Law of the Republic of Kazakhstan dated April 22, 1998 № 220-I

On limited liability companies and additional liability companies

(with alterations and amendments as of 29.12.2014)

CHAPTER I. GENERAL PROVISIONS

Article 1. Relations Governed by This Law

1. This Law shall define the legal status of a limited liability company and an additional liability company, the rights and obligations of their participants, and the procedure for their formation, operation, reorganization and liquidation, all in conformity with the Civil Code of the Republic of Kazakstan.

2. Any specific aspects of a limited liability company and an additional liability company, which have been established with foreign participation, may be provided for by legal acts on foreign investments.

2-1. State participation in the limited liability partnerships and specifics for managing them are defined under the Law of the Republic of Kazakhstan «On state property».

3. The provisions of this Law shall apply to an additional liability company, except where otherwise provided for by Article 3 of this Law.

Article 2. Interpretation of a Limited Liability Company

1. A limited liability company shall mean a company formed by one or more persons, the charter capital of which shall be divided into interests, the size of which interests shall be set forth in foundation documents; the participants of a limited liability company shall not be liable for its obligations and shall bear the risk of losses connected with the operations of the Company to the extent of the value of their contributions. Exceptions to this rule may be provided for by the Civil Code of the Republic of Kazakhstan and this Law.

A limited liability company is established for an indefinite period, unless the foundation documents of the company stipulate that the company has been established for a limited time period or until the achievement of a specific goal.

2. A limited liability company is a legal entity.

3. A limited liability company is liable for its own obligations with all of the property belonging to it. A company is not liable for the obligations of its participants.

4. Participants in a company who have not made their contributions to the charter capital in full shall bear joint liability for its obligations to the extent of the value of that part of each participant's contribution which has not been paid in.

Article 3. Additional Liability Company

1. An additional liability company shall mean a company whose participants are liable for its obligations with their contributions to the charter capital. In instances where the amount of the charter capital is insufficient, then the participants are additionally liable to the extent of the property belonging to them in an amount proportional to the contributions that have been paid in.

2. The maximum size of liability of the participants shall be provided for by a charter.

3. In instances of bankruptcy of any one of the participants, the liability of said participant to the obligations of the additional liability company shall be distributed between the remaining participants proportional to their contributions, unless other procedures for the distribution of liability are provided for by foundation documents.

Article 4. Company Name

1. A limited liability company shall have a company name which shall contain the name of the company, as well as the words "limited liability company" or the abbreviation "LLC". The company name of an additional liability company shall contain the words "additional liability company" or the abbreviation "ALC", accordingly. A company shall undergo state registration using such a name.

A company is entitled to use an abbreviated form of a company name and its equivalent in a foreign language.

2. The company name of a limited liability company, which has been established with foreign participation, may include an indication as to the nationality of its founders.

Article 5. Location and Address

1. The location of a limited liability company shall be considered as the location of its permanently operating body.

2. In case of the limited liability partnership’s change of location, the partnership has to inform the body executing state registration of legal entities on the partnership’s actual address to make appropriate amendments to the National registry of business identification numbers.

Article 6. Legal Capacity

1. A limited liability company is a commercial organization. It shall enjoy civil rights and bear obligations connected with its operations necessary for executing any type of activities that are not prohibited by law of the Republic of Kazakhstan.

2. Only certain types of activities, a list of which is provided for by legal acts, may be pursued by a limited liability company on the basis of a license.

Article 7. Branches and Representative Offices

1. A limited liability company is entitled to establish branches and open representative offices outside of its location in compliance with Article 43 of the Civil Code of the Republic of Kazakhstan (general part). A limited liability company shall inform the body that executed its state registration about the establishment of branches and the opening of representative offices, as well as about their location.

2. A decision to establish branches and open representative offices of a limited liability company is passed by the executive body of the company, unless the company's charter provides that such decisions are passed by the general meeting of its participants.

Article 8. Participants of the limited liability company

1. Participants in a limited liability company are the founders thereof, as well as entities who have obtained the right to an interest in the property of the company after its establishment.

2. Excluded under the Law of the RK dated 16.05.03 under № 416-II.

3. Excluded under the Law of the RK dated 21.05.02 under № 323-II.

4. Institutions may be participants in a limited liability company provided the permission of the owner has been given, unless otherwise provided for by legal acts.

Article 9. *Excluded under the Law of the RK dated 16.05.03 under № 416-II.*

Article 10. Specific aspects of the legal status of a limited liability company consisting of one participant

1. A limited liability company may not have another business entity consisting of only one person as its sole participant.

2. Decisions in a limited liability company that consists of one participant, which are in the scope of authority of the general meeting of participants, are passed by the sole participant personally and are registered in writing. In this case, the provisions of Articles 44 - 50 of this Law shall not apply.

Article 11. Rights of Participants

1. Participants in a limited liability company shall have the right:

1) to take part in the management of the company's affairs in the procedure provided for by this Law and the company's charter;

2) to receive information about the company's activities and to have access to its books and other records in the procedure provided for by the company's charter;

3) to receive income from the company's activities in compliance with this Law, the company's foundation documents and decisions of its general meeting;

4) to receive, in the event of the company's liquidation, the value of that part of the property remaining after executing settlements with creditors, or that part of the property in kind, given the consent of all participants in the company;

5) to terminate participation in the company through the alienation of their interest in the procedure provided for by this Law.

2. Participants in a limited liability company may also be entitled to other rights provided for by this Law and foundation documents.

Article 12. Obligations of participants

1. Participants in a limited liability company shall:

1) comply with the requirements of the foundation agreement;

2) make contributions to the company's charter capital in the procedure, in the amount, and within the time period provided for by foundation documents;

3) not disclose information that the company has declared as a commercial secret;

4) notify in writing the executive body, as well as the registrar in the case of a register of members of the partnership to change the information contemplated in subparagraph 2) of paragraph 2 of Article 17 of this Law.

2. Participants in a limited liability company may have other obligations provided for by foundation documents of the company and this Law.

Article 12-1.Limited liability partnership’s affiliated party

1. Limited liability partnership’s affiliated party (here in after the partnership) means an individual or legal entity (except for state bodies executing controlling and supervisory functions under the provided powers and authorities), that has an opportunity to directly and (or) indirectly define the decisions and (or) affect the mutually taken decisions (or by one of the parties), including as a result of the executed transaction.

2. Partnership’s affiliated party includes:

1) incorporators, participants;

2) close relatives, spouses, spouse siblings of individuals specified in the subclauses1), 3) and 9) hereunder;

3) Officials of the partnership or legal entities specified in the sub clauses 1), 4), 5), 6), 7), 8), 9), 10) and 11) hereunder;

4) legal entity controlled by a person specified in the subclause1) hereunder, or the partnership official;

5) legal entity in relation to which a person specified in the subclause 1) hereunder or being the partnership official, is a large shareholder or has the right to correspondent share in property;

6) legal entity in relation to which the partnership is a large shareholder or has the right to an appropriate share in the property;

7) legal entity in relation to which the legal entity specified in the subclause 6) hereunder is a large shareholder or has the right to appropriate share in the property;

8) legal entity that jointly with the partnership is under the control of a third party;

9) a person bound with the partnership under an agreement in compliance to which it may define the decisions taken by the partnership;

10) person that independently or jointly with its affiliates possesses, uses and disposes ten or more percent of the voting shares (shares of interest in the authorized capital) of legal entities specified in the subclauses1), 4), 5), 6), 7), 8), 9) and 11) hereunder;

11) other person affiliate to the partnership under the legislative acts of the Republic of Kazakhstan.

2. Control over the partnership or any other legal entity means the possibility to define the decisions taken appropriately by the partnership or other legal entity.

Article 12-2. Disclosure of information on limited liability partnership affiliated persons

1. Information on the limited liability partnership's affiliated persons is not the information comprising any service, commercial or other secret protected by law.

2. Limited liability partnership has to maintain records of its affiliates based on information presented by such entities.

3. Individuals and legal entities that are affiliates to the limited liability partnership have to present the limited liability partnership within tem calendar days from the date of affiliation information on its affiliated entities.

CHAPTER II. Formation of a limited liability company

Article 13. Formation Procedure

1. The formation of a limited liability company begins when its founders enter into a foundation agreement (Article 14 of this Law) and when state registration of the company as a legal entity is completed (Article 19 of this Law).

2. The procedures for the formation of a limited liability company are terminated prior to their conclusion in the event:

1) that the appropriate application for state registration of the company has not been submitted during the course of one year from the day of concluding the foundation agreement, or during the course of such period as established by the foundation agreement;

2) that state registration of the company has been refused, provided such refusal was not appealed in a judicial procedure within the established period, or the refusal was appealed but such appeal was refused.

3. When the procedures for the foundation of a Limited Liability Company are terminated prior to their completion (Section 2 of this Article):

1) the founders of the company who have contributed moneys, securities, things, property rights, including rights to the results of intellectual activities, and other property contributed for the formation of the charter capital are entitled to claim the prompt return of such property;

2) a trustee management agreement, which has been concluded on the basis of this Law and provided there is no other agreement between the parties thereto, terminates and the property transferred under such an agreement shall be returned.

4. When the procedures for the foundation of a limited liability company are terminated prior to its completion (Section 2 of this Law), the company maybe formed if the founders sign a new foundation agreement. In this case the circumstances for which state registration was refused must be taken into consideration.

