

JOINT STOCK COMPANIES

QUESTION	ANSWER	CITATION	COMMENT
<p>The Responsibilities of the Board</p> <p><i>Regulatory Framework</i></p> <p>Please provide accurate historical description and analysis of the evolution and content of the regulatory framework</p>	<p style="text-align: center;"><u>General Overview</u></p> <p>This chart will review questions relating to Joint-Stock Companies (“JSCs”) in the Republic of Kazakhstan (“RK”). A JSC is defined as a “legal entity which issues shares in order to raise funds for its operation.”¹</p> <p>There are two (2) types of JSCs created by law:</p> <p style="margin-left: 40px;">(a) A “Closed” JSC is defined as “a company whose shares are placed among its founders and a predetermined range of persons in the procedure defined by this Article”²; and</p> <p style="margin-left: 40px;">(b) An “Open” JSC is defined as “a company whose shareholders may alienate their shares without consent of the other shareholders”³.</p> <p>An “Open Public Company” is an Open JSC whose shares are quoted on an organized securities market, with assets worth at least 200,000 times the monthly calculation index and having at least 500 shareholders⁴.</p> <p>For the purposes of this chart, “JSC” shall describe both open and closed JSCs, unless specified otherwise.</p> <p>The founding documents of a JSC are its Foundation Agreement and its Charter. The Foundation Agreement is somewhat analogous to the Unanimous Shareholder Agreement and the Articles of Incorporation of Anglo-American corporate systems; it approves the creation of a JSC and sets out the terms and conditions for the business operation of the JSC. The Charter is analogous to the By-laws in Anglo-American corporate systems; it sets out specific rules for corporate governance.</p>		
<p>1. What are the principal normative acts and</p>			

¹ Law of the Republic of Kazakhstan on Joint-Stock Companies, dated July 10, 1998, No.281-1, as amended (hereinafter referred to as “**RK Law on JSCs**”).

² RK Law on JSCs, Article 5.

³ RK Law on JSCs, Article 6.

⁴ RK Law on JSCs, Article 7.

other sources of guidelines that make up the corporate-governance framework for Board responsibilities and structure?			
1.1. Laws		RK Law on JSCs, Articles 46-75	These provisions address the management of the JSC, including management bodies, shareholder meetings, meetings of the Board of Directors, etc. Note: Article 46 provides that a Closed JSC may stipulate in its Charter that a Board of Directors (“ BoD ”) is not required , in which case those functions within the competence of the BoD shall be carried out by the General Meeting of Shareholders (“ GMS ”)
1.2. Regulations			
1.3. Other normative acts		Civil Code of RK, General Part, dated December 27, 1994 ⁵ , Article 92	Article 92 provides general provisions re: management of JSC; Note: RK Law on JSCs is more specific
1.4. Exchange Rules	N/A		
1.5. Codes of Conduct	N/A		
1.6. Other	N/A		
2. How is the term "director" defined?	The term “director” is not defined in the RK legislation relevant to JSCs		
3. Does the regulatory framework stipulate positive qualifications for a person to be appointed as a director? If yes, what are these qualifications?	Must look to the JSC’s Charter or other corporate documents	RK Law on JSCs, Article 63.3	The requirements for members of the BoD may established by the Charter of the JSC or by a document approved by the general meeting of the shareholders

⁵ Hereinafter referred to as “**CC(GP) of RK**”.

