting down of the company's branches and representations, as well as approving their by-laws;

Subparagraph 15 is spelt out commensurate to the wording of RK Law of February 19, 2007 N230-III (see the old version)

15) making decisions on the acquisition by a company of ten or more percent of shares (stakes in the Charter Fund) of other legal entities as well as making decisions with regard to their operations;

16) increase of the company's liabilities by the amount constituting 10 or more percent of its owner's equity;

Modifications are incorporated into subparagraph 17 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

17) selecting the company's registrar in the event that the agreement with the former registrar is terminated;

18) defining the information on the company or its activities which represents is official, commercial or other type of secret protected by law;

19) making a decision on making major and related party transactions;

20) other issues envisaged in this Law and the company's Charter, which do not represent the exclusive competence of the general meeting of shareholders.

Paragraph 3 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

3. The issues, the list of which is determined in paragraph 2 herein may not be delegated to the Executive Body for decision making.

4. The Board shall not have the right to make decisions on issues which in accordance with the company's Charter are within the competence of its Executive Body, nor to make decisions which contradict the decisions of the general meeting of shareholders.

5. The decisions which are made by the Board with regard to issues, for which the right of veto is established, shall be subject to agreement with the holder of the 'golden share'.

Article 53-1 is added into the Law *in accordance with the RK Law of February 19, 2007 N230-III*

Article 53-1. The Committees of the Board

1. In order to consider the most important issues and prepare the recommendation to the Board the public companies establish, as well as other companies may establish the Committees of the Board on the following issues:

- 1) strategic planning;
- 2) personnel and remuneration;
- 3) internal audit
- 4) social issues
- 5) other issues, stipulated in the company's internal document.

2. The Committees of the Board consist of the members of the Board and experts who have the necessary professional skills for working in a definite Committee.

The leader of the Executive Body may not be the Chairperson of the Committee of the Board.

3. The procedure of formation and operations of the Board's Committees as well as its quantity shall be determined by the Board.

Article 54. The Board's Members

1. Only a physical person may be a Board member.

2. The Board members shall be elected from:

- 1) the shareholders who are physical persons;
- 2) the persons proposed (recommended) to be elected to the Board's as the representatives of shareholders' interests;
- 3) other persons (subject to the restriction established in paragraph 3 herein).

The Board members shall elected by cumulative vote. A shareholder shall have the right to give votes conferred by his shares in full for one candidate or distribute them between several Board member candidates. The nominees who win the greatest number of votes shall be considered as elected to the Board. Where two or more Board member nominees received an equal number of votes, additional elections shall be held for those candidates.

3. A physical person who is not a company's shareholder and who has not been proposed (recommended) to be elected to the Board as a representative of a shareholder's interests may be elected to the Board. The number of such persons may not exceed fifty per cent of the Board membership.

4. The members of the Executive Body, except for its head, may not be elected to the Board. The head of the Executive Body may not be elected to be the Chairperson of the Board.

Paragraph 5 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

5. The number of the Board members shall be no less than three persons. No less than one third of the Board members must be independent directors.

6. Requirements to the persons to be elected to the Board shall be established in the legislation of the Republic of Kazakhstan and the company's Charter.

Article 55. Term of Office of the Board Members

1. The persons who are elected to be the Board members, may be re-elected unlimited number of times, unless otherwise is specified in the legislation of the Republic of Kazakhstan and the company's Charter.

2. The term of office of the Board shall be established by the general meeting of shareholders.

The term of office of the Board shall expire at the time when the general meeting of shareholders is held at which the election of a new Board takes place.

3. The general meeting of shareholders shall have the right to terminate prematurely the office of all or individual Board members.

4. The term of office of the Board members upon initiative of the Board shall be prematurely terminated on the basis of the Board's written notice.

The powers of such Board member shall be terminated following the receipt of the said notice by the Board.

Modifications are incorporated into subparagraph 17 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version).

5. In case of premature termination of a Board member's term of office a new Board member shall be elected by cumulative voting of shareholders present at the general meeting of shareholders, in that respect the term of office of the newly elected Board member shall expire simultaneously with the expiration of the term of office of the Board.

Article 56. The Chairperson of the Board

1. The Chairperson of the Board shall be elected from its members by the majority of votes of the total number of the Board members by secret ballot, unless otherwise is specified in a company's Charter.

The Board shall have the right to re-elect the Chairperson at any time unless otherwise is specified in a company's Charter.

2. The Chairperson of the Board shall organise the work of the Board, chair its sessions, as well as carry out other functions as defined in a company's Charter.

3. In case of absence of the Board's Chairperson his functions shall be exercised by one of the Board members pursuant to the Board's decision.

Article 57. The Board's Meeting Convocation

1. The Board's meeting may be convoked upon the initiative of its Chairperson or the Executive Body or pursuant to the request of:

- 1) any Board member;
- 2) a company's internal audit function;
- 3) a company's auditors;
- 4) the major shareholder.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version).

2. The request to convoke the Board meeting shall be submitted to the Board's Chairperson by way of forwarding an appropriate written notice containing the proposed agenda of the Board's meeting.

