

ANNEX 4  
to Record of Minutes No. 1  
of the General Meeting  
of ALE Kazakhstan Association for Public Reporting  
on Exploration Results, Mineral Resources  
and Mineral Reserves  
(KAZRC Association)  
of November 24, 2015

APPROVED:  
by decision of the General meeting  
of ALE Kazakhstan Association for Public Reporting  
on Exploration Results, Mineral Resources  
and Mineral Reserves  
(KAZRC Association)  
Record of Minutes No. 1  
of November 24, 2015

**REGULATIONS ON MEMBERSHIP  
IN KAZAKHSTAN ASSOCIATION FOR PUBLIC REPORTING ON EXPLORATION  
RESULTS, MINERAL RESOURCES AND MINERAL RESERVES  
(KAZRC ASSOCIATION)**

Astana, 2015

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## **SECTION I. GENERAL PROVISIONS**

This Regulation regulates membership in Association of Legal Entities “Kazakhstan Association for Public Reporting on Exploration Results, Mineral Resources and Mineral Reserves” (hereinafter – KAZRC Association), sets general requirements to candidates and members of KAZRC Association, procedure for submission and consideration of applications, admission to members and suspension of membership in KAZRC Association, and payment of membership dues.

The Regulation shall be approved by the general meeting of members of KAZRC Association.

### **1. Terms and definitions**

1.1. For the purposes of this Regulation on membership in KAZRC Association (hereinafter – “Regulation”), the following terms and definitions shall apply in the following meanings, unless the context expressly implies otherwise or otherwise is specifically determined:

“Documents of KAZRC Association” means documents intended to ensure implementation of goals and objectives of KAZRC Association and provide conditions for activities of Members of KAZRC Association, and containing requirements to members of KAZRC Association, unconditional fulfillment of which is essential for membership in KAZRC Association:

- Charter;
- Memorandum of association;
- Decisions taken by the authorities and officials of KAZRC Association in accordance with their assigned powers and properly executed in a form of orders, regulations, resolutions, decisions, protocols, etc.

A “Candidate” means a legal person desiring to join KAZRC Association, which has stated this desire and for this purpose takes actions established by the documents of KAZRC Association.

1.2. Without prejudice to the provisions of paragraph 1.1, for the purposes of this Regulation definitions and terms shall apply in the meanings and/or interpretation specified in other documents of KAZRC Association, unless the context expressly implies otherwise or otherwise is specifically determined.

### **2. Scope**

2.1. This Regulation establishes the procedure for admission to membership of KAZRC association and for suspension and expulsion from membership of KAZRC Association, execution of rights and fulfillment of duties by members of KAZRC Association.

2.2. This Regulation establishes a common procedure for use of capabilities of KAZRC Association by its members within the framework of statutory goals and objectives of KAZRC Association to create conditions for the activities of members of KAZRC Association, in particular provided through the development and implementation of regulations concerning:

- arrangements for the exercise of the rights and duties of members of KAZRC Association;
- rules of joining KAZRC Association and secession from it;

- order of payment of membership dues by members of KAZRC Association;
- compliance with the order of consideration of appeals of members of Members of KAZRC Association ;
- disciplinary measures applicable to members of KAZRC Association.

## **SECTION II. MEMBERSHIP IN KAZRC ASSOCIATION**

### **3. General provisions on membership in KAZRC Association**

3.1. Commercial and non-commercial organizations which: fulfill the requirements of the Charter, have the field of activity related to geology and subsoil use in the Republic of Kazakhstan and have the opportunity to fully use the rights and benefits of membership in the KAZRC Association, as well as to promote the development of the KAZRC Association and provide KAZRC Association with financial and other assistance may be the Members of KAZRC Association.

3.2. If associations of legal entities join KAZRC Association, the legal entities involved in such associations shall comply with the requirements of KAZRC Association.