4. Does it stipulate conditions under which a person cannot be appointed as a director? If yes, what are these conditions?	Yes.	RK Law on JSCs, Article 63	<ul style="list-style-type: none"> Members of an Open JSC’s collective executive body, except for the chairman, may not be on the BoD A legal entity may not be on the BoD (members of the BoD may only natural persons)
5. What is the required board structure?		RK Law on JSCs, Article 63	<ul style="list-style-type: none"> An Open JSC shall have at least 3 directors on its BoD; a public JSC shall have at least 5 directors At least fifty per cent (50%) of the BoD of a public JSC shall be Independent Directors Not more than thirty per cent (30%) of the BoD may be non-shareholders (“Outsiders”)
6. Does your company law prescribe a unitary or dual board structure consisting of a supervisory and a management board/director?	The board structure prescribed by law is most accurately described as unitary. However, if the JSC’s Charter or Foundation Agreement provide that the Executive body is a collegiate (board) body, this may be construed as a dual board structure.	<p>RK Law on JSCs, Articles 46</p> <p>Articles 48 , 62, 70</p> <p>Article 69</p>	<p>The management bodies of the JSC shall be:</p> <ol style="list-style-type: none"> GMS (supreme management); BoD (management body); Executive body (collegiate (board) or single) Audit committee or auditor (controlling body); Other bodies according to legislation <p>Certain matters are within the exclusive competence of the different governing bodies: GMS (Art.48); the BoD (Art.62); the executive body (Art.70)</p> <p>The Executive body implements the decisions of the BoD and the GMS, much like “officers” would do in an Anglo-American company</p>

		Article 71	A collective executive body may be elected by the BoD; the procedure for activity and decision-making of this body shall be defined by the JSC's Charter.
7. If the company law prescribes a dual board structure, or if this is common practice in the articles of association, please respond to the following questions:	See Number 6, above.		
7.1. Is a dual board structure compulsory or not?			
7.2. If not compulsory, can the use of a dual board structure be established in the articles of association?			
7.3. If so, is this option commonly used?			
7.4. What are the duties of the supervisory board?			
7.5. What are the duties of the management board?			
8. Are there any legal requirements as to the composition of the board(s). If yes what are these requirements:	Yes. See also Number 5, above.		
8.1. in terms of size?		RK Law on JSCs, Article 63	An Open JSC shall have at least 3 directors on its BoD; a public JSC shall have at least 5 directors; the number of directors is defined by the Charter or by a resolution of the GMS.
8.2. in terms of qualifications?		RK Law on JSCs, Article 63	At least fifty per cent (50%) of the BoD of a public JSC shall be Independent Directors
8.3. in terms of seats designated to specific shareholders or constituents, including labour representatives?		RK Law on JSCs, Article 63	Not more than thirty per cent (30%) of the BoD may be Outsiders

9. Does the legislation prescribe the use of independent directors?	Yes.		
9.1.If yes, how is independence defined?		RK Law on JSCs, Article 2	“Independent director” is defined as “a member of the BoD of an Open, public JSC who is not and has not been an officer of the JSC or affiliates thereof, or an auditor and/or consultant of the JSC for five (5) years preceding his election to the BoD, and who was also not an affiliate of the JSC and/or affiliates thereof, and who is not linked by subordination or blood relationship to officers of the aforesaid organizations”
9.2.What are the exact provisions regarding their appointment?	N/A		
9.2.Is a concrete number or percentage of independent directors required?	Yes.	RK Law on JSCs, Article 63	At least fifty per cent (50%) of the BoD of a public JSC shall be Independent Directors
10. Is a distinction made between non-executive directors and independent directors? If yes, please describe.	No.		
11. Is there a limit as to how many boards an individual can be represented on?	Yes	RK Law on JSCs, Article 63.2 Article 69	Members of the Open JSC’s collective Executive Body, except its chairman, may not be members of the JSC’s BoD. The sole member of the Executive Body and the chairman of the Executive Body may not simultaneously chair the Open JSC’s BoD either. There is no such limitation upon members of the BoD. However, a person performing the functions of the executive body may only also hold positions with other organizations with the consent of the BoD

12. What are the rules and procedures for			
12.1. nominating,	None.		
12.2. electing and		RK Law on JSCs, Article 63	Members of the BoD shall be elected by the annual shareholders' meeting and shall be re-elected by a general meeting in the event of early termination of the powers or previously elected members of the BoD in the procedure stipulated by this Law and the JSC's Charter.
12.3. removing board members?		RK Law on JSCs, Article 64 Article 65	The term of office of a member of the BoD may be terminated early on any grounds by a resolution of the GMS. If the members of the BoD are elected by cumulative vote, the resolution may only be adopted in relation to the entire BoD. A member of the BoD may resign at any time by written notice to the Bod. His or her authority shall be terminated from the moment at which this written notice is received by the BoD, unless the notice stipulates a later date (approved by a majority of the other directors), not to exceed six (6) months.
13. Does the regulatory framework stipulate a maximum election term?	No, in fact, the Law is to the contrary.	RK Law on JSCs, Articles 63 and 64	Members of the BoD shall be elected at the annual shareholders' meeting and shall be re-elected by a general meeting in the event of early termination...(Art.63). Those elected to the BoD may be re-elected for an unlimited number of times, unless contrary to the legislation in force or as provided otherwise by the JSC's Charter (Art.64).
14. For how long are board members generally elected?	There is no specific time period stipulated,	RK Law on JSCs, Article 63	