In case that the Board's Chairperson refuses to convoke a meeting the person who initiated it shall have the right to apply with the said request to the Executive Body, which shall convene the Board's meeting.

The Board's meeting must be convoked by the Board's Chairperson or by the Executive Body no later than ten days following the day of the meeting convocation request receipt unless another date is established by the company's Charter.

The Board's meeting shall be held with a mandatory invitation of a person who made this request.

Paragraph 5 is spelt out commensurate to the wording of RK Law of February 19, 2007 N230-III

3. The procedure of posting written notices on holding a Board's meeting shall be determined by the Board and the owner of the 'golden share' - by the company's Charter.

4. A Board's member shall notify beforehand the Executive Body of his inability to participate in the Board's meeting.

Article 58. A Board's Meeting

Modifications are incorporated into paragraph 1 in accordance with the RK Law of February 19, 2007 N230-III

1. The quorum for holding a Board's meeting shall be determined by the company's Charter but it must not be less than one half of the Board's members. Independent directors of no less than a half of the total number of independent directors should be present at the Board's meeting of a public company.

Where the total number of a Board's members is insufficient for the quorum as determined in the Charter the Board shall convene an extraordinary general meeting of shareholders for the election of new Board members. The Board members shall have the right to make a decision only upon convening such extraordinary general meeting of shareholders.

2. Each Board member shall have one vote. The decisions of the Board shall be made by a simple majority of votes of the Board's members present at the meeting, unless otherwise is specified herein and the company's Charter.

The company's Charter may set forth that in the case of equality of votes the vote of the Board's Chairperson or person presiding at the Board's meeting shall be the casting vote.

3. The Board shall have the right to make a decision on conducting its closed meeting, where only the Board's members are allowed to participate.

4. The company's Charter and/or its internal documents may provide for the possibility of making decisions by the Board by way of absentee voting on the issues laid for the Board's consideration, as well as the procedure for making such decisions.

A decision by absentee voting shall be considered as made subject to quorum availability in the ballots received within the determined timeframe.

A decision of an absentee meeting of the Board must be executed in writing and signed by the Board's secretary and Chairperson.

Within twenty days following the decision, the decision should be distributed among the Board's members with the enclosure of ballots based on which the decision was made.

5. The Board's decisions which were made at its meeting held in person shall be spelt out in the minutes which has to be prepared and signed by the person who presided at the meeting and the Board's secretary within three days following the meeting and should contain the following:

- 1) the full name and address of the company's Executive Body;
- 2) the date, time and place of the meeting;
- 3) the information on the persons who participated in the meeting;
- 4) the agenda of the meeting;
- 5) issues put to vote and results of voting on them;
- 6) the decisions made;
- 7) other information at the Board's discretion.

6. The minutes of the Board's meetings and the Board's decisions made by absentee voting shall be safe kept in the company's archives.

The Board's secretary pursuant to the request of a Board's member shall present to him the minutes of the Board's meeting and the decisions made by absentee voting for consideration and/or issue to him extracts from the minutes and decisions to be certified with the signature of the company's authorised employee and the company's seal.

Article 59. The Executive Body

1. The management of current operations shall be carried out by the Executive Body. The Executive Body may be collegial or individual.

The Executive Body shall have the right to make decisions on any issues of the company's operations, which are not referred by this Law, other legislative acts of the Republic of Kazakhstan and the company's Charter to the jurisdiction of other bodies and officials of the company.

The Executive Body shall implement decisions of the general meeting of shareholders and the Board.

The decisions of the Executive Body on the issues with regard to which the right of veto is established shall be subject to coordination with the holder of the 'golden share'.

The company shall have the right to challenge the validity of transactions entered into by its Executive Body with violation of restrictions established by the company, if it proves that at the time of entering into such transactions the parties were aware of such restrictions.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of February 19, 2007 N230-III (see the old version), of May 15, 2007; N253 – III (see the old version).

2. The company's shareholders and employees, who are not its shareholders, may be the members of the collegial Executive Body.

A member of the Executive Body shall have the right to work for other organisations only upon the consent of the Board.

The functions, rights and obligations of the Executive Body member shall be defined by this Law, other legislative acts of the Republic of Kazakhstan, the company's Charter as well as in the labour agreement closed between the said person and the company. A labour agreement on behalf of the company with the head of the Executive Body shall be signed by the Board's Chairperson or a person authorised by the general meeting or the Board. The labour agreement with other members of the Executive Body shall be signed by the head of the Executive Body.

Article 60. Authority of the Head of the Executive Body

The Head of the Executive Body shall:

1) organise the enforcement of the decisions of the general meeting of shareholders and the Board;

2) without the power of attorney acts on behalf of the company in its relations with third parties;

3) issues powers of attorney for the right to represent the company in its relations with the third parties;

Modifications are incorporated into subparagraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

4) hire, reappoint and dismiss the company's employees (except for cases established in this Law), apply to them motivation measures and impose disciplinary sanctions, established sizes of salaries of the company's employees and personal benefits in accordance with the company's personnel schedule, determine the sizes of bonuses to be paid to the company's employees, except for employees who are the members of the Executive Body and the internal audit function of the company.

