

**LAW OF THE REPUBLIC OF KAZAKHSTAN
ON LIMITED LIABILITY PARTNERSHIPS AND ADDITIONAL LIABILITY
PARTNERSHIPS OF APRIL 22, 1998 N 220-1**
(with amendments and additions as of August 7, 2007)

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CHAPTER I. GENERAL PROVISIONS

Article 1. Relations Governed by This Law

1. This Law shall define the legal status of a limited liability partnership and an additional liability partnership, rights and obligations of their copartners, as well as their establishment, operations, reorganization and winding up procedures, all in conformity with the Republic of Kazakhstan **Civil Code**.

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 16, 1999, N 436-I; the RK Law of February 20, 2006, N 128-III (see the old version)

2. Any specific aspects of a limited liability partnership and an additional liability partnership, which have been established with foreign participation, may be set forth in the legislative **acts on foreign investment**.

3. The provisions herein shall apply to an additional liability partnership, because otherwise has not been provided for in **Article 3** herein.

Article 2. The Concept of a Limited Liability Partnership

1. A limited liability partnerships means a partnership which is established by one or more persons, the Charter Fund of which is divided into stakes, the size of such stakes is set forth in the foundation documents; copartners of a limited liability partnership are not to be held liable with regard to its obligations and bear the risk of losses associated with the partnership's operations within the size of their contributions. Exceptions to this rule may be provided for in the **Civil Code** of the Republic of Kazakhstan and **herein**.

A limited liability partnership is considered to be established for an indefinite term, unless the foundation documents of the partnership stipulate that it has been established for a defined time period or a specific goal.

2. A limited liability partnership shall be a legal entity.

3. A limited liability partnership shall be liable for its own obligations with all assets it owns. A partnership shall not be held liable for its copartners' obligations.

4. A partnership's copartners, who failed to make their contributions into the Charter Fund in full, shall bear joint liability for its obligations within the value of that part of each copartner's contribution, which has not been paid in.

Article 3. Additional Liability Partnerships

1. An additional liability partnership shall mean a partnership which copartners are held liable for its obligations by their contributions to the Charter Fund. In instances, where the Charter Fund is insufficient, the copartners shall be held liable by additional assets they own on a pro rata basis to their contributions.

2. The maximal size of the copartners' liability shall be provided for in the Charter.

3. In instances when a copartner goes bankrupt, the liability of the said copartner regarding the obligations of the additional liability partnership shall be distributed between remaining copartners on a pro rata basis to their contributions, unless other procedures for liability distribution has not been provided for in foundation documents.

Article 4. A Limited Liability Partnership's Business Name

1. A limited liability partnership shall have a business name which shall consist of the business name of the partnership, as well as the words "limited liability partnership" or the acronym "LLP". An additional liability partnership's business name shall contain the words "additional liability partnership" or the acronym "ALP", accordingly. A partnership shall have the state registration using such business name.

A partnership shall have the right to use an abbreviated form of the business name and its equivalents in foreign languages.

2. The limited liability partnership's business name, which has been established with foreign participation, may have the mention of the citizenship of its founders.

Article 5. Location and Address of a Limited Liability Partnership

1. The location of a limited liability partnership shall be considered as the location of its on-going operational body.

2. When the location of a limited liability partnership has been changed, the partnership shall inform the body that has carried out its state registration and the body that is in the process of the state registration of legal entities at the partnership's new location about such change in order that necessary changes shall be incorporated into the state registry for legal entities.

Article 6. Legal Capacity of a Limited Liability Partnership

1. A limited liability partnership is a for-profit organization; it has civil rights and bears obligations associated with its operations necessary for carrying out any types of activities that are not prohibited in the Republic of Kazakhstan law.

2. Specific types of operations, a list of which is provided for in the legislative acts may be carried out by a limited liability partnership exclusively on the basis of a license.

Article 7. Branches and Representative Offices of a Limited Liability Partnership

1. A limited liability partnership shall have the right to establish branches and representative offices outside its location in compliance with **Article 43** of the Republic of Kazakhstan Civil Code (The General Part). A limited liability partnership shall provide the information to the body that has carried out its state registration about the establishment of its branches and opening of representative offices together with their location details.

2. The decision to establish branches and open representative offices of a limited liability partnership shall be made by the executive body of the partnership, unless the partnership's Charter envisages that such decisions are made by the general meeting of its copartners.

Modifications are incorporated into Article 8 in accordance with the RK Law of May 21, 2002, N 323-II (see the old version)

Article 8. Copartners of a Limited Liability Partnership

1. Copartners of a limited liability partnership shall be the founders thereof, as well as entities who have obtained the right to a stake in the partnership's assets after its establishment.

2. Excluded in accordance with the RK Law of May 16, 2003, N416-II (see the old version);

3. Excluded in accordance with the RK Law of May 21, 2002, N323-II (see the old version);

4. Entities may be copartners of a limited liability partnership provided that a permission has been given by the owner, unless otherwise is provided for in the legislative acts.

Article 9. Excluded in accordance with the RK Law of May 16, 2003, N416-II (see the old version)

Article 10. Peculiarities of the Legal Status of a Limited Liability Partnership Consisting of a Sole Copartner

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

2. Decisions in a limited liability partnership having a sole copartner, which are in the competence of the general meeting of copartners, shall be made by the sole copartner and shall be issued in writing. In such case, provisions of **Articles 44 - 50** herein shall not apply.

Article 11. Rights of Copartners of a Limited Liability Partnership

1. Copartners of a limited liability partnership shall have the right to:

1) take part in the management of the partnership's affairs in the procedure provided for herein and in the partnership's Charter;

2) receive information on the partnership's activities and have access to its accounting records and other documents in the procedure provided for in the partnership's Charter;

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

4) receive, in the event of the partnership's dissolution, the amount of that part of assets remaining after settlements with creditors, or that part of assets in kind, given the consent of all copartners in the partnership;

5) terminate their participation in the partnership through withdrawal of their stakes in the procedure provided for herein.

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

6) contest under the judicial procedure the decisions made by the partnership's body, which violate their rights envisaged herein and/or the partnership's Charter.

2. Copartners of a limited liability partnership may also have other rights provided for herein and the foundation documents.

Modifications are incorporated into Article 12 in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

Article 12. Obligations of Copartners of a Limited Liability Partnership

1. Copartners of a limited liability partnership shall:

1) comply with the requirements of the foundation agreement;

2) make contributions to the partnership's Charter Fund in the procedure, amount, and within the time period provided for in the foundation documents;

3) not disclose the information that the partnership has stated as commercial secret.

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

4) inform the executive body in writing as well as the registrar in case of maintaining the registry of the partnership's copartners regarding alterations of data envisaged in **subparagraph 2, paragraph 2, Article 17** herein.

2. Copartners of a limited liability partnership may have other obligations provided for in the partnership's foundation documents, herein and other Republic of Kazakhstan legislative acts.

CHAPTER II. ESTABLISHMENT OF A LIMITED LIABILITY PARTNERSHIP

Article 13. A Limited Liability Partnership Establishment Procedure

1. Establishment of a limited liability partnership shall start when its founders enter into a foundation agreement (**Article 14** herein) and end at the time when the state registration of the partnership as a legal entity is completed (**Article 19** herein).

2. A limited liability partnership establishment procedures shall be terminated prior to their completion in the event, that:

1) within a year the appropriate application for state registration of the partnership has not been submitted following the day of closing the foundation agreement or within another period established in the foundation agreement;

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

3. When the procedures for the establishment of a limited liability partnership have been terminated prior to their completion (Paragraph 2 of this Article):

1) the founders of the partnership who have contributed moneys, securities, things, property rights, including rights to the results of intellectual activities and other assets contributed for the formation of the Charter Fund shall have the right to require immediate return of such assets;

2) a **trust management agreement**, which has been closed on the basis herein and provided that there is no other agreements between the parties thereto, shall terminate and the property transferred under such agreement shall be returned.

4. When the procedure of a limited liability partnership establishment has been terminated prior to its completion (**paragraph 2** of this Article), the partnership may be established if the founders sign a new foundation agreement. In such case the circumstances for which state registration has been refused must be taken into consideration.

Article 14. Foundation Agreement of a Limited Liability Partnership

1. A limited liability partnership shall be established on the basis of the foundation agreement.

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

1) a decision on the establishment of the partnership, its business name and location;

2) a list of the partnership's founders together with mention of their name, location, bank details (in case a founder is a legal entity), or their names, place of residence, and their ID details (if a founder is a physical person);

3) the procedure for the partnership's establishment; obligations associated with its establishment, as well as other terms and conditions under which the founders carry out their activities associated with the partnership's establishment; determination of the powers of the said persons, as well as other persons who are authorized to represent stakes of the partnership under establishment during the process of its establishment and registration;

4) the amount of the partnership's Charter Fund;

5) details on the copartners, the size and the dates for each founder to pay contributions to the partnership's Charter Fund, or information on the money value of contributions made in kind or in the form of property rights; the procedure for making resolutions regarding additional contributions to the partnership's Charter Fund, as well as consequences of failure to make timely contributions into the partnership's Charter Fund;

6) determination of the stake of a founder in the partnership; the procedure of transferring stakes within the partnership;

7) approval of the partnership's Charter;

8) the procedure of distributing the partnership's net income.

As per the founders' decision, other terms and conditions associated with the partnership's establishment and its activities which do not contradict this Law and other legal acts may be included into the foundation agreement.

3. The purpose and goal of the limited liability partnership's activities may be stipulated in the partnership's foundation agreement.

4. The foundation agreement of a limited liability partnership is a document which within other documents represents a **commercial secret**, unless otherwise is provided for in the foundation agreement, and it shall be submitted to state and other official bodies, as well as to the third parties only as per the decision of the partnership's bodies or in cases provided for in the legislative acts.

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

5. The terms and conditions of the foundation agreement shall be mandatory to the founders who have signed the agreement, as well as to any new copartners that enter into the partnership after its establishment and registration.

Article 15. Procedure of Closing the Foundation Agreement and its Format

1. The foundation agreement of a limited liability partnership is closed by means of signing the agreement by each founder or his/her authorized representative.

2. The foundation agreement of a limited liability partnership is closed in the written form.

3. The agreement is signed by all partnership's founders.

The founders' representatives should have appropriate authorization providing them with the right to establish the partnership and 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 partnership. Persons who did not sign the agreement may not be included into the list of the partnership's founders.

A qualified agreement may not be signed. Peculiarities of the status of individual copartners in the partnership shall be recorded in the agreement signed by all founders.