	however, elections take place at the annual meeting of shareholders so a one year term may be implied.		
15. Are all board members re-elected at the same time or are staggered terms allowed?	All are elected at the same time (the annual shareholders' meeting) unless there is an early termination of a member of the BoD.	RK Law on JSCs, Article 63	
16. Does the regulatory framework specify the role of the Chairman? If so, what are the main duties of the Chairman?	Yes.	RK Law on JSCs, Article 66	The Chariman shall organize the work of the JSC's BoD, convene and preside at BoD meetings, and arrange for minutes to be taken at meetings in the procedure established by this Law and the JSC's Charter.
17. Does it require the separation of Chairman and Chief Executive Officer?	Not necessarily, but two separate positions are contemplated.	RK Law on JSCs, Articles 66 and 72	<p>The Chairman of the BoD is elected from among its members (Art.66). There is no position designated as "Chief Executive Officer", however, there is a separate position entitled the Head of the Executive Body (Art.72), who may be either the head of the collective Executive body, or the sole member of the Executive body.</p> <p>The legislation does not require that these two positions be separate. The Chairman of the BoD is a member of the BoD, and the Head of the Executive body is a member thereof. There is nothing in the legislation which states that these two individuals cannot be the same person, however, it is clear that</p>

			these two positions are clearly separate and perform different functions.
18. Does the regulatory framework prescribe the formation of any special purpose committees within the board:			
18.1. audit committees?	Yes.	RK Law of JSCs, Article 73	The JSC may form an auditing commission or elect an internal auditor from among the shareholders, or professional auditors (accountants).
18.2. remuneration committees?	No.		
18.3. or nomination committees?	No.		
19. If so, what are the requirements for such special purpose committees?			
19.1. audit committees?	Yes.	RK Law of JSCs, Article 73	If an audit commission is elected, it shall have at least three (3) members. The audit commission or auditor shall be elected by the GSM for a term defined in the JSC's Charter not exceeding five (5) years. Members of the BoD, the Executive body or sole member of the Executive body may not be members of the auditing commission/internal auditor.
19.2. remuneration committees?	N/A		
19.3. or nomination committees?	N/A		
20. And what are their respective functions:			
20.1. audit committees?	Yes.	RK Law of JSCs, Article 73	<ul style="list-style-type: none"> The auditing commission/internal auditor may audit the activities of the Executive body at any time on its own initiative, or as instructed by the GSM or the BoD, or by shareholders holding more than ten per cent (10%) of the shares. The auditing commission/internal auditor shall have the right to unconditional

			<p>access to the JSC's documentation. Oral explanations from the Executive body must be given upon request.</p> <ul style="list-style-type: none"> • The auditing commission/internal auditor shall audit the annual financial statements prior to approval at the GMS. • The procedures for the work of the auditing commission/internal auditor shall be defined by the JSC's Charter.
20.2. remuneration committees?	N/A		
20.3. or nomination committees?	N/A		
21. For example, are there provisions concerning the size of board remuneration and the possibility to offer stock options to board members?	No. The amount of remuneration and compensation shall be determined by resolution of the GMS.	RK Law on JSCs, Article 61	Members of the BoD who are not state servants shall be remunerated and/or compensated for expenses relating to the fulfilment of their functions as such.
22. How is the form and level of board remuneration decided?	By GMS and BoD.	RK Law on JSCs, Article 61 Article 62	Remuneration of the BoD is determined by resolution of the GMS. Note: The remuneration of the Executive body is within the exclusive competence of the BoD
23. Is this done by the general meeting or through other procedures?	By resolution of the GMS.	RK Law on JSCs, Article 61	
24. To whom is the board primarily responsible?	There is no provision which states that the BoD is primarily responsible to any particular body; however, the legislation	RK Law on JSCs, Article 46 Article 75	GMS is "supreme management body"; BoD is "management body". In terms of liability of the BoD, the legislation provides that JSC officials shall be