5) in case of his absence vest in his duties to one of the Executive Body members;

6) assign duties as well as the authority and responsibilities between the members of the Executive Body;

7) fulfil other functions defined by the company's Charter and the decisions of the general meeting of shareholders and the Board.

Article 61. The Internal Audit Function

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. In order to supervise the company's financial and operational activities the internal audit function may be established.
2. The employees of the internal audit function may not be elected to the Board and the Executive Body.
3. The internal audit function shall be directly accountable and report to the Board.

Article 62. Principles of the Officials' Activities in a Company

The company's officials shall:

- 1) conscientiously perform their duties vested in them and use methods which in the maximum extent are in harmony with the company's and shareholders' interests;
- 2) not use the company's assets or permit their use in contradiction with the company's Charter and decisions of the general meeting of shareholders and the Board, nor for personal gain and abuse in carrying out the transactions with their affiliated parties;
- 3) assure the integrity of accounting and financial reporting systems including the independent audit;
- 4) supervise the disclosure and presentation of information on the company's operations in accordance with the Republic of Kazakhstan legislation.

Paragraph 5 is incorporated into the Law in accordance with the RK Law of February 19, 2007 N230-III

- 5) keep confidential the information on a company's operations including the period of three years following the termination of his employment with the company unless otherwise is established in the internal documents of the company.

Article 63. Responsibility of Companies' Officials

Article 63 is spelt out commensurate to the wording of RK Law of February 19, 2007 N230-III (see the old version)

1. The officials and the members of the Executive Body shall be held responsible to the company and the shareholders for the damage caused by their acts (nonfeasance), in accordance with the Republic of Kazakhstan law of as well as for losses incurred as a result of the following:
 - 1) making available misleading or deliberately misleading information;
 - 2) violation of the procedure of information presentation established herein.
2. The company pursuant to the decision of the general meeting of shareholders shall have the right to take action against its official in order to recover the damage or loss made to the company by him.

Chapter 6. A Company's Affiliated Parties

Article 64. A Company's Affiliated party

Paragraph 1 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

1. A company's affiliated party shall be the following:

- 1) the major shareholder;

Modifications are incorporated into subparagraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

- 2) a physical person who are in the next of kin (parent, brother, sister, son, daughter), marriage as well as relationship (brother, sister, parent, son or daughter of spouse) with a physical person who is an major shareholder or an official, except for an independent director, of a given company;

Modifications are incorporated into subparagraph 3 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

- 3) an official of the company or a legal entity specified in subparagraphs 1), 4) – 9) of this paragraph, except for an independent director;

- 4) a legal entity which is controlled by a person who is the major shareholder or an official of the company;

- 5) a legal entity with regard to which a person being a major shareholder or an official of the company is the major shareholder or has the right to an appropriate stake in the company's assets;

- 6) a legal entity with regard to which the company is a major shareholder or has the right to an appropriate stake in assets;

- 7) a legal entity which together with the company is under control of a third party;

- 8) a person bound with a given company by a contract, under which it has the power to determine the decisions adopted by the company;

- 9) a person who independently or in conjunction with its affiliated parties holds, uses, disposes of ten and more percent of voting shares of the company or legal entities mentioned in subparagraphs 1), 4)-8) of this paragraph;

- 10) another person who is an affiliated party of the company in accordance with the Republic of Kazakhstan legislative acts.

2. The control over the company or another legal entity shall be the ability to define decisions made by the company or another legal entity respectively.

Paragraph 3 is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III

3. The provisions of the Article shall not affect the entities, which are non-for-profit organizations and the credit bureaus.

Not affiliated are the following:

- 1) Persons, who are major shareholders (members) of non-for-profit organizations or credit bureaus;

- 2) Disabled and partially disabled persons.

Article 65 is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version),

Article 66. Peculiarities of Making Transactions with Participation of Affiliated Parties

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. Peculiarities carrying out the transactions by the company together with its affiliated parties shall be established by this Law and other legislative acts of the Republic of Kazakhstan.

2. Failure to comply with requirements to the procedure for carrying out the transaction together with its affiliated parties as established by this Law and other legislative

acts of the Republic of Kazakhstan shall be the grounds for the judgment by the court of a transaction as void and null pursuant to the suit of any related party.

3. A person, who deliberately made a transaction in violation of requirements to the procedure for carrying out transactions together with affiliated parties, as established by this Law, shall not have the right to require the recognition of the transaction as void and null where such requirement is caused by mercenary motives or intention to evade the responsibility.

Article 67. Disclosure of Information on Company's Affiliated Parties

1. The information on a company's affiliated parties shall not be the information constituting official, commercial or other secret protected by law.

2. A company shall maintain records of its affiliated parties on the basis of information submitted by those persons or the company's registrar (only with respect to persons who are major shareholders under the procedure established by the Authorising Agency).

The procedure for submission by shareholders and official persons of the company of information concerning its affiliated parties shall be established by the Charter.

3. Physical persons and legal entities who are the company's affiliated parties shall present to the company the information on their affiliated parties within seven days following the day when such affiliation occurred.

Modifications are incorporated into paragraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

4. A company shall make available the list of its affiliated parties to the Authorising Agency in accordance with the procedure established by the company.

