

**APPROVED**  
**by resolution of the Sole Stockholder**  
**dated “26” April 2021**  
**(Resolution №\_\_)**

**CHARTER OF**  
**NON-PROFIT JOINT STOCK COMPANY**  
**“NARXOZ UNIVERSITY”**

**The Republic of Kazakhstan**  
**Almaty city**

## 1. GENERAL PROVISIONS

1.1 Non-profit Joint Stock Company “Narxoz University” (hereinafter “**Company**” or “**University**”) is the legal successor of all rights and obligations, organizational and legal forms, in which the Joint Stock Company “Narxoz University”, renamed by the resolution of the Sole Stockholder has existed.

1.2 The Company is an organization of higher and postgraduate education - a university, established and functioning for the implementation of educational activities and the provision of educational services, consistent with the legislation of the Republic of Kazakhstan.

This Charter of the Company is developed in accordance with the civil legislation of the Republic of Kazakhstan, as well as regulations governing the activities of joint stock companies, non-profit organizations, educational organizations, implementing educational programs of higher and postgraduate education.

## 2. CORPORATE NAME, LOCATION OF THE EXECUTIVE BODY, PERIOD OF ACTIVITY OF THE COMPANY

2.1 Full name of the Company:

- in the state language «**Нархоз Университеті**» **Коммерциялық емес акционерлік қоғамы**;
- in Russian: **Некоммерческое Акционерное общество «Университет Нархоз»**;
- in English: **Non-profit Joint-Stock Company «Narxoz University»**

2.2. Abbreviated name of the Company:

- in state language: «**Нархоз Университеті**» **КАҚ**;
- in Russian: **НАО «Университет Нархоз»**;
- English: **N-PJSC «Narxoz University»**

2.3. Location of the Company’s executive body: 55 Zhandosov Street, A10M6D2 (050035), Auezov District, Almaty city, Republic of Kazakhstan.

2.4 The term of activity of the Company is unlimited.

2.5 The Company’s corporate Internet resource is available at: <https://narxoz.edu.kz>.

## 3. LEGAL STATUS OF THE COMPANY

3.1 The Company is a legal entity in the organizational and legal form of a non-profit joint stock company, which issues shares for the purpose of raising funds for its activities, the income from which is used exclusively for the development of the Company.

3.2 The Company does not have as its goal the extraction of income and can engage in entrepreneurial activity only insofar as it corresponds to its charter objectives.

3.3 The Company does not pay dividends on its shares.

3.4 The Company shall carry out its activities on the basis of the laws of the Republic of Kazakhstan, the license of the authorized body, this Charter and the Company’s internal documents.

3.5 The Company shall be entitled to, in accordance with the requirements of the laws of the Republic of Kazakhstan:

- 1) to independently determine the content of higher and postgraduate education not lower than the requirements of the corresponding state obligatory standards of education;
- 2) to create an endowment fund;
- 3) to create and participate in authorized capitals of legal entities, including on scientific-educational activity at the expense of their funds, off-budget sources of financing;
- 4) to launch start-up companies;
- 5) to attract additional sources of financial and material resources for implementation of charter activities;
- 6) to create branches and representative offices, including in foreign countries.

3.6 In its activity, the Company shall be guided by the Constitution, civil legislation of the Republic of Kazakhstan, as well as normative legal acts regulating activity of joint-stock companies, non-profit organizations, educational organizations implementing educational programs of higher and postgraduate education and other legal acts of the Republic of Kazakhstan.

3.7 The Company shall not be liable for the obligations of the state and the Stockholders. The State shall not be liable for the obligations of the Company and its Stockholders. The Company shall be liable for its obligations to the extent of its property.

3.8 The Company shall develop its structure independently. The functions of the structural subdivisions of the Company shall be determined by its internal documents.

3.9 The Company shall have assets separate from the assets of its Stockholders, shall have an independent balance sheet, bank accounts, a seal specifying its corporate name in the State, Russian and English languages, as well as its trade mark (service mark), logo registered in the manner prescribed by the legislation of the Republic of Kazakhstan, a corporate Internet resource (web address), as well as stamps in the State, Russian and English languages, letterheads, etc; shall acquire and perform on its own behalf property and personal non-property rights and obligations; acts as a plaintiff and defendant in courts, as well as performs other actions that do not contradict the current legislation of the Republic of Kazakhstan.

3.10. The financial and economic activity of the Company is executed on the basis of property, economic and financial independence.

#### **4. BRANCHES AND REPRESENTATIVE OFFICES**

4.1 In accordance with the procedure stipulated by legislative acts of the Republic of Kazakhstan, the Company shall have the right to establish branches (representative offices), including in foreign countries.

4.2 The branches and representative offices shall not be legal entities. They shall be endowed with property of the Company which established them, and shall act on the basis of its approved regulations. The property of a branch or representative office shall be recorded on a separate balance sheet and on the balance sheet of the Company which has created them.

4.3 The heads of the Company's branches and representative offices shall be appointed by an authorized body of the Company and shall act on the basis of a power of attorney.

4.4 The Company shall be responsible for the activities of its branch or representative office.

4.5 The name of a branch or representative office of the Company shall contain the name of the Company.

4.6. The branches and representative offices of the Company shall be subject to record registration and re-registration in the event the name is changed.

4.7. The procedure and terms of record registration (re-registration) shall be determined by the laws of the Republic of Kazakhstan on state registration of legal entities and record registration of branches and representative offices.

#### **5. THE SUBJECT AND OBJECTIVES OF THE COMPANY'S ACTIVITIES, FUNCTIONS**

5.1 The subject of the Company's activity is:

1) training specialists in educational programs of higher and postgraduate education in accordance with the state obligatory standards of education and the classifier of specialties of higher and postgraduate education of the Republic of Kazakhstan;

2) carrying out fundamental, applied and other types of scientific researches;

3) professional development of specialists, executives of different profiles

4) training of specialists and managers on MBA, EMBA and DBA programs on full-time basis, including with application of distance learning technologies;

5) provision of paid, educational, research, consulting and consulting, information, marketing, service and other services to legal entities and individuals that are not prohibited by the legislation of the Republic of Kazakhstan;

6) preparation and publication of educational and scientific literature, methodical and reference materials;

7) implementation of international cooperation in accordance with the legislation of the Republic of Kazakhstan and in accordance with charter goals and objectives;

8) provision of educational services under joint educational programs with foreign and Kazakhstani educational organizations

9) implementation of academic mobility of students and employees of the Company.

5.2 The Company has the right to implement other types of activities, not specified in clause 5.1 of the Charter, permitted by the legislation of the Republic of Kazakhstan, in the order and on conditions, established by legal acts of the Republic of Kazakhstan.

5.3 The Company shall engage in certain types of activities, the list of which is determined by the legislation of the Republic of Kazakhstan, only on the basis of a special permit (license).

5.4 The main objective of the Company is to train highly qualified specialists, competitive in the labor market; professional development, assistance in professional development of an individual on the basis of achievements of science, strategy and traditions of the Company.