	describes the GMS as the “supreme management body”, implying that the BoD is responsible to the GMS.		liable to the JSC for losses suffered by the JSC through their fault, in accordance with the legislation of the RK.
25. Is it clearly stipulated that the board's duty is to serve in the interest of all shareholders?	Yes.	RK Law on JSCs, Article 74	Officers must perform their functions in good faith, and in a manner that is consistent with the best interests of the company (shareholders).
26. What is the [Board]’s field of competence and how is it expressed in the regulatory framework?		RK Law on JSCs, Article 62	The following issues shall be within the BoD’s exclusive competence, within the limits established by the JSC’s Charter: <ol style="list-style-type: none"> 1. determination of priority directions in the company activities; 2. resolutions to convene annual and extraordinary GMS, except for the cases stipulated by the Law on JSCs; 3. establishment of a tabulating commission when the absentee voting is held without conducting a GMS; 4. approval of the agenda of the GMS; 5. determination of the date of compilation of the list of shareholders entitled to participate in the general meeting, and other issues relating to preparation for and conduct of the GMS; 6. submission of the issues envisaged in this Law for resolution by the GMS; 7. decision-making on decrease of the issued (paid) capital of the JSC, and repurchase of shares, bonds or other securities issued by the JSC in the cases provided by this Law and other

			<p>legislative acts;</p> <ol style="list-style-type: none"> 8. election of the JSC's Executive body and early termination of its authority, establishment of the amount of remuneration and compensation to be paid thereto, unless the JSC's Charter refers such issues to the competence of the GMS; 9. determination of the amount of remuneration for members of the JSC's auditing commission/internal auditor and determination of the amount of payment for the auditor's services; 10. decision-making on the amount, sources and procedure for payment of quarterly and semi-annual dividends; 11. determination of the procedure for utilizing net income, reserve capital and other JSC funds; 12. approval of the JSC's internal documents which define the procedure for the JSC's operations; 13. decision-making on establishment of branches and representative offices of the JSC; 14. decision-making on the JSC's participation in establishment and activities of other organizations, except for cases stipulated herein; 15. decision-making on entering into major transactions in the procedure set forth herein; 16. conclusion of an agreement with the independent registrar; 17. determination of information which is of
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			a confidential nature and constitutes a commercial secret of the JSC; 18. other issues envisaged by this Law and the JSC's Charter unrelated to the exclusive competence of the GMS.
(For example: "The board is responsible for the organisation of the company and management of its affairs, while the managing director is responsible for the day-to-day business").			
27. Is the division of power between the board and the management clearly specified in the regulatory framework? If yes, how?	Yes.	RK Law on JSCs, Articles 62 and 70	Article 62 specifically outlines the exclusive competence of the BoD, and Article 70 specifically outlines the competence of the Executive body. As Article 62 deals only with the BoD's exclusive powers, it is not clear whether there may be overlap in non-exclusive areas of competence.
28. What are the general board responsibilities?			
28.1. Are boards responsible for the appointment of the key executive positions of the company	The BoD is responsible for the election of the Executive body (not its <i>appointment</i>)	RK Law on JSCs, Article 62	
28.2. Are boards responsible for supervising and reviewing their performance and remuneration?	Yes, for remuneration of the Executive body.	RK Law on JSCs, Article 62	
28.3. Are boards required to periodically report to shareholders the status of the company affairs?	There is no specific reporting requirement for the BoD, however, the Executive must report annually.	RK Law on JSCs, Article 86	The Executive body must annually submit financial reports on the results of the JSC's operations over the part year to the GMS for approval.
29. Does the regulatory framework specify the fiduciary duties of the board?	No.	RK Law on JSCs, Article 74	There is no concept of "fiduciary" duties in the RK Laws generally. Indeed, there are no