Chapter 7. Corporate Transactions which are Subject to Special Requirements

Article 68. A Major Transaction

A Major Transaction is:

Modifications are incorporated into subparagraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1) a transaction or a combination of interrelated transactions resulting in the company's purchase or disposition (may result in the company's purchase or disposition) of assets of which the value is twenty-five and more percent of the total value of the company's assets;

Modifications are incorporated into subparagraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2) a transaction or combination of interrelated transactions as a result of which the company may repurchase its outstanding securities or sell the company's repurchased securities of twenty-five and more percent of the total number of outstanding securities of one type;

3) another transaction which is recognised in the company's Charter as a major transaction.

2. The following transactions shall be recognised as interrelated:

1) several transactions which are entered into with one party or with a group of affiliated parties for the purpose of purchase or alienation of the same assets;

2) transactions which are covered by one contract or several interrelated contracts;

3) other transactions which are recognised as interrelated by the company's Charter or a decision of the general meeting of shareholders.

Article 69. Value of Assets Which Are the Subject of a Major Transaction

1. The market value of assets which are the subject-matter of a major transaction shall be determined in accordance with the Republic of Kazakhstan appraisal law.

2. Where assets of which the market value needs to be determined are securities traded on an organised stock market, then in determining their market value one shall take into account the current transaction prices in such market or demand and supply prices with regard to such securities. Where assets of which market value needs to be determined are the shares of the company itself then in determining their market value one shall also take into consideration the company's owner's equity, prospects for its alteration in accordance with the company's development plans and other factors, which are recognised as material by the person who is determining the market value.

Article 70 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

Article 70. Carrying out a Major Transaction by a Company

1. The Board shall make a decision with regard to making a major transaction by a company.

For the purposes of informing the company's lenders and shareholders the company shall publish in mass media in the state and other languages the information on a major transaction, within five days following the day when the decision was made by the Board to enter such major transaction.

2. The company's Charter shall contain a list of major transactions the decision on which shall be made by the general meeting of shareholders as well as the procedure for their execution.

3. In the event of disagreement with the company's decision to make a major transaction under the procedure established by this Law and the company's Charter a shareholder shall have the right to require the repurchase of his shares by the company in accordance with the procedure established herein.

Article 71. Related Party Transactions

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. Related party transactions (hereinafter 'Related parties') shall be the affiliated parties of a company, if they:

1) are a party to a transaction or participate in it as a representative or an intermediary;

2) are affiliated parties of a legal entity which is a party to the transaction or participates in it as a representative or an intermediary.

Paragraph 2 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

2. The following transactions shall not be considered as related party transactions:

1) a transaction related to acquisition by a shareholder of shares or other securities of the company as well as the repurchase by the company of its outstanding shares;

- 2) a transaction associated with the assumption of obligations not to disclose the information which contains banking or commercial secret or secret protected by law;
- 3) reorganisation of the company which is carried out in accordance with this Law;
- 4) a company's transactions with its affiliated party made in accordance with the Republic of Kazakhstan state procurement legislation.

Article 72. Information on Related Party Transactions

The parties mentioned in paragraph 1 of **Article 71** herein shall communicate the following information to the Board:

1) that they are a party in such transaction or participate in it as a representative or an intermediary;

Modifications are incorporated into subparagraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2) on legal entities to which they are affiliated, including legal entities in which they independently or in conjunction with their affiliated parties hold ten and more percent of voting shares (stakes, interest) and on legal entities where they hold positions in governing bodies;

3) on current or anticipated transactions where they may be recognised as related parties.

Article 73 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

Article 73. Requirements to the Procedure of Making Related Party Transactions

1. A decision on the company closing a related party transaction shall be made by a simple majority of votes of the Board members not interested in making a transaction.

2. A decision on the company's closing a related party transaction shall be made by the general meeting of shareholders by the majority votes of shareholders not interested in making a transaction, if:

1) all members of the company's Board are related parties;

2) it is impossible for the Board to make a decision to close such transaction due to the lack of votes required for making a decision.

3. The decision on the company closing a related party transaction shall be made by the general meeting of shareholders by simple majority votes of the total number of the company's voting shares if all members of the company's Board and all shareholders of common shares are related parties.

Information (with documents attached) required for the making a motivated decision shall be submitted to the general meeting of shareholders.

4. The company's Charter may determine another procedure for making certain types of related party transactions.

Article 74. Implications of Corporate Transactions Which are Subject to Special Requirements

1. Failure to comply with requirements envisaged in this Law when making a major transaction and a related party transaction shall entail the recognition of those transactions as invalid through the judicial procedure pursuant to the lawsuit of related parties.

2. A related party to a company on the transaction that was closed with violation of requirements to the transaction making procedure as specified in this Law shall be held liable before the company in the size of losses caused by such party to the company. Where a transaction is made by several persons their liability to the company shall be joint and several.

3. A person who knowingly closed a major transaction in violation of the requirements established herein and the company's Charter shall not have the right to require the recognition of such transaction as invalid, where such claim is caused by material motives or intention to evade the responsibility.