Article 14. Foundation Agreement of the Limited Liability Partnership

1. A limited liability company is formed on the basis of a foundation agreement.

2. The foundation agreement of a limited liability company shall include:

1) a decision on the formation of the company, its company name and location;

2) a list of the founders of the company with an indication of their name, location, bank requisites (if a founder is a legal entity), or their names, residence, and information from documents establishing their identity (if a founder is a private entity);

3) the procedure for the formation of the company; the obligations of the founders, which obligations are connected with its formation, as well as other terms and conditions under which the founders are to execute activities for the formation of the company; a determination of the powers of such persons, as well as of the powers provided to other persons during the process of its formation and registration, who are authorized to represent the interests of the company that is being formed;

4) the amount of the charter capital of the company;

5) information on the composition, amount and term period for each founder to pay in monetary contributions to the company's charter capital, or information on the monetary value of contributions made in kind or in the form of property rights; the procedure for adopting resolutions for making additional contributions to the company's charter capital, as well as the consequences for failure to make contributions to the company's charter capital on time;

6) a determination of the interest of a founder in the property of the company; the procedure for the transfer of interests of the founders in the company;

7) confirmation of the company's charter;

8) the procedure for distributing net income of the company.

By a decision of the founders, other terms and conditions may be included in the foundation agreement, which concern the formation of the company and its activities and which do not contradict this Law and other legal acts.

3. The purpose and goal of the activities of a limited liability company may be provided for by the company's foundation agreement.

4. The foundation agreement of a limited liability company is a document that represent a commercial secret, unless otherwise provided for by the foundation agreement, and it shall be submitted to state and other official bodies, as well as to third parties only by a decision of the bodies of the company or in cases provided for by legal acts.

It is not required that the foundation agreement be submitted to the registration body during state registration.

5. The terms and conditions of a foundation agreement are mandatory for the founders who sign the agreement, as well as for any new participants who enter into the company after its formation and registration.

Article 15. Procedure for Concluding a Foundation Agreement and its Format

1. The foundation agreement of a limited liability company is concluded by each founder or his authorized representative by signing the agreement.

2. The foundation agreement of a limited liability company is concluded in writing.

3. The agreement is signed by all founders of the company.

Representatives of the founders must have appropriate authorization providing them with the right to form the company and to sign the foundation agreement.

Legal entities that are founders may be represented by their directors who have been authorized to act on behalf of the relevant legal entity without a power of attorney.

4. A refusal to sign an agreement shall mean a refusal to enter into the company. Entities who do not sign the agreement may not be indicated in the list of founders of the company.

An agreement may not be signed which includes stipulations. Special aspects of the status of certain participants in the company shall be fixed in the text of the agreement which has been signed by all founders.

5. Foundation agreement shall be subject to notarial certification, except for the foundation agreement of a limited liability partnership, which is the subject of small and medium-sized enterprises.

6. The founders who have signed the foundation agreement become participants in the company after the state registration of the company.

Article 16. Special aspects of formation with a single participant

1. A limited liability company with a single participant is formed on the basis of a decision adopted personally by such participant.

In this case a foundation agreement is not established.

2. The charter of a limited liability company with a single participant is approved by the person who is forming the company.

3. State registration of a company with a single participant is executed in the general procedure established for the registration of a limited liability company.

4. If new participants enter into a limited liability company with a single participant due to a division of the contribution in the charter capital or an increase in the charter capital, they must sign a foundation agreement in accordance with the rules provided for by Article 15 of this Law.

Article 16-1. Creation and functioning of a limited liability partnership, which maintains the register maintained by the registrar

1. Limited liability companies may conclude with a professional participant of the securities market, carrying out activities in maintaining the system of registers of securities holders (registrar), the contract for maintaining the register of members of the partnership.

Action constituent contract is terminated from the date of formation of the register of the partners. Document confirming the right to share in the charter capital of a limited liability partnership, which maintains the register of members maintained by the registrar, is an extract from the register of members of the partnership.

In the case of converting a joint stock company into a limited liability company, which maintains the register of members will be the registrar, memorandum is not concluded.

2. Charter of a limited liability company, converted from joint-stock company, is signed by a person authorized by the general meeting of shareholders decided to transform.

Decision on amendments and additions to the charter of a limited liability company, converted from the joint stock company, the general meeting of the partners in the manner prescribed in Article 48 of this Law.

Article 17. Charter of the limited liability partnership

1. The charter of a limited liability company is a document that establishes the legal status of the company as a legal entity.

During the state registration of a company, its charter is viewed as a foundation document.

2. The charter of a limited liability company shall include:

1) the company name, the location and address of the company;

2) a list of the founders of the company with an indication of their name, location, bank requisites (if a founder is a legal entity), or their name, residence, and information from documents establishing their identity (if a founder is a private entity);

3)information on the amount of the company's charter capital;

4)the procedure for forming the bodies of the company and their scope of authority;

5)the terms and conditions for the reorganization and termination of the activities of the company;

6)order of distribution of the net income of the partnership when keeping a register of participants of the registrar;

7)order and terms of partnership participants and purchasers of shares information about the activities of the partnership;

7-1) name of mass media used for publication of information on the partnership activity;

8)rights and obligations of the partners.

If a company is formed by a single entity, then the procedure for the formation of its property and for the distribution of incomes shall be provided for in its charter.

The charter of a company may also include other provisions, provided such provisions do not conflict with the law of the Republic of Kazakhstan.

The company's charter may provide for the purpose and goal of its activities.

3.The charter shall be approved by the general meeting of founders unanimously and signed by all founders or their authorized representatives.

4. *Excluded under the Law of the RK dated 24.12.12 under № 60-V.*

5. *Excluded under the Law of the RK dated 24.12.12 under № 60-V.*

6. A company is entitled to execute its operations on the basis of a Model Charter of a Limited Liability Company, as approved by the Government of the Republic of Kazakhstan. In this case, the charter does not have to be submitted during state registration of the company.

Article 18. Procedure for Amending the charter

1. Amendments to the charter of a limited liability company are made by a decision of the general meeting, which is passed in compliance with the rules of Article 48 of this Law.

2. *Excluded under the Law of the RK dated 24.12.12 under № 60-V.*

3. *Excluded under the Law of the RK dated 24.12.12 under № 60-V.*

Article 19. State Registration

1. A limited liability company is declared to be formed as of the moment of its state registration.

2. State registration of a limited liability partnership is implemented by judicial authorities in the procedures defined by the legislation of the Republic of Kazakhstan on state registration of legal entities and registration of branches and representative offices.

3. State registration information, including information on corporate name, authorized capital amount, composition of shareholders and executive bodies of the partnership, its location, shall be included into the National registry of business identification numbers.

4. In order to execute the state registration of a limited liability company, the following documents must be submitted by the founders:

1) an application for the formation of the company, signed by the person authorized by the founders to form the company;

2) *excluded under the Law of the RK dated 24.12.12 under № 60-V;*

3) receipt or other document confirming the payment of registration fee to the budget for state registration of legal entity.

4-1. For state registration of a limited liability company, converted from a joint-stock company, keeping a register of participants of which by the registrar, the following must be submitted:

1) statement of the partnership signed by the person authorized by the general meeting of shareholders, decided to transform, to create a partnership;

2) *excluded under the Law of the RK dated 24.12.12 under № 60-V;*

3) list of participants in the partnership, compiled based on the register of shareholders, signed by the person authorized by the general meeting of shareholders, decided to transform, and the registrar.

5. In case if partnership shareholders have decided under the Model Articles of Association of the limited liability partnership, then the registering authority shall be provided with the standard application established by the Ministry of Justice of the Republic of Kazakhstan.

6. The body that carries out the state registration of the company is not entitled to require that the founders of the company submit other documents.

Article 20. Refusal in state registration of the limited liability partnership

1. State registration of a limited liability company may be refused in the event:

1) *excluded under the Law of the RK dated 24.12.12 under № 60-V;*

2) any of the documents indicated in Section 4 of Article 19 of this Law are not submitted by the founders;

3) the founders of the company violate the procedure for forming a company as provided for by this Law.

2. State registration of a limited liability company may not be refused for reasons that its formation is not necessary.

3. A refusal in state registration of a limited liability company, as well as a waiver to carry out such registration may be appealed by its founders in judicial procedure.

Article 21. Liability to Obligations Connected with Formation

The founders of a limited liability company bear joint liability for obligations connected with the formation of the company and for those obligations that arise prior to state registration of the company, if it is proven that the founders, in this case, acted in the interests of the company. The company bears liability on such obligations in the event that the actions of such entities are subsequently approved by the general meeting of participants of the company.

Article 22. Changes to the Content of Participants

1. The acceptance of a new participant, which is executed in compliance with the requirements of this Law, the charter and the foundation agreement of the company, is registered by an agreement on accession to the foundation agreement. The accession agreement shall be signed by the authorized director of the body of the company and the new participant.

An accession agreement shall become an integral part of the foundation agreement, which is considered amended in that part where such ensues from the terms and conditions of the accession agreement. An accession agreement to the foundation agreement must be notarized.

A new participant is considered as having accessed to the foundation agreement and to the charter of the company in consideration of amendments to these documents, which ensue from the terms and conditions of the accession agreement.

1-1. Acceptance of new members in a limited liability partnership, which maintains the register of members maintained by the registrar, is made by making an entry in the register of members of the partnership.

2. An entity who has become a participant in the company due to the purchase of the interest of a participant who is leaving or on other bases whereby an interest is transferred is considered as having accessed to the foundation agreement and the charter of the company from the moment the right to the interest has been transferred.

CHAPTER III. Charter capital

Article 23. Formation of the Charter Capital

1. The charter capital of a limited liability company is formed through the unification of the contributions of the founders (participants).

2. The initial authorized capital shall be equal to the sum of contributions of the founders and cannot be less than the amount equivalent to one hundred monthly calculation indices at the date of submission of documents for state registration of the partnership, except for the limited liability partnership, which is the subject of small business enterprises, the size of the minimum authorized capital of which shall be determined by the zero level.

3. Contributions to the charter capital of a limited liability company may be money, securities, things, property rights, including the right to land usage and the right to the results of intellectual activities, as well as other rights (except for special financial companies created under the legislation of the Republic of Kazakhstan on project financing and securitization, special Islamic financial companies incorporated under the legislation of the Republic of Kazakhstan on securities market, the authorized capital of which is formed only with money).