			<p>specific duties conferred upon the BoD in the RK Law on JSCs, however, there are “general principles of work” which apply to officers; “officers” are described to include members of the BoD. The general principles are as follows:</p> <p>(1) “[officers] shall perform their functions in good faith, using the means which they have reason to believe to be most consistent with the interest of the company.”</p> <p>(2) “Officers of the company may not use or allow use of property or property rights of the company in breach of the charter or decisions of the [GMS] or the [BoD] of the company.”</p>
30. Are specific duties of the board prescribed vis-à-vis:			
30.1. the shareholders?	No.		
30.2. the company as such or	Yes.	RK Law on JSCs, Article 74	See Question 29, above.
30.3. or society at large?	No.		
31. Does the regulatory framework prescribe specific duties of skill? If yes, please describe.	No. However, such requirements may be outlined in the JSC’s Charter or other corporate documents.	RK Law on JSCs, Article 63	
32. Or fiduciary duties? If yes, please describe.	No. See Number 29, above.		
33. Are any administrative duties of directors	No.		

specified? If yes, please describe.			
34. Are there any provisions on consequences of breach of duty?	No.		
35. Are:			
35.1.Criminal	RK legislation does not specifically outline criminal consequences for such breaches, <i>per se.</i>	Criminal Code dated July 16, 1997.	The Criminal Code provides for consequences of certain breaches by heads of companies, including breaches of bankruptcy procedure rules, of currency instructions and of business conduct/activities procedures.
35.2.Administrative or		Administrative Code, dated January 30, 2001 Article 194	JSC officials shall be liable for the violation of the following shareholder's rights: to participate in management of the company; to receive dividends; to receive information on activities of the company; and for the breach of procedures for calling and conducting the GMS.
35.3.Civil liabilities for breach of duty imposed?	Yes.	RK Law on JSCs, Article 75 Article 85	JSC officials shall be liable to the JSC for losses suffered by the JSC through their fault, in accordance with the legislation of the RK. However, officers who voted against a decision which led to losses for the JSC, or who did not participate in the voting, shall not be held liable. By decision of the GMS, the JSC may sue its officers for losses caused by them. A person interested in a transaction that was concluded in violation of the requirements for its conclusion as provided for by this Law shall be liable for damages inflicted on the Company by him. If the transaction was concluded by several interested persons, they shall be jointly and severally liable.

36. Are there legal provisions mandating the representation of stakeholders on boards? If yes, please describe.	Yes, assuming that “stakeholder” means “shareholder”.	RK Law on JSCs, Article 63	Not more than thirty per cent (30%) of the BoD may be Outsiders.
37. How is the directors access to information regulated:			
37.1. Do directors have the explicit right to inspect corporate accounts?	Yes.	RK Law on JSCs, Article 88-1	The Executive body of the JSC shall procure timely provision of information on the JSC’s activity including confidential information to the members of the BoD in the course of fulfillment of their functions not later than ten (10) days from the moment of receipt of a request.
37.2. What other rights are specified in this respect?	None.		
38. What are the requirements in terms of board meetings?		RK Law on JSCs, Articles 67 and 68	<p>Article 67 outlines the requirements of Notice of BoD meetings.</p> <ul style="list-style-type: none"> • Meetings shall be convened by the Chairman of the BoD at his/her own initiative or upon the request of any member of the BoD, or a group of shareholders holding more than ten per cent (10%) of the aggregate voting shares. • The procedure for meetings is determined by the Charter or the internal documents of the JSC. The Charter may provide for absentee voting. • The quorum shall be established by the Charter, but must be at least one half (1/2) of the elected members of the BoD. This Article also contains specific

			<p>provisions in the event that the membership of the BoD falls below the number stipulated in the Charter.</p> <ul style="list-style-type: none"> • Decisions at BoD meetings are taken by majority vote unless otherwise established by Law or the JSC's Charter. Each member shall have one vote. The Charter may provide the Chairman with a tie-breaking vote. • Minutes of the BoD meetings shall be perfected within three (3) days after the meeting, and signed by the Chairman and the Secretary. There are specific requirements for the contents of the minutes as well.
<i>Practical viewpoint on Boards</i>			
Please respond and illustrate by using case studies, brief examples and board statistics, as available.			
39. How important is the board in corporate governance in your country?	Unknown		
40. Is the existing legal framework successfully put into practice?	For more successful way of conducting JSC' activities it is necessary to improve current legal framework which could meet requirements of practice.		For example, the JSC may add additional requirements to its Charter. Such requirements must not, of course, contradict any legal provisions