5.5 The functions of the Company include:

1) development and approval of the charter, internal regulations;

2) development and approval of working curricula and programs, academic calendars of the educational process, educational and methodological documentation;

3) development and approval of educational programs with shortened terms of study;

4) realization of scientific projects;

5) formation of a contingent of students in accordance with a license to engage in educational activities, unless otherwise provided by the laws of the Republic of Kazakhstan on education and the standard rules of admission;

6) organization and improvement of methodical support of educational process;

7) implementation of new technologies of education, including credit technology of education and distance learning technologies;

8) carrying out current control of progress, intermediate and final attestation of students, except for unified national testing;

9) ensuring professional development and retraining of staff in accordance with the procedure established by the legislation of the Republic of Kazakhstan

10) ensuring that teachers pass a mandatory periodic medical examination in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

11) logistical support, equipment and facilities in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents of the Company;

12) timely provision of additional benefits and types of material support to certain categories of students stipulated by the legislation of the Republic of Kazakhstan

13) petition to the authorized state body of the Republic of Kazakhstan for the assignment of academic titles of associate professor and professor;

14) provision of conditions of maintenance and accommodation, students in dormitories, at a level not lower than the standards established by the legislation of the Republic of Kazakhstan;

15) provision of conditions for implementation of educational programs at a level not lower than the requirements established by the legislation of the Republic of Kazakhstan;

16) creation of necessary conditions for work of subdivisions of public catering, medicine, control of their work with a view of protection and strengthening of health of students and workers of the Company;

17) provision of reports on financial and economic activity of the Company to the persons concerned;

18) attracting additional sources of financial and material resources to carry out the charter activities of the Company.

#### 5.6 Order of admission, regulation of relations between the University and students:

- 1) Citizens of the Republic of Kazakhstan, foreign citizens and persons without citizenship with secondary, higher, postgraduate education in the order established by the legislation of the Republic of Kazakhstan as well as international agreements ratified by the Republic of Kazakhstan are admitted to the University;
- 2) formation of a contingent of students is carried out by means of
  - a. placement of state order for personnel training (educational grants);
  - b. payment of tuition at the expense of own funds of citizens and other sources (on a contractual basis);
- 3) University familiarizes students with the documents regulating the organization of the educational process, the license to conduct educational activities;
- 4) In order to organize the reception of documents of persons entering for training and enrollment in the students, an Admissions Committee is created, whose task is to form a contingent of students of all forms of education;
- 5) While organizing the reception of documents and enrollment of students, the University ensures compliance with the constitutional right of citizens to education, transparency and openness of the work of the Admissions Committee, the objectivity of the assessment of the abilities of incoming persons;
- 6) The relationship between the University and students, their parents or other legal representatives are determined by the agreement concluded between them for the provision of educational services and on the basis of the requirements stipulated by normative legal acts of the Republic of Kazakhstan.

#### 5.7 Organization of educational process.

The aim of the University's educational process is high-quality education that meets international standards.

1) Education shall be carried out at the following stages:

- preparatory education for admission to the University;
- higher education: Bachelor's degree,
- postgraduate education (Master's degree, PhD degree, MBA, EMBA, DBA);
- additional education;
- professional development.

2) Educational activities of the University are implemented in accordance with the working curricula and programs developed on the basis of the State Compulsory Educational Standards (hereinafter – "SCES").

3) Forms of training: full-time, including with the use of distance learning technologies. The University also implements educational programs with shortened periods of study. The University allows a combination of different forms and technologies of education. Education at the University shall be conducted in the State, Russian and English languages.

4) The duration of the academic year by level of education shall be regulated in accordance with SCES.

5) Learning achievements of students are evaluated in points according to a 100-point scale, corresponding to the internationally adopted point-rating system of letters, with the corresponding digital equivalent of a 4-point system in accordance with the Standard rules of activity of higher and (or) postgraduate educational organizations (hereinafter – "Rules").

6) Acquisition of educational programs is completed with a mandatory final state certification of graduates. The frequency and duration of the intermediate attestation is determined in accordance with SCES, the Rules and the academic calendar.

7) In accordance with SCES, the planning of the content of education, the method of organization and conduct of the educational process is carried out by the University independently on the basis of credit technology of education.

8) The University carries out basic, applied scientific, as well as methodological research.

9) A mandatory component of training specialists is the organization and conduct of professional practice, consolidating practical skills.

5.8 The University implements the following educational programs of higher and/or postgraduate education in the state, Russian or English language:

1) Law, International Economic Law, Corporate Law, European and International Business Law;

2) Public Administration, City Management;

3) Sociology, Social Work;

4) Psychological Counseling, International and Comparative Political Science;

5) International Relations;

6) Ecology, Environment and Sustainable Development;

7) Statistics, Applied Mathematics in Digital Economy;

8) Big Data, Software Engineering, IT Management in Business, Data Science, Digital Technology in Business: Data Analysis and Solution Practice, Smart Application Development, Data Engineering in Education Management;

9) Management, Risk Management in Business, Corporate Governance, Compliance and Performance Appraisal, Organization Risk Analysis and Management;

10) Accounting and Auditing, Finance, Marketing, HR and Business Planning, Financial Reporting Strategy;

11) Economics, Economic Security;

12) Tourism and Hospitality, Restaurant and Hospitality Business, Tourism and Sustainable Development;

13) Technology and Innovation Management, Social Entrepreneurship, International Accounting, Finance and Data Analytics, Marketing and PR Management;

14) other educational programs in accordance with the University license for educational activity.

5.9 Intermediate and final attestation of students, the forms and procedure of its implementation, training within the country and abroad in the framework of academic mobility are regulated by SCES of higher and postgraduate education and current regulatory documents in the field of higher and postgraduate education.

5.10. Transfer of students to other specialties or languages of study or other educational institutions, expulsion from the University, or restoration in it is carried out in accordance with the regulatory documents in the field of higher and postgraduate education and internal documents of the University.

A student shall be expelled from the University in the following cases:

1) for academic failure;

2) for violation of the principles of academic honesty;

3) for violation of the Internal Regulations and the University Charter;

4) for violation of the conditions of the agreement on the provision of educational services, including the non-payment of tuition fees;

5) at their own will.

The expulsion of students is carried out on the basis of the order of the Chairman of the Board - the President.

5.11. The list and procedure for the provision of paid services:

The University provides paid educational services on a contractual basis with individuals and legal entities in the following areas:

1) training specialists under programs of higher and postgraduate education;

2) Organization and teaching of special courses and cycles of disciplines, holding classes (seminars) with an in-depth study of subjects outside of relevant programs and state educational standards;

3) training on preparatory, language and other courses;

- 4) training on other additional educational programs, including programs of retraining and professional development of specialists
- 5) additional physical training and health-improvement programs aimed at protecting and improving the health of students, teachers and third parties
- 6) organization of summer holidays;
- 7) other paid additional services not prohibited by the legislation of the Republic of Kazakhstan.

## **6. PROPERTY OF THE COMPANY**

6.1 The Company is an owner of:

- 1) property formed in accordance with the legislation of the Republic of Kazakhstan, which belongs to it by right of ownership;
- 2) property donated by its Stockholders;
- 3) income received as well as other property acquired by it on other grounds provided by law.

The sources of formation of the property of the Company shall be:

- 1) proceeds from the Stockholders;
- 2) revenues received from the sale of works, educational and other services as well as other types of economic activities
- 3) property received free of charge, sponsorship, charitable contributions and assistance, donations from Kazakhstani, foreign legal entities and individuals
- 4) dividends (income, remuneration (interest) received on shares, other securities and deposits
- 5) other income not prohibited by law.

