

LIMITED LIABILITY PARTNERSHIPS

QUESTION	ANSWER	CITATION	COMMENT
<p>The Responsibilities of the Board</p>	<p><u>General Overview</u></p>		
<p><i>Regulatory Framework</i></p>	<p>This chart will review questions relating to Limited Liability Partnerships (“LLPs”) in the Republic of Kazakhstan (“RoK”). Although provided for by the laws of RoK, this chart will not address the rules relating to Additional Liability Partnerships, as the use of such entity is not common and its governance is not clear.</p>		
<p>Please provide accurate historical description and analysis of the evolution and content of the regulatory framework</p>	<p>Unlike Anglo-American law systems, an LLP in RoK is analogous to a company and not a partnership. The LLP has separate legal personalty and its liability is limited to the assets of the LLP; including the Charter Capital contributions made by the Participants. LLPs in RoK do not usually issue shares. As such, the Participants are analogous Shareholders and the Charter Capital is analogous to the Stated Capital of Anglo-American corporate systems.</p>		
	<p>Although LLPs are governed by legislation in RoK, it must be noted that the laws allow the Participants great latitude in establishing different management regimes in their founding documents. It should be born in mind that the parties to the LLP may, in fact, contract for different management standards. Accordingly, the terms and conditions of the founding documents are of great importance to establishing the desired management structure.</p> <p>The founding documents of an LLP essentially comprise a Foundation Agreement and a 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 an LLP and sets out the terms and conditions for the business operation of the LLP. The Charter is analogous to the By-laws in Anglo-American corporate systems; it sets out specific rules for corporate governance.</p> <p>Also note that a single Participant may establish an LLP. In such circumstances, the management rules relating to the LLP are treated differently by the laws of the RoK.</p>		
<p>1. What are the principal normative acts and other sources of guidelines that make up the corporate-governance framework for Board responsibilities and structure?</p>			
<p>1.1. Laws</p>		<p>RoK Law on Limited Liability Partnerships and Additional Liability</p>	<p>The “Law of the RoK on Limited Liability Partnerships and Additional Liability Partnerships dated April 22, 1998” (the “LLP</p>

		Partnerships dated April 22, 1998.	Law) is the primary act governing LLPs.
1.2. Regulations	N/A		
1.3. Other normative acts		Civil Code of RoK dated December 27, 1994	The civil rights and obligations of the participants in an LLP (including foreign investors) and of the LLP itself are also broadly governed by the Civil Code of RoK (" Civil Code ")
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?	Strictly speaking, there is no definition of 'director'.	LLP Law, Articles 51.1 and 54.1.	A 'director' as such is considered to be a member of the Executive Body, either by virtue of being the sole management representative or as a member to the board of the Executive Body. Article 54.1 also makes a reference to the 'director' of the board of the Executive Body. Although this is confusing, the 'director' in this instance is analogous to the Chairman.
3. Does the regulatory framework stipulate positive qualifications for a person to be appointed as a director? If yes, what are these qualifications?	No.		
4. Does it stipulate conditions under which a person cannot be appointed as a director? If yes, what are these conditions?	Must be private person. Cannot be representative of Participant at General Meeting or member of Supervisory Body.	LLP Law, Articles 51.4, 42.3 and 57.4.	Only a private person may act as a member of the Executive Body of an LLP. A representative of a Participant at the General Meeting may not be part of the Executive Body (i.e. the board), Regulatory Body (i.e. audit) or Supervisory Body.

5. What is the required board structure?	Executive Body may be comprised of a single manager or a board.	LLP Law, Articles 41, 51 and 54.1	The Executive Body of an LLP may be directed by a single person or by a collective (i.e. a board). The General Meeting of the Participants shall elect the Executive Body. If the body consists of a board, it shall consist of no more than seven (7) members. Members are elected for terms of no more than five (5) years.
6. Does your company law prescribe a unitary or dual board structure consisting of a supervisory and a management board/director?	Dual, but optional.	LLP Law, Articles 41 and 57.1. Civil Code, Article 60.2	The management of the LLP may be split between the: 1. Executive Body comprised of one person or a board (like board of directors); 2. Supervisory Body (optional); and 3. Audit Commission (optional). Accordingly, there may be a dual board structure with respect to management issues outside the jurisdiction of the General Meeting, if the Participants so choose.
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:			
7.1. Is a dual board structure compulsory or not?	No	LLP Law, Articles 41 and 57.1.	See comment to item 6.
7.2. If not compulsory, can the use of a dual board structure be established in the articles of association?	Yes	LLP Law, Articles 41 and 57.1.	If the Participants wish to utilize a dual board structure (i.e. Executive and Supervisory Body), then they may draft the Foundation Agreement and the Charter accordingly. It would seem from the language of Articles 41 and 57.1 of the LLP Law that if the