Contributions may not be made in the form of personal non-property rights and other non-material wealth.

4. The contributions of founders (participants) to the charter capital that are made in kind or in the form of property rights are valued in monetary form upon the agreement of all founders or upon a decision of the general meeting of participants of the company. If the value of such a deposit exceeds the amount equivalent to twenty thousand monthly settlement indexes, its value shall be confirmed by an independent specialist.

5. In the event that the right to the enjoyment of property is transferred as a contribution to the company, the amount of such contribution is determined according to the payment for such enjoyment calculated for the entire period indicated in the foundation documents.

The immediate withdrawal of property, the right to the enjoyment of which was used as a contribution to the charter capital of the company, is not permitted without the consent of the general meeting.

Unless otherwise provided for by foundation documents, the risk of accident destruction or damage to property that has been transferred into the enjoyment of the company shall be borne by the owner of the property.

6. Unless otherwise is stipulated under the memorandum of association, ratio of each participants contribution to the total amount of the authorized capital is the share of interest in the authorized capital.

Any change of the authorized capital amount related to admission by the limited liability partnership of new participants or exclusion from the partnership of any of its participants shall lead to appropriate recalculation of shares of interest in the authorized capital for the date of admission or exclusion.

7. Allocated land in kind, the right to which is transferred as a contribution to the charter capital of the company (including the right to conditional land share), in accordance with the land legislation of the Republic of Kazakhstan.

Article 24. Term Period for Forming the Charter Capital

1. *Excluded under the Law of the RK dated 20.01.10 under № 239-IV.*

2. All participants must completely make their contributions to the charter capital of the company in the period as established by a decision of the general meeting. Such a period must not exceed one year from the day of registration of the company.

3. In the event a participant of the company fails to fulfill his obligations for contributing his interest in the established period, then the company shall contribute that portion of the interest that was not contributed by the participant on account of its private capital (its net assets) or decrease the charter capital to the amount that has been contributed.

A participant who has not contributed his interest within the term period shall reimburse the company for losses, as well as pay the company a fine, unless otherwise provided for by the foundation agreement or the charter of the company, in compliance with Article 353 of the Civil Code of the Republic of Kazakhstan (General part).

4. Upon the decision of the general meeting of the company, the interest or the portion thereof that was not contributed by a participant in the established term period may be distributed between the other participants in the procedure provided for by Section 1 of Article 31 of this Law or by the foundation documents of the company, or it may be proposed to third parties for acquisition.

In the event that it is impossible to sell the portion of a contribution that was not contributed in the term period established by Section 2 of this article, then the charter capital of the company is decreased by this amount and the share of the participants in the charter capital changes proportionately.

5. If a contribution of a participant is property, which may be used only during the course of a certain time period, a decision by the general meeting may declare such contribution as being contributed as of the day a notarized debt obligation is obtained from the participant indicating the nature of the contribution, its monetary value and the period for its contribution. Such a period may not exceed three years.

6. A participant in a limited liability company who has completely made his contribution is entitled to receive a certificate from the company certifying his participation in the company.

7. In order to pay the charter capital through the contribution of money prior to the formation of the limited liability company, the founders of the company may indicate in the foundation agreement which of the founders shall open in his name a savings account in a bank in order that the relevant assets may be transferred to said account.

After the company has been formed and it has opened its own account in a bank the founder in whose name the saving account was opened must transfer the moneys from this account to the account of the company within the course of 5 (five) working days. If the founder fails to fulfill the obligations for transferring the moneys on time, then he must pay a fine to the company from the amount still held on the savings account in an amount as established by Article 353 of the Civil Code of the Republic of Kazakhstan (General Part), unless the founders have established other consequences for such delay.

8. If the charter of a limited liability company provides that the founders may make contributions to the charter capital of the company in other property, and not in cash, the founders of the company may indicate in the foundation agreement which of the founders or a third party to

whom the relevant property shall be transferred into trustee management for the period up to and after the formation of the company.

9. In a trustee management agreement the following provisions must be stipulated:

1) the obligation of the trustee manager to manage the relevant property in the interest of all the founders, and in the interest of the company after the formation of the limited liability company;

2) that, as of the moment of its formation, the limited liability company will be provided with the rights of the entity in whose benefit the agreement was concluded and to whom the property transferred into trustee management is to be transferred into ownership as of said moment.

Article 25. Audit of the Charter Capital

1. The charter capital and its relationship with private capital is not audited during the registration or re-registration of a limited liability company.

2. The charter capital of a limited liability company may be audited in the following instances:

1) at the request of any of the participants by an independent specialist. The interested participant pays for the audit conclusion;

2) upon the decision of a court of law;

3) upon the termination of each financial year for the financial report.

3. In the event that the declared charter capital of a limited liability company exceeds the actual charter capital, the participants in the company bear joint liability to creditors with respect to the company's debts in that amount that the charter capital exceeds private capital.

Article 26. Increase of the Charter Capital

1. The charter capital of a limited liability company may be increased after it has been fully paid in.

2. The charter capital of a limited liability company may be increased through:

1) additional proportional contributions made by all participants in the company;

2) increasing the size of the charter capital on account of private capital of the company, including on account of its reserve capital;

3) *excluded under the Law of the RK dated 16.05.03 under № 416-II;*

4) additional contributions made by one or several participants, provided the other participants agree to such;

5) the admission of new participants into the company (Article 22 of this Law).

3. When the size of the charter capital is increased in the procedure provided for by Subsections 1) - 3) of Section 2 of this article, the size of the interests of the partners does not change.

4. When the charter capital is increased through making additional contributions by any one of the participants in a limited liability company or by a newly accepted participant (Subsections 4) and 5) of Section 2 of this article), the size of such contribution is determined in consideration of the size of their previous contributions to the private capital of the company and in consideration of the need to recalculate the interests of all participants in the charter capital.

A decision is passed by the unanimous consent of all participants.

5. A limited liability company must inform the body that executed its state registration as to an increase in the charter capital within three months from the day the general meeting passed the decision to increase the charter capital. As of the moment of notification the contributions shall be made in an amount of at least one half the amount by which the charter capital is to be increased.

If the company does not inform the body that executed its state registration, then any increase in the charter capital is declared invalid.

6. In instances where an increase in the charter capital does not occur, the participant or third party who intended to enter the limited liability company, which participant or third party paid in his contribution, is entitled to claim the return of the contribution and the payment of fines by the company in compliance with Article 353 of the Civil Code of the Republic of Kazakhstan (General Part) or the reimbursement of losses, as well as lost profits due to the inability to enjoy the property that was transferred as a contribution.

Article 27. Reduction of the Charter Capital

1. The charter capital of a limited liability company may be reduced through the proportional reduction of the size of the contributions of all participants in the company or through the complete or partial reimbursement of the interests of certain participants.

2. When the charter capital is reduced through the reimbursement of the interest of a participant, the interests of the other participants are changed proportionally.

3. As of the moment the general meeting of participants of a limited liability company passes a decision to reduce the charter capital, the company shall inform its creditors to obligations that arise after the passage of said decision.

4. Within a two-month period after the day the general meeting of participants of a limited liability company has passed a decision to reduce the charter capital, the company shall send written notification to all its debtors about the reduction in the charter capital or it shall make the relevant announcement in the official publication in which information about companies is published. The creditors of the company are entitled to claim additional guarantees or to require immediate termination or execution of relevant obligations and the reimbursement of losses by the company within a one-month period from the day written notification is received or from the day the announcement is published. Claims are delivered to the company in writing and copies thereof may be submitted to the body that executed the state registration of the company.

5. A reduction in the charter capital of a limited liability company is registered by the body that executed the state registration of the company upon the termination of the term period provided to creditors in order to submit claims against the company (Section 4 of this article). If copies of the claims of creditors of the company are delivered to the body that executed the state registration of the company, the reduction of the charter capital is registered in the event the company provides proof as to the execution of such claims or that the creditors who made such claims do not have any objections against the registration of the reduction in the charter capital of the company.

6. If, during the course of six months from the day the general meeting of participants of a limited liability company resolved to decrease the charter capital, the company does not submit an application for re-registration or does not provide necessary proof (Section 5 of this article), then the reduction in the charter capital is declared invalid. In this case, a reduction in the charter capital may be executed only on the basis of a new decision of the general meeting of participants of the company, which has been made in compliance with the requirements of this article.

7. A reduction in the charter capital, which is executed in violation of the procedure established by this article, serves as the basis for the liquidation of the company by the decision of a court of law upon application by interested entities.

8. A limited liability company is entitled to make payments to its participants in connection with a decrease in the charter capital only within the limits of the portion of net assets exceeding the new size of the charter capital. Payments are made after the reduction in the charter capital has been registered in the period established by the company's charter or by the decision of the general meeting on the reduction in the charter capital, but no later than three months after registration.

Payments are made in accordance with the amount of the interests of the participants in the company.

9. A reduction in the charter capital may be executed only after the participants have paid in their contributions to the charter capital in full as declared in foundation documents, except in cases provided for by the second part of Section 4 of Article 24 of this Law.

Article 28. Interests of the Participants

1. The interests of all the participants in the charter capital and, accordingly, their interests in the value of the property of the business partnership (property interest) are proportional to their contributions to the charter capital, unless otherwise provided for by foundation documents.

The size of an interest is determined in the procedure provided for by Section 6 of Article 23 of this Law. Any change (increase or reduction) in the contribution of any one of the participants to the charter capital shall entail the appropriate recalculation of the size of the interests of all participants in the company.

2. The loss of the right to an interest on any basis entails the withdrawal of the participant from the limited liability company. The acquisition of an interest in the procedure established by this Law shall mean that the acquirer of the interest becomes a participant in the company.