5. The foundation agreement shall be **notarized**.

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

Article 16. Peculiarities of Establishment of a Limited Liability Partnership With a Sole Copartner

1. A limited liability partnership with a sole copartner shall be established as per the decision made solely by such copartner.

In this case the foundation agreement shall not be issued.

2. The Charter of a limited liability partnership with a sole copartner shall be approved by the person who has established the partnership.

3. The state registration of the partnership with a sole copartner shall be executed in the general procedure established for the registration of limited liability partnerships.

4. If new copartners enter into a limited liability partnership with a sole copartner due to division of the contribution into the Charter Fund or the increase in the Charter Fund, they should sign the foundation agreement in accordance with the provisions provided for in **Article 15** herein.

Article 16-1 is incorporated into the Law in accordance with the RK Law of May 16, 2003, N416-II; modifications are incorporated in accordance with the RK Law of July 8, 2005 N 72-III (see the old version)

Article 16-1. Peculiarities of the Establishment and Activities of a Limited Liability Partnership Which Registry is Maintained by the Registrar

1. A limited liability partnership shall have the right to close with a professional operator of the securities market who has the license for maintaining the registry of securities' holders (registrar) the Contract for maintaining the registry of the partnership's copartners.

The foundation agreement shall be ineffective following the date when the registry of the partnership's copartners has been created. The document corroborating the right for a stake in the limited liability partnership's Charter Fund which registry of its copartners is maintained by the registrar shall be the excerpt from the registrar of the partnership's copartners.

In case of the reorganization of a joint stock company into a limited liability partnership the registry of which will be maintained by the registrar the foundation agreement shall not be closed.

2. The Charter of limited liability partnership which has been reorganized from a joint stock company shall be signed by a person authorized by a general meeting of shareholders who made the reorganization decision/

The decision regarding incorporation of alterations and additions into the Charter of a limited liability partnership reorganized from a joint stock company shall be made by a general meeting of the partnership's copartners under the procedure established in **Article 48** herein.

Modifications are incorporated into Article 17 in accordance with the RK Law of May 16, 2003, N416-II (see the old version), RK Law of July 8, 2005 N 72-III (see the old version).

Article 17. The Charter of a Limited Liability Partnership

1. The Charter of a limited liability partnership shall be a document determining the partnership's legal status as a legal entity.

During the state registration of a partnership, its Charter shall be viewed as the foundation document.

2. The Charter of a limited liability partnership shall include:

- 1) the partnership's business name, location and address;
- 2) a list of the copartners of the partnership (except for a partnership copartners' registry which is maintained by the registrar) with the mention of their names, location, bank details (in case the founder is a legal entity), or their names, place of residence and ID details (in case the founder is a physical person);
- 3) information on the size of the partnership's Charter Fund;
- 4) the procedure of forming the bodies of the partnership and their competence;
- 5) terms and conditions of reorganization and termination of the partnership's operations.
- 6) the procedure of the partnership's net income distribution when the registry of the partnership's copartners is maintained by the registrar.

Subparagraph 7) is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III

7) The procedure and dates of presenting information on the partnership's operations to the copartners and purchasers of the stakes.

Subparagraph 8) is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III

8) rights and obligations of the partnership's copartners.

If a partnership is established by one person, the procedure for the formation of its assets and distribution of incomes shall be provided for in its Charter.

The partnership's Charter may also include other provisions, provided that such provisions do not conflict with the Republic of Kazakhstan law.

The partnership's Charter may provide for the subject and goals 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. The partnership's Charter should be notarized.

5. Copies of the partnership's Charter, as well as all documents on subsequent changes thereto, which have been notarized, shall be safekept in the body which has carried out the state registration of the partnership.

All stakeholders have the right to familiarize themselves with the partnership's Charter.

6. A partnership shall have the right to carry out its activities on the basis of a **Model Charter** of a limited liability partnership, as approved by the Government of the Republic of Kazakhstan. In this case, the Charter does not have to be presented during the partnership's state registration.

Article 18. Procedure of Incorporating Alterations into the Charter of a Limited Liability Partnership

1. Alterations into the Charter of a limited liability partnership shall be made by the decision of the general meeting, which shall be made in compliance with the provisions of **Article 48** herein.

2. The partnership shall inform the body that has carried out the state registration of the partnership regarding such alterations within one month. Upon termination of this period any interested party shall have the right to require in a judicial procedure that alterations be entered into the legal entities' state registry, which complies with alterations made into the Charter.

3. The partnership and its copartners shall have the right to make mention of alterations into the partnership's Charter with regard to the third parties in fifteen days following the time when the body that has carried out the state registration of the partnership receives the notification provided for in Paragraph 2 of this Article, or after alterations have been entered into the state legal entities' registry commensurate to the court's decision. However, the third parties shall have the right to act in consideration of these changes before such circumstances and deadlines occur.

Modifications are incorporated into Article 19 in accordance with the RK Law of May 16, 2003, N416-II (see the old version), RK Law of July 8, 2005 N 72-III (see the old version).

Article 19. The State Registration of a Limited Liability Partnership

1. A limited liability partnership shall be considered to be established following the time of its state registration.

2. The state registration of a limited liability partnership shall be carried out by the bodies of justice in the procedure provided for in the **law on the registration of legal entities**.

3. Information on the state registration, including information on the partnership's business name, size of the Charter Fund, founders and executive bodies, as well as its location shall be entered into the publicly held legal entities' state registry and it does not represent the partnership's commercial secret.

4. In order to carry out the state registration of a limited liability partnership, the founders should submit the following documents:

1) an application for the establishment of the partnership, signed by the person authorized by the founders to establish the partnership;

2) the partnership's Charter (**Article 17** herein);

3) a document confirming that the fee for the state registration of a legal entity has been paid out.

4.1 For the purpose of the state registration of limited liability partnership which has been reorganized from a joint stock company the registry of which is being maintained by the registrar the following documents should be presented:

1) an application for the establishment signed by a person authorized by the general meeting of shareholders which made a decision on restructuring of a joint stock company into a partnership;

2) the partnership's Charter;

3) a list of the partnership's copartners made by a person based on the data of the registry of holders of shares which has been signed by a person authorized by the general meeting of shareholders, which made a decision on restructuring into a partnership, and by the registrar.

5. In the event that the founders of a partnership made a decision to carry out their activities on the basis of a **Model Charter** of a limited liability partnership(**Paragraph 6, Article 17 herein**), it is not required to submit the Charter during the state registration of the partnership. However, the following information must be set out in the application for registration on the basis of the Model Charter:

1) the name of the partnership and its location;

2) the size of the partnership's Charter Fund;

3) a list of partnership's copartners with an mention of their names, location, bank details (if a founder is a legal entity), or their name, place of residence and ID details (if a founder is a physical entity);

4) reference to the fact that the partnership will carry out its activities on the basis of a Model Charter.

The application shall be signed by all founders, the authenticity of whose signatures shall be notarized.

6. The body that carries out the state registration of the partnership shall not have the right to require that the founders of the partnership submit any other documents.

Modifications are incorporated into Article 20 in accordance with the RK Law of May 16, 2003 (see the old version)

Article 20. Refusal in the State Registration of a Limited Liability Partnership

1. The state registration of a limited liability partnership may be denied in the event that:

1) the content of the partnership's Charter does not comply with the provisions of legislative acts;

2) the founders failed to submit any of the documents indicated in **Paragraph 4 and 4-1**, Article 19 herein;

3) the founders of the partnership violated the partnership establishment procedure as provided for herein.

2. The state registration of a limited liability partnership may not be denied due to the reason that its establishment is not necessary.

3. Refusal in the state registration of a limited liability partnership, as well as waiver to carry out such registration may be appealed by its founders **in a judicial procedure**.

Article 21. Responsibility on Obligations Associated with the Establishment of a Limited Liability Partnership

The founders of a limited liability partnership shall bear joint responsibility on the obligations associated with the establishment of a limited liability partnership and on those obligations that arise prior to the partnership's state registration, if it is proven that the founders, in this case, acted in the partnership's interests. The partnership shall bear the responsibility on such obligations in the event that the actions of such entities are subsequently approved by the general meeting of the partnership's copartners.

Modifications are incorporated into Article 22 in accordance with the RK Law of May 16, 2003, N416-II (see the old version), RK Law of July 8, 2005 N 72-III (see the old version).

Article 22. Alterations to the Membership of a Limited Liability Partnership

1. Admission of a new copartner into a partnership, which has been made in compliance with the requirements herein, the partnership's Charter and the foundation agreement, shall be registered by means of a take-over agreement appended to the foundation agreement. The take-over agreement shall be signed by the authorized official of the partnership's body and the new copartner.

The take-over agreement shall become an integral part of the foundation agreement, which is considered as amended in its part associated with the take-over agreement. The take-over agreement to the foundation agreement shall **be notarized**.

A new copartner shall be considered as accessed to the foundation agreement and to the Charter of the partnership taking into account the alteration to these documents, which resulted from the take-over contract.

1-1 Admission of a new partner into a limited liability partnership the registry of which is maintained by the registrar shall be registered by means of making a record in the partnership's registry.

2. A person who has become a copartner of the partnership due to the purchase of the stake of a copartner who has left the partnership or on other grounds of the stake transfer shall be considered as admitted into the partnership's foundation agreement and the Charter.

CHAPTER III. THE CHARTER FUND OF A LIMITED LIABILITY PARTNERSHIP

Article 23. Formation of the Charter Fund of a Limited Liability Partnership

1. The Charter Fund of a limited liability partnership shall be formed by means of pooling together the contributions of the founders (copartners).

2. The initial size of the Charter Fund shall be equal to the amount of the founders' contributions and may not be less than the amount equivalent to **one hundred monthly settlement indices** as of the date the documents for the partnership's state registration have been submitted.

Modifications are incorporated into paragraph 3 in accordance with the RK Law of February 2, 2006, N 127-III

3. Contributions to the Charter Fund of a limited liability partnership may be made in cash, securities, in kind, property rights, including the right to land usage and the right to the results of intellectual activities, as well as other assets (except for special finance companies, established in accordance with the Republic of Kazakhstan Law on Securitization, the Charter Fund of which is formed exclusively in cash).

Please note the procedure of inclusion of intellectual property objects into intangible assets.

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

4. Contributions of founders (copartners) into the Charter Fund made in kind or in the form of property rights shall be stated in money terms upon consent of all founders or the decision of the general meeting of partnership's copartners. If the value of such deposit exceeds the amount equivalent to twenty thousand **monthly settlement indices**, its amount has to be confirmed by an independent expert.