6.3 The Company shall use its property solely to achieve its charter goals and objectives.

6.4 The procedure for disposing of the Company's property is determined by the Board of Directors.

## **7. FINANCIAL STATEMENTS AND AUDIT OF THE COMPANY**

7.1 The Company shall maintain accounting and prepare financial statements in accordance with the laws of the Republic of Kazakhstan on accounting and financial reporting and the Company's accounting policies prepared in accordance with the International Financial Reporting Standards.

7.2 The financial year of the Company is an academic year. Annual financial statements of the Company shall be prepared in accordance with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

7.3 The Company's executive body shall annually submit to the General Meeting of Stockholders for discussion and approval annual financial statements for the past year, audited in accordance with the legislation of the Republic of Kazakhstan on auditing. The annual financial statements of the Company are subject to preliminary approval by the Management Body (the Board of Directors) of the Company not later than thirty (30) days prior to the date of their presentation to the General Meeting of Stockholders (the Sole Stockholder).

7.4 The final approval of the annual financial statements shall be made by the General Meeting of Stockholders (the Sole Stockholder).

7.5 The Company shall be obliged to annually publish in mass media the consolidated annual financial reporting, and in the absence of subsidiary(-ies) - the non-consolidated annual financial reporting and auditor's report in the order and terms established by the authorized body.

7.6 Legislation of the Republic of Kazakhstan may stipulate additional requirements to the procedure and forms of publishing financial statements of the Company.

## **8. DISTRIBUTION OF NET INCOME**

8.1 The Company's net income shall remain at the disposal of the Company and shall be used for the development of the Company.

## **9. MANAGEMENT BODIES OF THE COMPANY**

9.1 The management bodies of the Company shall be:

- The supreme body - the General Meeting of Stockholders (in case all of the voting shares of the Company are owned by one stockholder - the Sole Stockholder);
- The Management Body - the Board of Directors;
- Executive body - the Management Board;
- Collegial management bodies created by the decision of the Company's management bodies in accordance with the Charter and the laws of the Republic of Kazakhstan.

The Company may establish a consultative and advisory body - the Board of Trustees, the provisions of which shall be approved by the General Meeting of Stockholders (the Sole Stockholder) or on its behalf by the Board of Directors.

## **10. STOCKHOLDERS OF THE COMPANY**

10.1 Stockholders of the Company shall bear responsibilities of stockholders in accordance with the legislation of the Republic of Kazakhstan and shall have the right to:

1) participate in management of the Company in the manner prescribed by the legislation of the Republic of Kazakhstan and the Charter of the Company;

2) receive information on the Company's activities, including review of the financial statements of the Company in the manner prescribed by the Charter of the Company;

3) receive statements from the central depository or nominee holder confirming their title to securities

4) elect (appoint) candidates to the Board of Directors of the Company;

5) challenge in court decisions adopted by the Company's bodies

6) make written inquiries to the Company regarding its activities and receive reasoned responses within thirty calendar days from the date the inquiries are received by the Company in the manner prescribed by the Charter of the Company;

7) receive a part of the Company's property in the event of liquidation of the Company;

8) purchase shares or other securities of the Company convertible into its shares in the manner prescribed by the legislation of the Republic of Kazakhstan except for the cases stipulated by the legislative acts of the Republic of Kazakhstan

9) participate in the adoption by the General Meeting of Stockholders of a decision to change the number of shares in the Company or to change their type in the manner prescribed by the legislation of the Republic of Kazakhstan;

When holding, independently or in combination with other Stockholders, five or more percent of the Company's voting shares to:

10) propose to the Board of Directors the inclusion of additional items on the agenda of their meeting in accordance with the legislation of the Republic of Kazakhstan;

A Major Stockholder (determined in accordance with the legislation of the Republic of Kazakhstan) shall also have the right to:

11) demand the convening of an Extraordinary General Meeting of Stockholders or file a claim with the court for its convocation in case of refusal of the Board of Directors to convene the General Meeting of Stockholders.

12) request the convening of a meeting of the Board of Directors

13) demand that an audit company conduct an audit of the Company at its own expense.

10.2 The Stockholders of the Company shall be obliged to:

1) pay for the shares;

2) to notify within ten working days the central depository and/or nominal holder of shares held by such shareholders on any change of information required for the Company's stockholder register system

3) not to disclose information on the Company or its activity which constitutes official, commercial or other secret protected by law

4) perform other duties in accordance with the legislation.



10.3 The General Meeting of Stockholders (the Sole Stockholder) shall annually within five months after the end of the financial year approve the annual financial statements of the Company.

The said term shall be deemed extended up to three months, if it is impossible to complete the audit of the Company activity for the reporting period.

10.4 At the request of the Stockholders, the Company shall provide copies of documents concerning its activities in accordance with the law within ten calendar days from the date of receipt of such request by the Company, and restrictions may be imposed on the provision of information that constitutes official, commercial or other secret protected by law, except in cases prescribed by law. The fee for the provision of copies of documents shall be established by the Company and may not exceed the cost of making copies of documents and payment of expenses related to the delivery of documents to the Stockholders.

## **11. GENERAL MEETING OF STOCKHOLDERS (SOLE STOCKHOLDER)**

11.1 General Meeting of Stockholders shall be divided into annual and extraordinary. The Company shall be obliged to hold an annual General Meeting of Stockholders. Other General Meeting of Stockholders shall be extraordinary.

11.2 In the event all of the voting stocks of the Company belong to one Stockholder, no General Meeting of Stockholders shall be held. Decisions on matters referred by the current legislation of the Republic of Kazakhstan and this Charter to the competence of the General Meeting of Stockholders shall be made by such Stockholders (the Sole Stockholder) individually, in writing.

11.3 The exclusive competence of the General Meeting of Stockholders (the Sole Stockholder) shall include the following issues:

1) approval of the new edition of the Charter of the Company and/or introduction of amendments and/or additions thereto;

2) approval of the Corporate Governance Code of the Company as well as introduction of amendments and/or additions to it;

3) voluntary reorganization or liquidation of the Company;

4) decision-making on increasing the number of authorized shares of the Company;

5) determination of the quantitative composition and terms of office of the Counting Commission, election of its members and early termination of their powers

6) determining the number of members and terms of office of the Board of Directors, election of its members and early termination of their powers, as well as determining the amount and terms of remuneration and compensation of expenses to be paid to members of the Board of Directors for the performance of their duties

7) determination of the auditing organization that audits the Company.

8) approval of the annual financial statements, the report of the Internal Audit Service of the Company or the report of the auditing organization that audits the Company;

9) decision-making on the Company's participation in the creation or activities of other legal entities or cession of participants (stockholders) in other legal entities by transferring (receiving) a part or several parts of assets totaling to twenty-five per cent or more of all assets owned by the Company

10) deciding on the conclusion of a major transaction by the Company as a result of which the Company acquires or alienates (may be acquired or alienated) property the value of which is fifty per cent or more of the total book value of the Company's assets as at the date of the decision on the transaction as a result of which the Company acquires or alienates (may be acquired or alienated) fifty per cent or more of the total book value of its assets

11) determining the form of the notification by the Company of the convocation of the General Meeting of Stockholders;

12) approval of changes in the methodology (approval of the methodology, if it has not been approved by the constituent meeting) for determining the value of shares when repurchased by the Company on the unorganized market in accordance with the legislation;

13) approval of the agenda of the General Meeting of Stockholders;  
14) determining the procedures for providing the Stockholders with information on the Company's activities

15) other matters referred by the legislation of the Republic of Kazakhstan or the Charter of the Company to the exclusive competence of the General Meeting of Stockholders.