3. The maximum size of an interest that may belong to a single participant in a limited liability company may be limited by the foundation documents of the company. Such a limit may be established with respect to a specific participant. In the same manner, the foundation documents may limit the possibility of changing the relationship of the interests of the participants in the company.

4. Entitled to a share in the property of the participant of the limited liability is not the thing, but a personal liability character.

Article 29. Disposal of Property Interest

1. The interest of a participant in the property of a limited liability company may be alienated or pledged prior to the contribution being paid in in that portion in which the contribution has already been paid in.

2. A participant in a limited liability company is entitled to sell or to waiver in another manner his interest in the property of the company or a portion thereof to one or several of the participants in the company at his own choice. In the same manner, a participant in the company is entitled to pledge his interest in order to ensure his obligation to other participants in the company. The consent of the company or other participants for completing such transactions is not required. However, if the foundation documents of a company provide terms and conditions as indicated in Section 3 of Article 28 of this Law, such terms and conditions must be complied with when waiving such interest.

In case when a party to alienation (concessions) contract on the right of outgoing member to

the share in the partnership property (authorized capital) or its part is an individual, the authenticity of the individual’s signature is subject to notarization.

3. Registration of mortgage ownership interest in the partnership shall be in accordance with the laws of the Republic of Kazakhstan. In the case of keeping the register of members of the partnership by registrar registration of mortgage ownership interest in the partnership is made in accordance with the internal documents of the registrar if the requirements of this Act, and (or) the company's charter.

Article 30. Possibility of Alienating an Interest to a Third Party

1. A participant in a limited liability company may alienate his interest (a portion thereof) to third parties or pledge his interest (a portion thereof) in order to ensure an obligation of the participant to a third party, unless otherwise provided for by foundation documents.

2. The foundation documents of a limited liability company may stipulate that the sale of an interest to a third party is permitted only in compliance with specific terms and conditions.

3. Restrictions imposed under this Article shall not apply to the sale of shares owned by the state or government entity, if such sale is executed in accordance with the Law of the Republic of Kazakhstan "On State Property" by selling the shares under the tender. In case of such sale, however, the right to another party (other participants) of the partnership for realization of the preemptive shares purchase right stipulated by the Article 31 of this Law shall retain.

Article 31. Privileged Right to Purchase an Alienated Interest

1. Participants in a limited liability company enjoy the privileged right before third parties to purchase the interest of a participant or a portion thereof when such interest is being sold by any one of the participants. This right may be enjoyed by each participant. If there are several participants who wish to use the privileged right of purchase and the foundation documents or any other agreement of the participants in the company do not provide otherwise, then the participants exercise their privileged right to purchase an interest (a portion thereof) proportional to the size of their interest in the charter capital.

2. A participant in a limited liability company who wishes to sell his interest or a portion thereof to a third party must inform the executive body of the company in writing about his intention and indicate therein the proposed sale price.

3. Within seven days after receiving notification from a participant in a limited liability company as to his proposal to sell his interest, the executive body informs all participants in the company about this. A participant in the company who wishes to execute his privileged right of purchase shall inform the executive body of the company thereof within a seven-day period and he must indicate whether he intends to acquire the interest proposed for sale in full or in a specific portion.

4. If the total amount of submitted proposals does not exceed the size of the interest to be sold, each of the participants acquires that portion thereof which he indicated in his notification. The remaining portion of the interest may be alienated to a third party if the participants in the limited liability company do not submit any additional proposals prior to such alienation.

5. If, within the course of one month from the day a notification is sent to the executive body of a limited liability company with a proposal to sell an interest, the interest or a portion thereof is not purchased by the participants in the company in the procedure for implementing privileged rights, then the participant proposing to sell the interest is entitled to sell the interest (the unsold portion thereof) to a third party at a price no less than that indicated in the notification.

6. If an interest is alienated to a third party at a price lower than that indicated in the notification, then the purchase-sale agreement may be declared invalid. The participants are entitled to repeat the procedures for implementing their privileged rights to purchase the interest or a portion thereof in consideration of the actual sale price of the interest.

7. When selling an interest or a portion thereof in violation of the privileged right of purchase, any participant in a limited liability company may claim in a judicial procedure and in the course of three months that the rights and obligations of the buyer be transferred to him.

8. The privileged right to purchase an interest that is to be alienated is executed in any manner for selling an interest, including through a tender.

9. It is not permitted to cede one's privileged right to purchase an interest.

10. In the event an interest or a portion thereof that is to be alienated is acquired by a participant(s) in the company, his (their) interest(s) in the charter capital of the company is (are) increased accordingly.

11. The rules of this article also apply when alienating an interest according to an exchange agreement.

12. If the participants do not wish to use their privileged right to purchase an interest or a portion thereof that is being sold to a third party, then the limited liability company itself may use the privileged right to purchase in consideration of Sections 2, 5 - 9, and 11 of this article.

Article 32. Sale of an Interest of a Participant When Other Participants Refuse to Purchase the Interest

1. The foundation documents of a limited liability company may prohibit or limit a participant in the company from selling his interest to another participant in the company or to a limited circle

of third parties. In this case, the sale shall take place in compliance with such prohibitions and limitations.

2. In instances where the sale of an interest cannot be executed in compliance with prohibitions or limitations as provided for under Section 1 of this article due to obligations that do not depend on the seller, the participant who wishes to sell his interest may request that the limited liability company purchase the interest or allow its sale to a third party.

The general meeting of participants of the company chooses the method for selling the interest.

3. When an interest is purchased by a limited liability company, the price of the interest is determined by an agreement between the parties, and if an agreement is not reached then it is determined by a court of law.

4. In instances where a limited liability company provides consent to the sale of an interest to a third party, the participants in the company shall maintain their privileged right to purchase the interest as provided for by Article 31 of this Law.

Article 33. Consequence of the Purchase of an Interest of a Participant by a Limited Liability Company

1. After a limited liability company has purchased the interest of a participant in the procedure provided for by Articles 31 - 36 of this Law, as well as after the company has purchased the interest of a participant by agreement between the parties, the company shall offer the other participants to acquire the interest at a price as determined by a decision of the general meeting.

2. In instances where several participants express the intent to acquire the interest, the interest is divided between them in proportion to the size of their interest in the charter capital of the limited liability company.

The size of the interest purchased by a participant is added to the size of the interest that belonged to said participant prior to the purchase. In this case, the rule of Section 3 of Article 28 of this Law on the possible limitation of the size of an interest that may belong to a single participant in the company shall be complied with.

3. In the event the participants do not wish to acquire the interest that was purchased by the limited liability company from a withdrawing participant, then the interest is reimbursed along with an appropriate reduction in the charter capital and the interests of the participants in the company in the charter capital are recalculated.

4. Upon the decision of the general meeting, the limited liability company is entitled to reimburse an interest as provided for by Section 3 of this article, or to sell the interest to a third party on behalf of the company.

5. In all cases, dividends are not calculated on the interest of a participant who is withdrawing from the limited liability company, which interest has been transferred to the company, until the interest has been reimbursed or sold to another participant or to a third party.

Article 34. Mandatory purchase of an interest

1. In instances where a participant in a limited liability company has caused damage to the company or its participants, the company and participants are entitled to claim reimbursement from the party guilty for such damage.

2. In instances where significant damage has been caused, a limited liability company, in addition to claiming reimbursement of damages and to addressing the issue as to whether the company will purchase in a mandatory procedure the interest of the guilty participant, who caused the damage, is also entitled to claim the withdrawal of said participant from the among the participants.

3. The mandatory purchase of an interest is carried out in a judicial procedure.

Compulsory redemption of shares from limited liability partnership members is carried out at market value determined by an independent appraiser who meets the requirements established by the authorized body executing the state regulation in evaluation under the international standards.

Article 35. Transfer by inheritance of interest in the charter capital

The interest of a participant in a limited liability company is transferred to his inheritors, unless otherwise if provided by the partnership incorporation documents. The transfer of an interest to inheritors and its distribution between several inheritors is executed in compliance with the Civil Code of the Republic of Kazakhstan.

Article 36. Legal succession of legal entities with respect to an interest in the charter capital

1. In instances of the reorganization of a legal entity through a merger, accession or transformation, its interest in the charter capital of a limited liability company is transferred to the legal successor of the reorganized legal entity.

2. If reorganization consists in the split-up of the legal entity or in the split-off of a new legal entity(ies) from its content, the interest of the reorganized legal entity is transferred to its legal successors in accordance with a divestiture balance sheet.

3. In the event the general meeting does not consent to the transfer of an interest to the legal successors of a legal entity, as provided for in Section 2 of this Law, the limited liability company shall purchase the interest in the procedure provided for by Article 34 of this Law.

Article 37. Submitting a claim on the interest of a participant

1. The creditors of a participant in a limited liability company are entitled to demand in a mandatory procedure on the basis of a decision of a court of law that a claim be filed against the interest or a portion thereof of such participant in the property of the company.

2. A creditor who has filed a claim on an interest (a portion thereof), with respect to which he does not enjoy the rights of a pledge, shall file his claim against the limited liability company for the mandatory purchase of the interest (a portion thereof) of the debtor and for the reimbursement of the debt from amounts received from such purchase. The purchase of an interest (a portion thereof) is executed by the company or its participants at a price as determined by the parties given the consent of the participant whose interest is being purchased.

3. Provided the limited liability company and the participant upon whose interest a claim has been filed have given their consent, the interest (a portion thereof) may be sold to a third party.

4. In instances where the company or its participants or third parties have not purchased the interest (a portion thereof) in the course of three months from the day a creditor has filed a claim and the claim is not satisfied, then the creditor is entitled to demand the sale of the interest (a portion thereof) at a public tender in the procedure provided for by civil procedural law of the Republic of Kazakstan. In this case the other participants in the company shall maintain their privileged right to purchase the interest as provided for under Article 31 of this Law.