5. In the event that the right to use the assets is transferred as a contribution to the partnership, the size of such contribution shall be determined according to the fee for such use computed for the total period mentioned in the foundation documents.

The early withdrawal of assets, the right to the use of which is a contribution to the partnership's Charter Fund shall not be permitted without consent of the general meeting.

Unless otherwise is provided for in the foundation documents, the risk of incidental destruction or damage to assets that has been transferred for use by the partnership shall be borne by the owner of the assets.

6. Unless otherwise is provided for by the foundation agreement, the proportion of the contribution of each copartner to the total Charter Fund shall be the stake of each copartner in the Charter Fund. Such stake may be expressed as a fraction or a percent of a whole. Any change in the size of the Charter Fund, related to admission of new copartners into the limited liability partnership or with any of the former copartners leaving the partnership, shall lead to relevant restatement of the copartners' stakes in the Charter Fund as of the time of such admission or withdrawal.

Subparagraph 7 is incorporated into the Article in accordance with the RK Law of December 29, 2003 N 512-II.

7. A division of a land plot in kind the right to which has been transferred as a contribution into the partnership's Charter Fund (including the right to a **personalized land plot**) shall be carried out in accordance with the **Republic of Kazakhstan Land Code**.

Article 24. The Period for Forming the Charter Fund of a Limited Liability Partnership

1. The copartners of a limited liability partnership should contribute no less than 25 percent of the total Charter Fund prior to the partnership's registration, but no less than the minimal size of the Charter Fund (**Paragraph 2**, Article 23 herein).

2. All copartners should make their contributions to the partnership's Charter Fund in full within the period determined by the decision of the general meeting. Such period must not exceed one year following the registration date of the partnership.

3. In the event a partnership's copartner fails to fulfill his obligations associated with the contribution of his/her stake within the determined period, the partnership shall contribute the copartner's non-contributed portion of the stake from the partnership's equity capital (its net assets) or reduce the Charter Fund to the amount that has been contributed.

A copartner who failed to contribute his stake within the determined period shall reimburse the partnership for losses, as well as pay a fine to the partnership, unless otherwise is provided for in the partnership's foundation agreement or Charter in compliance with **Article 353** of the Republic of Kazakhstan Civil Code (The General Part).

4. Upon the decision of the general meeting of the partnership, the stake or the portion thereof that has not been contributed by a copartner within the established period may be distributed between other copartners in the procedure provided for in **Paragraph 1**, Article 31 herein or in the foundation documents of the partnership, or it may be offered for sale to the third parties.

In the event that it is impossible to sell the portion of a contribution that has not been contributed within the period established in Paragraph 2 of this Article, the partnership's Charter Fund shall be reduced by this amount and the stakes of the copartners in the Charter Fund shall altered on a pro rata basis.

5. If a copartner's contribution consists of assets, which may be used only after a while, such contributed stake as per the decision of the general meeting of shareholders shall be recognized as contributed as of the day a notarized debt obligation is obtained from the copartner indicating the nature of the contribution, its money value and the period during which the contribution has been realized. Such period may not exceed three years.

6. A copartner of a limited liability partnership that has made his contribution in full shall have the right to receive a certificate from the partnership certifying his participation in the partnership.

7. In order to pay the Charter Fund through the contribution of money prior to the establishment of the limited liability partnership, the founders of the partnership may indicate in the foundation agreement which of the founders shall open in his name a savings account with a bank in order that assets may be transferred to this account.

After the partnership has been established and it has opened its own account with a bank the founder in whose name the saving account has been opened should transfer the moneys from this account to the partnership's account within 5 (five) working days. If the founder fails to fulfill

the obligations for transferring the moneys on time, he should pay a fine to the partnership from the assets held on his savings account in the size established in **Article 353** of the Republic of Kazakhstan Civil Code (The General Part), unless the founders establish other consequences for such delay.

8. If the Charter of a limited liability partnership sets forth that the founders may make contributions into the partnership's Charter Fund in other assets, but not in cash, the founders of the partnership may spell out in the foundation agreement, which of the founders or the third party to whom the relevant assets shall be transferred into the **trust** management for the period up to and after the establishment of the partnership.

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

1) the obligation of the trust manager to manage relevant assets in the interests of all founders and in the interests of the partnership after the establishment of the limited liability partnership;

2) that, as of the moment of its establishment, the limited liability partnership will be vested in with the rights of the entity in whose benefit the agreement was closed and to whom the assets transferred into the trust management shall be transferred into ownership as of said moment.

Article 25. Examination of the Charter Fund of a Limited Liability Partnership

1. The Charter Fund and its proportion to the equity capital shall be not examined during registration or re-registration of a limited liability partnership.

2. The Charter Fund of a limited liability partnership may be examined in the following instances:

1) at the request of any of the copartners by an independent expert. The interested copartner shall pay for such examination;

2) upon a court's decision;

3) on the performance of each fiscal year – on the financial statements.

3. In the event that the declared Charter Fund of a limited liability partnership exceeds the actual Charter Fund, the copartners in the partnership shall bear a joint responsibility before creditors with respect to the partnership's debts in that amount that the Charter Fund exceeds the equity capital.

Article 26. The Increase of the Charter Fund of a Limited Liability Partnership

1. The Charter Fund of a limited liability partnership may be increased after it has been fully paid in.

2. The Charter Fund of a limited liability partnership may be increased through:

1) additional proportional contributions made by all copartners of the partnership;

2) increasing the size of the Charter Fund from the partnership's equity capital, including from its reserve capital;

3) Excluded in accordance with the RK Law of May 16, 2003, N416-II (**see the old version**);

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

5) admission of new copartners into the partnership (**Article 22** herein).

3. When the size of the Charter Fund is increased in the procedure provided for in subparagraphs 1) - 3), paragraph 2 of this Article, the sizes of the partners' stakes do not change.

4. When the Charter Fund is increased through making additional contributions by any one of the copartners of a limited liability partnership or by a newly accepted copartner (subparagraphs 4) and 5), paragraph 2 of this Article), the size of such contribution is determined based on the size of their previous contributions to the equity capital of the partnership and taking into account the need to restate the stake of all copartners in the Charter Fund.

A decision is passed by unanimous consent of all copartners.

5. A limited liability partnership should inform the body that executed its state registration regarding the increase in the Charter Fund within three months following the day the general

meeting has made a decision to increase the Charter Fund. As of the moment of notification the contributions shall be made in the size no less than one half of the amount, by which the Charter Fund is to be increased.

If the partnership does not inform the body that executed its state registration any increase in the Charter Fund shall be declared invalid.

6. In the instance where an increase in the Charter Fund has not occurred, a copartner or a third party who intended to enter into a limited liability partnership, which copartner or third party has paid in his contribution, shall have the right to claim the return of the contribution and the payment of fines by the partnership in compliance with Article **353** of the Republic of Kazakhstan Civil Code (the General Part) or the refund for losses, as well as opportunity loss due to impossibility to use the assets contributed.

Article 27. Reduction of the Charter Fund of a Limited Liability Partnership

1. The Charter Fund of a limited liability partnership may be reduced through the proportionate reduction of the size of all copartners' contributions into the partnership or through full or partial pay back of the stakes of individual copartners.

2. When the Charter Fund is reduced through the pay back of a copartner's stake, the stakes of other copartners shall be altered on a pro rata basis.

3. As of the time the general meeting of copartners of a limited liability partnership has made a decision to reduce the Charter Fund, the partnership shall inform its creditors on obligations that arise after the decision has been made.

4. Within a two-months' period following the day the general meeting of copartners of a limited liability partnership has passed a decision to reduce the Charter Fund, the partnership shall send written notifications to all its creditors about the reduction in the Charter Fund or it shall publish the relevant announcement in the **official printed media** in which information about partnerships is published. The creditors of the partnership shall have the right to request additional guarantees or require early termination or discharge of relevant obligations and recovery of losses by the partnership within a one-month's period following the day the written notification is received or the announcement is published. Claims shall be delivered to the partnership in writing and the copies thereof may be submitted to the body which has executed the state registration of the partnership.

5. A reduction in the Charter Fund of a limited liability partnership is registered by the body that executed the state registration of the partnership upon the expiration of the period given to the creditors in order to submit claims against the partnership (paragraph 4 of this Article). If copies of the claims from the its creditors have been delivered to the body that executed the state registration of the partnership, the reduction of the Charter Fund is registered in case the partnership provides evidence 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 partnership's Charter Fund.

6. If within six months following the day the general meeting of copartners of a limited liability partnership made a decision to reduce the Charter Fund, the partnership has failed to submit the re-registration application or provide necessary proofs (paragraph 5 of this article) the reduction in the Charter Fund shall be considered as invalid. In this case, the reduction in the Charter Fund may be executed only on the basis of a new decision of the general meeting of the partnership's copartners commensurate to the provisions set forth in this Article.

7. A reduction in the Charter Fund, which has been executed in violation of the procedure established in this Article, serves as the basis for the liquidation of the partnership by the judgment of the court upon application of the parties concerned.

8. A limited liability partnership shall have the right to make payments to its copartners in connection with the reduction of the Charter Fund only within the part of net assets which exceeds the new size of the Charter Fund. Payments shall be made after the reduction in the Charter Fund has been registered within the period established by the partnership's Charter or by

the decision of the general meeting on the reduction in the Charter Fund, but no later than three months following the registration.

Payments shall be made in accordance with the sizes of the copartners' stakes in the partnership.

9. A reduction in the Charter Fund may be executed only after the copartners have paid in their contributions to the Charter Fund in full as set forth in the foundation documents, except for cases provided for in the second part of paragraph 4, Article 24 herein.

Article 28. The Stakes of Copartners of a Limited Liability Partnership

1. The stakes of all copartners in the Charter Fund and, accordingly, their stakes in the partnership's assets (a share in assets) shall be proportional to their contributions into the Charter Fund, unless otherwise is provided for by the foundation documents.

The size of a stake shall be determined in the procedure provided for in **paragraph 6**, Article 23 herein. Any alteration (increase or decrease) in the contribution of any one of the copartners into the Charter Fund shall result in the appropriate restatement of the size of all copartners' stakes in the partnership.

2. The loss of the right to a stake due to any grounds results in a copartner leaving the limited liability partnership. The acquisition of a stake in the procedure established herein shall mean that the acquirer of a stake shall become a copartner in the partnership.

3. The maximal size of a stake that may belong to one copartner in a limited liability partnership may be determined by a partnership's foundation documents. Such a limit may not be established with respect to a specific copartner. In the same manner, the foundation documents may limit the possibility of changing the proportions among copartners' stakes in the partnership.