			Foundation Agreement and Charter do not specifically contemplate a Supervisory Body, the LLP Law will not imply the existence of such organization.
7.3.If so, is this option commonly used?	Not available		
7.4.What are the duties of the supervisory board?	Supervise activities of Executive Body.	LLP Law, Articles 57.1, 57.2 and 43.3	The Supervisory Body is charged with managing the activities of the Executive Body. Where the Charter does not provide for an Audit Commission, the Supervisory Body shall exercise all the rights accorded to such commission under the LLP Law. The General Meeting may delegate powers that are not within its exclusive scope of authority to the Executive Body or the Supervisory Body of the LLP, unless otherwise provided for by the Charter.
7.5.What are the duties of the management board?	All activities not under jurisdiction of General Meeting or Supervisory Body.	LLP Law, Articles 52.1 43.3	The Executive Body is responsible for all activities which are not within the scope of authority of the General Meeting or Supervisory Body, as established by the LLP Law, the Charter or by rules and other documents adopted by the General Meeting, are within the scope of authority of the Executive Body. The General Meeting may delegate powers that are not within its exclusive scope of authority to the Executive Body or the Supervisory Body of the LLP, unless otherwise provided for by the Charter.
8. Are there any legal requirements as to the	Yes		

composition of the board(s)? If yes what are these requirements:			
8.1. in terms of size?	Less than 7 members (Executive Body).	LLP Law, Article 54.1	The board of the Executive Body may have no more than seven members.
8.2.in terms of qualifications?	An Executive Body member cannot be a Participant representative at General Meeting or a member of Supervisory Body.	LLP Law, Articles 42.3 and 57.4.	A representative of a Participant at the General Meeting may not be part of the Executive Body (i.e. the board), Regulatory Body (i.e. audit) or Supervisory Body.
8.3.in terms of seats designated to specific shareholders or constituents, including labour representatives?	No.	LLP Law, Articles 54.1 and 57.3.	General Meeting elects members of Executive Body and Supervisory Body.
9. Does the legislation prescribe the use of independent directors?	No.		
9.1.If yes, how is independence defined?			
9.2.What are the exact provisions regarding their appointment?			
9.2.Is a concrete number or percentage of independent directors required?			
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?	Executive Body member cannot the representative of a Participant at a General Meeting or a member of Supervisory Body.	LLP Law, Articles 42.3 and 57.4.	A representative of a Participant at the General Meeting may not be part of the Executive Body (i.e. the board), Regulatory Body (i.e. audit) or Supervisory Body.

12. What are the rules and procedures for			
12.1. nominating,	As set out in Charter.	LLP Law, Article 44	There is no specific procedure for the nomination of members to the Executive or Supervisory Bodies. Such issues should be specifically addressed in the Charter.
12.2. electing and	As set out in Charter.	LLP Law, Article 44	There is no specific procedure for the election of members to the Executive or Supervisory Bodies. Such issues should be specifically addressed in the Charter.
12.3. removing board members?	As set out in Charter.	LLP Law, Article 44	There is no specific procedure for the removal of members to the Executive or Supervisory Bodies. To this end, please note that the procedure for the removal of a member is a different matter than the actual grounds for such removal. Such issues should be specifically addressed in the Charter.
13. Does the regulatory framework stipulate a maximum election term?	5 years.	LLP Law, Articles 51.3 and 57.3.	The maximum terms for members of the Executive and Supervisory Bodies is five years.
14. For how long are board members generally elected?	Generally unknown, as the Participants are free to decide term of board members. However, cannot be longer than the five year term mentioned above.		
15. Are all board members re-elected at the same time or are staggered terms	Consecutive Terms.	LLP Law, Articles 44, 51.3 and 57.3	The LLP Law does not consider staggered terms and therefore likely contemplates

