**Approved by order of the Minister of Health and Social Development of the Republic of Kazakhstan**

 **from December 26 th, 2016,**

**№1100**

**CHARTER**

**of the Limited Liability Partnership**

**«SK-Pharmaceuticals»**

**Astana city, 2016**

**SECTION 1. GENERAL PROVISIONS**

1. «SK-Pharmaceuticals» limited liability partnership (hereinafter referred to as the Partnership) was established in accordance with the legislation of the Republic of Kazakhstan and registered in the judicial bodies as a Partnership with 100% state participation (March 12, 2009, BIN 090340007747).
2. On behalf of the Government of the Republic of Kazakhstan, the Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - the Committee) exercises the rights of the participant to dispose 100% of shares in the charter capital, participation in the management of the Partnership.
3. The Ministry of Health and Social Development of the Republic of Kazakhstan (hereinafter referred to as the "Sole Participant") exercises the right to own and use 100% of the shares in the Partnership and represent the interests of the state as the Sole Participant in matters referred to the competence of the general meeting of participants in accordance with the legislation.

The location of the Sole Participant: Republic of Kazakhstan, index 010000, Astana city, Orynbor st. 8, Administrative building "House of Ministries", entrance №5.

1. The partnership uses any of the following:

full name in the Kazakh language: "СҚ-Фармация" жауапкершілігі шектеулі серіктестік («SK-Pharmaceuticals» limited liability partnership);

full name in the English language: «SK-Pharmaceuticals» limited liability partnership;

full name in the Russian language: Товарищество с ограниченной ответственностью «СК-Фармация»;

abbreviated name in the Kazakh language: «СҚ-Фармация» ЖШС;

abbreviated name in the Russian language: ТОО «СК-Фармация»;

abbreviated name in the English language: «SK-Pharmaceuticals» LLP;

1. Location of the Partnership: Republic of Kazakhstan, index 010000, Astana city, Yesil district, Dinmukhamed Kunaev st, house 14/3, business center "Nursaya".
2. The partnership has a seal with a logo and indication of the full corporate name in Kazakh and Russian languages, an independent balance, bank accounts, forms with its name, symbols and other attributes.
3. The Partnership in the implementation of activities provided for by this Charter acquires all civil rights and bears responsibilities in accordance with the legislation of the Republic of Kazakhstan.
4. In order to achieve the objectives of its activities the Partnership has the right to conclude transactions on its own behalf, to acquire property and personal non-property rights, to bear responsibilities and to be a plaintiff and a defendant in court
5. The Partnership has the right to establish branches and open representative offices in the territory of the Republic of Kazakhstan, join associations (unions) with other legal entities, and also be a party to other legal entities.
6. The partnership is liable for its obligations with all property belonging to it.

The sole participant is not liable for the obligations of the Partnership; the Partnership is not liable for the obligations of the Sole Participant.

1. The sole participant of the Partnership bears the risk of losses related to the activities of the Partnership, to the extent of the value of the contribution made by it
2. The Partnership performs the accounting of the results of its activities, maintains statistical and financial reporting in accordance with the legislation, and also provides financial, tax and statistical reporting to the authorized state bodies in the established manner.

To check and confirm the correctness of the annual financial reports of the Partnership, as well as the current status of its affairs, the Partnership has the right to involve an audit organization that is not related to property interests with the Board, the Supervisory Board of the Partnership or the Sole Participant (external audit).

1. In accordance with the legislation, the partnership bears responsibility for non-compliance with the reliability and procedure of maintaining all forms of accounting and reporting.
2. The partnership in accordance with the procedure established by law opens accounts in banks and other financial organizations of the Republic of Kazakhstan, both in national and in foreign currency, in accordance with the procedure established by law.