Article 29. Disposition by a Copartner of His/Her Stake from a Limited Liability Partnership's Assets

1. A copartners stake in a limited liability partnership's assets may be withdrawn or pledged till the contribution is paid in full only within that portion in which the contribution has been paid in.

2. A copartner of a limited liability partnership shall have the right to sell or remise in another manner his/her stake in the partnership's assets or a portion thereof to one or several copartners in the partnership at his/her own discretion. Similarly, a partnership's copartner may pledge his/her stake in order to secure his/her obligations to other copartners in the partnership. The consent of the partnership or other copartners regarding such transactions shall not be required. However, if a partnership's foundation documents provide for terms and conditions as indicated in **paragraph 3**, Article 28 herein, such terms and conditions during remisng his/her stake should be complied.

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

3. The pledge of a stake in a partnership's assets shall be registered in accordance with the Republic of Kazakhstan legislation. In case of maintaining the registry of the partnership's copartners the pledge of a stake in the partnership's assets shall be registered in accordance with the registrar's corporate documents, provided that the provisions herein and/or the partnership's Charter have been complied with.

Article 30. Possibility of Transfer of a Copartner's Stake in a Limited Liability Partnership to a Third Party

1. A copartner in a limited liability partnership may withdraw his/her stake (a portion thereof) and transfer it to third parties or pledge his/her stake (a portion thereof) in order to secure an obligation of the copartner before a third party, unless otherwise is provided for in the foundation documents.

2. The foundation documents of a limited liability partnership may stipulate that the sale of a stake to a third party shall be permitted only in compliance with specific terms and conditions.

3. Limitations provided for in this Article do not apply to instances when the stake, which belongs to the state or to a governmental legal entity is sold, provided that such sale is realized in compliance with the privatization law whereby the stake is sold through a tender. When realizing such sale, however, other partnership's copartner(s) shall reserve his/her (their) preemptive right(s) to purchase a stake, as provided for in **Article 31** herein.

*Please note the **Rules** on obtaining approval for acquisition by physical and legal entities of shares, stakes and interests in organizations operating in the area of telecommunications.*

Article 31. A Pre-emptive Right to Purchase a Stake under Disposition

*Modifications are incorporated into Article 8 in accordance with the RK **Law** of August 7, 2007, N 321-III (see the old version)*

1. Copartners in a limited liability partnership shall enjoy a pre-emptive right before third parties to purchase the stake of a copartner or a portion thereof when such stake is being sold by any copartner, except for cases envisaged in the **legislative acts**. This right may be enjoyed by each copartner. If there are several copartners that have elected to use the pre-emptive right to purchase and the foundation documents or any other agreement of the copartners in the partnership do not provide otherwise, the copartners shall exercise their pre-emptive right to purchase the stake (a portion thereof) on a pro rata basis to the size of their stake in the Charter Fund.

2. A copartner in a limited liability partnership who elects to sell his/her stake or a portion thereof to a third party should inform the executive body of the partnership in writing about his/her intention and indicate therein the proposed sale price.

3. Within seven days after receiving the notification from a copartner of a limited liability partnership as to his proposal to sell his/her stake, the executive body informs all copartners in the partnership about this event. A copartner in the partnership who elects to execute his/her pre-emptive right of purchase shall inform the executive body of the partnership thereof within a seven-day's period and he/she should state whether he/she intends to acquire the stake proposed for sale in full or in its specific portion.

4. If the total amount of offers received does not exceed the size of the stake to be sold, each of the copartners acquires that portion thereof, which he has been specified in his notification. The remaining portion of the stake may be disposed to a third party if copartners of the limited liability partnership have not submitted any additional offers prior to such disposition.

5. If within one month following the day the notification has been sent to the executive body of a limited liability partnership with an offer to sell a stake, the stake or a portion thereof shall not be purchased by copartners of the partnership in pre-emptive right procedure, the copartner who has made an offer to sell the stake shall be allowed to sell the stake (the unsold portion thereof) to a third party at a price no less than the price which was set out in the notification.

6. If a stake has been disposed to a third party at the price lower than that indicated in the notification, the purchase-sale agreement may be invalidated. The copartners shall have the right to repeat the pre-emptive right procedure to purchase a stake based on the actual sales price of the stake or a portion thereof.

7. When selling a stake or a portion thereof in violation of the pre-emptive right, any copartner of a limited liability partnership may within three months require in a judicial procedure that the rights and obligations of the buyer shall be transferred to him.

8. The pre-emptive right to purchase a stake under disposition shall be realized by means of any selling procedure, including the sale by means of action.

9. It is not permitted to assign one's pre-emptive right to purchase a stake.

10. In the event that a stake or a portion thereof to be disposed is acquired by a copartner(s) in the partnership, his/her (their) stake(s) in the Charter Fund of the partnership shall be increased accordingly.

11. The provisions of this Article shall also apply when disposing a stake according to a barter agreement.

12. If copartners do not intend to use their pre-emptive right to purchase a stake or a portion thereof that is being sold to a third party, the limited liability partnership itself may use the pre-emptive right in consideration of paragraphs 2, 5 - 9, and 11 of this Article.

Modifications are incorporated into Article 17 in accordance with the RK Law of May 16, 2003, N416-II (see the old version), RK Law of July 8, 2005 N 72-III (see the old version).

Article 32. Sale of a Copartner's Stake When Other Copartners Refuse to Purchase the Stake

1. The foundation documents of a limited liability partnership may prohibit or limit a copartner of the partnership from selling his/her stake to third parties (for example, the sale of the stake to other copartners in the partnership or to a limited number of third parties). In this case the sale shall be realized commensurate to such prohibitions or limitations.

The procedure of the sale of a stake in the Charter Fund of a limited liability partnership of which the registry of its copartners is maintained by the registrar shall be determined by the Republic of Kazakhstan legislation and the partnership's Charter.

2. In instances where the sale of a stake due to the circumstances independent of the seller can not be realized in compliance with prohibitions or limitations as provided for under paragraph 1 of this Article, the copartner who elected to sell his stake shall have the right to request that the limited liability partnership should purchase the stake or permit to sell it to a third party.

The general meeting of copartners of the partnership shall choose one of these options.

3. Should a stake is purchased by a limited liability partnership, the price of the stake shall be determined by means of reaching consensus among the parties, and if such consensus is not reached – it shall be determined according to the court's judgment.

4. In instances where a limited liability partnership agrees to sell a stake to a third party, the partnership's copartners shall reserve their pre-emptive right to purchase the stake as provided for in **Article 31** herein.

Article 33. Implications of Buy-back a Copartner's Stake by a Limited Liability Partnership

1. After a limited liability partnership has bought back the stake of a copartner in the procedure provided for in Articles 31 - 36 herein, as well as after the partnership has bought back the stake of a copartner by agreement between the parties, the partnership shall offer the other copartners to purchase the stake at the price as determined by a decision of the general meeting.

2. In the instance where several copartners express the intent to acquire the stake, the stake is divided between them on a pro rata basis to their stakes in the Charter Fund of the limited liability partnership.

The stake purchased by a copartner is added to the stake that belonged to the said copartner prior to the purchase. In this case, the rule of **paragraph 3**, Article 28 herein on the possible limitation to the size of a stake that may belong to one copartner in the partnership shall be followed.

3. In the event copartners are not willing to acquire the stake that has been bought back by the limited liability partnership from the copartner, which has left the partnership, the stake shall be cancelled by means of an appropriate reduction of the Charter Fund and copartners' stakes shall be restated in the partnership's Charter Fund.

4. Upon the decision of the general meeting a limited liability partnership shall be permitted instead of cancelling the stake as provided for in paragraph 3 of this Article to sell the stake to a third party on behalf of the partnership.

5. In all cases, dividends shall not be accrued on the stake of a copartner that has left the limited liability partnership, which has been transferred to the partnership, until the stake has been cancelled or sold to another copartner or a third party.

Article 34. A Forced Buy-back of a Stake from a Copartner of a Limited Liability Partnership

1. In instances where a copartner of a limited liability partnership has caused damage to the partnership or its copartners, they have the right to require compensation for the damage from the party guilty for causing such damage.

2. In instances where significant damage has been caused a limited liability partnership in addition to claiming the compensation for damages and considering the issue as to whether the partnership will purchase in a force manner the stake of the copartner, who has caused the damage, shall have the right to claim the dismissal of the said copartner from list of copartners.

3. The forced buy-back of the stake shall be realized in a judicial procedure.

Article 35. Descent of a Stake in the Charter Fund of a Limited Liability Partnership

A copartner's stake in a limited liability partnership shall be transferred to his/her heirs. The stake shall be transferred to the heirs or divided among several heirs commensurate to the Republic of Kazakhstan Civil Code.

Article 36. Legal Succession of Legal Entities Regarding a Stake in the Charter Fund of a Limited Liability Partnership

1. In the event of a legal entity's reorganization by means of merger, take-over or transformation, its stake in the Charter Fund of a limited liability partnership shall be transferred to the legal successor of the reorganized legal entity.

2. If reorganization consists in a split-up of the legal entity or a split-off of a new legal entity(ies) from of a limited liability partnership, the stake of the reorganized legal entity shall be transferred to its legal successors in accordance with a separation balance sheet.

3. In the event the general meeting has not agreed to the transfer of a stake to the legal successors of a legal entity, as provided for in paragraph 2 herein, the limited liability partnership shall buy back the stake in the procedure provided for in Article 34 herein.

Article 37. Foreclosure of a Copartner's Stake in Limited Liability Partnership by Creditors

1. Creditors of a copartner of a limited liability partnership shall have the right to foreclose the stake or a portion thereof of such copartner in the partnership's assets compulsively on the basis of the court's judgment.

2. A creditor who forecloses a stake (or a portion thereof), with respect to which he does not have pledgee rights shall claim the forced buy-back of the stake (or a portion thereof) from the debtor and recovering the debt from the proceeds received from such sale. The stake (or a portion thereof) shall be bought back by the partnership or its copartners at the price as determined by the parties given the consent of the copartner whose stake is being purchased.

3. Provided that the limited liability partnership and the copartner whose stake is under foreclosure have given their consent, the stake (a portion thereof) may be sold to a third party.

3. A stake (or a portion thereof) under foreclosure shall be sold to a third party in case consent from a limited liability partnership and its copartners has been obtained.