allowed?			consecutive terms.
16. Does the regulatory framework specify the role of the Chairman? If so, what are the main duties of the Chairman?	Yes (Executive Body)	LLP Law, Article 54.3	The General Meeting elects the 'director' (i.e. Chairman) of the Executive Body. As such, the director has some of the powers that would be given to a single member Executive Body; including the right to act without a Power of Attorney, the right to issue a Power of Attorney and the right to hire and fire employees. There is no Chairman for the Supervisory Body.
17. Does it require the separation of Chairman and Chief Executive Officer?	No.		The LLP Law makes no mention of a Chief Executive Officer. Of course, an LLP could hire such a person as an employee.
18. Does the regulatory framework prescribe the formation of any special purpose committees within the board:			
18.1. audit committees?	Yes, but optional.	LLP Law, Article 41.2	The formation of an Audit Commission is optional. Therefore, if the Participants desire such commission, they should address its creation in the Charter.
18.2. remuneration committees?	No, but optional.		The LLP Law does not contemplate the formation of a remuneration committee. Therefore, if the Participants desire such committee, they should address its creation in the Charter.
18.3. or nomination committees?	No, but optional.		The LLP Law does not contemplate the formation of nomination committee. Therefore, if the Participants desire such

			committee, they should address its creation in the Charter.
19. If so, what are the requirements for such special purpose committees?			
19.1. audit committees?	The Audit Commission is charged with managing the financial and economic operations of the Executive Body.	LLP Law, Article 58	<p>If formed by the Participants, the Audit Commission's mandate is to manage the financial and economic operations of the Executive Body of the LLP.</p> <p>The Audit Commission is consists of no more than five members, unless a greater number of members is provided for by the Charter. The members of the Commission may be from the LLP's management or be representatives of the Participants.</p> <p>Alternatively, one of the Participants or its representative may be ordered to execute the functions of the Audit Commission in the form of a single-person auditor.</p> <p>The Audit Commission or single-person auditor shall be elected by the General Meeting for the term set out by the Charter, but not in excess of five years.</p> <p>Members of the Auditing Commission (or the auditor) may not simultaneously be members of the Executive Body of the LLP.</p>
19.2. remuneration committees?	As determined by Charter.		See comment at Item 18.2.
19.3. or nomination committees?	As determined by Charter.		See comment at Item 18.3.
20. And what are their respective functions:			

20.1. audit committees?	Annual financial audits.	LLP Law, Article 58.	The function of the Audit Commission or Auditor is to audit the finances and business of the Executive Body; including the mandatory audit of the LLP's annual financial statements prior to the approval of such statements by the General Meeting.
20.2. remuneration committees?	As determined by Charter.		See comment at item 18.2.
20.3. or nomination committees?	As determined by Charter.		See comment at item 18.3.
21. For example, are there provisions concerning the size of board remuneration and the possibility to offer stock options to board members?	Not specifically regulated.	LLP Law, Articles 53 and 55.	The LLP Law only contemplates the determination of salaries of employees and 'officials' of the LLP by a single person Executive Body or by the 'director' of the Executive Body. To the extent a member of the Executive Body is also an 'employee' or 'official', then arguably the sole member or Chairman of the Executive Body would be empowered to determine such member's remuneration. Outside of this, the law makes no reference to remuneration controls, except for the Conflict of Interest provisions of Article 55.
22. How is the form and level of board remuneration decided?	See Item 21.	See Item 21.	See Item 21.
23. Is this done by the general meeting or through other procedures?	See Item 21.	See Item 21.	See Item 21.
24. To whom is the board primarily responsible?	The Participants and possibly creditors.	LLP Law, Articles 41, 52.3 and 52.4.	The LLP Law does not specifically state to whom the board is primarily responsible. However, since the General Meeting is described as the 'highest body' it may be inferred that the board is accountable to the