**SECTION 2. GOALS, SUBJECT AND ACTIVITIES**

1. The Partnership was established to improve the stability and competitiveness of the pharmaceutical industry in the Republic of Kazakhstan, the development of the pharmaceutical industry by the consolidation of purchases of medicines, medical products and medical equipment.
2. The main subject of the Partnership is:

1) Selection of suppliers;

2) Conclusion of contracts for the supply of medicines and medical products;

3) Conclusion of long-term contracts for the supply of medicines, medical devices and (or) storage and transportation of medicinal products, medical devices;

4) Conclusion of long-term contracts for the supply of medical equipment from a legal person that has a certificate of origin for internal circulation in accordance with the legislation of the Republic of Kazakhstan and a document confirming the production of medical equipment in accordance with the requirements of international standards for the List of Medicines, Medical Devices and Medical Equipment;

5) Provision of medicines and medical products on the List of Medicines, medical devices and medical equipment;

6) Purchase of medicines and medical products, services for storing and transporting medicines, medical products;

7) Organization of procurement of medical equipment within the guaranteed free medical care;

8) Establishment of an information system for integrating the logistics processes of the Single Distributor, the customer and suppliers, as well as for obtaining up-to-date information on turnover, commodity balances.

17**.** Activity that is a subject to licensing is carried out by the Partnership in the presence of an appropriate license.

18**.** The partnership has no right to carry out activities that do not correspond to the subject and goals of its activities, as set out in this Charter.

**SECTION 3. RIGHTS AND OBLIGATIONS**

**THE SOLE PARTICIPANT**

19. The only participant has the right:

1) To participate in the management of the affairs of the Partnership in the manner prescribed by the legislation and this Charter;

2) Receive information on the activities of the Partnership and get acquainted with its accounting and other documentation in the manner prescribed by this Charter;

3) To receive income from the activities of the Partnership in accordance with the legislation, this Charter and decisions of its sole participant;

4) In the case of the liquidation of the Partnership, receive a part of its property left after settlements with creditors, or its cost;

5) To cease participation in the Partnership by alienating its share in the manner prescribed by the legislation;

6) Require that the financial statements of the Partnership be audited at its own expense;

7) To challenge in court the decisions of the Partnership's bodies that violates its rights prescribed by the legislation and this Charter;

8) The sole participant may have other rights prescribed by the legislation and this Charter.

20. The sole participant is obliged:

1) To make contributions to the charter capital of the Partnership in the manner, amounts and within the terms prescribed by this Charter;

2) To participate in the management of the Partnership prescribed by this Charter;

3) To not to disclose information that the Partnership has declared a trade secret;

4) To notify the Chairman of the Executive Board in writing of changes in the information provided for by subparagraph 2) of paragraph 2 of Article 17 of the Law of the Republic of Kazakhstan of April 22, 1998 "On Limited and Additional Liability Partnerships ";

5) The sole participant may bear other duties prescribed by the legislation and this Charter.

**SECTION 4. ORDER AND TERMS OF PROVIDING THE INFORMATION ON THE ACTIVITIES OF THE PARTNERSHIP TO THE SOLE PARTICIPANT OF THE PARTNERSHIP AND THE PURCHASERS OF SHARES IN THE PARTNERSHIP**

21**.** The Partnership shall, at the request of the Sole Participant, provide information on the activities of the Partnership affecting the interests of the Sole Participant within seven working days.

22**.** Information affecting the interests of the Single Participant is recognized as:

1) decisions taken by the Sole Participant, the Supervisory Board, the Board, the Audit Commission and information on the implementation of decisions taken;

2) fulfillment of a transaction or interrelated transactions by the Partnership, as a result of which (or) property is acquired or alienated in an amount equal to twenty five and more percent of the Partnership's equity;

3) the receipt by the Partnership of licenses for the performance of certain types of activities or the commission of certain actions, the suspension or termination of their actions, and the revocation of licenses previously obtained by the Partnership for the performance of certain types of activities and the commission of certain actions;

4) seizure of the property of the Partnership;

5) occurrence of emergency circumstances, as a result of which the assets of the Partnership were destroyed, the book value of which was ten percent or more of the total assets of the Partnership;

6) Imposition of administrative sanctions on the Partnership and its officials;

7) decision on forced reorganization of the Partnership;

8) the audit report;

9) other information affecting the interests of the Sole Participant, in accordance with the law and the decision of the Sole Participant.