4. In the event that within three months following the day the creditor has filed a claim the partnership or its copartners or third parties have failed to purchase the stake (or a portion thereof), the creditor shall have the right to require the sale of the stake (or a portion thereof) through a public tender in the procedure provided for in the Republic of Kazakhstan Civil Procedural Code. Other partnership's copartners shall preserve the pre-emptive right to purchase the stake as provided for in Article 31 herein.

5. Cash received from the sale of the stake shall go toward recovering expenses associated with the stake's appraisal and sale, as well as satisfying the claims of the foreclosing creditor.

The balance, if available, shall be transferred to the party whose stake (or a portion thereof) has been sold.

CHAPTER IV. ASSETS OF A LIMITED LIABILITY PARTNERSHIP

Article 38. Creation of Assets of a Limited Liability Partnership

1. The assets of a limited liability partnership shall be created from contributions of its founders (copartners), incomes obtained by the partnership, as well as from other sources that are not prohibited by law.

2. The creation of reserve fund and other funds may be provided for in the legislative acts or foundations documents of a limited liability partnership.

3. The assets of a limited liability partnership shall be recorded on its balance sheet.

Article 39. Additional Contributions into a Limited Liability Partnership

1. Unless otherwise is provided for in the Charter of a limited liability partnership, the general meeting of copartners may resolve that copartners will make additional contributions into the partnership. The decision shall be made by three quarters of votes of all copartners in the partnership. Those copartners who did not vote for such decision (including those absent from the meeting, those who did not participate in voting or those abstained) shall have the right to demand that other copartners who voted for making additional contributions shall purchase their stakes. The copartners who voted for additional contributions shall purchase such stakes on a pro rata basis to their stakes in the partnership's Charter Fund at the price as determined in accordance with provisions herein.

Additional contributions shall be made only after settlements have been realized with the copartners who requested that their stakes be purchased.

2. The procedure and terms for copartners to make additional contributions into a limited liability partnership, as well as liability for the delay in making such contributions shall be determined in accordance with provisions of **Article 24** herein.

3. Additional contributions by copartners into a limited liability partnership shall not alter the size of its Charter Fund, or the stakes of the partnership's copartners.

Article 40. Distribution of Net Income of a Limited Liability Partnership among its Copartners

1. Net income received by a limited liability partnership according to its performance for the year shall be distributed among copartners of the partnership commensurate to the decision of the regular general meeting of copartners of the partnership on the approval of the partnership's performance for the year.

The general meeting shall also have the right to make a decision on excluding net income or a portion thereof from the amount to be distributed among the partnership's copartners.

2. In the event the general meeting of a limited liability partnership makes a decision to distribute income among the copartners, each copartner shall have the right to receive a portion of the distributed income on a pro rata basis to his stake in the partnership's Charter Fund. The partnership shall make payments in cash within one month following the day the general meeting has made the decision regarding net income distribution.

3. A limited liability partnership shall not have the right to distribute income among copartners until the entire Charter Fund of the partnership has been paid in.

CHAPTER V. GOVERNANCE OF A LIMITED LIABILITY PARTNERSHIP

Article 41. Bodies of a Limited Liability Partnership

1. The bodies of a limited liability partnership shall be, as follows:

1) the highest body of a partnership shall be its general meeting of copartners (the general meeting);

2) the executive body of a partnership (one-man or collegial).

2. The Charter of a limited liability partnership may provide for the formation of a supervisory body of the partnership (supervisory board) and/or a controlling body of the partnership (revision commission, inspector).

3. The competence of the bodies of a limited liability partnership, as well as the procedure whereby they make decisions or act on behalf of the partnership shall be established herein, other legal acts and the partnership's Charter.

Article 42. The General Meeting of a Limited Liability Partnership

1. The highest body of a limited liability partnership (the general meeting) shall be convened as a regular general meeting of copartners (**Article 44** herein) or as an extraordinary general meeting of copartners (**Article 45** herein).

2. All copartners of a limited liability partnership shall have the right to attend the general meeting, take part in the discussion of issues on the agenda, and vote in making decisions.

Provisions of a partnership's Charter or any other documents, resolutions, which restrict the aforementioned rights of the partnership's copartners, shall be invalid.

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

Members of the executive body and members of controlling bodies shall not have the right to act as representatives of copartners in the partnership at general meetings, except for instances where the truster himself is a member of such executive body or a regulatory body of the partnership (revision commission).

Other entities shall have the right to act as representatives of a copartner in the partnership who is a physical person. A power of attorney for a physical person to participate as a representative in the general meeting should be either issued in the form provided for in **paragraph 4** or in **paragraph 5**, Article 167 of the Republic of Kazakhstan Civil Code (the General Part), or it should be notarized.

The director of a copartner in the partnership, which copartner is a legal entity, shall have the right to act as a representative of the copartner without a power of attorney, or any other representative of the legal entity may act as a copartner 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 in **paragraph 6**, Article 167 of the Republic of Kazakhstan Civil Code (the General Part).

4. In instances where trust management is established of a copartner's stakes, the trust manager shall have the right to act as the representative of the copartner at the general meeting provided that no other provisions are stipulated in the agreement between the copartner and the trust manager or by legal acts on the establishment of trust management of assets. Requirements to the procedure for representing of a copartner's interests shall be provided for in the law on trust management of assets.

5. When voting at a general meeting, each copartner of the limited liability partnership shall have the number of votes proportionate to his stake in the partnership's Charter Fund, except for instances where another procedure for determining votes is provided for in the first part of **paragraph 7**, Article 47 herein or in the partnership's Charter.

6. Members of the executive body of a limited liability partnership, who are not copartners of the partnership, may participate in the general meeting with an advisory capacity, unless otherwise is provided for in the partnership's Charter.

Article 43. Competence of the General Meeting of Copartners of a Limited Liability Partnership

1. The competence of the general meeting of copartners of a limited liability partnership shall be set forth in the partnership's Charter in conformity with this Law.

2. The exclusive authority of the general meeting of copartners of a limited liability partnership shall include:

1) making amendments into the partnership's Charter, including alterations to its Charter Fund, place of location and the business name, or adopting a new version of the partnership's Charter;

2) establishing the executive body of the partnership and early termination of its authority, as well as making a decision on transferring the limited liability partnership or its assets into trust management and determining conditions of such transfer;

3) electing the supervisory board and/or the revision commission (inspector) of the partnership, as well as approving the partnership's reports and reports of the revision commission (inspector);

4) approving annual financial statements and net income distribution.

Modifications are incorporated into subparagraph 5) in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

5) approval of internal By-laws, approval procedures and other documents regulating the partnership's internal operations, except for documents the approval of which is set forth in the Charter as the competence of other partnership's bodies;

6) making a decision regarding the partnership's participation in other business partnerships, as well as in non-for-profit organizations;

7) making a decision to reorganize or liquidate the partnership;

8) appointment of the liquidation commission and approval of liquidation balance sheets.

9) making a decision regarding the forced buy back of a copartner's stake in the partnership in compliance with **Article 34** herein.

Modifications are incorporated into subparagraph 10) in accordance with the RK Law of January 31, 2006 N125-III (see the old version)

10) making a decision to pledge all assets of the partnership;

11) making a decision to make additional contributions to the partnership in compliance with **Article 39** herein.

Subparagraph 12) is incorporated into the Article in accordance with the RK Law of February 19, 2007 N230-III.

12) approval of the procedure and the dates of presenting information on the partnership's operations to the partnership's copartners and the purchasers of the partnership's stakes.

3. In addition to issues that are within the exclusive competence of the general meeting according to this Law the Charter of a limited liability partnership may specify other issues which may be included into the partnership's competence.

The general meeting shall have the right to delegate powers that are not within its exclusive competence to the partnership's executive body or to the supervisory board, unless otherwise is provided for in the partnership's Charter.

4. The general meeting of copartners of a limited liability partnership regardless of how its competence is defined in the partnership's Charter shall have the right to consider any issue associated with the partnership's operations.

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

5. A general meeting of copartners shall have the right to rescind any decision of other bodies of a limited liability partnership regarding issues associated with internal partnership's operations unless otherwise is provided for in the partnership's Charter.

Article 44. A Regular General Meeting of Copartners of a Limited Liability Partnership

1. A regular general meeting of copartners of a limited liability partnership shall be convened by the partnership's executive body on the dates as set forth in the partnership's Charter, but no less than once a year.

2. A meeting on the approval of annual financial statements of a limited liability partnership shall be held no later than three months following the past fiscal year.

Article 45. An Extraordinary General Meeting of Copartners of a Limited Liability Partnership

1. An extraordinary general meeting of copartners of a limited liability partnership shall be convened as provided for herein, in the partnership's Charter and in any other instances when such general meeting shall be required in the partnership's interests.

2. An extraordinary general meeting of copartners of a limited liability partnership shall be convened upon the initiative of the partnership's executive body, or in cases when a supervisory board or a revision commission are being established and it may also be convened upon request of a supervisory board or a revision commission (inspector) of the partnership, or upon the initiative of the partnership's copartners aggregately holding over one tenth of total votes.

If despite the request of the partnership's supervisory board, revision commission (inspector) or copartners, the executive body shall not convene an extraordinary general meeting, it may be convened independently by the partnership's supervisory board, the revision commission (inspector) or by copartners holding over one tenth of total votes.

3. The liquidation commission (liquidator) may also convene an extraordinary general meeting of copartners of a limited liability partnership which is in the process of liquidation.

Modifications are incorporated into Article 46 in accordance with the RK Law of May 16, 2003, N416-II (see the old version), RK Law of July 8, 2005, N 72-III (see the old version), and RK Law of May 5, 2006, N 139-III (see the old version).

Article 46. Procedure of Convening a General Meeting of Copartners of a Limited Liability Partnership

1. Any body or person(s) convening a general meeting of copartners of a limited liability partnership shall no later than fifteen days prior to such meeting notify each partnership's copartner of such meeting in writing at the address specified in the partnership's registry of copartners, which is maintained by the partnership's executive body.

Time and location of the meeting shall be specified in the notice, as well as the proposed agenda.

The partnership shall have the right to inform copartners additionally via **mass media**.

1-1 Any body or person(s) convening a general meeting of copartners of a limited liability partnership which has been reorganized from a joint-stock company with the number of copartners of one hundred or over shall no later than fifteen days prior to such meeting, notify the partnership's copartners of such meeting.

The notice of the partnership's general meeting with the number of copartners of one hundred or over shall be published in the printed media specified in the partnership's Charter.

Any body or person(s) convening a general meeting of copartners of a limited liability partnership, the registry of which is maintained by the registrar and the number of copartners of which is less than one hundred shall fifteen days prior to such meeting notify each copartner in writing about the meeting at the address specified in the partnership's registry of copartners.