11.4 Decisions of the General Meeting of Stockholders on matters specified in sub-points 2), 3), 4 and 12) of point 11.3 of the Charter shall be adopted by a qualified majority of the total number of the voting stocks of the Company. Decisions of the General Meeting of Stockholders on other matters shall be adopted by a simple majority of votes of the total number of voting stocks of the Company which participate in the voting.

11.5 It shall not be permitted to transfer matters, the decision-making on which is within the exclusive competence of the Stockholders, to the competence of other bodies, officials and employees of the Company, unless otherwise provided for by legislative acts of the Republic of Kazakhstan.

11.6 The General Meeting of Stockholders shall have the right to cancel any decision of other bodies of the Company concerning issues relating to the internal activity of the Company.

11.7 The Annual General Meeting of Stockholders shall be convened by the Board of Directors.

Extraordinary General Meeting of Stockholders shall be convened on the initiative of

- 1) the Board of Directors;
- 2) A Major Stockholder.

An Extraordinary General Meeting of Stockholders of a Company in the process of voluntary liquidation may be convened, prepared and held by the liquidation committee of the Company.

11.8 The preparation and holding of the General Meeting of Stockholders shall be made by:

- 1) the Executive Body;
- 2) the Central Depository in accordance with the agreement concluded with the Company;
- 3) the Board of Directors;
- 4) the liquidation commission of the Company.

11.9 The costs of convening, preparing and holding the General Meeting of Stockholders shall be borne by the Company, except for the cases stipulated by the legislation of the Republic of Kazakhstan.

11.10. An annual General Meeting of Stockholders may be convened and held on the basis of a court decision at the suit of any interested party if the Company's bodies have violated the procedure for convening the annual General Meeting of Stockholders established by the legislation of the Republic of Kazakhstan.

11.11. An Extraordinary General Meeting of Stockholders of the Company may be convened and held on the basis of a court decision adopted at the suit of a Major Stockholder of the Company if the Company's bodies have not fulfilled its request to hold an Extraordinary General Meeting of Stockholders.

11.12. A Major Stockholder's request for the convening of an Extraordinary General Meeting of Stockholders shall be presented to the Board of Directors by sending to the location of the Executive Body of the Company a relevant written notice which must contain the agenda of such meeting. In this respect, the request shall contain the name(s) of the Stockholder(s) requesting the convocation of such a meeting and an indication of the number and type of stocks held by it and shall be signed by the person(s) requesting the convocation of the Extraordinary General Meeting of Stockholders.

11.13. The Board of Directors of the Company shall not have the right to amend the wording of any items on the agenda or change the proposed procedure for the Extraordinary General Meeting of Stockholders convened upon the request of a Major Stockholder.

When convening an Extraordinary General Meeting of Stockholders in accordance with the request, the Board of Directors has the right to supplement the agenda of the General Meeting with any issues at its discretion.

11.14. The Board of Directors shall, within ten business days from the date of receipt of the said request, make a decision and, not later than three business days from the date of such decision, send to the person submitting such request a notification of the decision on convening the Extraordinary General Meeting of Stockholders or on refusal to convene it in the cases stipulated by the legislation.

11.15. The list of shareholders entitled to participate and vote at the General Meeting of Stockholders shall be compiled by the central depository on the basis of the data of the Company's shareholder register system. The date of compilation of the said list may not be set earlier than the date of making the decision on holding the General Meeting.

The information, which should be included into the list of the Stockholders, is determined by the authorized body. In the event if, after the list of the Stockholders entitled to participate and vote at the General Meeting of Stockholders is compiled, the person included in this list has alienated the voting stocks of the Company, the right to participate in the General Meeting of Stockholders shall be transferred to the new stockholder. In this case, documents evidencing ownership of the shares shall be presented.

11.16. The date and time of the General Meeting of Stockholders shall be fixed so as to enable the greatest number of persons entitled to participate in the meeting to take part in it.

The General Stockholders' Meeting shall be held in the locality of the location of the Executive Body, except for General Meetings of Stockholders, the decisions of which shall be taken by absentee voting.

The starting time of the registration of the participants of the meeting and the time of the meeting shall provide the Company's Counting Commission with sufficient time to conduct the registration, count the number of the meeting participants and determine the presence of a quorum.

The shareholders of the Company shall have the right to participate in the meeting of the General Meeting of Stockholders held in person, remotely, using the means of communication determined by the internal documents of the Company.

11.17. The Stockholders shall be notified (specifying all mandatory information required by law) of the forthcoming General Meeting of Stockholders not later than thirty calendar days in advance, and in the event of voting in absentia or mixed voting where one or more Stockholders are to be notified by post, not later than forty-five calendar days in advance of the date of the meeting.

The notice of the General Meeting of Stockholders shall be published in the Kazakh and Russian languages on the web-site of the depository of the financial statements or sent to them. If the number of the Company's Stockholders does not exceed fifty Stockholders, the notice shall be communicated to the Shareholder by sending a written notice. The written notice of the General Meeting of Stockholders shall be sent to the Stockholders in hard copy or in electronic form.

11.18. A reconvened General Meeting of Stockholders may be appointed no sooner than the day following the date set for the original General Meeting of Stockholders (which failed to take place). A reconvened General Meeting of Stockholders shall be held in the same place as the General Meeting of Stockholders that failed to take place. The agenda of the reconvened General Meeting of Stockholders shall not differ from the agenda of the General Meeting of Stockholders that failed to take place.

The agenda of the General Meeting of Stockholders and the materials thereto shall comply with the requirements established by the legislation.

The General Meeting of Stockholders may be declared closed only after consideration of all issues on the agenda and making decisions on them. The Secretary of the General Meeting of

Stockholders shall be responsible for the completeness and accuracy of the information recorded in the minutes of the General Meeting of Stockholders.

11.25. Resolutions of the General Meeting of Stockholders may be adopted by voting in absentia. Voting in absentia may be combined with voting by Stockholders present at the General Meeting of Stockholders (combined voting), or may take place without holding the General Meeting of Stockholders. When voting in absentia, voting ballots of a single form shall be sent (distributed) within the time period established by law to the persons included in the list of Stockholders. The Company shall not have the right to send voting ballots to certain Stockholders selectively in order to influence the results of voting at the General Meeting of Stockholders.

The ballot for voting in absentia shall contain all mandatory information and shall be duly completed in accordance with the requirements of the law. When counting the votes, votes shall be taken into account in respect of those issues in respect of which the Stockholders (the Stockholders' representative) has complied with the voting procedure specified in the ballot and marked only one of the possible voting options. If the agenda of the General Meeting of Stockholders includes matters relating to the election of members of the Board of Directors, the ballot for absentee voting shall contain fields for the specification of the number of votes given for the individual candidates. If, when a General Meeting of Stockholders is held by voting in absentia, duly completed ballot sheets are received from all Stockholders prior to the date set for the counting of votes, then it shall be permitted to count the votes on an earlier date, which shall be recorded in the minutes of the results of voting.