5. The moneys received from the sale of an interest shall go toward reimbursing the expenses for establishing the value of the interest, and for organizing and executing the sale, as well as toward satisfying the claims of the creditor who filed the claim on the interest. The remaining moneys, if such exist, shall be transferred to the entity whose interest (a portion thereof) was sold.

CHAPTER IV. Property

Article 38. Formation of Property

1. The property of a limited liability company shall be formed on account of the contributions of its founders (participants), incomes obtained by the company, as well as from other sources that are not prohibited by law.

2. The formation of reserve capital and other funds may be provided for by legal acts or the foundations documents of a limited liability company.

3. The property of a limited liability company is calculated on its balance sheets.

Article 39. Additional contributions to the property

1. Unless otherwise provided for by the charter of a limited liability company, the general meeting of participants may resolve that the participants make additional contributions to the property of the company. A decision is passed by a three quarters majority vote of all participants in the company. Those participants who did not vote for said decision (including those absent from the meeting, those who did not participate in the vote or those who abstained) are entitled to demand that the other participants who voted for making additional contributions purchase their interests. The participants who voted for additional contributions shall purchase said interests in proportion to their interests in the charter capital of the company at a price as determined in accordance with the rules of this Law.

Additional contributions are made only after settlements have been executed with the participants who demanded that their interests be purchased.

2. The procedure and period for participants to make additional contributions into the property of a limited liability company, as well as the liability for delay in making said contributions are determined in accordance with the rules of Article 24 of this Law.

3. Additional contributions by participants into the property of a limited liability company do not change the size of its charter capital, nor of the interests of the participants in the company.

Article 40. Distribution of net income between participants

1. The net income obtained by a limited liability company through the results of its activities during the course of a year are distributed between the participants of the company in compliance with a decision of the regular general meeting of participants of the company, which meeting is dedicated to confirming the results of the activities of the company for the relevant year.

The general meeting is also entitled to adopt a decision on excluding the net income or a portion thereof from distribution between participants in the company.

2. In the event the general meeting of a limited liability company adopts a decision to distribute income between the participants, each participant is entitled to receive a portion of the distributed income that complies with his interest in the charter capital of the company. The company shall make payments in cash in the course of one month from the day the general meeting adopted the decision to distribute the net income.

3. A limited liability company is not entitled to distribute income between participants until the entire charter capital of the company has been paid in.

CHAPTER V. Governance

Article 41. Bodies of a limited liability company

1. The bodies of a limited liability company are:

1) the highest body of a company shall be its general meeting of participants (the general meeting);

2) the executive body of a company (single-person or collective).

2. Limited liability partnership officials are the members of the limited liability partnership executive body or a person performing the functions of the limited liability partnership sole executive body, as well as Supervisory Board members.

2-1. In the event of recognition of bankruptcy of a limited liability company or application of rehabilitation procedure and appointment of a temporary or bankruptcy or rehabilitation manager following the procedure established by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, all the powers to manage this limited liability company shall accordingly pass to the temporary or bankruptcy or rehabilitation manager.

3. In cases provided under the Articles of Association, the limited liability partnership may create a Supervisory Board and (or) audit commission (auditor).

4. Competence of the limited liability partnership, and the procedure for their decision or acting on behalf of a limited liability partnership determined by this Law and other legislative acts of the Republic of Kazakhstan and the charter of a limited liability partnership.

Article 42. The General Meeting

1. The highest body of a limited liability company (the general meeting) is summoned as a regular general meeting of participants (Article 44 of this Law) or as a special general meeting of participants (Article 45 of this Law).

2. All participants in a limited liability company are entitled to attend the general meeting, take part in the discussion of issues on the agenda, and vote when passing resolutions.

Any provision of the charter of a company or of any other documents or resolutions, which restrict the aforementioned rights of the participants in the company, shall be invalid.

3. A participant in a limited liability company may take part in the general meeting personally or through his representative.

Members of the executive body and members of regulatory bodies are not entitled to act as representatives of participants in the company at general meetings, except in instances where the trustee himself is, respectively, a member of such executive body or a member of such regulatory body of the company (auditing commission).

On the basis of a power of attorney, other entities are entitled to act as representatives of a participant in the company who is a private entity. A power of attorney for a private entity to participate as a representative in the general meeting shall be issued in the form provided for by Section 4 or by Section 5 of Article 187 of the Civil Code of the Republic of Kazakhstan (General Part), or it must be notarized.

The director of a participant in the company, which participant is a legal entity, is entitled to act as a representative of the participant without a power of attorney, or any other representative of the legal entity may act as a participant on the basis of a power of attorney. A power of attorney for a legal entity to participate as a representative in the general meeting shall be issued in the form provided for by Section 6 of Article 167 of the Civil Code of the Republic of Kazakstan (General Part).

4. In instances where trustee management is established over the interest of a participant, the trustee manager is entitled to act as the representative of the participant at the general meeting provided no other provisions are stipulated by agreement between the participant and the trustee manager or by legal acts on the establishment of trustee management over property. The requirements on the procedure for representing the interests of a participant are provided for by the law on trustee management over property.

5. When voting at the general meeting, each participant in the limited liability company has the number of votes relevant to his interest in the charter capital of the company, except in instances where another procedure for determining votes is provided for by the first part of Section 7 of Article 47 of this Law or by the charter of the company.

6. Members of the executive body of a limited liability company, who are not participants in the company, may participate in the general meeting but shall not have any voting rights, unless otherwise provided for by the charter of the company.

Article 43. Scope of Authority of the general meeting of participants

1. The scope of authority of the general meeting of participants of a limited liability company shall be set forth by the charter of the company in conformity with this Law.

2. The exclusive authority of the general meeting of participants of a limited liability company shall include:

1)amendments to the charter of the company, including changes in the amount of its charter capital, place of location and company name, or the approval of a new version of the charter of the company;

2)formation of the executive body of the company and early termination of its authority, as well as adopting a decision on transferring the limited liability company or its property into trustee management and determining the conditions of such transfer;

3)election of the supervisory council and/or the auditing commission (auditor) of the company, as well as the approval of reports and conclusions of the auditing commission (auditor) of the company;

4) Approval of annual financial reports and of the distribution of net income;

5)Approval of internal rules, the procedures for their adoption and other documents governing the internal activities of the company;

6)Resolving that the company participate in other commercial partnerships, as well as in non-commercial organizations;

7)Resolving to reorganize or liquidate the company;

8)Appointment of a liquidation commission and approval of liquidation balance sheets;

9) Resolving to purchase the interest of a participant in the company in a mandatory procedure and in compliance with Article 34 of this Law;

10) Resolving to pledge all property of the company, which resolution must be passed unanimously;

11) Resolving to make additional contributions to the property of the company in compliance with Article 39 of this Law;

12) confirmation of the order and timing of the participants of the partnership and the purchasers of shares information about the activities of the partnership.

3.In addition to the issues that are within the scope of authority of the general meeting according to this Law, the charter of a limited liability company may include other issues within its scope of authority.

The general meeting is entitled to delegate powers that are not within its exclusive scope of authority to the executive body or to the supervisory council of the company, unless otherwise provided for by the charter of the company.

4. The general meeting of participants of a limited liability company, regardless of how its scope of authority is established in the charter of the company, is entitled to take under review any issue connected with the activities of the company.

5. General Meeting of Members shall be entitled to cancel any decision other bodies of a limited liability company on matters relating to the internal operations of the partnership, unless otherwise determined by the charter company.

Article 44. Regular General Meeting

1. A regular general meeting of participants of a limited liability company shall be called by the company's executive body in the period as set forth in the company's charter, and at least once a year.

2. A meeting dedicated to approving the annual financial report of a limited liability company shall be held no later than three months after the termination of the last financial year.

Article 45. Special General Meeting

1. A special (extraordinary) general meeting of participants of a limited liability company shall be convened as provided by this Law, the company's charter and in any other cases when such a general meeting is required in the interests of the company.

2. A special general meeting of participants of a limited liability company shall be called at the initiative of the company's executive body, or in cases when a supervisory council or auditing commission has been formed then it may also be called at the request of the supervisory council or the auditing commission (auditor) of the company, or it may be called at the request of the company's participants who control in aggregate at least one tenth of the total number of votes.

If, despite the request of the supervisory council, auditing commission (auditor) or participants in the company, the executive body does not call a special general meeting, it may be called independently by the supervisory council, auditing commission (auditor) or by the participants in the company who control in aggregate at least one tenth of the total number of votes.

3.The liquidation commission (liquidator) may also call a special general meeting of participants of a limited liability company that is in the process of liquidation.

Article 46. Procedure for Calling a General Meeting

1. Any body or person which (who) calls a general meeting of participants in a limited liability company shall no later than fifteen days prior to such meeting, notify each participant in the company of such meeting in writing at the address given in the registry of participants, which is managed by the executive body of the company.

The time and place of the meeting shall be indicated in the notice, as well as the proposed agenda. The company is entitled to inform participants additionally through the press.

2. Any participant in a limited liability company is entitled to include his proposals in the agenda of the general meeting by at least ten days prior to its commencement. During this period, the participants in the company who control in aggregate at least one tenth of the total number of votes are entitled to demand the inclusion of issues in the agenda of the general meeting, which they have determined.

The body or persons which (who) call the general meeting must execute this requirement.

If, upon the proposal or requirement of the participants in the company, changes are introduced to the initial agenda of the general assembly, the body or persons calling the meeting shall inform each participant in the company about such changes in at least seven days prior to commencement of the meeting through those means indicated in the first part of Section 1 of this article.