2. Any copartner in a limited liability partnership shall have the right to provide his proposals to the agenda of the general meeting no later than ten days prior to the meeting. During this period, the copartners in the partnership who aggregately hold over one twentieth of the total number of votes shall have the right to require the inclusion of issues proposed by them into the agenda of the general meeting.

If, upon a proposal or requirement of the partnership's copartners, alterations have been incorporated into the initial agenda of the general meeting, the body or persons convening the meeting shall inform each partnership's copartner of such alterations no later than seven days prior to the meeting by way specified in the first part of paragraph 1 of this Article.

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

3. The body or person(s) convening a general meeting of copartners of a limited liability partnership shall review the proposals submitted and make a decision whether to include such

proposals into the agenda of the general meeting of copartners of the limited liability partnership, or whether to exclude them no later than ten days prior to the meeting. In the event the proposals are accepted the body or person(s) convening the general meeting of copartners of the limited liability partnership shall inform the copartners in the limited liability partnership as to the alterations to be introduced to the agenda. In the event alterations or amendments are denied to be included into the agenda of the general meeting, this body or person(s) shall make available to the person who submitted the proposal the motivated response regarding the denials no less than seven days prior to the general meeting of copartners of the limited liability partnership.

In the event the refusal to include the proposals into the agenda of a general meeting, which refusal violates the rights and legal interests of the person who has provided the proposal, the latter shall have the right to appeal such decision in the procedure set forth in **Article 50** herein.

It is prohibited to include into the agenda of a general meeting the items with broad meaning, including such as “other”, “miscellaneous” and the same.

4. Upon request of a copartner of the partnership, which request such copartner has sent at least ten days prior to the meeting, the body or person(s) convening the general meeting of copartners of a limited liability partnership shall send him in writing no later than seven days prior to the meeting the draft decisions on all issues included into the agenda, copies of documents that are included for discussion into the agenda, as well as other information set forth in the Charter of the partnership or documents regulating the partnership’s internal operations.

The documents and information specified in the previous part as well as in the financial statements and reports of the revision commission and/or inspector for the reporting period shall be provided without any hindrance to all copartners in the partnership for review in the office of the partnership’s executive body following the time when the notification has been provided regarding the general meeting but no later than fifteen days prior to the meeting. The partnership’s copartners shall be provided with the capacity to make on a free of charge basis the copies of documents made available to them for consideration.

The financial statements and the reports thereupon by the revision commission and/or inspector for the preceding three years shall be safe kept by the executive body of the partnership and shall be provided for consideration to any copartner of the partnership at any time. Certified excerpts from such documents shall be issued to the partnership’s copartners upon their request.

5. The Charter of a limited liability partnership, which has less than seven copartners, may provide for periods other than those set forth in this Article and in **paragraph 5, Article 47** herein.

Article 47. The Procedure of Holding a General Meeting of Copartners of a Limited Liability Partnership

1. The rules of procedure of a general meeting of copartners of a limited liability partnership shall be established in compliance with this Law, the partnership’s Charter, By-laws and other documents regulating internal operations of the partnership or directly by the general meeting.

2. Prior to the general meeting of copartners, those copartners that have arrived to attend the meeting and their representative shall be registered. The representatives of copartners shall furnish appropriate documents evidencing their authority (paragraphs 3 and 4, Article 42 herein). A copartner (a copartner’s representative) who has failed to register shall not be taken into account when determining a quorum and shall not have the right to participate in voting.

3. The general meeting of copartners of a partnership shall start at the scheduled time provided that the registration of the copartners and their representatives arrived in case there are sufficient grounds to assume that a quorum will be available.

The meeting may not begin prior to the announced time except for instances where all copartners of the partnership or their representatives have already been registered, informed and do not object to a change in the starting time for the meeting.

4. The general meeting of copartners of a limited liability partnership shall be considered competent and the quorum conditions as complied with, provided that the copartners 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 included into the agenda must be made by a qualified majority of votes or unanimously, the meeting shall be competent to make the decision, provided that the copartners in the partnership or their representatives who are present at the meeting possess in aggregate more than two thirds of the total number of votes.

5. In the event that a quorum is not available the general meeting of copartners of a limited liability partnership shall be convened for a second time no later than forty five days following the first convocation. During the second convocation of the general meeting, the provisions, as established in **Article 46** herein, shall be observed.

A meeting that has been convened for the second time shall be considered competent regardless of the number of votes which have the partnership's copartners present or represented at the meeting. If the copartners present or represented at the meeting possess in aggregate less than half of the total number of votes, such meeting shall have the right to make decisions on those issues that do not require a qualifying majority of votes or a unanimous vote.

6. The general meeting of copartners in a limited liability partnership shall be opened either by the top manager of the executive body or by the person who fulfills his obligations. A meeting convened by the supervisory board, revision commission (inspector), or by the partnership's copartners (**paragraph 2**, Article 45 herein) shall be opened by the chairman of the supervisory board, revision commission (inspector), or by one of the partnership's copartners who convened such meeting.

The general meeting that has been convened by the liquidation commission (liquidator) shall be opened by the chairman of the liquidation commission (liquidator) or by his substitute.

7. The person who opens the general meeting shall hold the elections of the chairperson and a secretary of the meeting. Unless the Charter of an limited liability partnership envisages otherwise, each copartner shall have one vote during the election of the chairman and the secretary of the general meeting (regardless of their stakes in the Charter Fund), and such decision shall be made by simple majority of votes of those present.

The members of the partnership's executive body and the revision commission (inspector) may chair at the general meeting, except for instances where all copartners of the partnership present at the meeting are the members of the partnership's executive body or the revision commission (inspector).

8. The secretary of a general meeting shall be responsible for preparing the minutes of the general meeting.

The minutes shall be signed by the chairperson and the secretary of the general meeting.

The minutes of all general meetings shall be filed with book of minutes, which shall be safe kept by the executive body of the partnership and shall be at any time provided for review to any copartner of a limited liability partnership. Upon their request the certified excerpts from the book of minutes shall be given to the partnership's copartners.

9. Prior to the discussion of the issues included into the agenda the general meeting should determine if the quorum is available. Failure to comply with this requirement shall invalidate the decisions made by the general meeting until it is determined that the quorum is available.

When voting on issues provided for in subparagraphs **1), 4), 7), 9) and 10)**, paragraph 2, Article 43 herein, as well as in other cases provided for in the partnership's Charter or in the By-laws and other documents regulating its internal operations, it is necessary to determine one more time that the a quorum is available right before voting.

Article 48. The Procedure of Making Decisions by the General Meeting of Copartners of a Limited Liability Partnership

1. A general meeting of copartners of a limited liability partnership shall have the right to make decisions only on issues included into the agenda, about which the copartners were notified in compliance with paragraphs 1 and 2, Article 46 herein. In this case the issues, which were included in the agenda of the general meeting at the request of the partnership's copartners in

compliance with **paragraph 2**, Article 46 herein, shall be considered to be included into the agenda even in the event that the body or persons convening the meeting have failed to fulfill obligations provided for in the second part of the said paragraph.

2. Decisions on issues set forth in subparagraphs **1)**, **7)**, **9)** and **10)**, paragraph 2, Article 43 herein, as well as on other issues provided for in the Charter of a limited liability partnership shall be made by qualified majority of three quarters of votes of the copartners in the partnership who are present or represented at the meeting, unless the partnership's Charter requires a larger number of votes or unanimous vote in order that such decision be made.

When making decisions on subparagraph **9)**, paragraph 2, Article 43 herein, a copartner whose stake is being purchased in a forced manner does not participate in voting and the number of votes belonging to him shall be disregarded.

Other decisions shall be made by a simple majority votes of those copartners in the partnership who are present or represented at the general meeting, unless the partnership's Charter requires a larger number of votes or unanimous vote in order that such decision be made.

3. Decisions of the general meeting of copartners of a limited liability partnership shall be made via open voting, unless the partnership's Charter or the By-laws or other documents regulating internal operations of the partnership provide for secret voting.

Decisions of the general meeting shall be made via secret voting, as well as in cases when required by the partnership's copartners that possess no less than one fifth of the total number of votes.

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

Article 49. Holding in Absentia of the General Meeting of Copartners of a Limited Liability Partnership

1. In instances provided for in the Charter of a limited liability partnership, and given the explicitly expressed consent of the partnership's copartners having aggregately over three quarters of the total number of votes, the general meeting may be held in absentia by means of exchanging letters, facsimile messages or e-mails or other communication means available to all copartners and ensuring the authenticity of messages posted and received.

The general meeting that is held in absentia shall not have the right to make decisions on issues set forth in subparagraphs **1)**, **7) - 10)**, paragraph 2, Article 43 herein.

2. When holding a general meeting of copartners of a limited liability partnership in absentia, paragraphs **2, 3, 5 - 7 and 9**, Article 47 and **paragraph 3**, Article 48, as well as provisions of paragraphs **1-3**, Article 46 herein regarding the periods envisaged shall not apply.

3. A general meeting of copartners of a limited liability partnership that is held in absentia shall be held according to the procedure that ensures that all copartners are notified as to the agenda and draft decisions on the issues included into the agenda, as well as to the possibility for each copartner to review all necessary documents prior to voting, make proposals regarding the agenda and require to include specific issues therein, as well as notify all copartners prior to voting of alterations to the agenda and changes of opinions (speeches) of other copartners on the issues under discussion.

Modifications are incorporated into article 50 in accordance with the RK Law of February 19, 2007 N230-III (see the old version)

Article 50. Challenging the Decisions of the Bodies of the Limited Liability Partnership

The decision of the general meeting of copartners of a limited liability partnership, which has been made in violation of the procedure for holding of a general meeting, as well as the decision making procedure as established herein in the partnership's Charter or in the By-laws and other documents regulating the partnership's internal operations, as well as the decision of the general meeting contradicting the law or the partnership's Charter, including the decision violating the rights of the partnership's copartners, may be declared invalid in full or in part by a court upon application by the partnership's copartner who did not participate in voting or voted

against the decision being challenged. Such application may be submitted within six months following the day when the partnership's copartner became aware or should have become aware of the decision made, and in case he has participated in the general meeting which has made the decision, such application may be submitted within six months following the day the general meeting has made such decision.

Article 51. The Executive Body of a Limited Liability Partnership

1. If the Charter of a limited liability partnership does not provide for the establishment of the partnership's collegial executive body (the directorate, the management board, etc.), the day-to-day management of the partnership's activities and conducting its business affairs shall be carried out by a sole executive body (director, manager).

