

Approved
By the solution of
the Board of directors
of “Kaztemirtrans” JSC
of December, 10, 2008
minutes №12

**Statute
of the Nominating Committee of the Board of directors
in “Kaztemirtrans” joint stock company**

1. Generalities

1. This statute of the Nominating Committee of the Board of directors (hereinafter – the Nominating Committee) of “Kaztemirtrans” Joint stock company (hereinafter – the Society) is developed pursuant to the legislation of the Republic of Kazakhstan, the Charter of the Society, the Corporate management code of the Society, and international practice of the corporate management.

2. This statute stipulates status and competence of the Nominating Committee, its rights and obligations, membership of the Nominating Committee, procedure of its formation, work and interaction with the Society’s bodies.

3. The Nominating Committee is a consultative body of the Board of directors. All offers developed by the Nominating Committee are recommendations which are given to be considered by the Board of directors.

4. Recommendations of the Nominating Committee, which are given concerning issues referred to the Sole shareholder’s competence by the Charter, are sent to the Sole shareholder for further consideration and a decision is made in accordance with the procedure established by the law provided that they are approved by the Board of directors.

5. The Nominating Committee is set up with the purpose to develop and present the Board of directors recommendations concerning election and candidates’ nomination to be independent directors, the Board of administration, the positions of the head of the Internal audit service and the Corporate secretary taking into account regulations of the internal documents of the Society.

6. The members of the Nominating Committee do not take part in the meetings of the committee when the issues regarding their own nomination are considered.

7. The following terms and definitions are used in this statute:

1). Sole shareholder is the shareholder of the Society who holds 100% of the Society’s shares;

2). Director(s) is\are a member(s) of the Board of directors;

3). Legislation is an aggregate of normative legal acts of the Republic of Kazakhstan, which are adopted in the established procedure;

4). Committee(s) is\are a committee(s) of the Board of directors;

5). Corporate secretary is the corporate secretary of the Society;

6). Independent directors are directors determined as independent pursuant to the law of the Republic of Kazakhstan “On joint stock companies”, the Charter of the Society and the Corporate management code of the Society;

7). Statute is the statute of the Nominating Committee;

8). Board of administration is an executive body of the Society;

9). Internal audit service is the internal audit service of the Society;

10). Board of directors is a board of the Society;

11). Charter is the charter of the Society.

8. The terms applied, but not determined in the Statute, are used in the meaning pursuant to the Legislation, the Charter.

2. Competence of the Nominating Committee

9. The following issues are inside the competence of the Nominating Committee:

- 1) to prepare qualifying requirements for candidates for independent directors, the positions of the head of the Internal audit service and the Corporate secretary;

- 2) to consider and develop recommendation regarding qualifying requirements for candidates for the Internal audit service, which are developed and presented by the head of the Internal audit service;
- 3) to recommend candidates for Independent directors, the Board of directors, positions of the head of the Internal audit service and the Corporate secretary.

Candidates for the positions appointment of which is referred to the Sole shareholder's competence, are considered by the Nominating Committee on the basis of appropriate regulations of the internal documents of the Society and/or the Sole shareholder's order (appeal);

4) to develop instructions for newly elected Directors, where information about the Society, the Directors' rights and obligations are stipulated, particularly;

5) to develop continuity of policy for the Board of directors and the Board of administration, the Committees, the head of the Internal audit service and the Corporate secretary;

6) to give the Board of directors an annual report about the work of the Nominating Committee;

7) To give the Board of directors recommendations regarding other issues within the limits of its competence pursuant to the orders of the Board of directors and/or regulations of the internal documents of the Society.

3. Rights and obligations of the Nominating Committee

10. The Nominating Committee has the right to:

1) Ask the members of the Board of directors, the Committees, the Internal audit service, the Corporate secretary and other employees of the Society documents, reports, explanations and other information.