11.26. Voting at the General Meetings of Stockholders shall be conducted on the basis of the principle "one share - one vote", except for the following cases

- 1) limitation of the maximum number of votes per share provided to one Stockholder in cases stipulated by the legislative acts of the Republic of Kazakhstan
- 2) cumulative voting when electing members of the Board of Directors
- 3) providing to each person entitled to vote at the General Meeting of Stockholders one vote on procedural matters of the General Meeting of Stockholders.

In case of cumulative voting, the votes provided for the share may be given by the Shareholder in full for one candidate for the Board of Directors or distributed by him among several candidates for the Board of Directors. The candidates for whom the largest number of votes was cast shall be deemed elected to the Board of Directors.

11.27. Based on the results of the voting, the Secretary (counting commission) will draft and sign the Minutes on the voting results, after which the completed ballots for voting by secret ballot and absentee voting (including ballots deemed invalid), based on which the Minutes were drafted, will be filed together with the Minutes and kept by the Company. The Minutes of the results of voting shall be attached to the Minutes of the General Meeting of Stockholders. Voting results shall be announced at the General Meeting of Stockholders during which the vote was held.

Voting results of the General Meeting of Stockholders or the results of voting in absentia shall be brought to the knowledge of the Stockholders by publishing them in the Kazakh and Russian languages on the internet site of the depository of financial statements and shall be communicated to the Stockholders by sending them individual written notifications within fifteen calendar days after the closing date of the General Meeting of Stockholders.

11.28. The minutes of the General Meeting of Stockholders shall be drawn up and signed within three working days after the closing of the meeting and shall contain:

- 1) the full name and location of the Executive Body of the Company;
- 2) the date, time and place of the General Meeting of Stockholders;
- 3) information on the number of voting shares of the Company represented at the General Meeting of Stockholders;
- 4) the quorum of the General Meeting of Stockholders;
- 5) the agenda of the General Meeting of Stockholders;

- 6) the procedure of voting at the General Meeting of Stockholders;
- 7) the chairman and secretary of the General Meeting of Stockholders;
- 8) statements by persons, including invitees, participating in the General Meeting of Stockholders (if any);
- 9) the total number of votes of the Stockholders in respect of each matter on the agenda of the General Meeting of Stockholders put to a vote;
- 10) items put to a vote, and the results of voting on them;
- 11) decisions made by the General Meeting of Stockholders.

If the issue of electing the Company's Board of Directors (electing a new member of the Board of Directors) is considered at the General Meeting of Stockholders, the Minutes of the General Meeting indicate which Stockholder is represented by the elected member of the Board of Directors and (or) which of the elected members of the Board of Directors is an independent director.

The minutes of the General Meeting of Stockholders held in person are subject to signature by:

- 1) the Chairman and the Secretary of the General Meeting of Stockholders;
- 2) the members of the counting commission (if any);

11.29. The minutes of the General Meeting of Stockholders shall be bound together with the Minutes of the results of voting, proxies for the right to participate and vote at the General Meeting of Stockholders, and proxies for the right to sign the minutes and written explanations of the reasons for the refusal to sign the minutes. These documents shall be kept by the Executive Body and shall be available for review by the Stockholders at any time. At the request of the Stockholder, a copy of the Minutes of the General Meeting of Stockholders shall be issued to the Stockholder.

## **12. BOARD OF DIRECTORS**

12.1 The Board of Directors is a permanent governing body of the Company in charge of general management of the Company, formed by the decision of the General Meeting of Stockholders (the Sole Stockholder).

12.2 The term of office of the members of the Board of Directors shall be established by the General Meeting of Stockholders (the Sole Stockholder).

12.3 The number of members of the Board of Directors shall be not less than three (3), but not more than twenty-one (21). Not less than thirty percent of the Board of Directors of the Company shall be independent directors.

12.4 Individual Stockholders, representatives of the Stockholders (the Sole Stockholder), persons proposed (recommended) for election to the Board of Directors as representatives of the Stockholders, individuals who are not Stockholders of the Company and are not proposed (not recommended) for election to the Board of Directors as representatives of the Stockholders, scientists and pedagogical workers, representatives of public associations and other individuals in the order established by this Charter may be nominated to the Board of Directors. The General Meeting of Stockholders shall have the right to terminate prematurely the powers of all or certain members of the Board of Directors. The powers of such member of the Board of Directors shall be terminated from the date of the decision of the General Meeting of Stockholders (the Sole Stockholder) on the early termination of his powers. The early termination of the powers of a member of the Board of Directors at his/her initiative shall be executed on the basis of a written notification to the Board of Directors.

12.5 The members of the Board of Directors shall be elected by the Stockholders by cumulative voting using ballot papers, except in the case where one candidate is nominated for one seat on the Board of Directors. The cumulative voting ballot shall contain the following items:

- 1) a list of candidates for the Board of Directors;
- 2) the number of votes held by the Stockholder;

3) the number of votes given by the Stockholder in favor of the candidate to the Board of Directors.

It is prohibited to put “against” and “abstained” voting options on the cumulative voting ballot. A shareholder may give votes on the shares he owns in full for one candidate or distribute them among several candidates for the Board of Directors. The candidates with the highest number of votes shall be deemed elected to the Board of Directors. If two or more candidates for members of the Board of Directors receive an equal number of votes, additional cumulative voting shall be conducted in respect of such candidates by submitting to the Shareholders cumulative voting ballots indicating the candidates who received an equal number of votes.

12.6. Members of the Executive Body, other than its head, may not be elected to the Board of Directors. The Head of the Executive Body cannot be elected as the Chairman of the Board of Directors.

12.7 The persons elected to the Board of Directors may be re-elected an unlimited number of times, unless otherwise provided by law.

12.8 In the event of death, resignation or decision made to terminate the powers of a Board member, the Board member chosen to fill the vacancy shall be appointed for a term equal to the unexpired term of office of the retiring Board member. Any subsequent re-election for a full term shall be considered the first full term of office of the member for purposes of determining eligibility for future reappointment.