Chapter 8. A Company's Financial Statements and Audit

Article 75. A Company's Financial Statements

1. Is taken out in accordance with the RK Law of 28 February, 2007 N 235-III (see the old version)

Modifications are incorporated into paragraph 2 in accordance with the RK Law of 28 February, 2007 N 235-III (see the old version)

2. Maintaining the accounting system and preparation of financial statements by companies shall be established by **the Republic of Kazakhstan accounting and financial reporting law**.

Article 76. A Company's Annual Financial Statements

Paragraph 1 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

1. The Executive Body shall annually present to the general meeting of shareholders annual financial statements for the past year audited in accordance with the Republic of Kazakhstan auditing law for their consideration and approval. In addition to financial statements the Executive Body shall submit the auditor's report to the general meeting of shareholders.

2. Is taken out in accordance with the RK Law of February 28 2007 N 235 – III (see the old version)

3. The annual financial statements shall be subject to preliminary approval by the Board no later than thirty days prior to the date of the annual general meeting of shareholders.

The company's annual financial statements shall be finally approved at the annual general meeting of shareholders.

Modifications are incorporated into paragraph 4 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version), the RK Law of 28 February, 2007 N 235-III (see the old version)

4. A company shall publish annually in mass media the annual balance sheet, the statement of changes in capital, the cash flow statement and the profit and loss statement within the timeframe established by the Authorising Agency. The company shall have the right to publish other financial statements.

Article 77 is taken out in accordance with the RK Law of July 8, 2005 N 72-III (see the old version),

Article 78. A Company's Audit

1. A company shall have audits of its annual financial statements.

*Modifications are incorporated into paragraph 2 in accordance with the RK **Law** of July 8, 2005 N 72-III (**see the old version**),*

2. A company's audit may be carried out upon the initiative of the Board, the Executive Body at the company's expense or upon the request of a major shareholder at his expense and a major shareholder shall have the right to independently select an audit company. In the event of carrying out an audit at the major shareholder's request the company shall submit the required documentation (materials) requested by the audit firm.

3. Where a company's Executive Body declines the audit of a company, such audit may be carried out by a court judgement pursuant to a lawsuit of any person concerned.

Chapter 9. Disclosure of Information by a Company. A Company's Documents

Article 79. Disclosure of Information by Companies

1. A company shall make available to its shareholders the information on the company's operations, which affect the interests of the company's shareholders.

The following shall be recognised as information affecting the company's shareholders interests:

1) resolutions made by the general meeting of shareholders and the Board and the information on the realization of the resolutions made;

2) issuance of shares and other securities by the company and the approval by the Authorising Agency of reports on the results of placement of the company's securities, reports on the company's securities redemption, cancellation of the company's securities by the Authorising Agency;

3) carrying out by the company of major transactions and related party transactions;
*Modifications are incorporated into subparagraph 4 in accordance with the RK **Law** of July 8, 2005 N 72-III (**see the old version**)*

4) obtaining by the company a loan constituting twenty-five and more percent of the company's owner's equity;

5) obtaining licences by the company for carrying out certain types of activities, suspension or cancellation of licences that were previously obtained by the company for the performance of certain types of business;

6) the company's involvement in the establishment of a legal entity;

7) seizure of a company's assets;

8) occurrence of force major resulting in destruction of the company's assets the balance sheet value of which was ten and more percent of the total value of the company's assets;

9) administrative sanctions taken against the company and its officials;

10) decisions on the forced reorganisation of the company;

11) other information affecting the interests of its shareholders in accordance with the company's Charter.

2. Is taken out in accordance with the RK **Law** of July 8, 2005 N 72-III (**see the old version**)

*Subparagraph 2-1 is incorporated into the Article in accordance with the RK **Law** of February 19, 2007 N230-III*

2-1. A public company should publish on the corporate web-site the information set out in subparagraphs 1),2),3),4),5),6),7) and 9 of paragraph 1 of the Article.

*Modifications are incorporated into paragraph 3 in accordance with the RK **Law** of February 19, 2007 N 230-III (**see the old version**),*

3. The information on the company's activities affecting the interests of its shareholders shall be disclosed in accordance with this Law and the company's Charter. The company shall assure mandatory maintaining the list of the company's employees, who possess the information constituting the official and commercial secret.

Article 80. A Company's Documents

1. A company's documents on their business shall be safe-kept by the company during the entire period of its operation at the location of the company's Executive body or other place as determined in the Charter.

The following documents shall be safe-kept:

- 1) the company's Charter, amendments and additions that have been introduced to the company's Charter;
- 2) the minutes of the foundation meetings;
- 3) the foundation agreement (the decision of the sole founder), amendments and additions introduced to the foundation agreement (the decision of the sole founder);
- 4) a certificate on the state registration (re-registration) of the company as a legal entity;
- 5) statistical card of the company;
- 6) licences permitting the company to engage in certain types of activities and/or commit certain transactions;
- 7) documents confirming the company's right to the assets which are (were) on its balance sheet;
- 8) prospectuses of the company's securities issues;
- 9) documents confirming the state registration of the company's securities issues, cancellation of securities as well as the approval of reports on the results of placements and redemption of the company's securities, which were submitted to the Authorising Agency;
- 10) by-laws of the company's affiliates and representations;
- 11) minutes of the general meetings of shareholders, materials concerning issues associated with the agendas of company's general meetings of shareholders;
- 12) lists of shareholders which are presented for the purpose of holding general meetings of shareholders;
- 13) minutes of meetings (decisions of absentee voting) of the Board, materials concerning issues associated with the Board meetings agenda;
- 14) minutes of meetings (decisions) of the Executive Body.

