

Approved
by the decision of
the Board of Directors of
“Kaztemirtrans” JSC
on December, 10, 2008
minutes №12

**Statute
of the Remuneration Committee of the Board of directors
in “Kaztemirtrans” Joint stock company**

1. Generalities

1. This statute of the Remuneration Committee of the Board of directors (hereinafter – the Remuneration 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 Remuneration Committee, its rights and obligations, membership of the Remuneration Committee, procedure of its formation, work and interaction with the Society’s bodies.

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

4. Recommendations of the Remuneration 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 Remuneration Committee is set up with the purpose to develop and present the Board of directors recommendations concerning the following issues:

relevant remuneration of Directors, members of the Board, the head of the Internal audit service, the Corporate secretary pursuant to the purposes, tasks and current regulation of the Society and the remuneration level in the companies of analogous type and activity;

introduction of structured and transparent remuneration system of the Directors, members of the Board, the head of the Internal audit service and the Corporate secretary.

6. The members of the Remuneration Committee do not take part in the Committee meetings when the issues concerning their own remuneration are considered.

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

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

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

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

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

Remuneration Committee is the Remuneration Committee of the Board of directors;

Corporate secretary is the corporate secretary of the Society;

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;

Statute is the statute of the Remuneration Committee;

Board of administration is an executive body of the Society;

Internal audit service is the internal audit service of the Society;
Board of directors is a board of the Society;
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 and the internal document of the Society provided that the statute does not stipulate another meaning.

2. Competence of the Remuneration Committee

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

- 1) To give recommendations regarding policy and the structure of the Directors, members of the Board, the head of the internal audit service, the Corporate secretary and other workers' remuneration pursuant to the internal documents of the Society;
- 2) To give recommendations of the Directors, members of the Board, the head of the Internal audit service, the Corporate secretary and other workers' remuneration pursuant to the internal documents of the Society on the annual basis;
- 3) To offer the Board of directors the size of the Directors, members of the Board, the head of the Internal audit service, the Corporate secretary's remuneration;
- 4) To consider issues of the remuneration payment according to the result of the year to the employees of the Society pursuant to the internal documents of the Society;
- 5) To consider standard statutes of remuneration payment to the members of the board of directors and the Board of administration (sole executive body) of affiliated and dependent organization of the Society and give relevant offers and comments;
- 6) Develop measures to optimize the sums paid to the Directors and members of the Board of administration in case of early power termination of the mentioned persons;
- 7) To carry out a comparative analysis of the remuneration level and remuneration policy of the Directors, member of the Board of administration, the head of the Internal audit service and the Corporate secretary in Kazakhstan and foreign companies which are analogous according to the size and type of activity, and inform the Board of directors;
- 8) Give the Board of directors an annual report of the Remuneration Committee's work;
- 9) Give the Board of directors recommendations concerning other issues within its limits pursuant to the orders of the Board of directors and/or the regulations of the internal documents of the Society.

3. Rights and obligations of the Remuneration Committee

10. The Remuneration 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 Remuneration Committee with all necessary materials and resources for its account in the established procedure;
- 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 in the established procedure;
- 4) Enjoy other rights necessary for its obligations fulfillment.

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;
- 3) Take part in the work of the Remuneration Committee and be present at its meetings for the exception of the cases when their own remuneration is considered;
- 4) Offer amendments to this Statute;

5) Inform the board of directors about any changes of their status of an independent director within five working days from the moment of termination or any conflict of interests appeared in connection with the decisions which are to be made by the Remuneration Committee.

4. Formation of the Remuneration committee

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

12. Members of the Remuneration 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 Remuneration Committee.
13. In case of need experts, who have necessary professional knowledge, can be included in the Committee to work in the Remuneration Committee.
14. The terms of office of the Remuneration 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 Remuneration Committee

15. The Chairman of the Remuneration Committee is elected from the members of the Independent of directors.

16. The Chairman of the Remuneration Committee organizes work of the headed Committee, particularly:

- 1) He convenes meetings of the Remuneration Committee and he is the Chairman of the meetings;
- 2) He approves the agenda of the Remuneration Committee meetings, including the issues to be discussed there;
- 3) He organizes discussion of issues at the Remuneration 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 in the Remuneration Committee

17. Work of the Remuneration Committee is fulfilled in the form of meetings.

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

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

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

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

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

22. Notification about the meeting of the Remuneration 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 Remuneration Committee.

23. The meeting of the Remuneration Committee is authorized if not fewer than half of all the members of the Remuneration Committee take part in it.
24. Solutions of the Remuneration Committee can be made in the form of a personal, absentee or mixed voting. The Remuneration Committee seeks to minimize meetings in the form of an absentee voting.
25. Nonvoting third parties can be present at the meeting of the Remuneration Committee being invited by the Chairman of the Remuneration Committee.
26. Solution of the Remuneration Committee are made by a majority of the total number of the all the members of the Remuneration Committee. In case of equally divided votes, the vote of the Chairman of the Remuneration Committee is deciding.
27. Every member of the Remuneration Committee votes can state his opinion, which is presented together with the minutes of the solution of the Remuneration 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.