The provisions herein on the members of the executive body, except for those that are directly associated with the collegiality of the executive body shall apply to the sole executive body.

2. While fulfilling his/her duties a member of the executive body shall act in the interests of the partnership reasonably and in good faith.

3. Members of the executive body shall be elected by the general meeting for a period determined, but no longer than for five years.

4. Only a physical person may act as a member of the executive body of the partnership. Such person may not be a copartner of the partnership.

Article 52. The Competence of the Executive Body of a Limited Liability Partnership

1. All issues ensuring operations of a limited liability partnership, which are not within the competence of the general meeting or supervisory bodies, as established herein, the partnership's Charter or By-laws and other documents approved by the general meeting shall be within the competence of the partnership's executive body.

The authority of the general meeting, which is not within the exclusive competence of the general meeting, and which has been transferred to the executive body in compliance with **paragraph 3**, Article 43 herein, shall also be within the competence of the partnership's executive body.

2. A limited liability partnership shall not have the right to make mention of the limitations of powers of the partnership's executive body with regard to third parties, which powers were established by the partnership. However, a limited liability partnership shall have the right to challenge the validity of the transaction carried out by its executive body with the third party, which violates the established limitations, if it proves that the third party has been aware of such limitations at the time the transaction has been carried out.

3. Members of the executive body of a limited liability partnership may be called to account upon request of any of the partnership's copartners in order to recover the losses that such members caused to the partnership. Furthermore, members of the executive body shall be jointly held accountable for the losses they have made due to their improper co-management of the partnership.

4. Members of the executive body of a limited liability partnership may be jointly brought to subsidiary liability along with the partnership before the third parties for losses that such persons have caused, which lead to the failure (bankruptcy) of the partnership due to inappropriate management of the partnership by members of the executive body.

Article 53. A Sole Executive Body of a Limited Liability Partnership

1. A sole executive body of a limited liability partnership (a director, manager, etc.) shall:

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

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

3) issue orders on the partnership's staff appointment, change of positions or dismissal, determine staff remuneration system, establish sizes of salaries and benefits, make bonus decisions, approve incentive measures and disciplinary sanctions;

4) fulfill other powers, which are not under this Law or the partnership's Charter within the exclusive authority of the general meeting of copartners or supervisory bodies, as well as such powers which have been delegated to him by the general meeting of the partnership's copartners (**paragraph 3**, article 43 herein).

2. The procedure of operations of the partnership's sole executive body as well as the decision-making procedure shall be set forth in the partnership's Charter, as well as in the By-laws and other documents approved by the general meeting of copartners.

3. If management functions of a limited liability partnership has been at the same time delegated according to the partnership's Charter to two or several directors (managers, etc.), who are not the members of a collegial executive body, each such director (manager, etc.) shall have the right to act on behalf of the partnership without a power of attorney. Such directors (managers, etc.) shall be subject to the provisions of this article.

Article 54. The Collegial Executive Body of a Limited Liability Partnership

1. The collegial executive body of a limited liability partnership (the directorate, the management board, etc.) shall be elected by the general meeting of its copartners if the establishment of such body has been provided for in the partnership's Charter, which body shall consist of no more than seven members, unless otherwise is envisaged in the legislative acts or in the partnership's Charter.

2. The leader of the collegial executive body of a limited liability partnership shall be elected by the general meeting of the partnership, unless the Charter of the partnership provides for his election by the collegial body itself.

3. The director of the collegial executive body of a limited liability partnership shall ensure the operations of this body and manage its meetings. He has such authority as possessed by the partnership's sole executive body in accordance with subparagraphs **1) - 3)**, paragraph 1, Article 53 herein.

4. The operating procedures of the partnership's collegial executive body, including the decision-making procedure, shall be defined in the partnership's Charter, as well as in the By-laws and other documents approved by the general meeting of copartners.

Article 55. Conflict of Interests Between Members of the Executive Body and the Limited Liability Partnership

1. Members of the executive body of a limited liability partnership shall be not be allowed to:

1) close transactions with the partnership without consent of the general meeting, which transactions are intended to obtain benefits (including gift contracts, loan agreements, gratuitous usage contracts, sale and purchase agreements, etc.);

2) receive commission both from the partnership itself, as well as from third parties for transactions closed between the partnership and the third parties;

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

4) carry out entrepreneurial activities competing with the partnership's activities.

The partnership's Charter may provide for other prohibitions on the members of its executive body.

2. The limitations provided for in subparagraphs **1)-3)** of paragraph 1 of this Article shall also apply to the spouses, all ancestors or offspring, as well as brothers and sisters of the members of the executive body of a limited liability partnership.

3. Any copartner of a limited liability partnership shall have the right to claim in a court that the members of the executive body should reimburse the partnership for losses that have been caused to the partnership due to their or their relatives' violations, as indicated in paragraph 2 of

this article, of the prohibitions provided for in paragraph 1 of this article or, accordingly, in paragraphs 1)-3) of paragraph 1.

Article 56. Transfer of a Limited Liability Partnership or its Assets into Trust Management

A limited liability partnership or its assets may be transferred into trust management, unless otherwise is provided for in the partnership's foundation documents.

Article 57. The Supervisory Board of a Limited Liability Partnership

1. The Charter of a limited liability partnership may provide for the formation of a supervisory board of the partnership in order to control the activities of the partnership's executive body.

2. In instances where the Charter of a limited liability partnership does not provide for the election of the revision commission (inspector), the supervisory board of the partnership shall have all rights which the revision commission possesses according to this Law.

3. Members of the partnership's supervisory board shall be elected by the general meeting for a fixed period, but longer than for five years.

4. Only a physical person may be a member of the supervisory board, and he/she may not at the same time be a member of the partnership's executive body.

5. The procedure for operations of the partnership's supervisory board as well as for making decisions thereby shall be determined in the partnership's Charter, as well as in the By-laws and other documents approved by the general meeting.

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

6. Members of the supervisory board shall be held liable in compliance with the provisions envisaged in paragraphs **3 and 4**, Article 52 herein, for losses brought upon the limited liability partnership and third parties due to the supervisory board's inappropriate management of operations of its executive body.

Modifications are incorporated into Article 58 in accordance with the RK Law of May 5, 2006 N 139-III (see the old version)

Article 58. The Revision Commission (Inspector) of a Limited Liability Partnership

1. The revision commission (inspector) may be formed from the members of the partnership or their representatives in order to control the financial and economic operations of the executive body of the limited liability partnership.

The revision commission is formed of no more than five members unless a larger number of members is provided for by the partnership's Charter.

The functions of the revision commission may be delegated to one of the partnership's copartners or his representative, who may act as a sole inspector.

2. The revision commission or a sole inspector of a limited liability partnership shall be elected by the general meeting for a term as defined by the partnership's Charter, but no longer than for five years.

3. Members of the revision commission (inspector) may not be at the same time the members of the executive body of the limited liability partnership.

4. The revision commission (inspector) shall have the right to check business activities of the executive body of the limited liability partnership at any time. For this purpose the revision commission (inspector) shall have free access to all documents of the partnership. Members of the executive body shall provide all necessary verbal or written explanations, if so requested by the revision commission (inspector).

5. The revision commission (inspector) should mandatorily inspect annual financial statements of the limited liability partnership prior to their approval by the general meeting of copartners. The general meeting of copartners may not approve any annual financial statements if these are not accompanied by the report of the revision commission or an independent auditor's report (Article 59 herein).

6. The procedure to be followed by the revision commission (inspector) of the limited liability partnership shall be set forth in the Charter, as well as in the By-laws and other documents regulating the internal activities of the partnership.

Modifications are incorporated into Article 59 in accordance with the RK Law of May 5, 2006 N 139-III (see the old version)

Article 59. The External Audit in a Limited Liability Partnership

1. A limited liability partnership may contract **an audit firm**, which is not affiliated with property interests with the partnership, or members of its executive body, members of its supervisory board and its copartners (external audit) in instances and in the procedure provided for in its Charter for the purpose of examining and certifying the accuracy of its annual financial statements, as well its current performance.

2. Legislative acts may provide for mandatory audits of annual and other financial statements of all limited liability partnerships that carry out specific types of entrepreneurial activity.

3. Any copartner of a limited liability partnership shall have the right to request that the audit of the financial statements of the partnership be conducted at his/her own expense.

4. If the executive body of a limited liability partnership escapes from auditing the partnership's financial statements, when such an audit is mandatory or when it has been requested by the partnership's copartner, such audit may be prescribed by the court's judgment commensurate to the petition of any interested person or a partnership's copartner.

Article 60. Public Financial Reports of a Limited Liability Partnership

Legislative acts may require that a limited liability partnership that is carrying out certain types of entrepreneurial activities should publish to general public its financial statements for a relevant year.

CHAPTER V. REORGANIZATION AND LIQUIDATION OF A LIMITED LIABILITY PARTNERSHIP

Article 61. Reorganization of a Limited Liability Partnership

1. A limited liability partnership may be reorganized on a voluntary basis (merger, take-over, split-up, split-off, transformation) by the decision of the general meeting of the partnership's copartners.

The withdrawal of a stake or any alteration to the membership of the copartners in the partnership shall not mean the reorganization of the partnership.

2. In the events provided for in the legislative acts a limited liability partnership may be reorganized through split-up or spin-off of one or several partnerships from it commensurate to the decision of authorized state bodies or by the court's judgment.

3. In the events provided for in the legislative acts a limited liability partnership may be reorganized through a merger or take-over only given the consent of the authorizing state agencies.

4. The assets of a reorganized partnership shall be transferred to its legal successor at the time of its registration, unless otherwise is provided for in the legislative acts or by the reorganization decision.

Article 62. Merger and Take over of a Limited Liability Partnership

1 Two or several limited liability partnerships shall be merged by means of full consolidation of the partnerships' assets. A new partnership shall arise as a result of the merger. The partnerships, which have joined the new partnership, shall terminate their activities. In this case, all rights and obligations of each partnership participating in the merger shall be transferred to a newly established partnership in compliance with the Conveyance Act.

2. Two or several limited liability partnerships shall be taken over by another limited liability partnership by means of inclusion of the taken-over partnerships' assets into the assets of the taking-over partnership. In this case, the taken-over partnerships' operations shall be terminated and their rights and obligations shall be conveyed to the taking-over partnership via the Conveyance Act. The Charter Fund of the latter shall be amended in order to reflect the changes associated with the reorganization.

3. The executive bodies of limited liability partnerships participating in merger or take-over shall draft merger and take-over agreements and make available the merger concerns for consideration of the general meeting of copartners of each partnership and submit the merger/take-over contracts to be approved by the general meeting of copartners.