23**.** Provision of information on the activities of the Partnership affecting the interests of the Sole Participant shall be carried out in accordance with the legislation and this Charter.

24**.** The procedure and scope of providing the information on the activities of the Partnership to purchasers of shares in the authorized capital shall be established by agreement of the parties within the framework of the preliminary contract for the acquisition of such shares, after the parties sign a non-disclosure agreement of confidential information in accordance with the established procedure.

25**.** The documents of the Partnership relating to its activities shall be retained by the Partnership during the entire term of its activities at the location of the Board.

26**.** The following documents are subject to storage during the whole term of the Partnership:

1) this Charter, changes, additions made to it;

2) decisions of the Sole Participant;

3) decisions of the Supervisory Board;

4) certificate of state registration (re-registration) of the Partnership as a legal entity;

5) a license to engage certain types of activities and perform certain actions by the Partnership;

6) documents confirming the rights of the Partnership to property that is (was) on its balance sheet; provisions on the structural divisions of the Partnership;

7) decisions of the Board;

8) other documents are kept for a period established in accordance with the legislation.

27**.** At the request of the Sole Participant, the Partnership is required to submit copies of the documents in the manner specified by this Charter, and the members of the Board are obliged to give necessary explanations either orally or in writing.

**SECTION 5. CHARTER CAPITAL AND PROPERTY**

28**.** The charter capital of the Partnership is established to support the activities of the Partnership and its size is 700,000,000 (seven hundred million) tenge.

29**.** The contribution to the charter capital of the Partnership can be money, securities, things, property rights, including land use rights and the right to the results of intellectual activity and other property.

It is not allowed to contribute in the form of personal non-property rights and other intangible benefits.

30**.** The charter capital of the Partnership is formed by the Sole Participant in accordance with the procedure established by the legislation and the decision of the Sole Participant.

31**.** By decision of the Sole Participant, the amount of the charter capital of the Partnership may be changed.

32**.** The increase of the charter capital of the Partnership is allowed after full payment and can be carried out by:

1) additional contributions made by the Sole Participant;

2) increase in the amount of the charter capital at the expense of the Partnership's own capital, including at the expense of its reserve capital;

3) admission of new members to the Partnership.

33**.** Reduction of the charter capital of the Partnership below the minimum amount established by the legislation at the time of its state registration is not allowed.

34**.** The property of the Partnership is formed at the expense of the initial contributions of the Sole Participant to the charter capital, additional contributions, and income from economic and entrepreneurial activities, as well as from borrowed funds, other property acquired or received by the Partnership in the manner not prohibited by law.

35**.** The assets of the Partnership are recorded on its balance sheet

36**.** The Partnership may form reserve capital and (or) other funds necessary to cover the losses and costs of the Partnership. The amount of annual allocations to the reserve capital and (or) funds is determined by the decision of the Supervisory Board.

**SECTION 6. BODIES OF THE PARTNERSHIP**

37**.** The bodies of the Partnership are:

1) the supreme body of the Partnership – the Sole Participant;

2) the collegial supervisory body of the Partnership – the Supervisory Board;

3) the executive body of the Partnership – the Board;

4) the controlling body – the Audit Commission.

38**.** The officials of the Partnership are members of the Supervisory Board and the Board.

**SECTION 7. THE SOLE PARTICIPANT**

39**.** The exclusive competence of the Sole Participant shall include:

1) introduction of amendments and additions to this Charter, including changes in the size of its charter capital, location and trade name, or approval of the Charter of the Partnership in a new edition;

2) election and early termination of the powers of the Supervisory Board, determination of the size and term of the office of the Supervisory Board, approval of the Provision on the Supervisory Board, and determination establishing the basis and measures for the payment to the members of the Supervisory Board in accordance with the legislation;

3) the formation of the Board of the Partnership, the term of office of the chairman and members of the Board of the Partnership, the election, responsibility to discipline of the chairman and members of the Management Board, as well as the early termination of their powers;

4) decision-making on transfer of the Partnership or its property to trust management and determination of conditions for such transfer;

5) election and early termination of the powers of the Audit Commission, determination of the procedure, amount and terms of payment, evaluation of activities, approval of the annual audit plan, reports and conclusions of the Audit Commission;