3.3. Founders of KAZRC Association (signatories to the memorandum of association) are also its members.

3.4. Membership in KAZRC Association shall not be transferred.

3.5. Members of KAZRC Association shall participate in the activities of KAZRC Association with right to vote. Each member of the Association is entitled to one vote.

3.6. Members of KAZRC Association are not liable for its liabilities, and KAZRC Association is not liable for liabilities of its members.

### **4. Documents required for joining KAZRC Association**

4.1. The candidate shall send to the Executive Director of KAZRC Association the following documents:

- an Application addressed to Executive Director, signed by the CEO of the candidate (Appendix No.1 to the Regulation);
- a copy of the certificate on state registration of legal entity attested by the candidate;
- a copy of constituent documents, including additions and amendments valid at the time of submitting the application, attested by the candidate;
- a document confirming the authority of the CEO (copy or extract of the minutes / decisions on the election (and extension of powers, if applicable), a copy of the order on appointment);
- copies of the certificate of legal entity registration with the tax authority and statistical card;
- power of attorney issued to the authorized person with signatory authority;
- agreement on transfer of powers of the sole executive body of the managing organization (if available).

## **5. Procedure for decision on admission to KAZRC Association**

5.1. Admission of new members to KAZRC Association shall be based on application addressed to Executive Director of KAZRC Association.

5.2. Upon receipt of all materials and documents specified by KAZRC Association from the Candidate, KAZRC Association shall verify the compliance of the Candidate with established requirements and register the applications of the Candidate.

5.3. Verification of the Candidate's compliance shall be performed within ten calendar days from the date of receipt of all the documents specified by this Regulation. This period may be extended up to one month if the information provided is insufficient to make a decision or if it requires additional verification.

5.4. Within verification of the information contained in the documents, KAZRC Association shall be entitled to send its representative to the Candidate's office to familiarize itself with the general organization of its work. In order to clarify the fact that the applicant meets the requirements, KAZRC Association shall be entitled to require, and the Candidate is required, to provide additional information.

5.5. The Candidate shall be registered only upon verification of compliance of the Candidate with all established requirements.

5.6. Registration of the Candidate may be refused, if it fails to meet the requirements of this Regulation to the members of KAZRC Association, or if it fails to provide documents or additional information required for verification within the prescribed period.

5.7. About refusal to register, KAZRC Association shall inform the Candidate in writing (stating the reasons).

5.8. Decision on admission to the membership of KAZRC Association shall be made by General Meeting of members of KAZRC Association.

5.9. Executive Director shall introduce the Candidate at the General Meeting of members of KAZRC Association. If agreed with the General Meeting of members of KAZRC Association, the CEO of the Candidate may be invited to the meeting of KAZRC Association.

5.10. Decision on admission to KAZRC Association shall enter into force on the date of the adoption of such decision of the General Meeting of members of KAZRC Association.

5.11. A copy of the decision of the General Meeting of members of KAZRC Association on admission to membership in KAZRC Association shall be sent to members of KAZRC Association.

5.12. The Candidate, who was previously refused to join membership in KAZRC Association, shall have the right to re-apply for admission no earlier than one month after receipt of the refusal.

5.13. The members of KAZRC Association shall be issued certificates of membership in KAZRC Association (Appendix No.2 to the Regulation).

## **6. Requirements to candidates to join KAZRC Association**

6.1. The Candidate to KAZRC Association shall be a legal entity registered in accordance with the law.

6.2. The Candidate to KAZRC Association shall recognize the Charter, goals and objectives of KAZRC Association.

6.3. The Candidate to KAZRC Association shall be involved in activities related to geology and subsoil use in the Republic of Kazakhstan.