12.9 The exclusive competence of the Board of Directors includes:

1) determining the priority areas of the Company’s activities and its development strategy, drafting and approving the development program (plan), development strategy, and reports on their implementation;

2) decision-making on convening Annual and Extraordinary General Meeting of Stockholders;

3) decision-making on placement (sale), including the number of shares to be placed (sold) within the number of authorized shares, method and price of their placement (sale)

4) decision-making on the redemption by the Company of outstanding shares or other securities and their redemption price

5) preliminary approval of the Company’s annual financial statements

6) approval of regulations regarding the Committees of the Board of Directors

7) determining the number of members and terms of office of the Executive Body, election of its head and members and early termination of their powers

8) determining the amount of salaries and terms of remuneration and bonuses of the Head and members of the Executive Body;

9) determining of the number of members, terms of office of the Internal Audit Service, Compliance Service, appointment of their heads and members, as well as early termination of their powers, determination of the operating procedures of the Internal Audit Service, Compliance Service, amount and terms of remuneration and bonuses of the Internal Audit Service, Compliance Service employees;

10) appointment, determination of the term of powers of the Corporate Secretary, early termination of his/her powers as well as determination of the amount of the official salary and terms of remuneration of the Corporate Secretary

11) determining the amount of fees to be paid to the audit firm for the audit of financial statements, as well as the appraiser of the market value of the property transferred as payment for the Company shares or being the subject of a major transaction

12) approval of documents regulating the Company’s internal activities (except for documents adopted by the Executive Body in order to organize the Company's activities, as well as documents adopted by the Academic and Scientific Council with regard to the Company's academic and scientific activities)

13) decision-making on the establishment and closure of branches and representative offices of the Company, including those in foreign countries, and approval of the provisions thereof

14) decision-making on establishment of the Company's collegial management bodies and approval of the regulations on their activities

15) decision-making on acquisition (disposal) of 10% or more of the Company's shares (participatory interest in the authorized capital) in other legal entities

16) decision-making on issues falling within the competence of the General Meeting of Stockholders (participants) of a legal entity in which the Company holds ten or more per cent of shares (equity stakes)

17) increasing the Company's liabilities by an amount equal to or exceeding ten per cent of its equity capital;

18) identifying information on the Company or its activities as constituting official, commercial or other legally protected secrets;

19) decision-making on conclusion of major transactions and interested party transactions except for major transactions to be approved by the General Meeting of Stockholders in accordance with the legislation of the Republic of Kazakhstan;

20) approval of the organizational structure and total number of employees;

21) creation of the endowment fund of the Company;

22) creation of legal entities for scientific-educational activities at the expense of own funds, extra-budgetary sources of financing

23) opening (creation) of startup companies;

24) attraction of additional sources of financial and material funds for implementation of charter activities;

25) approval of the amount of tuition fees for educational programs of higher and (or) postgraduate education;

26) approval of the form and requirements for filling in the documents on education of own sample;

27) decision-making on establishment and liquidation of the Company's academic units;

28) approval of educational programs of higher and postgraduate education in accordance with the state compulsory educational standards

29) approval of the rules for competitive placement of professors, lecturers and researchers;

30) appointment and dismissal of the Provost of the Company on the basis of submission by the Chairperson of the Executive Board - President of the Company, conclusion, amendment and termination of the employment contract with the Provost;

31) approval of the financial, accounting and tax policies of the Company;

32) other issues stipulated by the legislation and the Articles of Association of the Company, not related to the exclusive competence of the General Meeting of Stockholders.

12.10. It is prohibited to transfer issues, decision-making on which is referred to the exclusive competence of the Board of Directors, to the competence of other management bodies, unless otherwise provided by the legislative acts of the Republic of Kazakhstan.

12.11. The General Meeting of Stockholders shall have the right by its decision to elect (re-elect) the chairman of the Board of Directors; in the absence of such decision, the chairman of the Board of Directors shall be elected from among its members by a majority vote of the total number of members of the Board of Directors by secret ballot. The Board of Directors may re-elect the Chairman at any time. The Chairman of the Board of Directors organizes the work of the Board of Directors, chairs its meetings and performs other functions as defined in the Articles of Association. In the absence of the Chairman of the Board of Directors, his functions shall be performed by one of the members of the Board of Directors as determined by the Board of Directors.

12.12. A meeting of the Board of Directors may be convened on the initiative of its Chairman or Executive Body or at the request of

- 1) any member of the Board of Directors;
- 2) internal audit service of the Company;
- 3) an auditing organization engaged in the audit of the Company;
- 4) a Major Stockholder.

The General Meeting of Stockholders shall be entitled to adopt and approve a separate Regulation on the Board of Directors which establishes the procedure for convening and holding meetings of the Board of Directors. A meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors or the Executive Body not later than ten calendar days from the date of the receipt of the request to convene a meeting, unless a different term is set by the Regulation on the Board of Directors.

12.13. The quorum for a meeting of the Board of Directors shall be one-half of the members of the Board of Directors of the Company present at the meeting.

12.14. Each member of the Board of Directors has one vote. Decisions of the Board of Directors shall be made by a simple majority of votes of the members of the Board of Directors present at the meeting. In case of a tie vote, the vote of the Chairman of the Board of Directors or the person presiding at the meeting of the Board of Directors shall be decisive. The Board of Directors may decide to hold a closed meeting in which only Board members may participate.

12.15. A decision by absentee vote shall be deemed taken if there is a quorum in the ballots received in due time. A decision of a meeting of the Board of Directors held in absentia shall be made in writing and signed by the Secretary and the Chairman of the Board of Directors. Within twenty days of the decision being executed, it shall be sent to the members of the Board of Directors with copies of the ballots on the basis of which the decision was made.

12.16. Decisions of the Board of Directors made at a meeting of the Board of Directors held in person shall be recorded in the minutes, which must be compiled and signed by the person who presided at the meeting and the Secretary of the Board of Directors within seven days of the meeting. The list of mandatory information to be reflected in the minutes is determined by legislation.

Minutes of meetings of the Board of Directors and decisions of the Board of Directors made by absentee vote shall be kept by the Company. The functions of the secretary of the Board of Directors shall be performed by the Corporate Secretary who upon request of a member of the Board of Directors shall provide such member with the Minutes of the meeting of the Board of Directors and decisions made by voting in absentia for his/her review and (or) issue him/her an extract from the Minutes and decisions certified by signature of the Corporate Secretary.

### **13. COMMITTEES OF THE BOARD OF DIRECTORS**

13.1 In order to consider the most important issues and prepare recommendations to the Board of Directors, the Company shall establish Committees to consider the following issues:

- 1) strategic planning;
- 2) human resources and compensations;
- 3) internal audit;
- 4) social issues;
- 5) other issues stipulated by internal documents of the Company.

Consideration of these issues may be assigned to the competence of one or more committees of the Board of Directors, except for internal audit issues, which are considered by a separate committee of the Board of Directors. The committees shall be composed of members of the Board of Directors and experts having necessary professional knowledge to serve on the specific committee.

13.2 A committee of the Board of Directors is chaired by a member of the Board of Directors. The Heads (Chairmen) of the Committees of the Board of Directors whose functions include



consideration of the issues specified in subparagraphs 1)-4) of paragraph 13.1 of the Charter shall be Independent Directors.

13.3 The Head of the Executive Body may not be the Chairman of a committee of the Board of Directors.

13.4 The procedure for formation and operation of committees of the Board of Directors, as well as their quantitative composition shall be established by an internal document of the Company approved by the Board of Directors.

13.5 Committee members shall not participate in Committee meetings when considering issues related to their own appointment or remuneration.

#### **14. EXECUTIVE BODY**

14.1 The management of the Company's day-to-day operations shall be carried out by the Executive Body - the Management Board.

14.2 The Management Board shall have the right to make decisions on the issues relating to the day-to-day activities of the Company which are not referred by the legislation, the Charter of the Company and other internal documents of the Company to the competence of other bodies and officials of the Company.

The Management Board shall be obliged to execute the decisions of the General Meeting of Stockholders (the Sole Stockholder) and the Board of Directors.