6) approval of annual financial reports and distribution of net income of the Partnership;

7) approval of internal rules, procedures for their adoption and other documents regulating the internal activities of the Partnership, except for documents approved by the Charter of the Partnership are referred to the competence of the Supervisory Board, the Board and the Chairman of the Partnership's Board;

8) taking a decision on the participation of the Partnership in other business partnerships, as well as in non-profit organizations, in accordance with the procedure established by the legislation;

9) appointment of the liquidation commission and approval of liquidation balances;

10) taking a decision on compulsory redemption of the share of participation in the charter capital of a participant of the Partnership in the manner prescribed by the legislation;

11) deciding on the pledge of all assets of the Partnership;

12) taking a decision on making additional contributions to the assets of the Partnership in the manner prescribed by the legislation and this Charter;

13) approval of the procedure and deadlines for providing the Sole Participant and purchasers of shares with the information on the activities of the Partnership;

14) a decision on approval of a transaction by the Partnership or a set of interrelated transactions, as a result of which the Partnership alienates (may be alienated) property, the value of which is fifty one and more percent of the total book value of the assets of the Partnership.

40. Along with the issues assigned to the exclusive competence of the Sole Participant, the Competence of the Sole Participant also includes:

1) approval of the list of internal documents and other documents governing the activities of the Partnership subject to approval by the Sole Participant, the Supervisory Board and the Management Board;

2) acceptance for consideration of any issue related to the activities of the Partnership;

3) cancellation of decisions of other bodies of the Partnership on matters related to the internal activities of the Partnership;

4) other issues established by the legislation and this Charter.

41**.** Decisions of the Sole Participant, which are accepted in agreement with the Committee:

1) introduction of changes and (or) additions to the Charter or approval of the Charter in a new edition;

2) change in the amount of the charter capital;

3) approval of annual financial reports and distribution of net income of the Partnership;

4) a decision on the participation of the Partnership in other legal entities;

5) decision on pledge of all property of the Partnership;

6) formation of the Board, early termination of his powers;

7) making decisions on transactions for the transfer of the assets of the Partnership for lease or trust management;

8) election and early termination of the powers of the Supervisory Board and (or) the Audit Commission;

9) decision on compulsory redemption of the share of participation in the charter capital of the participant of the Partnership;

10) appointment of the liquidation commission and approval of liquidation balances;

11) cancellation of the decisions made by the Supervisory Board on issues related to the internal activities of the Partnership.

42**.** Decisions made by the Sole Participant shall be made in writing.

**SECTION 8. THE SUPERVISORY BOARD**

43**.** The Supervisory Board is established by the Sole Participant consisting of at least 5 (five) persons for a period of three years and is a collegial supervisory body that monitors the activities of the Board.

44**.** The number and composition of the Supervisory Board shall be determined by the Sole Participant, while the Supervisory Board shall consist of a representative of the Sole Participant and the authorized body for state property.

The Chairman of the Board and members of the Board cannot be members of the Supervisory Board.

45**.** The Supervisory Board is accountable to the Sole Participant and organizes the implementation of its decisions.

46. ​​The Chairman of the Supervisory Board is elected from among the members of the Supervisory Board by a simple majority of votes of the total number of members of the Supervisory Board.

47**.** Unless otherwise provided by law, the Supervisory Board shall have the following competence:

1) preliminary approval of annual financial reports and submission of proposals to the Sole Participant in the order of distribution of net income;

2) preliminary approval and submission of amendments and additions to the Charter of the Partnership or the Charter of the Partnership in a new version for consideration by the Sole Participant;

3) approval of the organizational structure of the Partnership and the number of employees;

4) determination of the amount of official salary, terms of payment of labor and bonuses to the chairman and members of the Board;

5) approval of the strategy and development plan, changes and additions to them;

6) approval of the internal documents of the Partnership under the list approved by the Sole Participant;

7) appointment and determination of terms of office, amount of official salary of the Secretary of the Supervisory Board and early termination of his powers;

8) consideration of information on the results of the Partnership's activities for the six months and a year;

9) the formation of reserve capital and (or) other funds necessary to cover the losses and costs of the Partnership and determine the amount of annual contributions to the reserve capital and (or) funds of the Partnership.

