

**Approved by**  
**The General Assembly of the Members of**  
**The Association of Legal Entities**  
**“The Republican Association of Mining**  
**and Metallurgical Enterprises”**  
**Protocol N. 1**  
**Dated by 27 May 2005**

**CHARTER OF**  
**The Association of Legal Entities**  
**“The Republican Association of Mining and Metallurgical Enterprises”**

**1. GENERAL PROVISIONS**

1.1. The Association of Legal Entities “The Republican Association of Mining and Metallurgical Enterprises” (hereinafter referred to as AMME) is a non-profit organization established by the legal entities to assist its members in achieving the objectives provided for in this Charter.

1.2. The Association carries out its activities throughout the territory of the Republic of Kazakhstan in accordance with the current legislation: the Constitution of the Republic of Kazakhstan, the Civil Code of the Republic of Kazakhstan, the Law “On Non-Profit Organizations”, and this Charter.

1.3. Full name of the Association:

in Kazakh language: «Тау-кен өндіруші және тау-кен металлургиялық кәсіпорындардың республикалық қауымдастығы» заңды тұлғалар бірлестігі;

in Russian language – Объединение юридических лиц «Республиканская ассоциация горнодобывающих и горно-металлургических предприятий».

Abbreviation:

in Kazakh –«ТМКК» ЗТБ;

in Russian – ОЮЛ «АММЕ».

1.4. Address: office 7/4, Samal microdistrict 12, 010000 Astana, Republic of Kazakhstan

1.5. AMME acquires the rights of a legal entity from the moment of its state registration. AMME has a separate property, an independent balance sheet, the right to open accounts, including foreign currency in banks and their branches. The Association has a round seal, stamp, own letterhead, and other means of visual identification.

1.6. On behalf of its own name, AMME has the right to make contracts, acquire property and other rights, assume obligations, sue and be sued in the courts, in order to achieve the purposes of this Charter.

1.7. AMME has the right to create subsidiaries, branches and representative offices on the territory of the Republic of Kazakhstan, CIS countries and other countries; as well as has the right to be the founder of economic partnerships and a member of societies, including enterprises with foreign investments for joining associations and unions.

1.8. Structural units in major areas of activity can be created in AMME.

1.9. Branches and representative offices are not considered as legal entities. They are endowed with property at the expense of AMME, and they have their own balance sheets that are part of the consolidated balance sheet.

Branches and representative offices operate on the basis of the Regulations on the branch or representative office approved by the General Assembly of AMME, the legislation of the Republic of Kazakhstan, and the legislation of the country where the branch or representative office is located.

1.10. Interference in the activities of AMME by state, public or other organizations, except for organizations specifically authorized by law, is not allowed.

1.11. AMME is liable for obligations with its assets. The property transferred to AMME by its Members (Founders) is considered as the property of AMME. Members of AMME do not retain rights to the property transferred by them to the ownership of AMME.

1.12. Members are not responsible for AMME obligations, and the Association is not responsible for obligations of AMME Members.

1.13. AMME period of activity is unlimited.

## **2. FOUNDERS**

### 2.1. Founders of AMME are:

1. JSC Ust-Kamenogorsk Titanium and Magnesium Industrial Complex
2. Eurasian Industrial Association
3. Teriskei LLP
4. JSC Charaltyn
5. LLP JV Betpak Dala
6. Kazakhstan Nickel Mining Company LLP
7. Voskhod-Oriel LLP
8. Muzbel LLP
9. Karazhira LTD
10. JSC Altynalmas
11. JSC Alel Financial and Investment Corporation
12. Zherek LLP
13. Tasmola LLP
14. JSC Mittal Steel Temirtau

## **3. OBJECTIVES AND ACTIVITIES**

### 3.1. Main objectives of AMME are:

- 1) integration and consolidation of its members' efforts for the development of industrial, financial, and foreign trade;
- 2) protection and support of rights and interests of Kazakhstani mining and metallurgical enterprises in the country's state representative and executive bodies, trade and other international structures, as well as with trade unions and other non-profit organizations;
- 3) development of proposals for the development and maintenance of competitiveness of domestic mining and metallurgical enterprises in the foreign markets;
- 4) ensuring the participation of business structures and their associations in formation and implementation of economic and social policy of the Republic of Kazakhstan;
- 5) facilitating consultation and negotiation between AMME members and social partners at all levels, and resolution of collective labor disputes and conflicts;
- 6) AMME represents interests of its members in similar organizations of foreign states.