Subparagraph 15 is incorporated into the Law in accordance with the RK Law of February 19, 2007 N230-III

- 15) The Corporate Governance Code, if available

2. Other documents including **the company's financial statements** shall be kept for as long as established by the Republic of Kazakhstan legislation.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of February 19, 2007 N 230-III (see the old version),

3. Pursuant to the request of a shareholder the company shall present to him copy documents specified by this Law in accordance with the procedure defined in the company's Charter, in that case it shall be allowed to introduce restrictions with regard to the disclosure of information which constitutes **official, commercial or any other secret protected by law**.

The fee charged for preparation of copies of documents shall be established by the company and it may not exceed the costs incurred in making copies of documents and costs associated with the delivery of such documents to shareholders.

Documents regulating specific issues of issuance, placement, circulation and conversion of the company's securities, which contain the information constituting official, commercial and other secret protected by law should be made available to the shareholder upon his/her request.

Chapter 10. Reorganisation and Liquidation of a Company

Article 81. Reorganisation of a Company

1. The reorganisation of a company (merger, takeover, split-off, spin-off, transformation) shall be carried out in accordance with the Civil Code of the Republic of Kazakhstan subject to specific properties established by the Republic of Kazakhstan legislative acts.

2. In case of a company's reorganisation by way of split-off or spin-off the creditors of the company under reorganisation shall have the right to require premature termination of the obligation of which the company is the debtor and require recovery of losses.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version),

3. Where in case of reorganisation the company discontinues its operations the issue of its shares shall be subject to cancellation under the procedure established in the Republic of Kazakhstan legislation.

Article 82 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

Article 82. Merger of Companies

1. The merger of companies means the establishment of a new company by way of transfer to it all assets, rights and obligations on the basis of a merger agreement and in accordance with transfer and acceptance acts of two or several companies with cancellation of their activities.

2. The Charter Fund of a company formed by merger of companies shall be equal to the amount of the owner's equity of the company under reorganization.

3. The shares of the established company shall be placed among shareholders of the company under reorganization according to the following procedure:

1) the number of authorized shares of the established company placed among shareholders of each company under reorganization shall be determined based on the pro rata basis to the companies' owner's equity;

2) the number of shares distributed among shareholders of each company under reorganization determined in accordance with subparagraph 1) herein shall be placed with shareholders of each company under reorganization on a pro rata basis to the shares of reorganised companies to the outstanding shares of such company (less repurchased shares).

4. The Board of each company under reorganization shall provide to the general meeting of shareholders for their consideration the issue of reorganisation in the form of a merger, the state registration of the issuance of the company's shares established as a result of the merger and the procedure of their placement.

5. The decisions concerning the merger shall be made by the joint general meeting of shareholders of the companies under reorganisation by a qualified majority of votes of shareholders of each separate company. This decision of the general meeting of shareholders shall contain the following provisions on:

1) the approval of the merger agreement specifying the name and location of each reorganised company, the procedure for shares placement and other conditions of merger;

2) the state registration of the issue of the company's shares established as a result of merger.

6) The merger agreement shall be signed by all shareholders of the companies under reorganisation.

The transfer and acceptance act shall be signed by the leaders of the executive bodies and the chief accountants of the companies under reorganisation and shall be certified by the companies' seals.

The companies under reorganisation shall forward written notices informing of reorganization to their creditors and publish the relevant advertisement in mass media. A transfer and acceptance act shall be attached to such notice.

Article 83 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

Article 83. Take-over of a Company

1. Take over of a company means the termination of operations of a company to be taken-over with the transfer on the basis of Take-over Contract and in accordance with the Transfer and Acceptance act of all assets, rights and obligations of the company to be taken over by another company.

The taking over company shall acquire the shares of the company to be taken over by placing (sale) to the shareholders of the company to be taken over of its shares on a pro rata basis to the selling price of shares of the company to be taken over to the placement price (sale) of shares of the taking over company determined pursuant to paragraph 2 herein.

After the acquisition of all shares of the company to be taken over this shares shall be cancelled and the assets, rights and obligations of the company to be taken over shall be transferred to the taking over company in accordance with a Transfer and Acceptance act, signed by the heads of the Executive Body and the chief accountants of the reorganised companies and certified with the stamps of the company.

2. The selling price of shares of the company to be taken over shall be determined on the basis of a ratio of the owner's equity of the company to be taken over to the number of its outstanding shares (less shares repurchased by the company).

The price of placement (sale) of shares of the taking over company shall be determined on the basis of the owner's equity of the taking over company to the number of outstanding shares (less shares repurchased by the company).

3. The Board of the company to be taken over shall make available to the general meeting of shareholders for their consideration the issue of the reorganisation in the form of take over, as well as the procedure, deadline and the selling price of shares of the company to be taken over.