			<p>Participants in such meeting.</p> <p>In addition to the foregoing, the LLP Law sets out some practical considerations on liability that affect the question of corporate responsibility. Article 52.3 of the LLP Law states that the members of the Executive Body may, at the behest of a Participant, be held financially responsible for any losses caused to the LLP by such members.</p> <p>Article 52.4 states that members of the Executive Body may be “jointly brought to subsidiary liability“ with the LLP for losses to third parties leading to the bankruptcy of the LLP due to the “inappropriate management” of the LLP by the members of the Executive Body. Regrettably, this section provides little guidance as the meanings of “jointly brought to subsidiary liability “ and “inappropriate management”. It is also unclear whether the behaviour of some members will lead to the liability of all members of the Executive Body.</p>
25. Is it clearly stipulated that the board’s duty is to serve in the interest of all shareholders?	No.	LLP Law, Article 51.2 and 52.3.	<p>The LLP Law states that members of the Executive Body must act “in the interests of the [LLP] honourably and rationally when executing [their] obligations”. It is unclear whether the ‘interests of the LLP’ will always coincide with the interests of all Participants, as there are notional situations where this is not the case.</p> <p>However, the members may be fiscally liable under Article 52.3 of the LLP law as explained in Item 24 above. This may indicate that the members are ultimately</p>

			responsible to the Participants.
26. What is the board's field of competence and how is it expressed in the regulatory framework?	All activities under jurisdiction of General Meeting or Supervisory Body.	LLP Law, Articles 52.1 43.3	The Executive Body is responsible for all activities which are not within the exclusive scope of authority of the General Meeting or Supervisory Body, as established by the LLP Law, the Charter or by rules and other documents adopted by the General Meeting, are within the scope of authority of the Executive Body. The General Meeting may delegate powers that are not within its exclusive scope of authority to the Executive Body or the Supervisory Body of the LLP, unless otherwise provided for by the Charter.
(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?	No.	LLP Law, Article 52.1.	The LLP Law does not specifically address the power of 'management' as distinct from the powers of the Executive Body in the way that Anglo-American systems differentiate between the Board and Officers. Instead, the General Meeting delegates executive power to the Executive Body. The General Meeting, Executive Body or the Charter would determine a further delegation of managerial authority to the officers of the LLP.
28. What are the general board			

responsibilities?			
28.1.Are boards responsible for the appointment of the key executive positions of the company	Yes, but through the Executive Body's general power to appoint employees.	LLP Law, Articles 53.3 and 54.4.	The Executive Body is not charged with the appointment of executives <i>per se</i> . However, the Executive Body (either through a single member body or through the director of a board) does have the authority to appoint and dismiss employees of the LLP; which includes executive employees.
28.2.Are boards responsible for supervising and reviewing their performance and remuneration?	Yes, but through the Executive Body's general power to manage employees.	LLP Law, Articles 53.3 and 54.4.	The Executive Body's power to appoint and dismiss employees (as exercised either through a single member body or through the director of a board) likely implies the power to supervise and remunerate executive employees. This view is bolstered by the notion that the supervision/remuneration of employees is part of the day-to-day business of the LLP to be managed by the Executive Body.
28.3.Are boards required to periodically report to shareholders the status of the company affairs?	No.	LLP Law, Article 46.4.	There is no reporting requirement. However, Participants may review information relating to the LLP in advance of a General Meeting. To this end, the body which called the meeting must provide requesting Participants with access to the draft resolutions, reports, documents and data relating to the matters to be decided by the General Meeting.
29. Does the regulatory framework specify the fiduciary duties of the board?	No.	LLP Law, Articles 51.2 and 52.3.	The concept of a 'fiduciary duty' under Anglo-American systems does not exist in Kazakhstan. The members of the Executive Body must act "in the interests of the [LLP] honourably and rationally when executing [their] obligations". It is unclear whether the 'interests of the LLP'

			<p>will always coincide with the interests of all Participants, as there are notional situations where this is not the case.</p> <p>In any case, the foregoing obligation is not tantamount to a fiduciary duty.</p>
30. Are specific duties of the board prescribed vis-à-vis:			
30.1. the shareholders?	Yes, but not <i>per se</i> .	LLP Law, Article 51.2	The members of the Executive Body must act “in the interests of the [LLP] honourably and rationally when executing [their] obligations”. It is unclear whether the ‘interests of the LLP’ will always coincide with the interests of all Participants, as there are notional situations where this is not the case.
30.2. the company as such or	Yes.	LLP Law, Article 51.2	The members of the Executive Body must act “in the interests of the [LLP] honourably and rationally when executing [their] obligations”. It is unclear whether the ‘interests of the LLP’ will always coincide with the interests of all Participants, as there are notional situations where this is not the case.
30.3. or society at large?	No		
31. Does the regulatory framework prescribe specific duties of skill? If yes, please describe.	No		
32. Or fiduciary duties? If yes, please describe.	No.	LLP Law, Article 51.2	<p>The concept of a ‘fiduciary duty’ under Anglo-American systems does not exist in Kazakhstan.</p> <p>The members of the Executive Body must act “in the interests of the [LLP] honourably and</p>