3. The body or person(s) calling a general meeting of participants in a limited liability company shall review submitted proposals and resolve whether to include such proposals into the agenda of the general meeting of participants of the limited liability company, or whether to exclude them there from by at least ten days prior to the day of commencement of the meeting. In the event the proposals are accepted, the body or person(s) calling the general meeting of participants of a limited liability company shall inform the participants in the limited liability company as to the changes to be introduced to the agenda. In the event changes or amendments are not to be included in the agenda of the general meeting, said body or person(s) shall issue the applicant the motivation for the refusal by at least seven days prior to the commencement of the general meeting of participants of the limited liability company.

In instances of a refusal to include proposals into the agenda of a general meeting, which refusal violates the rights and legal interests of the applicant, the latter is entitled to appeal such decision in the procedure stipulated by Article 50 of this Law.

4. At the request of a participant in the company, which request said participant sent by at least ten days prior to the commencement of the meeting, the body or person(s) calling the general meeting of participants of a limited liability company shall send him in writing by no later than seven days prior to the commencement of the meeting draft decisions on all issues included in the agenda, copies of documents that are to be discussed according to the agenda, as well as other information provided for by the charter of the company or by documents regulating the internal operations of the company.

The documents, information indicated in the previous part financial report and a conclusion thereupon by the auditing commission and/or auditor for the report period shall be provided without any hindrance to all participants in the company for review in the office of the executive body of the company as of the moment of notification on the holding of a general meeting or by at least fifteen days prior to the commencement of the meeting. In this case the participants in the company shall be provided with the opportunity to make copies free of charge of the documents that are provided for review. Financial reports and conclusions thereupon by the auditing commission and/or auditor for the past three years shall be stored by the executive body of the company and shall be provided for review at any time to any participant in the company. Certified excepts from these documents shall be issued to participants in the company at their request.

5. The charter of a limited liability company, which has less than seven participants, may provide for term periods other than those indicated in this article and in Section 5 of Article 47 of this Law.

Article 47. Procedure for Holding a General Meeting

1. The provisions of a general meeting of participants of a limited liability company shall be established in compliance with this Law, the charter of the company, the rules and other documents regulating the internal operations of the company, or directly by the general meeting.

2. Prior to the commencement of the general meeting of participants, those participants who have arrived to attend the meeting shall be registered. The representatives of participants shall furnish appropriate documents evidencing their authority (Sections 3 and 4 of Article 42 of this Law). A participant (a representative of a participant) who has failed to register is not counted when determining a quorum and shall not have the right to participate in voting.

3. The general meeting of participants of a company commences at the announced time provided that the registration of the participants and their representatives who have arrived provides a sufficient basis to ensure a quorum.

The meeting may not commence prior to the announced time except in instances where all participants of the company or their representatives have already been registered, informed and do not object to a change in the time for commencing the meeting.

4. The general meeting of participants in a limited liability company is declared to be authorized, and the conditions for a quorum to be complied with, provided the participants or their representatives who are present at the meeting possess in aggregate more than half of the total number of votes. In instances where a decision on an issue that has been included in the agenda must be passed by a qualified majority of votes or unanimously, the meeting is authorized to adopt such decision, provided the participants in the company or their representatives who are present at the meeting possess in aggregate more than two thirds of the total number of votes.

5. In instances where a quorum is not determined, the general meeting of participants of a limited liability company is called for a second time within at least forty five days after the first meeting. During the second general meeting, the rules, as established by Article 46 of this Law, shall be complied with.

A meeting that has been called for a second time is declared to be authorized regardless of the number of votes possessed by those participants in the company who are present or represented at the meeting. If the participants present or represented at the meeting possess in aggregate less than half of the total number of votes, then such a meeting is entitled to adopt decisions on those issues that do not require a qualifying majority of votes or an unanimous vote.

6. The general meeting of participants in a limited liability company shall be opened either by the senior director of the executive body or by the person who fulfills his obligations. A meeting called by the supervisory committee, auditing commission (auditor), or by participants in the company (Section 2 of Article 45 of this Law) shall be opened by the chairman of the supervisory committee, the chairman of the auditing commission (auditor), or by one of the participants in the company who called such meeting.

A general meeting that has been called by the liquidation commission (liquidator) shall be opened by the chairman of the liquidation commission (liquidator) or by the person who substitutes for him.

7. The person who opens the general meeting shall have a chairman and a secretary of the meeting elected. Except when otherwise provided by the charter of an limited liability company, each participant shall have one vote in the election of the chairman and secretary of the general meeting (regardless of his interest in the charter capital), and such decision is adopted by simple majority vote of those present.

Members of the executive body of the company and its auditing commission (auditor) may not serve as chairman of the general meeting, except in instances where all participants in the company who are present at the meeting are members of the executive body or are members of the auditing commission (auditor) of the company.

8. The secretary of a general meeting is responsible for managing the minutes of the general meeting. The minutes shall be signed by all who are present and by the secretary of the general meeting.

The minutes of all general meetings are filed together in a book of minutes, which is stored by the executive body of the company and is provided for review to any participant in the limited liability company at any time. Participants in the company shall be issued a registered excerpt from the book of minutes upon their request.

9. Prior to the initiation of decisions on issues that have been included in the agenda, the general meeting must certify that there is a quorum. Failure to comply with this requirement shall entail the invalidity of all decision adopted by the general meeting until it is established that there is a quorum.

When voting on issues provided for in Subsections 1), 4), 7), 9) and 10) of Section 2 of Article 43 of this Law, as well as in other cases provided for by the charter of the company or by rules and other documents regulating its internal activities, it is necessary to certify anew that there is a quorum immediately prior to voting.

Article 48. Procedure for Adopting Decisions by the General Meeting

1. A general meeting of participants in a limited liability company is entitled to adopt decisions only on issues included in the agenda, about which the participants were notified in compliance with Sections 1 and 2 of Article 46 of this Law. In this case, those issues, which were included in the agenda of the general meeting at the request of participants in the company in compliance with Section 2 of Article 46 of this Law, are considered to be included in the agenda even in instances where the body or entities calling the meeting did not fulfill the obligations provided for by the second part of said section.

2. Decisions on issues indicated in Subsections 1), 7), 9) and 10) of Section 2 of Article 43 of this Law, as well as on other issues provided for in the charter of a limited liability company are adopted by a qualified majority by three quarters of the votes of those participants in the company who are present or represented at the meeting, unless the charter of the company does not require a majority or unanimous vote for their adoption.

When adopting decisions with respect to Subsection 9 of Section 2 of Article 43 of this Law, the participant whose interest is being purchased in a mandatory procedure does not participate in the vote and the number of votes belonging to him are not included in the tally.

All other decisions are adopted by simple majority vote of those participants in the company who are present or represented at the general meeting, unless the charter of the company requires a majority number of votes or a unanimous vote for their adoption.

3. Decisions of the general meeting of participants of a limited liability company are adopted through open voting, unless the charter of the company or the rules or other documents regulating the internal activities of the company provide for secret voting.

Decisions of the general meeting shall be adopted through secret voting, as well as in cases when required by the participants in the company who possess at least one fifth of the total number of votes.

The procedures for holding a secret vote shall ensure the accurate tally of the votes and the reliability of the results of the vote.

Article 49. Holding a General Meeting In Abstentia

1. In instances provided for by the charter of a limited liability company, and given the directly expressed consent of the participants in the company who possess in aggregate at least three quarters of the total number of votes, the general meeting may be held in abstentia through a questionnaire method of exchanging letters, facsimiles or electronic communications or through the use of other means of communications that are accessible to all participants and that ensure the authenticity of the notifications being delivered and received.

A general meeting that is held in abstentia is not entitled to adopt decisions on issues indicated in Subsections 1), 7) - 10) of Section 2 of Article 43 of this Law.

2. When holding a general meeting of participants of a limited liability company in abstentia, Sections 2, 3, 5 -7 and 9 of Article 47 and Section 3 of Article 48 shall not apply, as well as the provisions of Sections 1 - 3 of Article 46 of this Law with respect to the term periods provided there under.

3. A general meeting of participants of a limited liability company that is held in abstentia is conducted according to procedures that ensure that all participants are notified as to the agenda and draft decisions which are included in the agenda, and as to the possibility for each participant to review all necessary documents prior to initiating a vote, to put forward proposals for the agenda and to require the inclusion of certain issues therein, as well as that all participants are notified prior to the initiation of voting as to changes to the agenda and as to the opinions (statements) of other participants on the issues to be discussed.

Article 50. Appealing Decisions of the General Meeting

A decision of the general meeting of participants of a limited liability company, which has been adopted in violation of the procedure for holding a general meeting and for the adoption of decisions as established by this Law, by the charter of the company or by the rules and other documents regulating the internal operations of the company, as well as decisions of the general meeting, which contradict the law or the charter of the company, including a decision violating the rights of participants in the company, may be declared invalid in full or in part by a court of law upon application by a participant in the company who did not participate in the vote or voted against the disputed decision. Said application may be submitted with the course of six months from the day when the participant in the company knew or should have known about the adopted decision, and, if he participated in the general meeting that adopted the decision, said application may be submitted within the course of six months from the day the general meeting adopted said decision.

Article 51. Executive Body

1. If the charter of a limited liability company does not provide for the formation of a collective executive body of the company (directorate, administration, etc.), the day-to-day administration of the activities of the company and the management of its affairs shall be executed by a single-person executive body (director, manager).

The provisions of this Law on members of the executive body, except for those that are directly connected with the collective nature of the executive body shall apply with respect to the single-person executive body.

2. A member of the executive body shall act in the interests of the company honorably and rationally when executing his obligations.

3. Members of the executive body are elected by the general meeting for an established period, but for no more than five years.

4. Only a private person may act as a member of the executive body of a company. Said person need not be a participant in the company.

Article 52. Scope of Authority of the Executive Body

1. All issues ensuring the activities of a limited liability company, which are not within the scope of authority of the general meeting or of supervisory bodies, as established by this Law, the charter of the company or by rules and other documents adopted by the general meeting, are within the scope of authority of the executive body of the company.