### 3.2. Main activities of AMME are:

- 1) making proposals for the development and maintenance of competitiveness of domestic mining and metallurgical enterprises through a flexible tariff policy for the services of natural monopolists;
- 2) development and submission of proposals on taxation and customs duties relating to the activities of mining and metallurgical enterprises to state bodies;

3) development and submission of proposals for improving trade and economic policies, developing the country's export potential, and regulating foreign trade activities to government authorities and management;

4) coordination of internal and external economic activities of AMME enterprise members;

5) assisting AMME members in finding business partners, concluding contracts, organizing sales of products (selling services) and other issues related to their trading and economic activities;

6) practical and advisory assistance to AMME members on legal, economic, organizational and managerial issues related to their activities;

7) organization of information and analytical support to AMME members' activities;

8) promotion of economic, commercial, scientific, technical, and industrial cooperation with foreign countries;

9) cooperation with international organizations on the development of trade relations.

3.3. To implement its goals and objectives, AMME carries out the following activities:

1) represents and protects interests of AMME members in state bodies;

2) making proposals to state bodies aimed at creating the most favorable conditions for the development of the country's industrial and export potential, as well as stimulating foreign trade activities;

3) organization of marketing research, and providing members of AMME with statistical, analytical and regulatory information on foreign economic activity issues;

4) engineering and consulting;

5) the provision of legal, information, consulting, and other representation services;

6) promotion of research and engineering developments;

7) assistance in organization of independent public examination of draft laws and other regulatory legal acts related to development of the country's economic, industrial, entrepreneurial, scientific, tax, financial and credit policies, and other programs aimed to develop socioeconomic sectors, as well as major technological and scientific technical projects;

8) holding seminars, conferences, and organization of advanced training courses;

9) supporting innovative projects aimed to creating modern export-oriented products able to ensure that Kazakhstan's science and technology gains a stable position in the global market; assisting AMME members in exchanging patents, technologies and other intellectual properties;

10) taking part in the preparation and signing of tripartite agreements on social and labor and related economic relations as established by the legislation of the Republic of Kazakhstan;

11) charitable activities.

3.4. AMME has the right to carry out business activities, the proceeds of which can be utilized for the solution of statutory goals and objectives.

#### **4. MEMBERSHIP**

4.1. Members of AMME include Founders and all new legal entities, which obtained membership (hereinafter referred to as members), paid membership fee, and comply with the provisions of this Charter.

4.2. Any legal entity regardless of its form of ownership can become the member of AMME.

4.3. Members of AMME retain legal and economic autonomy.

4.4. The scope of rights and obligations of the Founders and Members is equivalent.

#### **5. RIGHTS AND OBLIGATIONS OF FOUNDERS AND MEMBERS**

- 5.1. Founders and members of AMME have the right to:
- 1) elect and be represented in AMME elected bodies;
  - 2) manage AMME activities in the manner prescribed by this Charter;
  - 3) receive information about the activities of AMME, its plans, and programs;
  - 4) request information on implementation status of AMME General Assembly decisions and proposals from AMME management bodies;
  - 5) make proposals to the agenda at AMME General Meetings and AMME Coordination Council meetings;
  - 6) contact the governing bodies of AMME on any issues related to its activities;
  - 7) receive advisory, methodological, legal and other assistance from AMME;
  - 8) make use of AMME services;
  - 9) make voluntary contributions in the manner prescribed by AMME Membership Regulations;
  - 10) give away any property to the ownership of AMME.
- 5.2. Founders and members of AMME are obliged to:
- 1) comply with the provisions of this Charter, decisions of the General Assembly and AMME internal regulations;
  - 2) take part in the activities of AMME;
  - 3) pay membership fees on time, the amount of which is determined in the manner prescribed by the Regulation on the payment of the membership fees;
  - 4) provide all necessary information for resolving issues related to AMME activities;
  - 5) assist in the activities of AMME via sending their representatives to AMME Coordinating Council;
  - 6) fulfill other obligations arising from this Charter and AMME internal regulations.