			<p>rationality when executing [their] obligations". It is unclear whether the 'interests of the LLP' will always coincide with the interests of all Participants, as there are notional situations where this is not the case.</p> <p>However, the foregoing obligation is not tantamount to a fiduciary duty.</p>
<p>33. Are any administrative duties of directors specified? If yes, please describe.</p>	<p>Yes, but only for a single member or director of Executive Body.</p>	<p>LLP Law, Articles 53 and 54.3.</p>	<p>A single member of the Executive Body, or director of the board of the Executive Body, is responsible for:</p> <ul style="list-style-type: none"> - issuing powers of attorney for LLP (including delegable powers of attorney); - hiring, firing, disciplining and transferring of employees and the setting of their salaries; and - performing functions not under exclusive authority of General Meeting or Supervisory Body, as well as functions delegated to that person by General Meeting. <p>If Executive Body consists of two or more Managers who are not united by a board, then each Manager has responsibility for above duties.</p>
<p>34. Are there any provisions on consequences of breach of duty?</p>	<p>Yes.</p>	<p>LLP Law, Article 52.4</p>	<p>Article 52.4 states that members of the Executive Body may be "jointly brought to subsidiary liability" with the LLP for losses to third parties leading to the bankruptcy of the LLP due to the "inappropriate management" of the LLP by the members of the Executive Body. Regrettably, this section provides little guidance as the meanings of "jointly brought</p>

			<p>to subsidiary liability“ and “inappropriate management”. It is also unclear whether the behaviour of some members will lead to the liability of all members of the Executive Body.</p> <p>However, failure to fulfil, or a breach of, the aforementioned duty may give rise to the personal liability of the members of the Executive Body.</p>
35. Are:			
35.1.Criminal	Possible Criminal liability, although the RK legislation does not clearly answer this question.	Criminal Code dated July 16, 1997.	The law sets out the consequences for the breach by directors of any bankruptcy procedure rules, currency instructions and procedures on the conduct business activities.
35.2.Administrative or	N/A		
35.3.Civil liabilities for breach of duty imposed?	Yes.	LLP Law, Articles 52.3 and 52.4	<p>Article 52.4 states that members of the Executive Body may be “jointly brought to subsidiary liability” with the LLP for losses to third parties leading to the bankruptcy of the LLP due to the “inappropriate management” of the LLP by the members of the Executive Body. Regrettably, this section provides little guidance as the meaning of “jointly brought to subsidiary liability“ and “inappropriate management”. It is also unclear whether the behaviour of some members will lead to the liability of all members of the Executive Body.</p> <p>Members of the Executive Body may be liable upon the demand of any one of the Participants for the reimbursement of losses said members caused to the company.</p> <p>However, failure to fulfil or a breach of the</p>

			aforementioned duty may give rise to the personal liability of the members of the Executive Body.
36. Are there legal provisions mandating the representation of stakeholders on boards? If yes, please describe.	No.	LLP Law, Articles 51.3 and 54.1.	There are no requirements on the representation of stakeholders (as Participants, creditors, employees or otherwise). However, the members of the Executive Body are elected by the General Meeting. In such situation, the Participants (as Stakeholders) will presumably elect their own representatives as members of the Executive Body. Alternatively, the Participants may wish to elect other stakeholders (particularly where compelled to do so in contracts with creditors or employees).
37. How is the directors access to information regulated:			
37.1. Do directors have the explicit right to inspect corporate accounts?	Not specifically contemplated by LLP Law.		
37.2. What other rights are specified in this respect?	Audit Commission has access to financial information.	LLP Law, Article 58.4	The Audit Commission has unconditional access to any and all documents of the LLP. Where required by the Audit Commission, the members of the Executive Body must provide oral or written explanations.
38. What are the requirements in terms of board meetings?	-	LLP Law, Articles 44, 47 and 48. Civil Code, Article 79	- The Executive Body must call a General Meeting at least once per year. - The LLP must hold a General Meeting within 3 months of the end of the