14.4. The Management Board shall be elected by the Board of Directors in the amount of not less than three (3) members. The term of office of the Chairman of the Management Board, the President and the members of the Management Board shall be determined by the Board of Directors.

14.5 The members of the Management Board can be the Stockholders and employees of the Company, who are not its shareholders. A member of the Executive Board has the right to work in other organizations only with the consent of the Board of Directors.

14.6. The Chairman of the Management Board - President may not hold a position of the head of the executive body or a person individually exercising the functions of the executive body of another legal entity. Holding a position in other organizations or in the bodies of other organizations by a member of the Management Board shall be allowed only with the consent of the Board of Directors.

14.7. Functions, rights and obligations of a member of the Management Board shall be determined by the legislation, the Charter, the Regulation on the Management Board, as well as the employment contract concluded by the said person with the Company. The employment contract on behalf of the Company with the Chairman of the Management Committee - President shall be signed by the Chairman of the Board of Directors or a person authorized to do so by the General Meeting or the Board of Directors. The labor contract with other members of the Management Board shall be signed by the Chairman of the Management Board - the President.

14.8 The Management Board in accordance with this Charter and other documents adopted by the General Meeting of Stockholders and/or the Board of Directors shall:

- 1) ensure the implementation of the current and future plans of the Company;
- 2) make plans to implement the long-term development strategy of the Company (strategic plans and development plans) based on recommendations of the Strategic Planning and Audit Committees of the Board of Directors;
- 3) represent interests of the Company on all issues of its activities in all governmental bodies and other organizations including foreign ones;
- 4) establishes operating mode of the Company;
- 5) be responsible to the General Meeting of Stockholders (the Sole Stockholder) for achievement of the Company's strategic plans and development plans;
- 6) report to the Board of Directors on implementation of its decisions in accordance with the legislation of the Republic of Kazakhstan;
- 7) open bank and other accounts of the Company;

8) issue orders, approve regulations on structural subdivisions of the Company except for Regulations on branches (representative offices), subsidiaries and affiliates of the Company;

9) approve internal documents regulating employment relations of the Company's employees

10) make decisions and/or approve documents to be adopted in order to organize the Company's activities not related to the competence of the Board of Directors, other bodies and/or officers of the Company in accordance with the present Charter and the Company's internal documents

11) organize anti-corruption activities and be responsible for the mentioned activities

12) approve the Prospectus of issue (Terms of Issue) of the Company's securities

13) develop and submit the Company's manning table for approval by the Board of Directors

14) approve the Company's manning table taking into account the manning table approved by the Board of Directors

15) develop and approve branch/representative offices and other structural subdivisions of the Company, except subsidiaries

16) ensure the publication of established financial statements and other information on the internet site of the Company in accordance with the requirements of legislation of the Republic of Kazakhstan;

17) issue instructions on usage of Reserve Capital and other funds of the Company in accordance with the procedure determined by the Board of Directors;

18) supervise all kinds of operations carried out by the Company;

19) ensure preparation of financial statements;

20) provide solution of the issues of interaction with state bodies and organizations as well as non-governmental organizations and unions;

21) make decisions on increase of the Company's liabilities by the amount from five to ten per cent of the equity capital of the Company;

22) make decisions on writing off fixed assets in the amount of up to ten per cent of the equity capital of the Company;

23) preliminarily examine the terms and conditions of major transactions, related-party transactions and/or transactions with a person related to the Company by special relations;

24) make decisions on the provision of benefits for the payment of educational services provided by the University in accordance with the norms of legislation and internal documents of the Company;

25) ensure the development of social policy of the Company on the basis of recommendations of the corresponding Committee;

26) approve the initiation or settlement of litigation, disputes or arbitrations in an amount exceeding five per cent of the Company's equity capital;

27) participate in the work of Committees under the Board of Directors of the Company;

28) decides on the conclusion of transactions by the Company's subsidiaries in an amount exceeding 5 000 000 (five million) tenge;

29) approve the remuneration system and form of labor remuneration;

30) determines the circle of persons having a right of first and second signature on financial, accounting and banking documents of the Company;

31) approve rules for competitive placement of faculty and scientific personnel;

32) take decisions binding on all employees of the Company within its competence;

33) implement other functions in accordance with the legislation of the Republic of Kazakhstan.

14.9. Meetings of the Management Board shall be held as necessary under the chairmanship of the Chairman of the Management Board - the President, and in his absence, one of the members of the Management Board shall perform his functions. The Management Board shall be competent to make decisions if at least half of the members of the Management Board

are present at the meeting. Decisions of the Management Board shall be adopted by a simple majority of votes of the members of the Management Board attending the meeting. In case the votes of the members of the Management Board are equal, the Chairman of the Management Board - President shall have a casting vote.

14.10. Resolutions of the Management Board shall be executed by minutes which shall be signed by all the members of the Management Board present at the meeting and contain the issues put to vote, the results of voting on them with indication of result of each member of the Management Board on each issue.

14.11. Transfer of a vote by a member of the Company's Management Board to any other person, including another member of the Management Board, shall not be allowed.

14.12. The Management Board of the Company shall have the right to create bodies stipulated by the legislation of the Republic of Kazakhstan. The purpose of creation, procedure of forming, composition and term of office of members of such bodies shall be determined by the provisions on such bodies approved by the Management Board.

14.13. The President - Chairman of the Management Board shall:

1) organize implementation of decisions of the General Stockholders' Meeting (the Sole Stockholder) and the Board of Directors;

2) chair the Management Board of the Company and convene its meetings;

3) supervises development and implementation of strategic plans and development plans of the Company;

4) coordinate activities of the endowment fund, non-academic units of the Company;

5) without power of attorney act on behalf of the Company in relations with third parties, execute within his/her competence all kinds of transactions, conclude and sign agreements (except for those the Charter refers to competence of other bodies), have the right of first signature on financial and bank documents;

6) issue powers of attorney to represent the Company in its relations with third parties;

7) on behalf of the Company conclude, amend and terminate employment and other contracts with the Company's employees, except for the Provost, Corporate Secretary, employees of the Internal Audit Service, Compliance Service, academic and administrative staff responsible for academic activities of the Company;

8) provide incentives and impose disciplinary punishment on the Company's employees, except for the Provost, Corporate Secretary and employees of the Internal Audit Service, Compliance Service of the Company, and in relation to the academic teaching and administrative staff responsible for the academic activities of the Company - on the basis of the Provost's proposal;

9) issue orders and instructions binding on all employees of the Company;

10) fix amounts of the official salaries of the Company's employees, personal allowances and additional payments to salaries in accordance with the staff list of the Company and financial support, determine the amount of bonuses to the Company's employees, except for Provost, Corporate Secretary of the Internal Audit Service, Compliance Office, academic teaching and administrative staff responsible for academic activities of the Company;

11) search for potential investors and negotiate with them on the formation of the Authorized capital of the Company;

12) in case of his/her absence, assign his/her duties to a member of the Management Board;

13) allocate and delegate duties as well as scope of authority and responsibility among members of the Board;

14) take decisions on expulsion of students;

15) in case of temporary absence or dismissal of the Provost, may appoint an acting Provost;

16) perform other functions prescribed by law as set forth in the Charter and decisions of the General Meeting of Stockholders (the Sole Stockholder) and the Board of Directors.