Those powers of the general meeting, which are not within the exclusive scope of authority of the general meeting and which have been transferred to the executive body in compliance with Section 3 of Article 43 of this Law, are also within the scope of authority of the executive body of the company.

2. A limited liability company is not entitled to refer to the limitations of the powers of the executive body of the company in its relations with third parties, which powers were established by the company. However, a limited liability company is entitled to dispute the validity of a

transaction executed by its executive body with a third party, which violates the established limitations, if it proves that the third party knew of such limitations at the moment the transaction was concluded.

3. Members of the executive body of a limited liability company may be made liable upon the demand of any one of the participants in the company for the reimbursement of losses said members caused to the company. Furthermore, members of the executive body are jointly liable for losses they cause due to the joint execution of inappropriate management of the company.

4. Members of the executive body of a limited liability company may be jointly brought to subsidiary liability along with the company in relations with third parties for losses that said parties have caused, which lead to the insolvency (bankruptcy) of the company, due to inappropriate management of the company by members of the executive body.

Article 53. Single-Person Executive Body

1.The single-person executive body of a limited liability company (director, manager, etc.) shall:

1) act on the company's behalf without a power of attorney;

2)issue powers of attorney authorizing their holders to represent the company, including delegable powers of attorney;

3)hire employees of the company, transfer them to other positions, dismiss employees, determine the system for salary payment, establish the amount of salaries for officials and increases in salaries, resolve issues for reconciliation, adopt incentive measures, and take disciplinary action;

4)perform any other functions which do not come under this Law or the company's charter in the exclusive authority of the general meeting of participants or of supervisory bodies, as well as those functions transferred to him by the general meeting of participants in the company (Section 3 of Article 43 of this Law).

2. The procedure of operations for a single-person executive body of a company and for the decision-making procedure shall be set forth by the company's charter, as well as by the rules and other documents adopted by the general meeting of participants.

3. If the management of the affairs of a limited liability company has been entrusted, according to the charter of the company, to two or several directors (managers, etc.) simultaneously, who are not united in a collective executive body, then each director (manager, etc.) is entitled to act on behalf of the company without a power of attorney. The provisions of this article shall apply to such directors (managers, etc.).

Article 54. Collective Executive Body

1. The collective executive body of a limited liability company (directorate, administration, etc.) shall be elected by the general meeting of its participants if such body is provided for by the company's charter, which body shall consist of no more than seven members, unless otherwise provided for by legal acts or by the charter of the company.

2. The director of the collective executive body of a limited liability company shall be elected by the general meeting of the company, unless the charter of the company provides for his elected by the collective body itself.

3. The director of the collective executive body of a limited liability company shall ensure the operations of this body and manage its meetings. He shall possess such authority as possessed by a single-person executive body of the company in accordance with Subsection 1) - 3) of Section 1 of Article 53 of this Law.

4. The procedure of operations of the collective executive body of the company, including the decision-making procedure, shall be defined by the company's charter, as well as by the rules and other documents adopted by the general meeting of participants.

Article 55. Conflict of Interests Between Members of the Executive Body

1. Members of the executive body of a limited liability company are prohibited to:

1) conclude transactions with the company without the consent of the general meeting, which transactions are intended to obtain property gains there from (including agreements on gifts, loans, gratuitous usage, purchase-sale, etc.);

2) obtain commission reimbursement both from the company itself, as well as from third parties for transactions concluded between the company and the third parties;

3)act on behalf of or in the interests of third parties in their relations with the company;

4)execute entrepreneurial activities that are in competition with the activities of the company.

The charter of the company may provided for other prohibitions upon the members of its executive body.

2. The limitations provided for by Subsections 1) - 3) of Section 1 of this article shall also apply to the spouses, all ancestors or offspring, as well as natural brothers and sisters of the members of the executive body of a limited liability company.

3. Any participant in a limited liability company is entitled to claim in a court of law that members of the executive body reimburse the company for losses that were caused to the company through violations by them or their relatives, as indicated in Section 2 of this article, of the prohibitions provided for in Section 1 of this article or, accordingly, by Sections 1) - 3) of Section 1.

Article 56. Transfer of a Limited Liability Company or its Property into Trustee Management

A limited liability company or its property may be transferred into trustee management, unless otherwise provided for by the foundation documents of the company.

Article 57. Supervisory Council

1. The charter of a limited liability company may provide for the formation of a supervisory council of the company in order to manage the activities of the executive body of the company.

2. In instances where the charter of a limited liability company does not provide for the election of an auditing commission (auditor), then the supervisory council of the company shall possess all rights which, according to this Law, are possessed by the auditing commission.

3. Members of the supervisory council of a company are elected by the general meeting for an established period, but for no more than five years.

4. Only a private entity may be a member of the supervisory council, and he may not simultaneously be a member of the executive body of the company.

5. The procedure of operations of the supervisory council of a company and for the adoption of decisions thereby are determined by the charter of the company, as well as by the rules and other documents adopted by the general meeting.

Each member of the council shall have a single vote when voting in the supervisory council.

6. Members of the supervisory council are liable, in compliance with the rules provided for by Sections 3 and 4 of Article 52 of this Law, for losses brought upon the limited liability company and to third parties due to the supervisory council inappropriately managing the operations of its executive body.

Article 58. Auditing Commission (Auditor)

1. An auditing commission (auditor) may be formed from the members of the company or their representatives in order to manage the financial and economic operations of the executive body of the limited liability company.

The auditing commission is formed of no more than five members, unless a greater number of members is provided for by the charter of the company.

One of the participants in the company or his representative may be ordered to execute the functions of an auditing commission in the form of a single-person auditor.

2. The auditing commission or single-person auditor of a limited liability company shall be elected by the general meeting for a term as defined by the company's charter, but not in excess of five years.

3. Members of the auditing commission (the auditor) may not simultaneously be a member of the executive body of the limited liability company.

4. The auditing commission (auditor) is entitled to audit the finances and business of the executive body of the limited liability company at any time. For this purpose, the auditing commission (auditor) shall have unconditional access to any and all documents of the company. Members of the executive body shall provide all necessary oral or written explanations, if so requested by the auditing commission (auditor).

5. The auditing commission (auditor) must audit in a mandatory procedure the annual financial reports of the limited liability company prior to their approval by the general meeting of participants. The general meeting of participants may not approve any annual financial reports without the conclusions of the auditing commission or the auditor (Article 59 of this Law).

6. The procedures to be followed by the auditing commission (auditor) of the limited liability company shall be set forth in the charter, as well as in the rules and other documents regulating the internal activities of the company.

Article 59. Independent Audits

1. A limited liability company may commission a professional auditor in instances and in the procedure provided for in its charter for the purpose of auditing and certifying the accuracy of its annual financial reports, as well as the current status of its affairs. Such auditor shall have no property interests in the company, or in the members of its executive body, the members of its supervisory council and its participants (an independent auditor).

2. Legal acts may provide for mandatory audits of annual and other financial reports of all limited liability companies that carry out specific types of entrepreneurial activity.

3. Any participant in a limited liability company is entitled to request that an audit of the financial reports of the company be conducted on his own account.

4. If the executive body of a limited liability company avoids conducting an audit of the financial reports of the company, when such an audit is mandatory or when such has been requested by a participant in the company, an audit may be scheduled by a court decision adopted upon the submission of a claim by any interested entity or participants in the company.

Article 60. Public Financial Reports

Legislative acts may require that a limited liability company that is carrying out certain types of entrepreneurial activities publish for general review its financial reports for a relevant year.

Article 60-1. Providing information by limited liability partnership

1. Executive body of a limited liability company shall inform all members of the partnership to initiate court proceedings on corporate dispute.

2. Information on institution of proceedings for corporate dispute must be provided to participants of the partnership in the manner prescribed by the general meeting of the partners (unless otherwise provided by the constituent documents), not later than seven working days from the date of receipt of the partnership appropriate judicial notice or call for a civil case for corporate dispute.

Chapter V. Reorganization and liquidation

Article 61. Reorganization

1. A limited liability company may be voluntarily reorganized (merger, accession, split-up, split-off, transformation) by a decision of the general meeting of participants in the company.

The alienation of an interest or any change in the content of the participants in the company does not imply the reorganization of the company.

2. In instances provided for by legal acts, a limited liability company may be reorganized through the splitting-up or spinning-off of one or several companies from the company by a decision of authorized state bodies or by a court decision.

3. In instances provided for by legal acts, a limited liability company may be reorganized through a merger or accession only given the consent of authorized state bodies.

4. The property of a reorganized company shall be transferred to its legal successor at the moment of its registration, unless otherwise provided for by legal acts or by the decision on reorganization.

Article 62. Merger and Accession

1. The merger of two or several limited liability companies is executed through the complete consolidation of the property of the companies. A new company shall arise as a result of the merger. The companies that have entered into the new company shall terminate their activities. In this case, all rights and obligations of each of the companies participating in the merger shall be transferred to the newly established company in compliance with an act of transfer.

2. The accession of two or several limited liability companies into another limited liability company is executed through the inclusion of the property of the companies that are accessing into the property of the company to which they are accessing. In this case, the companies that are undergoing accession company shall be terminated, and all of their rights and obligations shall be transferred to the company to which they are accessing in compliance with an act of transfer. The charter fund of the latter shall be amended in order to reflect the changes connected with reorganization.

3. The executive bodies of the limited liability companies that are participating in a merger or accession shall draft agreements on merger or accession and submit issues relating to such merger or accession for review to the general meetings of participants of each company, as well as submit the agreements on merger or accession for approval.

The text of an agreement on merger or accession that has been agreed upon is signed by the executive bodies of the companies, which are so authorized.

An agreement on merger or accession shall contain information on the company name, place of location and the address of each company participating in the merger or accession, and primary information from their balance sheets, and it shall stipulate the procedure and conditions for merger or accession.