			<p>previous financial year to approve the audited financial statements.</p> <ul style="list-style-type: none"> - A Special General Meeting may be called by the Executive or Supervisory Bodies, Audit Commission or Participant with at least 10% of votes. - Voting threshold is simple majority and quorum is more than half the number of total votes. - However, the following matters are decided by qualified majority (3/4): amendment of Charter, reorganization/liquidation and mandatory buy out of Participant's interest where significant damage caused to LLP by Participant per Article 34. For such matters, quorum is stated as more than two-thirds (2/3) of total votes.
Practical viewpoint on Boards			
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?	Not available		
40. Is the existing legal framework successfully put into practice?	Not available		
41. Are board members enabled to carry out their duties in a professional and informed	Not available		

manner?			
42. Do boards fulfil their strategy setting and monitoring functions properly?	Not available		
43. Do the boards and board members operate in a transparent fashion, consistent with the intentions of the Assembly General Meeting?	It follows from the LLP Law that the Executive Body is elected by and is responsible to the General Meeting. As such, there is some circumstantial reliability that their decisions should be consistent with intentions of General Meeting.		
44. The latter question also targets the nomination and remuneration of directors?	Not available		
45. Are boards truly independent from management and major or controlling shareholders?	Not available		
46. Is cumulative voting used and does it have an impact on enhancing board independence?	No.	LLP Law, Articles 28, 42.5	Generally speaking, each Participant possesses a number of votes equal to its percentage interest in the LLP, which is in turn determined by the relative contributions of the Participants to the Charter Capital. Unless otherwise provided for in the founding documents, voting at General Meetings is carried out on a simple vote basis.
47. Do boards play an effective role with respect to conflicts of interest, related	There are rules governing conflicts of interest	LLP Law, Article 55	Members of the Executive Body are prohibited from:

party or major transactions?	affecting members of the Executive Body.		<ul style="list-style-type: none"> - causing the LLP to enter into a contract which bestows benefits on the member; - act for a 3rd party against LLP - compete with LLP
48. Do companies have a sufficient number of independent directors?	Not available		
49. Do board committees exist and if so, do they fulfil their role?	Yes and unknown		In theory, the Participants might provide for board committees in the Charter. However the scope of the authority of such committees would have to be considered on a case by case basis in light of the terms of the LLP Law.
50. Are they instrumental in enhancing board effectiveness?	Not available		
51. Do they have sufficient power and resources at their disposal?	Not available		
52. Do board members possess adequate qualities and competencies?	Not available		
53. How do companies identify, select and recruit competent directors?	Not available		
54. Are board members adequately compensated?	Not available		
55. Are there education and training programmes for directors?	Not available		
56. What are the perceived needs in this respect?	Not available		

57. What role do the bilateral and multilateral donors play in assisting such needs?	Not available		
58. What is the profile of board directors? Are there any statistics in terms of their spread among:	Not available		
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?	Yes. The most prominent is likely the American Chamber of Commerce.		The American Chamber of Commerce is active in Almaty, Kazakhstan. The Chamber hosts many meetings, roundtable discussions and working group meetings affecting a wide variety of issues, which assist in the education of the local business community.
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			
<p>Before responding to the questions in the below section, it is important to denote the meaning of the word “Stakeholder”. The meaning of this term can vary widely depending on the facts, as well as the laws of the country governing the matter in question. For the purposes of this chart, we have assumed that “Stakeholder” is a reference to an equity interest holder (i.e. a shareholder or participant).</p> <p>However, please be aware that the term “Stakeholder” may also describe the relationship between an LLP and other groups of people; such as employees or creditors in times of the insolvency of the LLP. In such situations, the contents of this chart may no longer accurately reflect the rights granted to such stakeholders by the laws of the Republic of Kazakhstan.</p>			
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		LLP Law, Articles 12, 28	The LLP Law provides the basic structure for

		and 43	this form of corporate entity.
61.2.labour law	N/A		
61.3.environmental law	N/A		
61.4.contract law		Civil Code dated December 27, 1994 Article 61.1	The participant of a business partnership has the right: 1) to participate in the management of the affairs of the business partnership in the manner determined in the foundation documents; 2) to obtain the information on business partnership activity and to review its documents in the manner established by the foundation documents; 3) to participate in the distribution of profit. The terms of the foundation documents which provide the removal of one or several participants from the participation in the distribution of profit shall be invalid; 4) to obtain in the event of the liquidation of the business partnership, the part of its property which corresponds to their share in the property of the partnership and which remains after the settlement with the creditors, or its value.
61.5.insolvency law		RK Law on Bankruptcy dated January 21, 1997 Article 13	As a creditor, a Participant is entitled to control liquidation manager and appeal his acts to the competent body or court.
61.6.other	N/A		
10. What concrete provisions ensure the (proper) protection of stakeholder rights:			
62.1.in the company law		LLP Law, Article 68	The law sets out the liquidation procedure for