41. Are board members enabled to carry out their duties in a professional and informed manner?	Unknown		
42. Do boards fulfil their strategy setting and monitoring functions properly?	Unknown		
43. Do the boards and board members operate in a transparent fashion, consistent with the intentions of the Assembly General Meeting?	As it follows from the RK Law on JSCs the boards in most cases are depend on General Meeting so their decisions should be consistent with intentions of General Meeting.		
44. The latter question also targets the nomination and remuneration of directors?	Unknown		
45. Are boards truly independent from management and major or controlling shareholders?	Unknown		
46. Is cumulative voting used and does it have an impact on enhancing board independence?	Cumulative voting is mandatory in Open JSCs with exceptions. Cumulative voting is permitted in the Charter of Closed JSCs.	RK Law on JSCs, Article 63	Members of the BoD of an Open JSC shall be elected by cumulative voting except for the JSCs with a sole shareholder owning all voting shares of a JSC. A shareholder may give all the votes from his or her shares to one candidate for the JSC's BoD or to spread them between several candidates. The candidates that receive the largest number of votes shall be deemed elected to the BoD of the JSC.

47. Do boards play an effective role with respect to conflicts of interest, related party or major transactions?		RK Law on JSCs, Articles 81 – 84	There are specific provisions dealing with an officer's or shareholder's personal interest in the transactions of the JSC.
48. Do companies have a sufficient number of independent directors?	Unknown		
49. Do board committees exist and if so, do they fulfil their role?	Yes, such boards exist but it is unknown whether they fulfill their role.		
50. Are they instrumental in enhancing board effectiveness?	Unknown		
51. Do they have sufficient power and resources at their disposal?	Unknown		
52. Do board members possess adequate qualities and competencies?	Unknown		
53. How do companies identify, select and recruit competent directors?		RK Law on JSCs Article 63.3	The number of members of the board of directors shall be determined by the charter or by a decision of the GMS in accordance with the requirements of this Law.
54. Are board members adequately compensated?	Unknown		
55. Are there education and training programmes for directors?	Unknown		
56. What are the perceived needs in this respect?	Unknown		
57. What role do the bilateral and multilateral	Unknown		

donors play in assisting such needs?			
58. What is the profile of board directors? Are there any statistics in terms of their spread among:			
58.1.Financial professionals	Not available.		
58.2.Legal professionals	Not available.		
58.3.Retired industry leaders	Not available.		
58.4.Retired senior government officials	Not available.		
58.5.Other	Not available.		
59. Do professional associations exist and what is their role in enhancing professionalism and board ethics?			
60. Please provide statistics, as available, or describe trends, regarding:			
60.1.Average size of boards of directors?	Not available.		
60.2.Average number of executive board members.	Not available.		
60.3.Average number of non-executive (independent) board members?	Not available.		
60.4.Number of companies with:			
- audit committee	Not available.		
- compensation/remuneration committee	Not available.		
- nomination committee	Not available.		
- other committees	Not available.		
60.5.Average size of committees:			
- audit committee	Not available.		
- compensation/remuneration committee	Not available.		
- nomination committees	Not available.		
- other committees	Not available.		

60.6. Attendance of directors meetings?	Not available.		
60.7. Average number of directors meetings per year?	Not available.		
60.8. Average board remuneration?	Not available.		
60.9. Number of companies with board training programmes?	Not available.		
Stakeholders			
Please provide a description of the regulatory framework together with some empirical illustrations			
61. Please describe which legal acts define the role and rights of shareholders and in what respective terms:			
61.1. company law		RK Law on JSCs, Article 14	The rights of shareholders include: (1) to participate in the management of the JSC in the manner established by this Law and the JSC's Charter; (2) to receive dividends; (3) to obtain information on the JSC's operations, including the right to review the JSC's financial reports in the manner established by the general shareholders' meeting or the company charter; (4) to obtain extracts from the shareholders' or nominal holders' registry certifying his ownership rights to securities; (5) to contest in court resolutions adopted by