## **6. CONDITIONS AND PROCEDURE FOR ADMISSION AND WITHDRAWAL OF MEMBERS**

- 6.1. AMME is open to new members.
- 6.2. Legal entities of mining and metallurgical industries who accept this Charter and who can contribute to the implementation of the goals and objectives of AMME can become the members of Association.
- 6.3. The decision on the admission of a new member is carried out by the General Assembly; if the application is made in period between the meetings of the General Assembly, the AMME Coordination Council makes the decision based on a majority of votes of those presented.
- 6.4. The applicant is obliged to pay membership fee within 10 days from the date of the decision on acceptance to AMME membership.
- 6.5. All new members who joined AMME in the course of the Association's activity period must comply with the legislation of the Republic of Kazakhstan, as well as the rights, duties and responsibilities prescribed by this Charter.
- 6.6. The candidate is considered to be accepted as a member of AMME after the entry fee has been paid.
- 6.7. By the decision of the Coordination Council, a member of AMME may be temporarily exempted from payment of prescribed fees for a period of not more than 6 (six) months on the basis of a written request.
- 6.8. The rights of an AMME member cannot be transferred to third parties.
- 6.9. Member withdrawal from AMME is done on the basis of a written application submission.
- 6.10. The questions on accepting or excluding a member from AMME on the grounds provided for in this Charter can be raised by AMME Coordination Council and its members.

6.11. The liquidation or reorganization of one or more members of AMME does not cease its activities.

6.12. The exclusion of an AMME member is the responsibility of the General Assembly and decision is considered accepted if a majority of present members voted for it.

6.13. The grounds for AMME membership withdrawal are:

- 1) violations of the rules of the Charter;
- 2) non-payment of the stipulated membership fees during a calendar year in case no decision has been made to temporarily release an AMME member from fees.

6.14. Membership fees of AMME members are non-refundable.

## **7. AMME MANAGEMENT BODIES**

7.1. AMME management bodies are:

- |   |                                   |
|---|-----------------------------------|
| 1) supreme management body              | General Assembly of AMME members; |
| 2) management body between the meetings | Coordination Council;             |
| 3) executive body                       | Executive Director;               |
| 4) supervisory body                     | Audit Commission                  |

7.2. Privileges of AMME management bodies, their competences and procedures for granting authority to its bodies are established by this Charter and the Regulations approved by the General Assembly.

## **8. AMME GENERAL ASSEMBLY**

8.1. General Assembly is a supreme management body of AMME (and its representatives). Each Founder can have one representative person in the General Assembly with the right of one vote.

8.2. The exclusive competences of AMME General Assembly members are:

- 1) adoption, introduction of amendments and additions to the constituent documents of AMME as proposed by the Coordination Council;
- 2) determination of priority areas of activity, and principles of formation and use of property of AMME;
- 3) election of Coordination Council;
- 4) election of Audit Commission;
- 5) approval of the Regulation on Audit Commission;
- 6) election of Executive Director of AMME and early termination of his authority;
- 7) approval of the annual report and annual balance sheet;
- 8) approving financial plan and making changes based on the projects submitted by Coordination Council;
- 9) adoption of a decision on the participation of AMME in the creation or activities of other legal entities, as well as of its branches and representative offices within the limits established by the legislative acts;
- 10) making decisions on voluntary reorganization or liquidation;
- 11) approval of the liquidating balance;
- 12) determining the order and frequency of financial statements of executive bodies, as well as the procedure for conducting an audit by the controlling body and approving their results.

8.3. The general meeting of members elects an executive director for a three-year term.

8.4. Decisions on matters within the exclusive competence of the General Meeting of AMME members are made by a simple majority vote.

8.5. Members of the General Assembly of AMME is convened by the Coordination Council not more than once per year.

In any other case, the meetings of General Assembly are considered as Special General Meeting.

8.6. The Special General Meetings of the AMME are convened as and when necessary, by a decision of the majority of the members of the Coordination Council, or by unanimous decision of the AMME Audit Commission.