The Board of the taking over company shall make available to the general meeting of shareholders for their consideration the issue of the reorganisation in the form of take over, as well as the procedure, deadline and the selling price of shares.

4. The take over decision shall be made at the joint general meeting of shareholders of the taking over company and the company to be taken over by the qualified majority of votes of shareholders of each company.

The take over decision of the joint general meeting of shareholders should contain the following information: the name, location of each company participating in take over, the

selling price of shares of the company to be taken over, the price of placement (sale) of shares of the taking over company, other terms and the take over procedure.

5. The company to be taken over and the taking over company shall forward to all its creditors written notices on the reorganisation in the form of take over and publish advertisements in mass media. The Transfer and Acceptance act as well as the information on the business name and location of the taking over company shall be enclosed to the notice.

Article 84 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

Article 84. A Split-off of a Company

1. The split-off of a company means the termination of a company's activities with the transfer of all its assets, rights and obligations to newly established companies. In that case the rights and obligations of the company under the split-off shall be transferred to newly-established companies in accordance with the separation balance sheet.

The sizes of the Charter Funds of joint stock companies as a result of split-off shall be equal to the size of the owner's equity of the company under reorganization.

2. The shareholders of the company under reorganization shall be all shareholders of the reorganized company.

The shares of the companies established as a result of split-off shall be placed among the shareholders of these companies on a pro rata basis of shares of the company under reorganization, which belonged to the shareholder to the number of outstanding shares (less repurchased shares) of the company under reorganization.

3. The Board of the company under reorganization shall make available for the consideration of its general meeting of shareholders for their consideration the issues of the company's reorganisation in the form of split-off, the terms and conditions of the split-off, as well as the issue of the approval of the separation balance sheet.

4. The general meeting of shareholders of the company under reorganization shall make a decision on the reorganisation in the form of split-off, the terms and conditions of the split-off and the approval of the separation balance sheet.

5. The company shall within two months following the date when the general meeting of shareholders made a split-off decision forward to all its creditors the written notice on the split-off and publish the appropriate advertisement in mass media. The separation balance sheet shall be enclosed to the notice.

Article 85 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

Article 85. A Spin-off of a Company

1. The spin-off of a company means the establishment of one or several companies by transfer to them in accordance with the separation balance sheet of a part of assets, rights and obligations of the reorganised company, without termination of its activities.

In the event of a spin-off the Charter Fund of the company under reorganisation shall not be reduced.

The reorganised company shall carry out activities related to the registration of the spinned-off companies with the justice agencies.

2. The sole founder of the spinned-off company shall be the company under reorganisation.

The size of the Charter Fund of the spun-off company shall be equal to the difference between assets and liabilities transferred to it by the company under reorganisation pursuant to the separation balance sheet and shall meet the requirements established in **Article 11** herein.

3. A company under reorganisation shall place (sell) shares of the spun-off company only to its shareholders and only the shares of the company under reorganisation shall be the means of payment. The number of shares to be transferred to the shareholders of the spun-off company shall be determined on the basis of the proportion between the book values of shares of the company under reorganisation and the spun-off company.

4. The Board of the company under reorganisation shall make available to the general meeting of shareholders for their consideration issues of the company's reorganisation in the form of spin-off, the price of placement (sale) of shares of the spun-off company, the procedure and the terms and conditions of such spin-off, as well as a preliminary separation balance sheet.

5. The general meeting of shareholders of the company under reorganisation shall make a decision on such reorganisation in the form of spin-off, the price of placement (sale) of shares of the spun-off company, the procedure and the terms and conditions of such spin-off as well as the approval of the separation balance sheet.

4. The company shall within two months following the date of the approval by the general meeting of shareholders of the spin-off decision forward to all its creditors a written notice regarding the reorganisation in the form of spin-off and publish the advertisement in mass media. The separation balance sheet as well as the information on its business name, location of each spun-off company shall be enclosed to the notice.

Article 86. Transformation of a Company

1. A company (except for a non-for-profit organisation established in the organisational legal form of a joint-stock company) shall have the right to transform itself into a business partnership or a production cooperative, to which all rights and obligations of the company under transformation shall be transferred in accordance with the transfer and acceptance act.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

2. The Board of a company under transformation shall make available to the general meeting of shareholders for their consideration the issue of the company' transformation, the procedure and terms of such transformation, the procedure for determining interests of participants of the business partnership or shares of members of the production cooperatives. The interest of a participant of the business partnership or share of a member of the production cooperative shall be determined on a pro rata basis to the number of shares of the company owned by such participant in the company under transformation to the company's total outstanding shares (except for repurchased shares) of the company.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3. The general meeting of shareholders of the company under transformation shall make a decision on the company's transformation, the procedure and terms of transformation, the procedure for determining the stakes in the business partnership or shares of the production cooperative members and it shall approve the transfer and acceptance act.

4. The participants of a legal entity established as a result of transformation shall make at their joint meeting a decision to approve its foundation documents and elect the governing bodies in accordance with **the Republic of Kazakhstan legislative acts**.

Paragraph 5 is spelt out commensurate to the wording of RK Law of February 19, 2007 N 230-III (see the old version)

5. Individuals included into the list of shareholders prepared as of the date of cancellation of the share issuance by the company's registrar shall be the participants of a new legal entity transformed from a joint-stock company.