The agreed upon text of an agreement on merger or take-over shall be signed by the partnerships' executive bodies, which are so authorized.

A merger/take-over agreement shall include information on the partnership's business name, location and the address of each partnership participating in the merger or take-over, summary balance sheet, and it shall set forth the procedure and terms and conditions for such merger/take-over.

4. Each limited liability partnership participating in merger/take-over shall within two months following the date when the merger/take-over resolution has been made by the general meeting of copartners post written merger/take-over notices to all its creditors and publish relevant advertisements in the official printed media. Information on other partnerships participating in the merger/take-over shall be appended to the notice (advertisement) as set forth in paragraph 3 of this article.

The partnership's creditors shall have the right to request in writing within two months following the receipt of such notice or the date of advertisement publication that the partnership shall provide additional guarantees or early termination or discharge of its relevant obligations and indemnification of losses. Such requirements shall be submitted to the partnership in writing, and copies thereof may be filed with a **body** that has carried out the state registration of the partnership.

5. As soon as the general meeting of copartners of limited liability partnerships has made the merger/take-over decision each partnership participating in merger/take-over shall inform their creditors on obligations that arise thereafter.

On the basis of the merger/take-over agreement the copartners of the partnerships which are in the process of merger/take-over shall draw up and sign the foundation agreement at the foundation meeting and in case of merger they shall also approve the Charter of the newly established partnership and elect its executive and other bodies.

Article 63. Split-up and Split-off of a Limited Liability Partnership

1. A limited liability partnership shall be split-up through the distribution of this partnership's assets between two or several newly formed limited liability partnerships. In this case the split-up partnership's rights and obligations shall be transferred to newly formed partnerships in accordance with the separation balance sheet.

2. The split-off of one or several limited liability partnerships from a limited liability partnership shall be realized through splitting off a part of the partnership's assets and transferring it to one or several newly established partnerships. In this case a portion of the reorganized partnership's rights and obligations shall be transferred to the newly formed partnerships in accordance with the separation balance sheet.

3. The executive body of the limited liability partnership that is undergoing reorganization shall draft a plan for split-up or split-off, as well as draft Charters for the newly established partnerships, and it shall submit to the general meeting of copartners the split-up/split-off issues for review, the split-up/split-off plan for approval, the Charters of the newly established partnerships and the separation balance sheet for approval, as well as the election of the executive bodies and other bodies of the newly established partnerships.

4. Unless otherwise is provided for in the Charter of a limited liability partnership when the partnership is undergoing a split-up/split-off procedure each copartner shall have the right to receive a stake in the Charter Fund of each newly established partnership, which stake is equal to his stake in the Charter Fund of the partnership under reorganization.

5. Following the time when the general meeting of copartners of a limited liability partnership has made the split-up/split-off decision, the partnership shall inform their creditors of obligations that arise after the decision has been made.

6. A limited liability partnership shall within two months following the date when the split-up/split-off decision has been made by the general meeting of copartners send written split-up/split-off notices to all its creditors and publish relevant advertisements in the official printed media. The separation balance sheet, as well as the information on the partnership's business name, location and address of each of the newly established partnerships shall be appended to the notice (advertisement).

7. The partnership's creditors shall have the right to require from the partnership in writing within two months following the receipt of such notice or the date of advertisement publication early termination or discharge of its relevant obligations and indemnification of losses. Such requirements shall be submitted to the partnership in writing and copies thereof may be filed with a **body** that has carried out the state registration of the partnership.

8. The limited liability partnerships that have been formed as a result of a split-up/split-off shall bear joint liability on its obligations within one year following the registration of newly established partnerships.

Article 64. Effects of Failure to Fulfill the Decision of an Authorizing State Body or a Court Regarding the Forced Split-up/Split-off of Limited Liability Partnership

1. If in the event of a forced reorganization of a limited liability partnership which has been ordered by the court judgment, the executive bodies authorized to realize the split-up/split-off have failed to realize such split-up/split-off within the period established by the court judgment, the court shall appoint a trust manager of the partnership's assets and order him to carry out the split-up/split-off of the partnership from the assets of the partnership under reorganization.

2. Following the time the trust manager has been appointed the competence for managing the limited liability partnership shall be transferred to him.

3. The trust manager shall act on behalf of the limited liability partnership in a court , prepare the separation balance sheet and make it available to the court for approval together with the foundation documents of the partnerships that are to be prepared as a result of a split-up/split-off. The court's approval of the documents mentioned shall be the grounds for the state registration of the newly established partnerships.

Article 65. Transformation of Limited Liability Partnership

Modifications are incorporated into paragraph 1 in accordance with the RK Law of July 16, 1999, N 436-1 (see the old version)

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

Modifications are incorporated into paragraph 2 in accordance with the RK Law of July 16, 1999, N 436-1

2. The executive body of a limited liability partnership under transformation shall draft a transformation plan establishing the procedure and terms and conditions for transformation, and the Charter for the newly established legal entity. Additionally it shall submit issues on the transformation of the partnership, the transformation plan and the Charter to the general meeting of copartners for approval, as well as regarding the election of the executive body and other bodies of newly established partnership or production cooperative.

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

3. A joint-stock company which has been established as a result of transformation from a limited liability partnership shall place (sell) the joint-stock company's shares only among the partnership's copartners. The number of shares transferred to the copartners of a limited liability partnership that has been transformed shall be determined on a pro rata basis to the book value of each copartner's stake to total own capital of the limited liability partnership under reorganization

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

4. The Charter Fund of the joint-stock company which is being established shall equal to the difference between assets and liabilities transferred in accordance with the Conveyance act and should comply with the provisions of **Article 10** of the Republic of Kazakhstan Law "On Joint Stock Companies".

Article 66. Buy-Back of the Stakes of Copartners who Didn't Vote for the Reorganization of Limited Liability Partnership

1. Those copartners of a limited liability partnership who were not present at the general meeting of copartners when the decision was made to reorganize the partnership or those who voted against such decision may request that their stakes be bought back from them by copartners who voted for the reorganization of the partnership.

2. Such stake shall be bought back within one month following the day the relevant request has been made. Such stake shall be bought by those copartners who voted for reorganization of the limited liability partnership on a pro rata basis to their stakes in the partnership's Charter Fund, unless otherwise is provided for by them in an agreement that ensures the purchase of the full stake of a copartner who has requested such purchase. The price at which such stake is being purchased shall be determined in compliance with the provisions of **Article 32** herein.

3. A copartner of a limited liability partnership who has requested the purchase of his stake may send a copy of such request to the body that carries out the registration in compliance with **Article 67** herein. In the event a copy of the request to purchase a stake is received by the said body, the registration shall be realized only under the condition that the person filing the request provides the evidence of the stake purchase or that the copartner who submitted the request does not have any objections to such registration.

Article 67. The State Registration of a Partnership Established as a Result of Reorganization

1. The state registration of a limited liability partnership established as a result of reorganization shall be realized in compliance with the legal entities registration provisions established in the legislative acts.

2. Excluded in accordance with the **RK Law** of March 18, 2004, N 537-II (**see the old version**);

3. The state registration of a limited liability partnership that has been established as a result of reorganization shall be realized by the body that carries out the state registration of legal entities upon expiration of the period provided to creditors for submitting claims against partnerships participating in the reorganization (**paragraph 4**, Article 62, **paragraph 7**, Article 63 herein). In the event that copies of the claims of creditors participating in the reorganization of the partnerships, have been received by the body that carries out the state registration of legal entities, the newly established partnership shall be registered provided that the evidence has to be 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 such reorganization.

4. The reorganization of a limited liability partnership shall be declared invalid if the application for the state registration has not been submitted or the required evidence (paragraph 3 of this article) have not been submitted within one year following the day of the last general meeting of copartners of the partnership undergoing reorganization has made the reorganization decision.

5. Excluded in accordance with the RK Law of March 18, 2004, N 537-II (see the old version);

6. If as a result of a merger or take-over, the number of copartners in the newly formed limited liability partnership exceeds the limit established in **Article 9** herein, the consequences provided for in **paragraph 2**, Article 69 shall be applied to such partnership only upon the expiration of one year following the time of its state registration.

Article 68. Liquidation of a Limited Liability Partnership

1. A limited liability partnership may be liquidated upon the decision of the general meeting of its copartners.

2. A limited liability partnership may be liquidated upon the court judgment in the event:

1) of the bankruptcy;

2) recognition of partnership's registration as invalid due to non-observances of legislation made during its establishment and which cannot be removed;

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 in the legislative acts.

3. In the event a legal entity, which is the only copartner of a limited liability partnership, goes into liquidation, then the partnership shall be subject to liquidation. In this case, the liquidation commission (liquidator) for the liquidation of the partnership shall be appointed by a court upon the request of the liquidation commission (liquidator) that is liquidating the partnership's founder.

4. Interested parties may submit a request to a court for the liquidation of a limited liability partnership on the grounds set forth in the paragraph 2 of this Article, unless otherwise provided for by legal acts.

5. The court judgment on the liquidation of a limited liability partnership as concerns the execution of liquidation the obligations may be vested in the partnership itself; a body authorized by the partnership; a body authorized for the liquidation of the partnership by its foundation documents; or on another body (person) appointed by the court.

Modifications are incorporated into Article 69 in accordance with the RK Law of July 16, 1999, N 436-1

Article 69. Termination of Activity of a Limited Liability Partnership

1. In addition to the grounds set forth in **Articles 61 and 68** herein a limited liability partnership may terminate its activity in the instances, as follows:

1 Excluded in accordance with the RK **Law** of May 16, 2003 N 416-II (see the old version);

2) if as a result of the reduction in the Charter Fund the size of the Charter Fund becomes less than the minimal size set forth in **paragraph 2**, Article 23 herein;

3) if copartners do not form the Charter Fund of the partnership within the timeframe set forth in **paragraph 2**, Article 24 herein.

2. Excluded in accordance with the RK Law of May 16, 2003 N 416-II (see the old version);

3. If as a result of the reduction in the Charter Fund the size of the Charter Fund falls below the minimal size as provided for in **paragraph 2**, Article 23 herein, or if the copartners do not form the Charter Fund of the partnership within the timeframe set forth in **paragraph 2**, Article 24 herein, the copartners shall make appropriate additional contributions to the Charter Fund within one year. Otherwise the partnership shall be subject to liquidation commensurate to the court judgment upon the application of interested parties.

N. NAZARBAEV

President of the Republic of Kazakhstan