		Civil Code, Article 51	an LLP, setting out the rights of the creditors for repayment.
62.2.in the labour law	N/A		
62.3.in the environmental law	N/A		
62.4.in the contract law		Civil Code	Any contractual rights accorded to a stakeholder will be protected by the rules on contracts as provided for under the Civil Code.
62.5.in the insolvency law		RK Law on Bankruptcy, Article 11-13	Where a stakeholder constitutes a creditor, the law mandates the establishment of a creditor's committee for the purposes of protecting the creditors' interests and passing decisions with their participation under bankruptcy procedures.
62.6.in the other legal acts	N/A		
9. Is judicial redress provided for by the existing legal framework? If yes, by which laws and in what terms?	No		<p>The LLP Law makes no reference to a prescribed forum or judicial redress. Accordingly, it is implied that the Courts will have jurisdiction over issues arising from creation, operation or liquidation of an LLP as governed by the laws of the Republic of Kazakhstan.</p> <p>Although the Stakeholders might agree to arbitrate commercial issues, any issues relating to the foundation or liquidation of the LLP would likely be ousted by the jurisdiction of the Courts.</p>
62. Is redress by means of mediation and arbitration provided for in the current legislation on stakeholders?	No.		The LLP Law makes no reference to a prescribed forum or judicial redress. Accordingly, it is implied that the Courts will

			<p>have jurisdiction over issues arising from creation, operation or liquidation of an LLP.</p> <p>Although the Stakeholders might agree to arbitrate commercial issues, any issues relating to the foundation or liquidation of the LLP would likely be ousted by the jurisdiction of the Courts.</p>
63. Do internal redress procedures for employee rights exist and if yes, please describe?	No.		
64. Could you provide examples of cases related to stakeholder right violation?	Unknown		
65. Could you provide examples of cases of legal redress related to such violations or lack thereof?	Unknown		
66. Do performance enhancing mechanisms exist for stakeholder participation in corporate governance, such as:			
68.1.employee participation in corporate boards,	No.		Although the LLP Law does not mandate the involvement of employees in management, the Charter may provide for such a right.
68.2.employee stock ownership plans or other profit sharing mechanisms,	No.		Although the LLP Law does not address the profit sharing of employees, the Charter may provide for such a right.
68.3.creditor involvement in governance in the context of insolvency proceedings?	Possible within bankruptcy procedure, where stakeholder constitutes creditor.		

67. How are the stakeholder rights applied in practice?	Not available		
68. Does the corporate governance framework recognise the rights of stakeholders as established by law?	Yes, depending on the type of Stakeholder.	LLP Law, Articles 12, 28 and 43	To the extent that “Stakeholders” are shareholders, the LLP Law does specifically state the rights of same. To the extent that “Stakeholders” are creditors, the LLP Law contains some basic protections at Article 68. Employee “Stakeholders” are not protected under the LLP Law.
69. What are the main current pitfalls in addressing their rights by the corporate governance framework?	The rights of creditor and employee Stakeholders do not include the right to be involved in the corporate governance.		To the extent that “Stakeholders” are shareholders, the LLP Law does provide for an adequate corporate governance structure. To the extent that “Stakeholders” are creditors or employees, such groups must bargain for their involvement by contract. If successful, the Charter can probably be altered to reflect their limited involvement.
70. At this stage of development of the corporate sector, which are the most important stakeholder groups in your country?	Participants (Shareholders)		The fact that the LLP Law only really contemplates the participants as Stakeholders is illustrative of the importance of such group.
71. Are institutional investors important stakeholders in the corporate governance landscape of your country?	Unknown		
72. Is there a practice by boards of disclosing how the interests of stakeholders are being protected?	Unknown		

--	--	--	--