			<p>the JSC bodies;</p> <p>(6) to apply to state agencies for protection of his rights and lawful interests, should the company bodies violate the legislation and the JSC's charter;</p> <p>(7) to send written inquiries to the JSC regarding its operations and to receive explanatory responses within thirty (30) days of the inquiry being received by the JSC;</p> <p>(8) to receive a part of the assets remaining after the JSC's liquidation.</p> <p>There are additional rights accorded to shareholders having more than five per cent (5%) of the shares, and to the holders of a "golden share" as defined in the RK Law on JSCs.</p> <p>These provisions outline the role of shareholders in the management of the JSC.</p>
61.2.labour law		RK Law on JSCs, Articles 47 – 60	
		RK Law on Labour dated December 10, 1999 ⁶ , Article 7.1.2,5	As a member of collegial executive body, a stakeholder is entitled to equal salary and other terms according to the labour contract.
61.3.environmental law			
61.4.contract law		CC (GP) of RK	This Code contains certain contract law provisions and refers to RK Law on JSCs as well as the foundation documents of JSCs.
61.5.insolvency law		RK Law on Bankruptcy dated January 21, 1997 ⁷ , Article 13	If the stakeholder is also a creditor, s/he is entitled to control the rehabilitation manager and may appeal the manager's acts to the competent body or court.

⁶ Hereinafter referred to as "RK Law on Labour"

⁷ Hereinafter referred to as "RK Law on Bankruptcy"

61.6.other			
62. What concrete provisions ensure the (proper) protection of stakeholder rights:			
62.1.in the company law		RK Law on JSCs, Article 14.1(5) and (6)	Shareholders have the right to contest resolutions of the JSC in court, and to apply to state agencies for protection of their rights and interests
62.2.in the labour law		RK Law on Labour, Article 7.1.6-8	As a member of the collegial executive body, a stakeholder is entitled to the following: compensation of damages associated with his labour duties according to the labour contract; obtain warranties and compensations, settlement of labour disputes by means of agreement between parties or by court proceeding.
62.3.in the environmental law			
62.4.in the contract law		CC (GP) of RK	This Code contains certain contract law provisions and refers to RK Law on JSCs as well as the foundation documents of JSCs.
62.5.in the insolvency law		RK Law on Bankruptcy, Articles 11-13	A creditors' committee may be established for the purpose of protecting the interests of creditors and passing decisions with their participation in bankruptcy procedure.
62.6.in the other legal acts			
63. Is judicial redress provided for by the existing legal framework? If yes, by which laws and in what terms?	Yes.	RK Law on JSCs, Article 14	See Number 62.1, above.
64. Is redress by means of mediation and arbitration provided for in the current legislation on stakeholders?	No.		
65. Do internal redress procedures for employee	Unknown		

rights exist and if yes, please describe?			
66. Could you provide examples of cases related to stakeholder right violation?	Unknown		
67. Could you provide examples of cases of legal redress related to such violations or lack thereof?	Unknown		
68. Do performance enhancing mechanisms exist for stakeholder participation in corporate governance, such as:			
68.1.employee participation in corporate boards,	RK legislation does not specifically address this issue. In practice, employees may participate in the management of the company by the means of becoming shareholders through share purchase/profit-sharing programs.		
68.2.employee stock ownership plans or other profit sharing mechanisms,	In practice it's acceptable.		
68.3.creditor involvement in governance in the context of insolvency proceedings?	It is possible within the bankruptcy procedure.		
69. How are the stakeholder rights applied in practice?	Unknown		
70. Does the corporate governance framework recognise the rights of stakeholders as established by law?			

71. What are the main current pitfalls in addressing their rights by the corporate governance framework?	Unknown		
72. At this stage of development of the corporate sector, which are the most important stakeholder groups in your country?	Unknown		
73. Are institutional investors important stakeholders in the corporate governance landscape of your country?	Unknown		
74. Is there a practice by boards of disclosing how the interest of stakeholders are being protected?	Unknown		