8.7. The initiator of the convocation of a Special General Meeting forms a list of issues submitted for discussion. The date of the General Meeting, the venue, the start time, and the agenda are announced by the Executive Director in a written report to each member of AMME.

8.8. The general meeting is presided over by a chairman, who is elected by the present members of the AMME from among its members.

8.9. Any member of AMME has the right to make proposals for the announced agenda of the General Assembly no later than 15 (fifteen) days prior to the convocation of the General Assembly.

## **9. COORDINATION COUNCIL OF AMME**

9.1. Coordination Council is the Governing Body.

9.2. Coordination Council is elected by the members of AMME General Assembly for a period of one year.

9.3. Candidates for members of the Coordination Council are considered successfully elected if the majority of the present members of the General Assembly voted for them.

9.4. AMME Coordination Council:

1) manages the activities of AMME in the periods between the meetings of the General Assembly;  
2) represents the interests of AMME and interacts in the prescribed manner with the Government of the Republic of Kazakhstan, with government agencies and bodies, labor unions and international public organizations;

3) determine the nature of relations with enterprises, organizations and institutions interacting with AMME;

4) approves target programs and projects of AMME;

5) forms and submits questions for consideration by the General Assembly on the main activities of AMME;

6) approves the annual budget and the balance sheet of the executive body, as well as adopts the AMME budget for the next financial year;

7) determine the main directions, priorities and forms of practical activities of AMME on the implementation of its statutory goals;

8) determine the types, procedures and amounts for membership fees;

9) submits the programs for AMME activities for the approval of the General Assembly, as well as reports on the implementation of these programs;

10) adopts the Regulations governing the activities of AMME;

11) decides on the admission of new members of AMME in the period between the meetings of the General Assembly;

12) approves the staffing of the executive body;

13) decides on the audit of the financial activities of the executive body;

14) conducts its meetings as and when necessary, but not more than 1 (once) per quarter.

9.5. Decisions of the Coordination Council are valid, (the presence of a quorum) if at least  $\frac{1}{2} + 1$  of the members of the Coordination Council participate in the meeting of the Council.

9.6. Decisions of the Coordination Council are made collectively, by a majority vote of the number of members of the Coordination Council who are present at the meeting. In case the votes are equal, the vote of the chairperson present at the meeting is considered final vote.

9.7. The Coordination Council exercises other powers that are not related to the exclusive competence of the members of AMME General Assembly.

## **10. EXECUTIVE BODY**

10.1. The executive body of AMME consists of the Executive Director, whose competence is determined by this Charter.

10.2. Executive Director of AMME is eligible to:

- 1) solve all current issues that do not constitute the exclusive competence of AMME General Assembly and Coordination Council;
- 2) carry out general and operational management of the activities of AMME, and is accountable to the General Assembly and Coordination Council of AMME;
- 3) organize the implementation of decisions made by the General Assembly and Coordination Council of AMME;
- 4) prepare and submit AMME budget for approval of AMME Coordination Council;
- 5) plan and organize the implementation of quarterly and annual AMME development work plans;
- 6) ensure constructive dialogue with government bodies;
- 7) maintain close contacts with media, and inform the members of AMME about decisions taken by the Coordination Council;
- 8) organize special events that would ensure financial sustainability of AMME;
- 9) organize the meetings of the members of General Assembly and Coordination Council of AMME;
- 10) act on behalf of AMME without a power of attorney, and represent its interests in the government bodies and public organizations;
- 11) provide logistical support for AMME activities within the funds of Association;
- 12) attract additional financial and material sources for the implementation of the statutory activities;
- 13) hire and dismiss AMME staff members;
- 14) open bank accounts, conclude contracts (including labor contracts), issue powers of attorney and orders, and sign documents;
- 15) form the staff structure, staff list and official salaries of employees, including branches and representative offices, within the limits of the annual budget approved by the Coordination Council;
- 16) ensure the timely submission of statistical, accounting and tax reports in accordance with the legislation of the Republic of Kazakhstan.

10.3. AMME staff members report directly to the Executive Director.

10.4. The Executive Director is responsible for carrying out the tasks assigned to him by the General Assembly and the Coordination Council.