14.14 The Company shall also provide for the position of Provost. The Provost shall be the chief academic officer of the Company authorized to manage the academic and research affairs of the University in accordance with these Articles of Association and other by-laws of the Company. The Provost shall be a member of the Management Board, collegial governing bodies of the Society.

14.15. The Provost shall be accountable to and act under the authority of the President of the Executive Board in all matters. The Provost shall:

1) in cases stipulated by the legislation of the Republic of Kazakhstan and internal documents of the University, heads collegial management bodies of the Company, convenes meetings and organizes their work;

2) exercise control over implementation of academic documents (policies) approved by the authorized body of the University;

3) exercise control over the implementation of academic and/or research documents (policies) of the University;

4) carries out general management of activities of higher schools (faculties) and is responsible to the President, Management Board and Board of Directors for their strategic plans, development plans and implementation of decisions

5) carry out general management of activities of the scientific departments of the Company and be responsible to the President, the Management Board and the Board of Directors for achievement of their strategic plans, development plans and implementation of decisions of the Company

6) develop rules for admission, transfer and expulsion of students

7) decide on admission (admission) and transfer of students in accordance with the internal documents of the Company

8) submit petitions to the President of the Association regarding expulsion of students from the University

9) supervise the establishment and implementation of quality assurance programs in accordance with documents (policies) adopted by the authorized governing body of the University

10) hire, transfer, dismiss and conclude employment contracts with the teaching and administrative staff responsible for the academic activities of the University;

11) develop and submit proposals on the issues of staff list, bonuses and disciplinary responsibility of the teaching, administrative and managerial staff responsible for the academic activities of the Company;

12) performs other functions and bears responsibility in accordance with this Charter, decisions of the Board of Directors, Management Board, collegial management bodies, President, as well as internal documents of the Company and employment contract.

## **15. INTERNAL AUDIT SERVICE OF THE COMPANY**

15.1 The Internal Audit Service shall control financial and economic activity of the Company and execution of the documents of corporate governance, develop risk management system and provide consultations.

15.2 The Internal Audit Service shall be directly accountable to the Board of Directors and shall report to it on its work. The tasks and functions, rights, responsibilities and working procedure of the Internal Audit Service shall be established by the Regulations on the Internal Audit Service of the Company approved by the Board of Directors.

15.3 Employment relations between the Company and employees of the Internal Audit Service shall be regulated by the labor legislation of the Republic of Kazakhstan, this Charter, the Regulations of the Internal Audit Service and employment contracts.

15.4 Employees of the Internal Audit Service may not be elected to the Board of Directors and the Executive Body.

## **16. COLLEGIAL MANAGEMENT BODIES**

16.1 In accordance with the legislation and the Charter, by the decision of the Board of Directors and other bodies of the Company, the collegial management bodies of the Company on academic and scientific activities of the Company - the Academic, Academic, Scientific Council and/or other bodies shall be established.

16.2 The structure, competence, formation procedure, decision-making procedure of the collegial management bodies, terms of office, as well as the status of their members shall be determined by these Articles of Association, as well as the relevant provisions on such bodies.

## **17. OTHER BODIES AND POSITIONS OF THE COMPANY**

17.1 The General Meeting of Stockholders (the Sole Stockholder), the Board of Directors within its competence and at its discretion may establish other governing bodies and positions of the Company in accordance with the legislation, this Charter and internal documents of the Company.

## **18. OFFICERS OF THE COMPANY**

18.1 The officers of the Company shall be members of the Board of Directors and the Executive Board of the Company.

18.2 The officers of the Company shall:

1) perform the duties assigned to them in good faith and shall use the methods which best reflect the interests of the Company and the Shareholders;

2) not use or allow the use of the property of the Company in contravention of the Charter of the Company and decisions of the General Meeting of Stockholders (the Sole Stockholder) and the Board of Directors or for personal purposes or abuse in transactions with its affiliates;

3) ensure the integrity of accounting and financial reporting systems including independent audit;

4) control disclosure and provision of information on the activity of the Company in accordance with the legislation of the Republic of Kazakhstan;

5) keep confidential the information on the Company's activity for three years from the date of the termination of the Company's employment unless otherwise stipulated by the internal documents of the Company.

18.3 Members of the Board of Directors of the Company shall:

1) act in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and the internal documents of the Company on the basis of awareness, transparency and in the best interests of the Company and its Stockholders;

2) treat all Stockholders fairly and make an objective independent judgment on corporate matters.

18.4 The officials of the Company shall be liable, in accordance with the laws of the Republic of Kazakhstan, to the Company and the Stockholders as well as other persons for any damage caused by their actions and/or omissions, and for any losses incurred by the Company including, but not limited to, losses incurred as a result of

1) provision of misleading information or knowingly false information;

2) violation of procedures for information provision stipulated by this law of the Republic of Kazakhstan

3) proposing and (or) making decisions on conclusion of major transactions and (or) interested party transactions resulting in losses of the Company as a result of their mala fide actions and (or) omissions, including in order for them or their affiliated persons to gain profit (income) as a result of conclusion of such transactions with the Company.

## **19. CHANGE OF THE LEGAL STATUS AND TERMINATION OF THE COMPANY**

19.1 The voluntary reorganization (merger, consolidation, division, separation, transformation) of the Company may be carried out by decision of the General Meeting of Stockholders (the Sole Stockholder) in the manner prescribed by the legislation.

19.2 Forced reorganization shall be carried out on the basis of a court decision in accordance with the law.

19.3 The Company may be liquidated by:

1) by decision of the General Meeting of Stockholders (the Sole Stockholder) (voluntary liquidation) in the case of violations of the requirements of the legislation on education by the Company;

2) by a court decision in cases provided by law (forced liquidation).

19.4 Termination of the Company's activities, including on the grounds of bankruptcy, shall be carried out in accordance with legal requirements.

19.5 The procedure of liquidation of the Company and the procedure of satisfaction of claims of its creditors shall be regulated by the legislation of the Republic of Kazakhstan. The property of the Company remaining after settlements with creditors shall be distributed among all the Stockholders in proportion to the number of their stocks.

## **20. FINAL PROVISIONS**

20.1 All relations between the Stockholders (the Sole Stockholder) and the Company shall be governed by this Charter, the internal documents of the Company and the laws of the Republic of Kazakhstan.

20.2 Disagreements between the Stockholders (the Sole Stockholder), the members of the Board of Directors and the Management Board concerning the activity of the Company shall be regulated according to the legislation of the Republic of Kazakhstan.

20.3 This Charter shall come into force from the date of its registration in accordance with the procedure established by the legislation of the Republic of Kazakhstan. Amendments and addenda to this Charter shall be made in the manner prescribed by the Charter and shall become effective on the date of registration thereof in accordance with the laws of the Republic of Kazakhstan.

20.4 If any provision of this Charter becomes invalid, other provisions of the Charter shall not be affected.

20.5 In all other matters not provided for in this Charter, the Company will be governed by the laws of the Republic of Kazakhstan.

20.6 This Charter has been drawn up in the State and Russian languages in three (3) copies in each language. Each of the copies of this Charter shall have equal legal force.

**Chairman of the Board of Directors  
of Non-profit Joint Stock Company  
"Narxoz University"**

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