48**.** Issues referred to the competence of the Supervisory Board cannot be transferred for decision by the Board.

49**.** Upon the decision of the Sole Participant, members of the Supervisory Board may be paid remuneration and (or) reimbursed expenses related to the performance of their functions as members of the Supervisory Board during the performance of their duties. The amount of such remuneration and compensation, as well as the conditions for their payment, are determined by the decision of the Sole Participant in accordance with the legislation.

50**.** The meetings of the Supervisory Board are eligible if at least half of its members participate in them. The members of the Supervisory Board fulfill their duties personally. When determining the quorum and voting results, a written opinion of a member of the Supervisory Board absent at the meeting of the Supervisory Board is taken into account.

51**.** Decisions of the Supervisory Board shall be made by a simple majority of votes of the members of the Supervisory Board participating in the meeting or submitting a written opinion. When voting, each member of the Supervisory Board has one vote. In case of a tie, the vote of the Chairman of the Supervisory Board or his substitute is decisive. The decisions of the Supervisory Board can be taken by absentee voting by the decision of the Chairman of the Supervisory Board.

52**.** The Chairman of the Supervisory Board organizes and manages its work, convenes meetings of the Supervisory Board and presides over them, organizes the minutes at meetings and signs the minutes of the Supervisory Board meetings. In the absence of the Chairman of the Supervisory Board, its functions are exercised by one of the members of the Supervisory Board as decided by the Supervisory Board.

53**.** The terms of reference of the Chairman of the Supervisory Board include:

1) monitoring the implementation of decisions of the Supervisory Board;

2) conclusion of an employment contract with the Chairman of the Board;

3) setting tasks for the Audit Commission and the Secretary of the Supervisory Board in order to properly implement their assigned functions;

4) performance of other functions in accordance with the legislation, this Charter and internal regulatory documents of the Partnership.

54**.** Meetings of the Supervisory Board are convened as necessary, however not less than quarterly. As necessary, the Supervisory Board meetings may be convened at the request of the Sole Participant, any member of the Supervisory Board, the Board, or the Audit Commission. The meeting of the Supervisory Board may invite officials and employees of the Partnership, as well as other persons (experts, specialists, workers, etc.), taking into account the restrictions imposed on information constituting official, commercial or other secret protected by law.

The convocation of the meeting of the Supervisory Board shall be carried out by means of a written appeal to the Chairman of the Supervisory Board requesting convocation.

55**.** The Secretary shall notify the members of the Supervisory Board of the time and place of the meeting no later than ten working days from the date of receipt of the request for convocation, with the attachment of materials containing information in the amount necessary to make informed decisions on the agenda items of the meeting.

56**.** If a member of the Supervisory Board has refrained from taking a decision on an agenda item or voted against taking a decision on the item put to the vote, this member of the Supervisory Board shall give a dissenting opinion in writing within three days after the face-to-face meeting of the Supervisory Board. In case of absentee voting, a dissenting opinion is attached to the ballot of the absentee voting. A dissenting opinion must be signed by such a member of the Supervisory Board.

57**.** For losses incurred to the Partnership and third parties due to improper implementation by the Supervisory Board of control over the activities of the Board, the members of the Supervisory Board are liable in accordance with the legislation of the Republic of Kazakhstan.

**SECTION 9. THE BOARD**

58**.** The management of the current activities of the Partnership is carried out by the Board, which reports to the Sole Participant and the Supervisory Board for the performance of the tasks assigned to it. The Board is headed by the Chairman of the Board. Members of the Board manage the activities of the Partnership by participating in meetings of the Board.

59**.** The Board is created by the Sole Participant for a term not exceeding five years in the composition of 3 (three) people. The Chairman and members of the Board of the Partnership cannot be simultaneously members of the Supervisory Board.

60**.** An employment contract with the Chairman of the Board is signed by the Chairman of the Supervisory Board.