4. Within two months of the date of the resolution on merger or accession is adopted by the general meetings of participants in the limited liability companies that are participating in a merger or accession, each company shall send a written notice thereof to all its creditors, and publish an appropriate notice in the official press sources. Information on other companies, as indicated in Section 3 of this article, which are participating in the merger or accession, shall be attached to the notice (announcement).

The creditors of a company may request in writing within two months of the date of having received such notice or of the date of publication of the announcement that the company immediately provide additional guarantees, or perform or discharge its relevant obligations and indemnify losses. Such claims shall be submitted to the company in writing, and copies thereof may be submitted to the body that carried out the state registration of the company.

5. As of the moment the general meetings of participants in the limited liability companies that are participating in a merger or accession have adopted the decision on merger or accession, each company shall inform their creditors on obligations that arise thereafter of such decision.

On the basis of an agreement on merger or accession, the participants in the companies that are merging or accessing shall draft and sign a foundation agreement at the foundation meeting. In

instances of a merger, the participants shall also approve the charter of the newly formed company and elect the executive body and other bodies of the company.

Article 63. Split-up and Split-off

1. The split-up of a limited liability company is executed through the distribution of the property of the company between two or several newly formed limited liability companies. In this case the rights and obligations of the company that has been split up shall be transferred to the newly formed companies in compliance with a divestiture balance sheet.

2. The split-off of one or several limited liability companies from a single limited liability company is executed through splitting off part of the property of the company and transferring it to one or several newly formed companies. In this case part of the rights and obligations of the company undergoing reorganization shall be transferred to the newly formed companies in compliance with a divestiture balance sheet.

3. The executive body of the limited liability company that is undergoing reorganization shall draft a plan for split-up or split-off, as well as draft charters for the newly formed companies, and it shall submit to the general meeting of participants issues relating to such split-up or split-off for review, the plan for split-up or split-off for approval, the charters of the newly formed companies and the divestiture balance sheet for approval, as well as the election of the executive bodies and other bodies of the newly formed companies.

4. Unless otherwise provided for by the charter of a limited liability company, when the company is undergoing a split-up or split-off each participant is entitled to receive an interest in the charter capital of each of the newly formed companies, which interest is equal to his interest in the charter capital of the reorganized company.

5. As of the moment the general meeting of participants in a limited liability company have adopted the decision on a split-up or split-off, the company shall inform their creditors on obligations that arise thereafter of such decision.

6. Within two months of the date of the general meeting of participants in a limited liability company have adopted the decision on a split-up or split-off, the company shall send a written notice thereof to all of its creditors, and publish the appropriate notice in the official press sources. The divestiture balance sheet, as well as information on the company name, location and address of each of the newly formed companies shall be attached to the notice (announcement).

7. The creditors of a company undergoing reorganization may request in writing within two months of the date of having received such notice (publication of the announcement) that the company immediately perform or discharge its relevant obligations and indemnify losses. Such claims shall be submitted to the company in writing, and copies thereof may be submitted to the body that carried out the state registration of the company.

8. The limited liability companies that have been formed as a result of a split-up of or a split-off from a limited liability company shall bear joint liability for the obligations of the latter for one year after the moment of registration of the new companies.

Article 64. Consequences of Failure to Fulfill the Decision of an Authorized State Body or Court of Law on Mandatory Split-up or Split-off

1. If, in the event a mandatory reorganization of a limited liability company has been ordered by a court decision, the executive bodies authorized to carry out a split-up of or split-off from the company do not carry out such split-up or split-off in the period established in the court decision, then the court shall appoint a trustee manager over the property of the company and order him to carry out the split-up of or split-off from the company on account of the property of the company that is undergoing reorganization.

2. As of the moment a trustee manager is appointed, the scope of authority for managing the limited liability company shall be transferred to him.

3. A trustee manager shall act on behalf of the limited liability company in a court of law, and he shall establish the divestiture balance sheet and transfer it to the court for approval along with the foundation documents of the companies that are to be formed as a result of a split-up or split-off. The court's approval of said documents shall serve as the basis for the state registration of the newly formed companies.

Article 65. Transformation

1. A limited liability company may be transformed into another business entity or into a production cooperative, to which all rights and obligations of the company undergoing transformation shall be transferred in compliance with a transfer act.

2. The executive body of a limited liability company that is to be transformed shall draft a transformation plan, which establishes the procedure and conditions for transformation, and it shall draft a charter for the newly formed legal entity. Said body shall submit issues on the transformation of the company, and the transformation plan and charter to the general meeting of participants for approval, as well as on the election of executive and other bodies of the newly formed company or production cooperative.

3. Joint stock company incorporated in the result of the conversion of a limited liability company, locates (sells) shares in the company only of members of a limited liability company. Number of shares transferred to participants transformed a limited liability partnership, is

determined from the ratio of the book value of the share of each participant to the total size of the reorganized equity limited partnerships.

4. The authorized capital of the joint stock company created equal to the difference between the assets and liabilities transferred to it in accordance with the deed of conveyance, and shall meet the requirements of Article 10 of the Law of the Republic of Kazakhstan "On Joint Stock Companies".

Article 66. Purchasing the Interest of Participants who did not vote for reorganization

1. Those participants in a limited liability company who were not present at the general meeting of participants when the decision was adopted to reorganize the company, or those who voted against such decision may request that their interests be purchased by the participants who voted for reorganization of the company.

2. Such interest shall be purchased within one month of the day the relevant request was made. Such interest is purchased by those participants who voted for reorganization of the limited liability company in an amount proportional to their interests in the charter capital of the company, unless otherwise provided for by them in an agreement that ensures the complete purchase of the interest of a participant who has requested such purchase. The price at which such interest is purchased shall be determined in compliance with the rules of Article 32 of this Law.

3. The participant in a limited liability company who has requested the purchase of his interest may send a copy of such request to the body that carries out registration in compliance with Article 67 of this Law.

In the event a copy of a request to purchase an interest is received by said body, then registration shall be executed only on the condition that the applicant provides proof of the purchase of the interest or proof that the participant who submitted the request does not have any objections to registration.

Article 67. State Registration of a company formed as a result of reorganization

1. State registration of limited liability partnership arising as a result of reorganization shall be executed in compliance with the legislation of the Republic of Kazakhstan on state registration of legal entities and registration of branches and representative offices.

2. *Excluded in accordance with the Law of the Republic of Kazakhstan № 537-II as of March, 18 2004.*

3. State registration of a limited liability company that has been formed as a result of reorganization shall be executed by the body that carries out the state registration of legal entities upon termination of the period provided to creditors for submitting claims against those companies that are participating in the reorganization (Section 4 of Article 62, Section 7 of Article 63 of this Law). In the event that copies of the claims of creditors, who are participating in the reorganization of the companies, have been received by the body that carries out the state registration of legal entities, the newly formed company is registered provided proof is submitted as to the fulfillment of such claims or as to the fact that the creditors who made such claims do not have any objections against reorganization.

4. The reorganization of a limited liability company is declared invalid if the application for state registration has not been submitted or the necessary proofs (Section 3 of this article) have not been submitted within one year after the day the general meeting of participants of the last of the companies undergoing reorganization adopted the decision on reorganization.

5. *Excluded in accordance with the Law of the Republic of Kazakhstan № 537-II as of March, 18 2004.*

6. If, as a result of a merger or accession, the number of participants in the newly formed limited liability company exceeds the limit established by Article 9 of this Law, then the consequences provided for by Section 2 of Article 69 shall be applied against the company only upon the termination of one year from the moment of its state registration.

Article 68. Liquidation

1. A limited liability company may go into liquidation by a decision of the general meeting of its participants.

2. A limited liability company may go into liquidation by a decision of a court of law in the event:

1) of bankruptcy;

2) the registration of the company is declared invalid due to violations of the law, which were permitted during its foundation and which cannot be corrected;

3) it carries out activity without the appropriate permission (license), or activity that is prohibited by legal acts, or it commits multiple and severe violations of the law;

4) in other instances provided for by legal acts.

3. In case of liquidation of a legal entity being the sole member of a limited liability company, except in cases of bankruptcy, such a company is subject to liquidation. In this case, the liquidation commission (liquidator) for the liquidation of the company is appointed by a court of law upon the request of the liquidation commission (liquidator) that is liquidating the founder of the company.

4. Interested parties may submit a request to a court of law for the liquidation of a limited liability company on those bases indicated in the second section of this article, unless otherwise provided for by legal acts.

5. The decision of a court of law on the liquidation of a limited liability company as concerns the execution of liquidation may be levied upon the company itself; a body authorized by the company; a body authorized for the liquidation of the company by its foundation documents; or on another body (person) appointed by a court of law.

Article 69. Termination of Activity

1. In addition to the bases indicated in Article 61 and 68 of this Law, a limited liability company may terminate its activity on the following bases:

1) *excluded in accordance with the Law of the Republic of Kazakhstan № 537-II as of March, 18 2004*;

2) if, as a result of a reduction in the charter capital, the size of the charter capital becomes less than the minimum amount provided for by Section 2 of Article 23 of this Law;

3)if the participants do not pay in the charter capital of the company in the time periods established by Section 2 of Article 24 of this Law.

2. *Excluded in accordance with the Law of the Republic of Kazakhstan № 537-II as of March, 18 2004*.

3. If, as a result of a reduction in the charter capital, the size of the charter capital falls below the minimum amount as provided for by Section 2 of Article 23 of this Law, or if the participants do not pay in the charter capital of the company within the time periods provided for by Section 2 of Article 24 of this Law, then the participants shall make the appropriate additional contributions to the charter capital within the course of one year. Otherwise, the company shall be subject to liquidation by a decision of a court of law upon the request of interested entities.

N. Nazarbayev
President of the Republic of Kazakhstan