## **7. Rights and obligations of members of KAZRC Association**

7.1. Members of KAZRC Association shall have the right to:

7.1.1. Participate in the management of the affairs of KAZRC Association with the right to vote in the manner specified by the Charter of KAZRC Association;

7.1.2. Propose candidates and be elected to governing bodies of KAZRC Association;

7.1.3. Receive expert methodological and scientific-technological advice, legal, financial and economic advice on matters related to activities of members of KAZRC Association;

7.1.4. Submit proposals on activities of KAZRC Association to governing bodies of KAZRC Association for consideration, participate in the discussion of these issues;

7.1.5. Apply in their work the provisions and decisions on the activities of members of KAZRC Association;

7.1.6. Obtain information on activities of KAZRC Association, including acquaintance with its financial statements and other financial documents;

7.1.7. Appoint their authorized representatives to attend the General Meetings of members of KAZRC Association and its working groups;

7.1.8. Convene extraordinary General Meeting of Members of KAZRC Association in the manner prescribed by the Charter of KAZRC Association;

7.1.9. Exit KAZRC Association in the manner prescribed by the Charter of KAZRC Association and this Regulation;

7.1.10. Transfer property into ownership of KAZRC Association;

7.1.11. Submit its written opinion on documents of KAZRC Association developed and considered by the bodies of KAZRC Association;

7.1.12. Make decisions on matters of activities of KAZRC Association by participating in scheduled and extraordinary General Meetings of members of KAZRC Association;

7.1.13. Make proposals on the agenda and vote at the General Meeting of members of KAZRC Association;

7.1.14. Exercise other rights provided by the Charter of KAZRC Association.

7.2. Types of membership and duties of members of the KAZRC Association. Paid membership in the KAZRC Association applies to commercial organizations. Free membership applies to non-commercial organizations. The members of KAZRC Association shall be obliged to:

7.2.1. Contribute to addressing issues facing KAZRC Association; actively participate in achieving the objectives of KAZRC Association;

7.2.2. Comply with the provisions of the Charter and other documents of KAZRC Association;

7.2.3. Comply with the decisions of the governing bodies of KAZRC Association, adopted in accordance with their terms of reference as defined by the Charter of KAZRC Association;

7.2.4. Provide information required to address the issues associated with their activities and which is not commercially confidential, timely inform about changes in the name, legal status and address of the legal entity;

7.2.5. Members of the KAZRC Association which are commercial organizations must timely pay membership fees in the manner and amount determined in accordance with the Charter of the KAZRC Association and these Regulations, and decisions of the General Assembly;

Members of the KAZRC Association which are non-commercial organizations are exempt from payment of membership fees. Their contribution to the implementation of the activities and development of the KAZRC Association shall be the active promotion and participation in the process of implementing the KAZRC Code among the members of their associations.;

7.2.6. Refrain from any actions, that may prejudice the legitimate interests of KAZRC Association;

7.2.7. Not to disclose confidential information of KAZRC Association;

7.2.8. Ensure timely and full provision of necessary information required for KAZRC Association to carry out activities in accordance with the Charter and the decisions of its governing bodies.

### **SECTION III. MEMBERSHIP DUES AND ORDER OF THEIR PAYMENT**

#### **8. General provisions on membership dues**

8.1. The KAZRC Association provides the following types of membership fees for commercial organizations:

- Entrance fee;
- Annual fee;
- Target fee

8.2. Size of membership dues to KAZRC Association and order of their payment shall be determined by the General Meeting of members of KAZRC Association. The General Meeting of members of KAZRC Association shall have the right to change amounts, order and terms of payment of membership dues.

8.3. Admission fee:

8.3.1. The admission fee is an official confirmation of the candidate to become a member of KAZRC Association, it amounts to 50% of the annual due determined by the General Meeting of members of KAZRC Association.

8.3.2. Admission fee of the founders of KAZRC Association shall be paid within 30 calendar days from the State registration of KAZRC Association as per invoice for payment. Admission fee of Candidates shall be paid within 30 calendar days from the decision on admission to KAZRC Association by the General Meeting of members of KAZRC Association as per invoice for payment.