61**.** The procedure for the functioning, status and competence of the Board, the powers and responsibilities of the members of the Board, the procedure for convening, holding meetings of the Board, and the adoption and execution of its decisions are determined by this Charter and the internal documents of the Partnership.

62**.** The Board has the right to take decisions on any issues of the Partnership's activities that are not referred by the legislation and this Charter to the competence of other bodies of the Partnership and its officials, including:

1) implementation of decisions of the Sole Participant and the Supervisory Board;

2) development and submission of proposals to the Sole Participant on changes and (or) amendments to the Charter of the Partnership or a new version of the Charter of the Partnership;

3) approval and adoption for approval by the Supervisory Board of the strategy and development plan of the Partnership;

4) approval of the staff schedule of the Partnership, taking into account its branches and representative offices, within the framework of the organizational structure and staffing approved by the Supervisory Board;

5) decision-making on creation or closing of branches, opening or closing of representative offices in the territory of the Republic of Kazakhstan and abroad, and approval of regulations on them;

6) making decisions that are binding on all employees of the Partnership;

7) ensuring the fulfillment of the Partnership's obligations under transactions concluded on behalf of the Partnership in the manner established by the legislation and the Charter of the Partnership;

8) ensuring the provision of information in the manner and within the time limits provided for in Section 4 of the Partnership's Charter;

9) approval of internal documents of the Partnership under the list approved by the Sole Participant;

10) ensuring the implementation of the strategy and the development plan of the Partnership, entering in due time a report on the implementation of the development plan for approval by the Supervisory Board;

11) approval of the Company's logo and other means of corporate identification of the Partnership;

12) provision of protection and identification of information that is confidential and constitutes a trade secret of the Partnership.

63**.** At the meetings of the Board, each member of the Management Board has one vote. Transfer of voting rights by a member of the Board to another person, including another member of the Board, is not allowed.

64**.** A meeting is considered valid if at least 2 (two) members of the Board participate in it, including absent members of the Board who voted on the agenda of the meeting in writing.

A member of the Management Board is obliged to notify the Chairman of the Board in advance about the impossibility of his participation in the meeting of the Board. A member of the Board who is absent from the meeting is entitled to vote on the agenda of the meeting of the Board by written notification.

65**.** Holding of absentee meetings of the Board is allowed in exceptional cases and only upon the decision of the Chairman of the Board or the person who replaces him on issues that are non-competitive.

In case of objections of at least one member of the Board against consideration of the matter at a meeting in absentia, the issue shall be included in the agenda of the next internal meeting.

66. Decisions of the Board are made by a majority of votes of the members of the Board who are present at the meeting or who have submitted written notifications. In case of a tie, a decision is made, for which the Chairman of the Board voted. When voting, each member of the Board has one vote.

The Secretary of the Board shall maintain records of the meeting of the Board. Decisions of the Board are made out by a protocol, which must be signed by all the members of the Board and the Secretary of the Board who are present at the meeting. The records should contain the questions put to vote, the results of voting on them with the reflection of the result of voting of each member of the Board on each issue.

67. In the performance of their duties, the members of the Board shall act in the interests of the Partnership reasonably and in good faith. Members of the Board may be held liable at the request of the Sole Participant for damages caused to them by the Partnership in accordance with the law.

68. The Chairman and members of the Board are prohibited from:

1) to conclude deals with the Partnership aimed at obtaining property benefits from it (including donation, loan, gratuitous use agreements, purchase and sale agreements, etc.) without the consent of the Sole Participant;

2) receive a commission fee, both from the Partnership itself and from third parties for transactions entered into by the Partnership with third parties;

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

4) carry out entrepreneurial activities competing with the activities of the Partnership;

5) to work in other organizations without the consent of the Supervisory Board.

69. The restrictions provided for in subparagraphs 1) -3) of paragraph 68 of the Charter of the Partnership shall also apply to the spouse, all direct descending and ascending relatives, as well as the siblings of the chairman and members of the Management Board.

70. The sole participant has the right to demand compensation in court for the Association's chairman and members of the Board of losses caused to the Partnership by violation of the prohibitions provided by paragraph 68 of the Charter of the Partnership by them or their above-mentioned relatives.