The above-mentioned information and documents are given through the Corporate secretary. The Society undertakes to provide the Nominating Committee with all necessary materials and resources for its account;

2) Invite the members of the Board of directors, the Board of administration, the Committees and other people to its meeting as observers;

3) Command external experts and consultants' services within the funds stipulated in the budget of the Society for the current year;

11. The members of the Committee undertake to:

1) Implement their activity honestly for the benefit of the Sole shareholder and the Society at large and observe basic principles of the Corporate management code of the Society;

2) Spend enough time to fulfill their obligations efficiently;

3) Take part in the work of the Nominating Committee and be present at its meetings;

4) Respect confidentiality of all the information which they are aware of in the process of the obligation fulfillment;

5) Fulfill other obligations, which can be established by the Board of directors, within the limits of their competence and regulations of this Statute.

The members of the Committee, who are Independent directors, shall inform the Board of directors about any changes of their status of an independent director as soon as possible from the moment of termination or any conflict of interests appeared in connection with the decisions which are to be made by the Nominating Committee.

4. Formation of the Nominating Committee

12. The Nominating Committee consists of three Directors, two of which shall be Independent Directors.

13. Members of the Nominating Committee are elected by a majority of the members of the Board of directors.

The Chairman of the Board cannot be a member of the Nominating Committee.

14. In case of need experts, who have necessary professional knowledge, can be included in the Committee to work in the Nominating Committee.

15. The terms of office of the Nominating Committee members concur with the terms of their office as members of the Board of directors, though they can be reconsidered by the Board of directors annually.

5. The Chairman of the Nominating Committee

16. The Chairman of the Nominating Committee is elected from the members of the Independent of directors.

17. The Chairman of the Nominating Committee organizes work of the headed Committee, particularly:

1) He convenes meetings of the Nominating Committee and he is the Chairman of the meetings;

- 2) He approves the agenda of the Nominating Committee meetings, including the issues to be discussed there;
- 3) He organizes discussion of issues at the Nominating Committee meetings, as well as hears opinions of the people invited to participate in the meeting;
- 4) He develops the plan of regular meetings for the current year taking into account the plan of the Board of directors.

6. Work organization of the Nominating Committee

Work of the Nominating Committee is fulfilled in the form of meetings.

18. The Corporate secretary implements the functions of the Nominating Committee secretary.

19. The Corporate secretary ensures preparation and holding of the Nominating Committee meetings, collects and systematizes materials for meetings, timely sends the members of the Nominating Committee and invited people notifications about the meeting, agendas, materials of the agenda, minutes of the meetings, prepares solution projects of the Nominating Committee, as well as stores all relevant materials.

The Corporate secretary ensures the members of the Nominating Committee to get necessary information.

20. The meetings of the Nominating Committee are held pursuant to the plan approved by the Chairman of the Nominating Committee.

21. The Chairman of the Nominating Committee shall make a decision about a call of the Nominating Committee meeting, its date, time, place and agenda, as well as the list of people invited to the meeting pursuant to the plan of regular meeting of the Nominating Committee.

22. A special meeting of the Nominating Committee is held according to the decision made by the Chairman of the Nominating Committee, on his own initiative, an appeal of any member of the Nominating Committee, the Board of directors, as well as a written appeal of the Sole shareholder and the Chairman of the Board of administration.

23. Notification about the meeting of the Nominating Committee and the agenda shall be sent to the people taking part in the meeting not later than five days prior the date of the meeting of the Nominating Committee.

24. The meeting of the Nominating Committee is authorized if not fewer than two members of the Nominating Committee take part in it.

25. Solutions of the Nominating Committee can be made in the form of a personal, absentee or mixed voting. The Nominating Committee seeks to minimize meetings in the form of an absentee voting.

26. Nonvoting third parties can be present at the meeting of the Nominating Committee being invited by the Chairman of the Nominating Committee. In case of equally divided votes, the vote of the Chairman of the Nominating Committee is deciding.

27. Every member of the Nominating Committee can state his opinion, which is presented together with the minutes of the solution of the Nominating Committee. In cases a decision cannot be made by virtue of interest of some Committee members, such a fact is put down in the minutes of the meeting.