8.3.3. Admission fee shall be credited to the account of KAZRC Association and shall be used for implementation of its current activities.

8.4. Annual due:

8.4.1. The amount of the annual fee for the members of the KAZRC Association is determined by the current expenses required to ensure the statutory activities of the KAZRC Association, as well as the number of KAZRC members which are commercial organizations.

The formula for calculating the size of the membership fee of the KAZRC Association is as follows:

*(The amount of the annual fee) = (The amount of expenses for the next financial year) / (the number of members of the KAZRC Association which are commercial organizations as of November 1 of the current year).*

8.4.2. Annual dues shall be paid by members of KAZRC Association by a lump-sum payment within the period from November 1 to December 31 of the calendar year preceding the calendar year for which the due is paid. By decision of the General Meeting, in special cases annual due may be paid by installments but not more than two installments in a calendar year. Annual due shall be paid by the members in full no later than 30 calendar days from the date of invoice for payment.

For Candidates admitted to KAZRC Association during the period from November 1 to December 31, period for payment of annual dues shall be extended until January 31 of the following year.

8.4.3. Annual due shall be expended for implementation of ongoing activities of KAZRC Association and for various activities according to the approved annual plans of KAZRC Association.

8.5. Special-purpose fees:

8.5.1. Special-purpose fees shall be established by meeting of founders, and by the General Meeting of members of KAZRC Association upon a proposal of one or more members interested in addressing particular issues.

8.5.2. Size of the special-purpose fee shall be determined by agreement between the concerned members of KAZRC Association.

8.5.3. Special-purpose fee shall be paid no later than 30 calendar days from the date of invoice for payment.

8.5.4. Payment of the special-purpose fee shall not relieve a member of KAZRC Association from payment of admission fee and annual dues.

8.6. On failure of a member of KAZRC Association to pay the membership fee within a period established for payment, sanctions may be applied to it as determined by the General Meeting of members of KAZRC Association.

8.7. The General Meeting of members of KAZRC Association may decide to exempt from payment of membership dues the members of KAZRC Association which have a scheduled negative financial result.

By a decision of the General Meeting, a member of the KAZRC Association may, on the basis of a written application on his part, be temporarily released from payment of membership fees for the period indicated in the petition. For the period of exemption from payment of membership fees, a member of the KAZRC Association is deprived of the right to vote.

8.8. Executive Director of KAZRC Association shall be assigned to control the timeliness and completeness of payment of all types of membership dues by members of KAZRC Association.

8.9. Secession or expulsion from KAZRC Association shall not entitle to return previously paid membership dues.

## **SECTION IV. FINAL PROVISIONS**

### **9. Termination of membership in KAZRC Association**

9.1. Memberships in KAZRC Association may be terminated by voluntary secession from KAZRC Association or as a result of expulsion from the Association by decision of the General Meeting of members of KAZRC Association.

9.2. Any member shall have the right to voluntarily withdraw from KAZRC Association at any time, provided that it has notified in writing the Executive Director of KAZRC Association

no later than thirty calendar days before the withdrawal, there are no grounds for expulsion from KAZRC Association, there are no arrears in payment of dues and other charges established by documents of KAZRC Association and decision of the latter's bodies. In case of voluntary withdrawal from Members of KAZRC Association in the absence of grounds for exclusion and payment arrears of established charges, the member of KAZRC Association, which has announced such withdrawal, shall lose the status of a member of KAZRC Association on the thirty-first calendar day following the receipt of a notice on withdrawal by Executive Director of KAZRC Association.

9.3. Expulsion from Members of KAZRC Association shall be carried out by the decision of the General Meeting of members of KAZRC Association. The grounds for expulsion shall be:

- violation of the norms of the Charter of KAZRC Association;
- disclosure of confidential information;
- causing significant damage threatening the interests of KAZRC Association;
- failure to pay membership dues within the prescribed time limits.

This list is exhaustive.