71. The Chairman of the Board is responsible for the work of the Partnership before the Sole Participant.

72. The Chairman of the Board is competent in all matters not within the competence of the Sole Participant, Supervisory Board and Board including:

1) heads the Board of the Partnership;

2) organizes and ensures the preparation and implementation of decisions of the Sole Participant, the Supervisory Board, the submission of reports on their implementation and on the results of the Partnership;

3) acts without the power of attorney on behalf of the Partnership, including representing the Partnership in relations with third parties, including state bodies, courts, on the activities of the Partnership within the limits of the powers granted by the Sole Participant and the decisions of the Supervisory Board, as well as those specified in this Charter;

4) issues powers of attorney with the right to represent the Partnership, in relations with third parties, including with the right of substitution;

5) conclude, on behalf of the Partnership, in accordance with the procedure established by law, this Charter and internal documents of the Partnership;

6) dispose of the assets of the Partnership, including monetary funds, within the limits of competence determined by this Charter and the internal documents of the Partnership approved by its parent bodies;

7) approves the annual plan of state purchases of goods, works and services purchased by the Partnership;

8) convene meetings of the Board and submit necessary materials for consideration;

9) assigns the performance of his duties to one of the members of the Board on the basis of an order in case of his absence;

10) conclude and terminate on behalf of the Partnership employment contracts with members of the Board, the Audit Commission and the Secretary of the Supervisory Board;

11) on behalf of the Partnership concludes and terminates labor contracts (contracts of employment) with the employees of the Partnership, and also issues orders on their appointment, on their transfer and dismissal, determines the system of remuneration of labor, establishes the amount of official salaries and personal allowances, solves questions bonuses, takes incentive measures and imposes disciplinary sanctions;

12) assigns the functions of the Secretary of the Board to one of the employees of the Partnership;

13) appoints and dismisses heads of branches and representative offices of the Partnership;

14) coordinates and directs the work of branches and representative offices of the Partnership;

15) implements the personnel policy of the Partnership, including approves the rules of the labor schedule;

16) determine the working hours of the Partnership;

17) distributes duties, as well as powers and responsibilities of officials and other employees of the Partnership;

18) issues orders and gives instructions binding on all employees of the Partnership;

19) approve the internal documents of the Partnership, not referred to the competence of other bodies of the Partnership, including provisions on structural divisions, official and other instructions;

20) opens bank and other accounts of the Partnership, signs payment documents of the Partnership;

21) organizes anti-corruption works and bears personal responsibility for this work;

22) take decisions on all other issues relating to the current activities of the Partnership, necessary for the performance of tasks, and not within the competence of the bodies of the Partnership and its other officials.

**SECTION 10. THE FORMATION, COMPETENCE AND ORGANIZATION OF ACTIVITIES OF THE AUDITING COMMISSION**

73. In order to control the financial and economic activities of the Partnership, by the decision of the Sole Participant the Audit Commission shall be formed consisting of 3 (three) people.

74. The members of the Audit Commission, including the head, are appointed and dismissed by the Sole Participant for a period not exceeding three (3) years.

75. The Audit Commission in accordance with the procedure established by the Sole Participant:

1) mandatory reviews of the annual financial statements of the Partnership before its approval by the Sole Participant. The sole participant is not entitled to approve the annual financial statements without the conclusion of the Audit Commission or the audit report;

2) provide the Sole Participant, the Supervisory Board with independent and objective information on the activities of the Partnership;

3) assess, advise and contribute to the improvement of internal control and corporate governance, using a systematic and consistent approach;

4) performs other functions within the framework of the audit of financial and economic activities that are within its competence, in accordance with the internal documents of the Partnership.

76. The Audit Commission is directly subordinate to the Sole Participant and reports to it on its work.

77. The members of the Audit Commission, including the manager, cannot be elected to the Supervisory Board and the Board.

78. The head of the Audit Commission has the right to attend the Supervisory Board meetings, which consider issues related to the activities of the Audit Commission, propose issues for inclusion in the agenda of the Supervisory Board meeting.