*See also: **The Civil Code of the Republic of Kazakhstan (The (General Part)).***

Article 87. The Consequences of Failure to Enforce the Court Judgement on a Company's Forced Reorganisation

1. Where a company's governing bodies authorised to carry out forced reorganisation pursuant to the court's judgement in the form of split-off or spin-off fail to carry out such reorganisation within the time determined by such judgement the court shall appoint a trusted administrator (trustee) who meets the qualification requirements and it shall entrust him to carry out the reorganisation in the form of split-off or spin-off.

2. Following the time when the trusted administrator is appointed he shall acquire the authority of the Board and the general meeting of shareholders with regard to defining the terms of reorganisation as spelt out in Articles 84 and 85 herein.

3. The trusted administrator acting on behalf of the company shall prepare a separation balance sheet and submit it to the court for its consideration together with the foundation documents of the companies formed as a result of split-off or spin-off approved by the general meeting. The state registration of the companies formed as a result of reorganisation shall be carried out on the basis of the court judgement

Article 88. Liquidation of a Company

1. A decision on voluntary liquidation of a company shall be made by the general meeting of shareholders and it shall define the liquidation procedure on the basis of the agreement with the creditors and under their supervision in accordance with **the Republic of Kazakhstan legislative acts.**

2. A forced liquidation of a company shall be carried out by the court in cases specified in the Republic of Kazakhstan legislative acts.

A demand to liquidate a company may be filed with the court by stakeholders, unless otherwise is specified in the Republic of Kazakhstan legislative acts.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

3. The liquidation commission shall be appointed by the judgement on liquidation made by the court or a general meeting.

A liquidation commission shall have the authority to manage the company during its liquidation and commit the acts of which the list is defined in **the Republic of Kazakhstan legislation.**

In the event of voluntary liquidation the liquidation commission must consist of representatives of the company's creditors, representatives of major shareholders as well as other persons in accordance with the decision of the general meeting of shareholders.

4. The liquidation procedure a company and the procedure for satisfying the claims of its creditors shall be regulated by **the Republic of Kazakhstan legislation.**

5. In case a company liquidation, its authorised shares including outstanding shares shall be subject to cancellation in accordance with the procedure established by the Republic of Kazakhstan **legislation.**

Article 89. Distribution Among Shareholders of Assets of the Company under Liquidation

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

1. Assets of the company under liquidation, which are left over after satisfying the claims of creditors shall be distributed by the liquidation commission between the shareholders in accordance with the following order of priority:

1) in the first priority, shall be the payments on shares which have to be repurchased in accordance with this Law;

2) in the second priority shall be the payments of dividends which were accrued but not paid on preferred shares;

3) in the third priority shall be the payments of dividends which were accrued but not paid on common shares;

The remaining assets shall be distributed among all shareholders on a pro rata basis to the shares held by them subject to the requirements of Article 13, paragraph 2 herein.

2. Claims of priority shall be satisfied after the satisfaction of claims of the previous priority.

Where the assets of a company under liquidation are insufficient for the payment of the dividends that were accrued but not paid and for the repayment of preferred shares the said assets shall be fully distributed among that category of shareholders on a pro rata basis to the shares they hold.

Chapter 11. Conclusive and Interim Provisions

Article 90. Interim Provisions

Paragraph 1 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

1. The companies which were established prior to the enforcement of this Law shall within three years following the day of this Law coming into force introduce appropriate amendments into their foundation documents and bring the Charter Fund in compliance with **Article 10** herein based on a monthly calculation index established by the Law *On the Budget of the Republic* for the relevant fiscal year as of the date of this Law coming into force or reorganise or liquidate the company.

*See: **Resolution** of the Government of the Republic of Kazakhstan of August 6, 2003 N 790 *Specific Issues of Enforcement of the Republic of Kazakhstan Law On Joint Stock Companies*, **Letter** of the Tax Committee of the RK Ministry of Finance dated August 20, 2005 N HK VHII-2—13/7666 *On the Procedure of Documents' Re-issuance*.*

Paragraph 2 is spelt out commensurate to the wording of RK Law of July 8, 2005 N 72-III (see the old version)

2. The Authorising Agency shall have the right to file with court a claim on the forced liquidation of the company or its reorganisation in the form of transformation in the event of the company's failure to comply with the requirements established in paragraph 1 herein.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version),

3. A company which prior to the enforcement of this Law independently established, maintained and safe-kept the register of holders of shares shall within three months following the enforcement of this Law make a decision on the selection of a registrar for the company

and submit to it the documents which constitute the system of registers of the company's holders of shares.

Article 91. The Procedure of the Law Coming into Effect

1. This Law shall come into effect following the date of its **official publication**.

2. The **Law** of 10th July 1998 of the Republic of Kazakhstan *On Joint-Stock Companies* shall lose effect. (The Bulletin of the Parliament of the Republic of Kazakhstan, 1998, No. 17-18, i. 223; 1999, No. 20, i. 727; No. 24, i. 1072; 2001, No. 23, i. 321; 2002, No. 10, i. 102).

President of the Republic of Kazakhstan

N. NAZARBAEV