9.4. The moment of making a relevant decision by the General Meeting of members shall be the date of expulsion of a member from KAZRC Association.

9.5. Legal entities that have withdrawn or have been excluded from KAZRC Association shall have no right to demand the return of funds paid by them as membership dues to KAZRC Association or other property transferred to KAZRC Association. They also shall have no right to demand compensation for any expenses incurred in relation to their membership in KAZRC Association.

## **10. Procedure for amendments and additions to the Regulation**

10.1. Amendments and additions to this Regulation introduction of which does not contradict the current legislation of RK and Charter of KAZRC Association shall be approved by the General Meeting of members of KAZRC Association.

10.2. Appendices to this Regulation shall form an integral part thereof.

*(On the Candidate's letterhead)*

“ \_\_\_\_\_ ” \_\_\_\_\_ 201 No. \_\_\_\_\_

**To: Association of Legal Entities  
Kazakhstan Association for Public Reporting on  
Exploration Results, Mineral Resources and Mineral  
Reserves**

**From:** \_\_\_\_\_

**APPLICATION**

\_\_\_\_\_  
*(Full name of the Candidate on the founding documents)*

in the person of \_\_\_\_\_,  
*(Name of the authorized representative)*

acting in accordance with \_\_\_\_\_, requests for admission to Association of Legal Entities “Kazakhstan Association for Public Reporting on Exploration Results, Mineral Resources and Mineral Reserves” (hereinafter KAZRC Association).

\_\_\_\_\_ shall undertake to comply with the provisions of the Charter of KAZRC Association and, in case of a positive decision, shall promptly pay the admission fee and also pay the annual due in the amount of \_\_\_\_\_ tenge.

Profile of our activities: \_\_\_\_\_.

Legal address: \_\_\_\_\_.

Actual address: \_\_\_\_\_.

Phone: (\_\_\_\_\_) \_\_\_\_\_, Fax (\_\_\_\_\_) \_\_\_\_\_, E-mail: \_\_\_\_\_.

Bank account details: \_\_\_\_\_.

Appointed person responsible for matters of membership in KAZRC Association is \_\_\_\_\_, phone: (\_\_\_\_\_) \_\_\_\_\_, fax (\_\_\_\_\_) \_\_\_\_\_, E-mail: \_\_\_\_\_.  
*(Name, Position)*

With this Application are attached:

- an Application addressed to Executive Director, signed by the CEO of the candidate (Appendix No.1 to the Regulation);
- a copy of the certificate on state registration of legal entity attested by the candidate;
- a copy of constituent documents, including additions and amendments valid at the time of submitting the application, attested by the candidate;
- a document confirming the authority of the CEO (copy or extract of the minutes / decisions on the election (and extension of powers, if applicable), a copy of the order on appointment);
- copies of the certificate of legal entity registration with the tax authority and statistical card;
- power of attorney issued to the authorized person with signatory authority;
- agreement on transfer of powers of the sole executive body of the managing organization (if available).

**CEO of the Candidate** \_\_\_\_\_

*Signature, Name*

*Stamp*

Date of receipt of application: \_\_\_\_\_ 20 \_\_\_\_.

Reference number \_\_\_\_\_

\_\_\_\_\_  
*(Signature, Name of the person who accepted the Application)*

**CERTIFICATE  
of Membership  
No. \_\_\_\_\_**

Association of Legal Entities “Kazakhstan Association for Public Reporting on  
Exploration Results, Mineral Resources and Mineral Reserves”  
hereby certifies membership of

\_\_\_\_\_  
*Name of the Candidate*

Grounds: Decision of the General Meeting of members of ALE “Kazakhstan Association  
for Public Reporting on Exploration Results, Mineral Resources and Mineral Reserves” (minutes  
of meeting No. \_\_\_ of \_\_\_\_\_ 20\_\_ ).

Executive Director

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name*

Date of issue: \_\_\_\_\_ 20\_\_

Astana