79. The Audit Commission has the right of unimpeded access to all the documentation and information of the Partnership in compliance with the requirements for the protection of officials, commercial and other secrets protected by law. At the request of the Audit Commission, the members of the Management Board are obliged to give necessary explanations either orally or in writing.

80. Labor relations between the Partnership and the members of the Audit Commission are regulated by labor legislation, this Charter, the Regulations on the Audit Commission and labor contracts.

81. The tasks, functions and working procedures of the Audit Commission are determined by the Regulation on the Audit Commission approved by the Sole Participant.

**SECTION 11. OFFICIALS OF THE PARTNERSHIP**

82. Officials of the Partnership:

1) perform the duties assigned to them in good faith and use the methods that most closely reflect the interests of the Partnership and the Sole Participant;

2) shall not use or allow the use of the Partnership's property in contradiction with the Charter of the Partnership, decisions of the Sole Participant and the Supervisory Board;

3) are obliged to ensure the integrity of accounting and financial reporting systems, including the conduct of an independent audit;

4) control the disclosure and provision of information on the activities of the Partnership in accordance with the requirements of the legislation;

5) are obliged to maintain confidentiality of information on the activities of the Partnership, including within three years from the date of termination of work in the Partnership, unless the internal regulatory documents of the Partnership established otherwise.

83. The officials of the Partnership shall bear the responsibility established by the legislation to the Partnership and the Sole Participant for the harm caused by their actions and (or) inaction and for losses incurred by the Partnership.

**SECTION 12. FINANCIAL REPORTING, RECORDS AND AUDIT**

84. Accounting and financial reporting is carried out in accordance with the legislation on accounting and financial reporting and accounting policies prepared in accordance with International Financial Reporting Standards and approved by the Supervisory Board.

85. Annual financial reports are subject to prior approval by the Supervisory Board. Approval of the annual financial reports of the Partnership is made by the decision of the Sole Participant.

86. To check and confirm the reliability of annual financial reports, as well as the current state of affairs, the Partnership is obliged to audit the annual financial reports.

An audit of the financial reports of the Partnership may also be conducted at the initiative of the Sole Participant.

If the Board evades carrying out an audit of the financial reports of the Partnership, an audit can be appointed by a court decision on the suit of any interested person.

**SECTION 13. DISTRIBUTION OF NET INCOME**

87. The income of the Partnership is determined by the results of its activities for the year on the basis of financial statements.

88. The decision to pay part of the net income for the year is taken by the Sole Participant.

89. The sole participant takes measures to transfer part of the net income from the share of participation in the Partnership and its timely transfer in the amount established by law.

90. The net income received by the Partnership as a result of its activities for the year is distributed in accordance with the decision of the Sole Participant.

**SECTION 14. WORK COMMUNITY**

91. The Partnership guarantees the provision of all social and economic rights defined by law to employees.

92. The employment incomes of each employee are not limited to the maximum amount and are taxed in accordance with established rules.

93. The partnership determines the forms and a wage system, stipulates the amount of the tariff and salaries of employees in the employment contracts.

94. The Partnership is obliged to provide safe working conditions for all employees and is liable for damage caused to their health and ability to work in the order established by the legislation.

**SECTION 15.TERMINATION OF ACTIVITY**

95. The decision to liquidate, reorganize and change the name of the Partnership is made by the Government of the Republic of Kazakhstan.

96. The reorganization of the Partnership (merger, division, separation, transformation) shall be carried out in accordance with the procedure provided for by legislation.

97. The liquidation of the Partnership is carried out by the liquidation commission appointed by the Sole Participant or the court. Since the appointment of the liquidation commission, the authority to manage the affairs of the Partnership passes to it.98. Liquidation is carried out in accordance with the procedure prescribed by the current legislation.

99. The liquidation is deemed to be completed, and the Partnership has ceased to operate since the entry of this record in the National Registry of Business Identification Numbers.

**SECTION 16. FINAL PROVISIONS**

100. In everything that is not regulated by this Charter, the Partnership is guided by legislation and internal regulatory documents

101. The Charter enters into force from the date of approval by the Sole Participant.