10.5. The Executive Director is elected at the General Assembly by a simple majority of those present.

## **11. AUDIT COMMISSION**

11.1. Audit Commission is a supervisory body of AMME.

11.2. AMME independently maintains accounting and statistical reporting.

11.3. AMME provides information on its activities to state statistical bodies and tax authorities, as well as to AMME members and other individuals in accordance with the legislation of the Republic of Kazakhstan and this Charter.

11.4. The control of financial and economic activities of AMME is conducted by Audit Commission consisting of at least 3 people elected by the members of the General Assembly of AMME for a period of 2 years.

11.5. The activities of Audit Commission are guided by the Regulations approved by the members of General Assembly of AMME.

11.6. Audit Commission may consist of representatives of AMME members and involved experts. Members of Coordination Council can not be part of Audit Commission.

11.7. At least once a year, the Audit Commission, at its discretion, can audit the proper use of AMME funds and assets.

11.8. Audit Commission reports results of audit procedure to the members of the General Assembly of AMME.

## **12. SOURCES OF AMME PROPERTY FORMATION**

12.1. The property of AMME is formed on the basis of:

- 1) admission, and annual (periodic) partnership fees;
- 2) voluntary contributions;
- 3) funds received from the performance of contracts for statutory objectives;
- 4) revenues from its own economic activity;
- 5) other sources that do not contradict the legislation of the Republic of Kazakhstan.

12.2. There are three types of contributions: admission, annual (periodic), and voluntary – all paid in the manner prescribed by the Regulations on the payment of contributions.

12.3. AMME consulting services may also act as another AMME funding source.

12.4. AMME uses property transferred to Association by an AMME member and can rent the property for organizing and conducting statutory activities.

12.5. AMME has the ownership of money, property, and other objects of ownership transferred by legal entities in the form of contributions and donations.

12.6. AMME has the right to attract additional financial resources in the manner established by the legislation of the Republic of Kazakhstan through the provision of paid services, as well as through voluntary donations received from business companies and individuals.

## **13. PROCEDURE FOR INTRODUCING AMENDMENTS AND ADDITIONS TO CONSTITUENT DOCUMENTS**

13.1. The adoption, introduction of amendments and additions to the constituent documents of AMME fall within the exclusive competence of the members of the General Assembly of AMME.

## **14. PROCEDURE OF REORGANIZATION AND LIQUIDATION**

14.1. Reorganization of AMME is carried out in the manner prescribed by the legislation of the Republic of Kazakhstan.

Reorganization can be carried out in the form of merger, accession, separation, and transformation.

14.2. The liquidation of AMME is carried out by the decision of the members of the General Assembly of AMME, as well as by judicial or other authorized bodies.

14.3. The management of AMME or the body that made the decision on liquidation shall appoint a liquidation commission and establish the procedure and terms for liquidation, in coordination with the body carrying out the state registration.

14.4. From the moment of appointment of the liquidation commission, the management of issues is carried out by commission.

14.5. The liquidation commission shall publish about the liquidation of AMME in the press and inform publicly about procedures and the deadlines for filing claims of its creditors.

14.6. At the end of the period for making claims by creditors, the liquidation commission shall compile an interim liquidation balance sheet. An interim liquidation balance sheet is approved by the members of the General Assembly of AMME or by the body that made the decision on AMME liquidation.

14.7. After completion of settlements with creditors, the liquidation commission draws up a liquidation balance sheet, which is approved by the members of the General Assembly of AMME or the body that made the decision on liquidation.



14.8. After claims of creditors have been satisfied, the property left or its monetary value can be spent for fulfilling the purposes in the interests of which AMME was created and (or) for charitable purposes.

14.9. During reorganizing or terminating activities, all documents (managerial, financial, economic, personnel, and etc.) are transferred in accordance with the established rules to its successor.

### **15. FINAL PROVISIONS**

15.1. Relationships not regulated by this Charter shall be governed by the legislation of the Republic of Kazakhstan.

15.2. This Charter shall enter into force upon the state registration of AMME

**Acting Executive Director**

**N.V. Radostovets**